

2017 ANNUAL REPORT



The voice of the region at BusinessNZ



TĒNĀ KOUTOU

Welcome to the Otago Southland Employers' Association Annual Report 2017.

This document provides an overview of our organisation's activities over the last year and a snapshot of our financial position.

The OSEA is a service-based organisation, offering a diverse portfolio of services – from employment law advice to health and safety consultancy, events and networking, business mentoring, Callaghan Innovation research and development grants and NZTE capability development vouchers at your place, to training facilities at ours, or in-house if you would prefer. In everything we do we aim to provide our members with the best possible experience. We hope this document, in a small way, reflects this approach.

Virginia Nicholls

Chief Executive Officer

Cover photo: The OSEA gavel was presented by the New Zealand Employers Federation (Inc) to The Otago Employers' Association, and has the names of each of the Presidents engraved on the side of the sound block.

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A national voice for business and employers when policies and regulations affecting business are formulated. We are a founding member of BusinessNZ.



PRESIDENT AND CEO REPORT 2017

For the past 127 years we have been privileged to provide services to our members in the Otago and Southland region. This last year has been one of change, and we are pleased to finish it in a positive place.

In the last twelve months we have welcomed more members to your association, provided you with more free legal advice, free member events, and more training opportunities throughout the region than ever before. Free events included briefings from ambassadors, politicians, government departments and presentations from business leaders, while many of our members chose to upskill their people with us in employment and human resource matters, health and safety, management and leadership, business development, customer service and sales, personal skills development and information technology.

As a result of all this activity, our income increased from last year by 10.2% (\$177,970) to \$1,920,228, while our expenses increased just 1.7% (\$30,568) to \$1,853,205, leaving us with a surplus of \$67,023.

After looking closely at our direct costs, we have decided to send more communications by email and provide more correspondence online. Our Annual Report, now delivered in a digital format instead of in hard copy, is an example of this. As a result of such initiatives, our print

and postage costs have declined. We still print and send to you our Update magazine twice yearly, although you can now request a digital-only copy.

In July we opened new premises in Invercargill, and have appreciated the way in which you have supported the venture. Our lawyer there, Angela MacKenzie provides members with employment-related legal advice, supplementing our Dunedin lawyers, Managing Solicitor Diana Hudson, Solicitor David Browne and Advocate Grant Walker. The arrangement works well and better services our more southern members.

Advocacy on behalf of our members is another important part of our role and we have continued to provide a voice for business across the region in an effort to constructively influence the environment in which we all operate. Along with the Employers Manufacturers Association (Northern), Business Central and the Canterbury Employers' Chamber of Commerce, we are fortunate to be a founding partner of BusinessNZ. This relationship provides us with direct access to the largest



business advocacy group in the country and gives us access to subject-specific experts who communicate with all the political parties in the seat of government. The connection also links us with Export NZ, Manufacturing NZ, the BusinessNZ Energy Council, the Sustainable Business Council and Buy NZ Made – links which ensure we can communicate Otago and Southland issues to them while also keeping abreast of developments in other regions and at a national level.

At a regional level, as part of the Otago Regional Business partnership with the Dunedin City Council and the Otago Chamber of Commerce, we have continued to provide free services to assist business in our region. These include facilitating business mentoring and delivering Callaghan Innovation research and development grants and NZTE capability development vouchers. We are grateful to the Otago Community Trust for its support of our community mentors programme, and want to take this opportunity to acknowledge the many members who, as mentors, volunteer their time and expertise to mentor other businesses across our region.

None of these achievements or ongoing work would have been possible without the OSEA team, whom we want to thank for their entrepreneurship, commitment and unceasing support of our members.

We are also fortunate to have sound governance from a dedicated, talented board who represent members across the region, from Queenstown, Cromwell, Invercargill, Gore and Dunedin. Two board members, Fraser Liggett and Tony Allison, resigned this year, and we'd like to take this opportunity to thank Fraser and Tony for their commitment.

Finally, we'd like to thank you – our members – for your ongoing support. We may be one of the smaller regions in New Zealand, but we have a voice that needs – and deserves – to be heard. Without your commitment this would not happen.



Andrew Leys
President



Virginia Nicholls
Chief Executive Officer

BOARD MEMBERS

EXECUTIVE

PRESIDENT

Andrew Leys Hospice Southland

VICE PRESIDENT

Stuart McLauchlan GS McLauchlan & Co

Michael Turner Polson Higgs

DIRECTORS

Kate Skeggs Bank of New Zealand

Sharon Paterson Waikaka Station Ltd

Warwick Hawker Central Otago District Council

Joanne Conroy APL Property

Hamish Sutherland Zeagold Foods

Lesley Brook Otago Polytechnic

LIFE MEMBERS

Stan W B Duncan Q.S.O

Michael Ferrari MNZM

Phillip Broughton Polson Higgs

BUSINESS NEW ZEALAND COUNCIL

Andrew Leys Hospice Southland

Virginia Nicholls OSEA (alternative)

RESIGNED BOARD MEMBERS

Tony Allison (resigned Feb 2017)

Fraser Liggett (resigned Mar 2017)

ANDREW LEYS President

Hospice Southland

Andrew recently moved back to Invercargill to take up the position of Chief Executive of Hospice Southland. Previously, Andrew held the position of CEO for Credit Union South. In 2001 Andrew's achievements were recognised by the World Council of Credit Unions when he was the inaugural winner of the WOCCU Young Credit Union Professional Award. Other appointments include director of the NZ Association of Credit Unions, and President of the Chamber of Commerce Southland.



STUART MCLAUHLAN

GS McLauchlan & Co

Stuart is a chartered accountant, partner of GS McLauchlan & Co. He is a fellow of Chartered Accountants Australia and New Zealand and a chartered fellow of the Institute of Directors. Stuart is currently chairman of Scott Technology Ltd, PHARMAC, UDC Finance Ltd and Dunedin International Airport Ltd, as well as being a director of a number of private companies. He is councillor at the University of Otago and governor of the New Zealand Sports Hall of Fame.



MICHAEL TURNER

Polson Higgs

Michael is a Fellow Chartered Accountant (FCA) with the Accounting and Business Advisory firm Polson Higgs working with large and small businesses mainly in the tax area. He has been advising clients for 26 years and has been a Partner for the last 16 years. He is passionate about business and in particular how to minimise the impact of taxation on business.



SHARON PATERSON

Waikaka Station Ltd

Sharon is a director / owner in a Family Sheep and Beef farm Waikaka Station Ltd. Married with 2 grown married sons. She worked for six years in the corporate world as a Rural Manager on the road for an Insurance company. Currently she is secretary/event manager for Southern Field Days, the second largest agricultural based field days in New Zealand.



KATE SKEGGS

Bank of New Zealand

Kate is a Commercial Partner with Bank of New Zealand, based in Queenstown and working with clients in the Central Otago Southern Lakes region. Kate has been in the banking industry since 2004 when she graduated from the University of Otago with Commerce and Science degrees. Kate is also on the Board of Invest South.



WARWICK HAWKER

Central Otago District Council

Warwick is the Economic Development Manager with the Central Otago District Council where he works on the policies and processes that help members of the Central Otago community improve their economic and social well-being. Prior to joining the CODC Warwick was with the New Zealand public service, much of the time with the Ministry of Foreign Affairs and Trade. His assignments included Ambassador to Iran and High Commissioner to Tonga.



JOANNE CONROY

APL Property

Joanne is based in Queenstown, where she has lived since 1984. She has worked mostly in the property industry with a focus on commercial and government property. Joanne owned APL Property Queenstown and although she has sold the business she continues to provide Property Advisory to the Company. She has a number of Governance positions including as Chair of the South Island Trust Board of St John, member of the Priory Trust Board of St John, Trustee of the Queenstown Lakes Community Housing Trust and is a member of the Board for the Property Advisory Council of the New Zealand Property Institute. Joanne joined the Board at the beginning of 2016.

**LESLEY BROOK**

Otago Polytechnic

Lesley is employed in the Research and Postgraduate office of Otago Polytechnic, with a focus on delivering research by staff and students that benefits industry and the wider community. Previously Lesley was a lawyer for 22 years, leaving practice in September 2014 after 13 years as a partner in the firm Anderson Lloyd. During that period she practiced continuously in employment law, amongst other things. She has previously served on the Council of Telford Rural Polytechnic, until its merger with Lincoln University, and is currently on the Audit and Risk Committee of the Cancer Society (Otago/Southland).

**HAMISH SUTHERLAND**

Zeagold Foods

Hamish is the General Manager of Zeagold Foods, the egg division of Mainland Poultry. Zeagold is now ranked within the top 30 suppliers of branded goods to supermarkets in New Zealand. He moved south from Auckland at the inception of Mainland Poultry 18 years ago. Prior to commencing at Mainland, Hamish was the General Manager Marketing for Goodman Fielder Milling and Baking.



STAFF PROFILES

CHIEF EXECUTIVE

Virginia Nicholls LLB, BCom, DipHSc, DipTchg, FCIM

MANAGING SOLICITOR

Diana Hudson LLB

BARRISTERS AND SOLICITORS

David Browne LLB

Angela MacKenzie LLB BCom

TRAINING AND EVENTS

Joanne O'Connor MNZIM Dip.Mgt

Rachelle Blatch

ADMINISTRATION MANAGER

Nadia Gauchet

RECEPTIONIST / MEMBERSHIP SERVICES

Anne-Marie McKay

HEALTH AND SAFETY

Chris Webb GradDip. OHS

Loretta Holland

BUSINESS DEVELOPMENT

John Rigby

VIRGINIA NICHOLLS

Chief Executive Officer

Virginia oversees all aspects of OSEA operations including representing BusinessNZ in Otago and Southland.

She brings experience in small, medium and large businesses across the manufacturing, education, tourism and the not-for-profit sectors. This includes senior management roles in fast moving consumer goods-based companies and tertiary education.



DIANA HUDSON

Managing Solicitor

Diana heads our in-house legal team and has extensive legal and practical experience in employment law, health and safety and human resources. A Chartered Director with the Institute of Directors and a qualified mediator, she returned to work with us in 2008 after being HR and Compliance Manager for a national company.



DAVID BROWNE

Solicitor

David earned his law degree from the University of Otago in 2009 and joined our legal team in 2014. He hails from the state of Virginia on the east coast of the US. He is pleased to now call Aotearoa his home.



ANNE-MARIE MCKAY

Receptionist / Member Services

Anne-Marie is the first point of contact for most people with the Association, and her outstanding service is well respected amongst members. She has been with us since 2007 and has an effective background in administration.



ANGELA MACKENZIE

Solicitor

Angela is our Solicitor based in Invercargill. Born and raised in Dunedin, Angela made the move to Southland in 2004 to practice in the area of employment law and then she decided to get into family law and practised in this area for almost 8 years. She joined us in October 2016 and is enjoying working in the area of employment law again.



JOANNE O'CONNOR

Professional Development Manager

Joanne works closely with businesses, large and small, throughout Southland, Otago and Central Otago to ensure they have easy access to a suite of high quality professional development business training and events.



JOHN RIGBY

Business Development Manager

John manages member relationships as well as our relationships with Export NZ, Business Mentors NZ, Callaghan Innovation research and development grants and NZTE capability development vouchers, and our other important business partners throughout Otago and Southland.



RACHELLE BLATCH

Training and Events Co-ordinator

Rachelle is responsible for event managing the training team's extensive range of professional development training programmes and events across Otago and Southland. The Otago Southland Employers' Association welcomed Rachelle to their team in March 2010.



CHRIS WEBB

Health and Safety Manager

Chris joined us in October 2016 and advises and trains members in Health and Safety. Chris is experienced in designing, developing and conducting nationally accredited and non-accredited training, implementing safety systems, auditing, investigations, risk management and contractor management.

**NADIA GAUCHET**

Administration Manager

Nadia oversees administration, including our accounting and financial services. Nadia joined us in June 2017 and has a number of years administration experience.

**LORETTA HOLLAND**

Health and Safety Administrator

Loretta assists the Health and Safety team and is the point of contact for enquiries regarding health and safety in the workplace. She joined us in June 2012 and is based in our Dunedin office.



KEY FACTS:

EMPLOYMENT LAW:



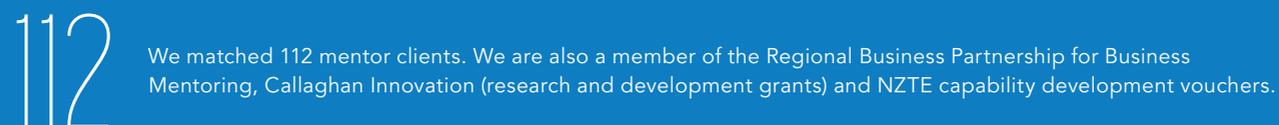
TRAINING:



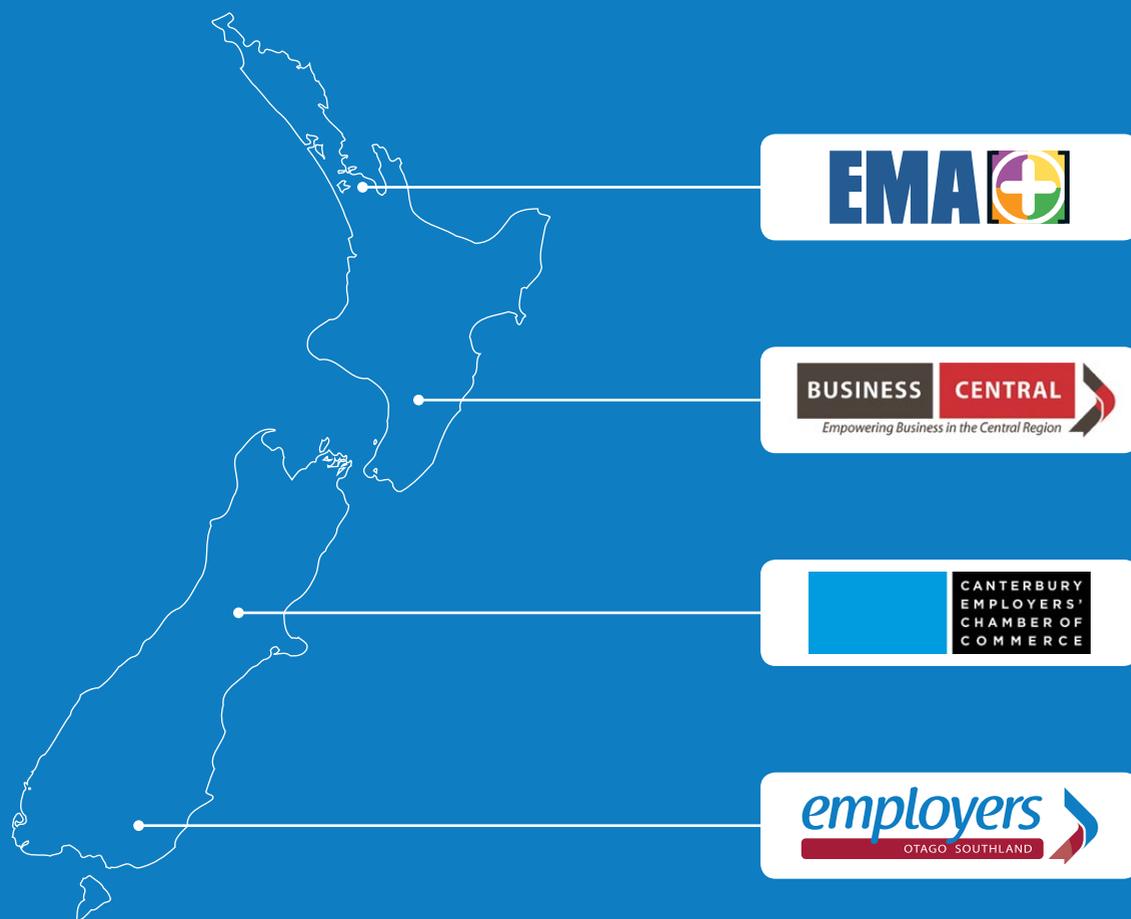
EVENTS:



BUSINESS MENTORING:



OUR SISTER ORGANISATIONS:



BusinessNZ family:

The BusinessNZ family has its origins in four regional organisations of member businesses that together cover the entire country.

Employers and Manufacturers Association (EMA) Northern, Business Central (BC), Canterbury Employers' Chamber of Commerce (CECC) and the Otago Southland Employers' Association (OSEA) have been serving their member businesses for over a hundred years with legal advice, human resources and other services.

The regional presence is the strength behind BusinessNZ's advocacy on behalf of all New Zealand business. By joining the regional business organisation in their area, members automatically become a member of BusinessNZ.

FINANCIAL REPORT

OTAGO SOUTHLAND EMPLOYERS' ASSOCIATION INCORPORATED

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
REVENUE			
Subscriptions		598,133	562,953
Less Business New Zealand Levy		(124,011)	(124,011)
Less Members' vouchers redeemed		(17,873)	(16,535)
		456,249	422,407
Secretarial and industrial fees		395,534	361,180
Training fees		1,024,514	872,675
Other income		9,351	82,983
Rental and outgoings		32,063	-
Interest income		2,517	3,013
TOTAL REVENUE		1,920,228	1,742,258
LESS EXPENSES			
Occupation expenses	2	111,032	58,313
Membership services		152,965	140,628
Administration expenses	2	1,521,199	1,550,705
Depreciation expense	5	68,009	72,991
TOTAL EXPENSES		1,853,205	1,822,637
NET SURPLUS (DEFICIT) BEFORE INCOME TAX		67,023	(80,379)
Less Income tax expense	9	-	-
NET SURPLUS (DEFICIT) AFTER INCOME TAX		\$67,023	\$(80,379)

OTAGO SOUTHLAND EMPLOYERS' ASSOCIATION INCORPORATED

STATEMENT OF MOVEMENTS IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
Equity at the beginning of the year	997,536	1,077,915
Net surplus (deficit) after taxation	67,023	(80,379)
Total recognised revenues and expenses for the year	67,023	(80,379)
Equity at the end of the year	\$1,064,559	\$997,536

This statement should be read in conjunction with the Notes to the Accounts on pages 17 to 23.

OTAGO SOUTHLAND EMPLOYERS' ASSOCIATION INCORPORATED
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
MEMBERS FUNDS			
General funds	3	201,987	134,964
Development fund		55,335	55,335
Property revaluation reserve	4	807,237	807,237
		\$1,064,559	\$997,536
MEMBERS FUNDS			
<i>REPRESENTED BY:</i>			
NON CURRENT ASSETS			
Property, plant and equipment	5	1,061,722	1,124,395
CURRENT ASSETS			
Cash on hand		200	200
ANZ Bank current account		228,678	57,894
ANZ Bank short term deposits		-	22,709
ANZ Bank call account		31,831	81,636
Trade and other receivables	6	218,749	222,630
Stock on hand		-	11,777
Prepayments		2,966	24,665
		482,424	421,511
		1,544,146	1,545,906
TOTAL ASSETS			
<i>LESS LIABILITIES</i>			
CURRENT LIABILITIES			
Goods and Services Tax payable		21,019	25,857
Sundry payables and accruals	7	209,159	217,496
Subscriptions fees received in advance		147,052	127,679
Course fees received in advance		22,953	61,322
Finance leases - current portion	8	33,149	41,704
		433,332	474,058
NON CURRENT LIABILITIES			
Finance leases - non current portion	8	46,255	74,312
		46,255	74,312
TOTAL LIABILITIES			
		479,587	548,370
NET ASSETS			
		\$1,064,559	\$997,536

Authorised for issue
 on behalf of the board
 on 29 September 2017.

President

Chief Executive

This statement should
 be read in conjunction
 with the Notes to the
 Accounts on pages 17
 to 23.

OTAGO SOUTHLAND EMPLOYERS' ASSOCIATION INCORPORATED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
CASH WAS PROVIDED FROM:		
Subscriptions from members	617,505	596,789
Receipts from trade groups and customers	1,409,037	1,354,786
Interest received (net of withholding tax)	2,580	3,013
	2,029,122	1,954,588
CASH WAS APPLIED TO:		
Payment of Business New Zealand Levy	(124,011)	(124,011)
Payments to suppliers and employees	(1,762,908)	(1,762,908)
	(1,888,163)	(1,886,919)
NET CASH FLOW FROM OPERATING ACTIVITIES	140,959	67,669
CASH FLOWS FROM INVESTING ACTIVITIES		
CASH WAS APPLIED TO:		
Purchase of property, plant & equipment	(6,077)	(160,770)
NET CASH FLOW (TO) INVESTING ACTIVITIES	(6,077)	(160,770)

Continued over >>

This statement should be read in conjunction with the Notes to the Accounts on Pages 17 to 23.

OTAGO SOUTHLAND EMPLOYERS' ASSOCIATION INCORPORATED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017 cont'd

	2017	2016
	\$	\$
CASH FLOWS FROM FINANCING ACTIVITIES		
CASH WAS PROVIDED FROM:		
Finance leases	6,077	114,429
CASH WAS APPLIED TO:		
Reduction in finance leases	(42,689)	(36,992)
NET CASH FLOW FROM/(TO) FINANCING ACTIVITIES	(36,612)	77,437
NET INCREASE (DECREASE) IN CASH HELD	98,270	(15,664)
ADD OPENING CASH BROUGHT FORWARD	162,439	178,102
ENDING CASH CARRIED FORWARD	\$260,709	\$162,439
MADE UP OF:		
Cash on hand	200	200
ANZ Bank current account	228,678	57,894
ANZ Bank short term deposits	-	22,709
ANZ Bank call account	31,831	81,636
	\$260,709	\$162,439

This statement should be read in conjunction with the Notes to the Accounts on Pages 17 to 23.

OTAGO SOUTHLAND EMPLOYERS' ASSOCIATION INCORPORATED
NOTES FOR THE YEAR ENDED 30 JUNE 2017

1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

These special purpose financial statements are for the Otago Southland Employers' Association Incorporated which is incorporated under the Incorporated Societies Act 1908.

The special purpose financial report was authorised for issue by the Board on 29 September 2017.

STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The accounting principles recognised as appropriate for the measurement and reporting of the Statement of Financial Performance, Statement of Financial Position, and Statement of Cash Flows on a historical cost basis are followed by the society, unless otherwise stated in the Specific Accounting Policies.

The information is presented in New Zealand Dollars. All values are rounded to the nearest dollar. The financial statements have been prepared on the assumption that the Association is a going concern.

SPECIFIC ACCOUNTING POLICIES

The following specific accounting policies which significantly affect the measurement of surpluses and of financial position have been applied:

A) Revenue

Revenue comprises the amount received and receivable of services supplied to customers in the ordinary course of business after deduction of the Business New Zealand levy and members vouchers redeemed.

B) Subscriptions

Subscriptions are recognised in the accounting period in which the service for those subscriptions are rendered.

C) Income Tax

The Association is liable to pay tax on any non-member income.

D) Depreciation

Property, plant and equipment are depreciated at the following depreciation rates:

Depreciation Rates		
Buildings	0.0 - 11.4%	Straight line
Buildings – air conditioner	10.0%	Diminishing value
Office furniture and fittings	9.5 - 60.0%	Diminishing value
Office machines	20.0 - 80.4%	Straight line & diminishing value
Motor vehicles	36.0%	Diminishing value

OTAGO SOUTHLAND EMPLOYERS' ASSOCIATION INCORPORATED
NOTES FOR THE YEAR ENDED 30 JUNE 2017 cont'd

1. STATEMENT OF ACCOUNTING POLICIES (Cont'd)

E) Property, Plant and Equipment

The cost of purchased assets is the value of the consideration given to acquire and the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended service. Land and Buildings are revalued as determined by the Board.

F) Leased Assets

Leases under which the Association assumes substantially all the risk and rewards incidental to ownership have been classified as finance leases and are capitalised. The asset and corresponding liability are recorded at inception of the lease at the fair value of the leased asset, at amounts equivalent to the discounted present value of minimum lease.

G) Trade and other Receivables

These are stated at the estimated realisable value after providing against debts where collection is doubtful.

H) Goods and Services Tax

The Association is registered for GST. All revenue and expense transactions are recorded net of GST. Where applicable, all assets and liabilities have been stated net of GST with the exception of receivables and payables which are stated inclusive of GST.

I) Changes in Accounting Policies

There have been no material changes in accounting policies during the year.

J) Changes in Classification

Following a change in accounting systems and personnel in the 2017 financial year various income and expenses items have been classified under headings more suited to the Association. For this reason certain 2016 comparative figures are not directly comparable.

OTAGO SOUTHLAND EMPLOYERS' ASSOCIATION INCORPORATED
NOTES FOR THE YEAR ENDED 30 JUNE 2017 cont'd

2. EXPENSES

	2017	2016
	\$	\$
Occupation expenses comprise:		
Rental	45,830	8,004
Repairs & maintenance	15,496	6,788
Rates	10,202	10,555
Insurance- building	5,206	3,811
Power	14,791	10,010
Cleaning & gardening	19,507	19,145
	111,032	58,313
Administration expenses include:		
Audit fees	4,830	4,600
Accounting fees	18,653	26,675
Bad debts	8,064	878
Gain on disposal of assets	(2,120)	-
Motor vehicle expenses	29,164	33,553
Insurance - other	5,024	9,623
Salaries and employment related expenses	961,760	1,063,804
Subcontractors	306,946	221,884
Other expenses	188,878	189,688
	1,521,199	1,550,705

OTAGO SOUTHLAND EMPLOYERS' ASSOCIATION INCORPORATED
NOTES FOR THE YEAR ENDED 30 JUNE 2017 cont'd

3. GENERAL FUNDS

	2017	2016
	\$	\$
Opening Balance	134,964	215,343
Less operating surplus (deficit) after income tax	67,023	(80,379)
Closing Balance	\$201,987	\$134,964

4. PROPERTY REVALUATION RESERVE

	2017	2016
	\$	\$
Property revaluation reserve	\$807,237	\$807,237

The property revaluation reserve relates to land and buildings, which were revalued in 2011.

OTAGO SOUTHLAND EMPLOYERS' ASSOCIATION INCORPORATED

NOTES FOR THE YEAR ENDED 30 JUNE 2017 cont'd

5. PROPERTY, PLANT AND EQUIPMENT

	2017 Cost or Reval'n \$	2017 Dep'n Expense \$	2017 Acc'd Dep'n \$	2017 Book Value \$
Freehold Land at valuation	360,000	-	-	360,000
Buildings at valuation	670,000	13,387	89,316	580,684
Office furniture and fittings at cost	135,101	11,583	69,653	65,448
Motor vehicles at cost	27,920	310	27,370	550
Leased assets at cost	158,687	38,349	112,883	45,804
Non-leased assets at cost	80,975	4,380	71,739	9,236
	\$1,432,683	\$68,009	\$370,961	\$1,061,722
	2016 Cost or Reval'n \$	2016 Dep'n Expense \$	2016 Acc'd Dep'n \$	2016 Book Value \$
Freehold Land at valuation	360,000	-	-	360,000
Buildings at valuation	670,000	13,400	75,929	594,071
Office furniture and fittings at cost	134,578	13,281	57,342	77,236
Motor vehicles at cost	54,542	753	53,203	1,339
Leased assets at cost	158,687	34,871	74,474	84,213
Non-leased assets at cost	74,948	10,686	67,412	7,536
	\$1,452,755	\$72,991	\$328,360	\$1,124,395

The land and buildings are revalued periodically and were revalued to fair value of \$1,030,000 on 30 June 2011.

The values were determined by an independent registered valuer from TelferYoung (Otago) Limited.

The most recent rateable valuation of the freehold land and buildings is \$910,000.

OTAGO SOUTHLAND EMPLOYERS' ASSOCIATION INCORPORATED
NOTES FOR THE YEAR ENDED 30 JUNE 2017 cont'd

6. TRADE AND OTHER RECEIVABLES

	2017	2016
Trade debtors	218,749	222,567
Interest accrued – bank deposits	-	63
	\$218,749	\$222,630

7. SUNDRY PAYABLES AND ACCRUALS

	2017	2016
Trade creditors	84,006	50,140
Sundry creditors	2,468	13,413
Holiday pay and salary accruals	88,893	141,843
Other accruals	33,792	12,100
	\$209,159	\$217,496

8. FINANCE LEASES

The Association has lease commitments for a computer server to Willis White & Company Limited until September 2017 (monthly repayment of \$932), for Photocopiers to CSG Finance (NZ) Limited until December 2019 (monthly repayments of \$2,384), and Fuji Xerox until July 2020 (monthly repayment \$145).

A new agreement has been entered into with Willis White & Company Limited for a computer server from 18 July 2017 until July 2020 (monthly repayments of \$906).

	2017	2016
Within one year	33,149	41,704
Later than one year but not later than five years	46,255	74,312
Later than five years	-	-
Total	\$79,404	\$116,016

OTAGO SOUTHLAND EMPLOYERS' ASSOCIATION INCORPORATED**NOTES FOR THE YEAR ENDED 30 JUNE 2017 cont'd****9. INCOME TAX**

There is no income tax payable, because there was a loss from non-members of \$57,304 (2016: \$90,540). At 30 June 2017 there are income tax losses of \$411,823 carried forward to offset future non-member taxable income (2016: \$350,430).

10. RELATED PARTIES

There have been no material related party transactions during the year (2016: Nil). There have been no directors' fees paid during the year (2016: Nil). There have been no honorariums paid during the year (2016: Nil).

11. BUSINESS NEW ZEALAND

The Otago Southland Employers Association Incorporated is a founding member of Business New Zealand (after the purchase of the assets of the NZ Employers Federation and the Manufacturers Federation on the 25 October 2001). This membership entitles the Association to a promissory note non-refundable 7.48%, approximately \$107,000. The Association is entitled to the funds only on the dissolution of Business New Zealand. There are no equity risks attaching to this membership in the form of any guarantees or commitments. However, under the arrangements the Association pays an annual levy on subscriptions which is recognised as an expense offset against subscriptions received from members.

12. CONTINGENCIES

There are no contingent assets, contingent liabilities or capital commitments at 30 June 2017 (2016: Nil).

13. SUBSEQUENT EVENTS

There were no events subsequent to 30 June 2017 that required adjustments to or disclosures in these financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF
OTAGO SOUTHLAND EMPLOYERS' ASSOCIATION INCORPORATED



OUR OPINION

We have audited the financial statements of Otago Southland Employers' Association Incorporated (the Association) which comprise the statement of financial position as at 30 June 2017 and the statement of financial performance, statement of movements in equity and statement of cash flows for the year then ended, and notes to the financial statements that include a statement of accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present, in all material respects, the financial position of the Association as at 30 June 2017 and its financial performance and cash flows for the year ended on that date in accordance with the accounting policies defined in the statement of accounting policies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by

the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditors and a member of the Association we have no relationship with, or interests in, the Association. Our membership of the Association has not impaired our independence.

Board's Responsibilities for the Financial Statements

The Board is responsible, on behalf of the Association, for the preparation and presentation of the financial statements in accordance with the accounting policies adopted by the Association and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements the Board is responsible for assessing the Association's ability to continue as a going concern, disclosing as applicable, matters related to going

INDEPENDENT AUDITOR'S REPORT cont'd

concern and using the going concern basis of accounting unless the Board either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

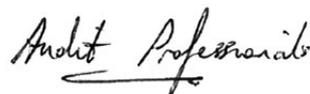
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the External Reporting Board website: https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page8.aspx

Emphasis of Matter – Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to note 1 to the financial statements which describes the basis of accounting. The financial statements are prepared to provide an account of the financial activities of the Association during the year and as a result may not be suitable for any other purpose. This report is made solely to the Board as a body. Our audit work has been undertaken so that we might state to the Board those matters which we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Board, as a body, for our audit work, for this report or for the opinions we have formed.



Chartered Accountants

29 September 2017

Dunedin

PAST PRESIDENTS

OTAGO SOUTHLAND EMPLOYERS' ASSOCIATION

1890 - 1901	J.M. Ritchie	1963 - 1965	W.H. Tucker
1901 - 1904	K. Ramsay	1965 - 1967	D.R. Hunter
1904 - 1910	J.C. Thomson	1967 - 1969	C.J. Read
1910 - 1912	R. Chisholm	1969 - 1971	R.W. Crombie
1912 - 1914	J.W. Henton	1971 - 1973	P.W. Fels
1914 - 1920	F.W. Mitchell	1973 - 1974	E.N. Wilkinson
1920 - 1923	H.F. Sincock	1974 - 1976	D.R. Stewart
1923 - 1926	E. Cameron	1976 - 1978	G.C. Allen
1926 - 1928	W.R. Hayward	1978 - 1980	S.W.B. Duncan
1928 - 1932	F.W. Mitchell	1980 - 1981	G.C. Allen
1932 - 1935	W.A. Flavell	1981 - 1983	S.S. Holden
1935 - 1939	A.J. Allen	1983 - 1984	J.B. Souter
1939 - 1942	G.A. Laurenson	1984 - 1986	P.M. Sawers
1942 - 1943	P.E. Clark	1986 - 1989	N.D. Braithwaite
1943 - 1946	W.E. Earnshaw	1989 - 1991	D.J. Bretherton
1946 - 1948	J. Grant	1991 - 1992	I.M. Shirley
1948 - 1950	L.C. Stephens	1992 - 1993	R.D. Guthrie
1950 - 1951	C.R. Nicolson	1993 - 1995	G.M. Mark
1951 - 1953	W.H. Tucker	1995 - 1998	P. Cooney
1953 - 1955	A.O. Hawkins	1998 - 1999	A. Banks
1955 - 1957	N.C. Gamble	1999 - 2003	M. Ferrari
1957 - 1959	W.M. Smith	2003 - 2012	P. Broughton
1959 - 1961	S.F. Chalmers	2012 - 2014	R. Anton
1961 - 1963	W.A. Williamson	2014 - today	A. Leys



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