

## Notes to the Financial Statements for the Year Ended 31 March 2022

### Reporting Entity

NZNO Gastroenterology Nurses College (GNC) is a college of the New Zealand Nurses Organisation Incorporated. The New Zealand Nurses Organisation (NZNO) is incorporated under the Incorporated Societies Act 1908 and is defined as a public benefit entity.

GNC has a committee of six to eight individuals elected from the membership that work to achieve a number of objectives.

### Objectives of GNC

The objectives of GNC include:

- To encourage and support excellence in gastroenterology nursing in New Zealand.
- To encourage the professional development of gastroenterology nurses in New Zealand.

### Financial Statements of GNC

The GNC financial statements and accompanying notes have been prepared by the NZNO Management Accountant for the purposes of the GNC Committee and its membership.

NZNO auditors Deloitte Limited, audit the financial statements of NZNO which includes a review of the financial transactions of both NZNO and colleges and sections. The auditors give an opinion on the overall NZNO financial statements which include the consolidation of college and section transactions and balances but does not give an opinion on the individual college and section financial statements and their accompanying notes.

Deloitte Limited at the conclusion of their audit provide comments on matters arising during the audit including any findings with respect to individual colleges and sections. For the 2021/22 audit no comments or findings specific to GNC were provided.

### Measurement System

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis are followed by NZNO and have also been used in the preparation of the GNC Financial Statements.

### Goods and Services Tax (GST)

The financial statements are prepared on a GST exclusive basis, except that accounts receivable and accounts payable are stated inclusive of GST where applicable.

### National Office Funding and Administrative Support

NZNO provided funding of \$8,140 in 2021/22 (\$6,752 2020/21) to GNC to meet the costs of Committee meeting expenses. NZNO did not charge GNC for administrative support provided during 2020/21 and 2021/22.

## **Income Tax**

In 2016/17 NZNO agreed that income tax liabilities arising from surpluses on taxable activities (e.g. conferences, training courses) undertaken by colleges and sections would be borne at NZNO level and would no longer be recovered from each college or section. Conversely tax refunds for losses on taxable activities would no longer be reimbursed to colleges and sections.

This change recognised the complexity and time involved in assessing and allocating individual tax liabilities for colleges and sections. Much of the deductible expenditure that could be claimed on behalf of colleges and sections was dependent on an arbitrary allocation of the NZNO administrative overhead against taxable and non-taxable activities.

The impact of this change was first reflected in the 2017/18 Financial Statements.

The one exception is resident withholding tax (RWT) on interest earnings, which is still recognised by each college and section as this is directly related to college and section interest income.