

Notes to the Financial Statements for the Year Ended 31 March 2020

Reporting Entity

The NZNO College of Respiratory Nurses (the College) 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.

The College has a committee of six to eight individuals elected from the membership that work to achieve the following objectives.

Objectives of the College of Respiratory Nurses

The objectives include:

- To promote the respiratory health of individuals, families and communities regardful of their culture, as well as the care of persons with respiratory dysfunction at any stage during their life span.
- To collaborate with other health professionals/practitioners in partnership with clients, whanau/families to ensure optimum respiratory outcomes are achieved.
- The maintenance of a contemporary knowledge base and the implementation of evidence based practices. The College acknowledges the nurse's responsibility in the innovation and promotion of respiratory nursing research.
- The incorporation of the articles of the Treaty of Waitangi, namely partnership, participation and protection in respiratory nursing practice.

Financial Statements of the College of Respiratory Nurses

The College's Financial Statements and accompanying notes have been prepared by the NZNO Management Accountant for the purposes of the College's 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. The 2019/20 audit has not yet been completed and therefore comments or findings specific to the College are not yet available.

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 College's 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.

Amounts shown against GST Refund Due or GST Due for Payment in the Statement of Financial Position are amounts receivable or payable to NZNO. GST is accounted to the Inland Revenue Department for Colleges and Sections on a monthly basis.

National Office Funding and Administrative Support

NZNO provided funding of \$8,238 in 2019/20 (\$9,871 2018/19) to the College to meet the costs of Committee expenses. NZNO did not charge the College for administrative support provided during 2018/19 and 2019/20.

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 NZO 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.