

NZNO College of Stomal Therapy Nursing

Notes to the Financial Statements for the Year Ended 31 March 2021

Reporting Entity

The NZNO College of Stomal Therapy Nursing (CSTN) 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.

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

Objectives of CSTN

The objectives of CSTN include:

- To be the recognised professional organisation for all Stomal Therapy nurses in New Zealand.
- To encourage, promote and provide the development of educational programmes and seminars for Stomal Therapy nurses and those interested in Stomal Therapy care.
- To encourage and support research into Stomal Therapy nursing issues.
- To actively facilitate the ongoing strategic and professional development of Stomal Therapy nurses in conjunction with the appropriate health authorities.

Financial Statements of CSTN

The CSTN financial statements and accompanying notes have been prepared by the NZNO Management Accountant for the purposes of the CSTN 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 2020/21 audit no comments or findings specific to CSTN 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 CSTN 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 \$9,095 in 2020/21 (\$5,120 2019/20) to CSTN to meet the costs of Committee meeting expenses. NZNO did not charge CSTN for administrative support provided during 2019/20 and 2020/21.

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.