

2023 Performance Report

The New Zealand Society of Authors Te Puni Kaituhi o Aotearoa
(PEN NZ Inc)

For the year ended 31 December 2023

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Entity Information

The New Zealand Society of Authors Te Puni Kaituhi o Aotearoa (PEN NZ Inc) For the year ended 31 December 2023

Legal Name of Entity

The New Zealand Society of Authors Te Puni Kaituhi o Aotearoa PEN New Zealand Incorporated

Registration Number

CC 61705

Entity Type and Legal Basis

The New Zealand Society of Authors Te Puni Kaituhi o Aotearoa (PEN NZ Inc) is a not-for-profit incorporated society and a registered charitable entity.

Entity's Purpose or Mission

The New Zealand Society of Authors Te Puni Kaituhi o Aotearoa (NZSA) is the primary professional organisation representing over 1800 writers in Aotearoa New Zealand. Membership is open to published and unpublished writers and stakeholder and industry groups. The New Zealand Society of Authors Te Puni Kaituhi o Aotearoa (PEN NZ Inc) is a not-for-profit incorporated society and a registered charitable entity: CC 61705. NZSA achieved Charitable Status in 2023.

Entity Structure

NZSA is governed by a board of eight.

The President is supported by members representing regional branches, Kaituhi Māori writers and NZSA youth members.

Entity's Governance Arrangements

NZSA has a national office and 8 regional branches plus a Kaituhi Maori branch and youth network. The branches undertake programmes of regional activity with monthly meetings and speakers and provide the chance for writers to meet up around the motu. Branches have both a regional chair and a regional representative on the board, hold AGM's and report annually to national office on their regional activity. National Office reconciles all branch accounts within this financial performance.

Other Entities Controlled by the Entity

The New Zealand Society of Authors Te Puni Kaituhi o Aotearoa (NZSA) does not control any other entities.

Entity's Reliance on Volunteers and Donated Goods or Services

The NZ Society of Authors... (NZSA) is supported by a large national network of volunteers and office holders contributing thousands of hours. There are 10 sub-entities that are run by volunteers: The 8 regional branches have a chair, committee and office holders who run regional meetings and events for their branches and engage with regional festivals and arts events. Similarly, the Te Kahui Māori branch has a chair and komiti and the burgeoning PENS & PJ's youth network is growing and an emerging network championed by the Youth Board representative. Volunteer logs from the branches tally their hours as circa 4000-5000 hours per year, offered by the regional office holders across the 8 regional branches.

Other volunteers offer their services as helpers at events such as roadshows and branch meets. While NZSA pays its senior writers for their work as mentors and assessors and judges for its programmes and prizes, the fees are modest as funding for the programmes has not kept up with inflation. While this ecosystem offers some income for writer's we note that our mentors and assessors work over and above the hours and rate remunerated so their mahi also encompasses a voluntary component as they offer their expertise to work with emerging writers and in support the society. NZSA representatives volunteer across the sector on working boards and committees and all but one of these roles is voluntary. Representatives on the Book Award Trust Board, The Coalition for Books Board, the We Create Steering Committee, the Public Lending Right Advisory Committee, the Robert Burns Fellowship committee and Northtec Management committee. The Copyright Licensing Board reps receive some remuneration for their input. These are the national representative roles.

NZSA also acknowledges the time spent by NZSA members as volunteers and organizing-committee members or chairs of regional arts events such as regional Readers and Writers Festivals, local radio shows and other arts events, as we all contribute and work across the sector to further the visibility of NZ books and writers.

NZSA acknowledges the voluntary PEN NZ letter writing team who undertake the annual programme of letter-writing to international governments protesting the unlawful detention of writers around the world, who are imprisoned and persecuted for their writing. PEN NZ acknowledges the annual Courage Day, the Day of the Imprisoned Writer with regional events and readings.

Physical Address

Kotahitanga, Level 6, 19-21 Como St, Takapuna, Auckland, New Zealand, 0622

Postal Address

PO Box 143, Shortland Street, Auckland, New Zealand, 1140

Approval of Financial Report

The New Zealand Society of Authors Te Puni Kaituhi o Aotearoa (PEN NZ Inc) For the year ended 31 December 2023

The trustees are pleased to present the approved financial report including the historical financial statements of The New Zealand Society of Authors Te Puni Kaituhi o Aotearoa (PEN NZ Inc) for year ended 31 December 2023.

APPROVED



Dr Vanda Symon
President
Date12.8.24.....



Jenny Nagle
Chief Executive
Date ..12.8.24.....

Statement of Service Performance

The New Zealand Society of Authors Te Puni Kaituhi o Aotearoa (PEN NZ Inc) For the year ended 31 December 2023

Description of medium to long term objectives

NZSA national office supports writers through advocacy and representation, providing professional development, and professional services, mentoring and assessment programmes, free contract advice and communications. It administers competitions, prizes, and awards, and provides promotional opportunities for writers.

NZSA's communications include a fortnightly newsletter, a monthly New Books Bulletin, monthly NZSA Connects professional development news, media releases to launch prizes, programmes and awards, social media and four quarterly issues of the New Zealand Author magazines.

The national office supports 8 regional branches, that each manage local outreach, meetings, events, and regional communications with regional representatives on the NZSA Board. In late 2023 NZSA stood up a 9th branch Te Kaituhi Māori. National office offers Professional Development through live events, regional roadshows, webworkshops, mentorship and assessment annual programmes, online Writer Toolkit modules and an annual pitch slam with publishers. It administers prizes and awards for the literary community. Branch meetings foster collegiality between writers' and many offer a selection of regional activities, competitions, meetings, events and speakers.

Each year NZSA has a President of Honour who delivers the annual NZSA Janet Frame memorial Lecture. In 2023, this was awarded to Matua Witi Ihimaera who delivered the lecture in Wellington in conjunction with Verb Festival and the National Library.

Affiliated to PEN International, NZSA supports human rights and freedom of speech campaigns for imprisoned and persecuted writers around the world. NZSA's local advocacy benefits all writers in Aotearoa New Zealand, whether they are members of the society or not, and strives to improve writers' incomes and make New Zealand writing and writers more visible, and more discoverable in a fractured media.

Active advocacy campaigns include Public Lending Right Reform, Copyright protections and championing local writers and books through Read Local, Buy Local campaigns in conjunction with sector bodies. NZSA is an active industry contributor with representation on boards and committees across other sector organisations including The Book Awards Trust, the Public Lending Right Advisory Group, We Create, The Coalition for Books, PEN Writers in Prison, Robert Burns Fellowship Committee and Copyright Licensing New Zealand.

Description of key activities

Performance Measures – NZSA National Office	2023
Membership	
Registered Members	1,812
Podcast Engagement	
NZSA Podcast series: <i>NZSA Live!</i> and <i>NZSA Oral History</i>	1,822
Website Engagement	
Website traffic	76,410
Page views	189,175
Social Media Engagement	
Audience: Instagram Reach	5,300
Audience: Facebook Reach	126,700
Creative New Zealand (CNZ)- supported Programme	
Mentor Programme applications	79
Youth Mentor Programme applications	39

Complete MS Assessment Programme applications	61
Startwrite - CNZ subsidised assessments	25
NZSA Prize/Award Applications	
NZSA Laura Solomon Cuba Press Prize	58
NZSA Peter & Dianne Beatson Fellowship	18
Michael Gifkins Text Prize for an Unpublished Novel	87
CLNZ / NZSA Writers Award	43
CLNZ / NZSA Research Grants	87
Writer Toolkit modules and Webworkshops	
Writer Toolkit Modules (1 free module w/NZSA membership renewal)	
Paid Writer Toolkit transactions	153
Webworkshop attendees	201
NZSA Roadshows	
NZSA Regional Roadshows	2
NZSA Regional Roadshow attendees	101
NZSA Perfect Online Pitch – NZ Publishers	
Pitching slots to publishers author submissions	74
NZ Publishers signed up for the initiative	10

As this is the first year providing a Statement of Service Performance no comparatives have been included.

Statement of Financial Performance

The New Zealand Society of Authors Te Puni Kaituhi o Aotearoa (PEN NZ Inc) For the year ended 31 December 2023

	NOTES	2023	2022
Revenue			
Donations, koha, bequests and other general fundraising activities	1	6,246	150,680
Capital grants and donations		10,000	-
Government service delivery grants/contracts		175,323	225,601
Non-government service delivery grants/contracts		22,000	43,300
Membership fees and subscriptions	1	189,537	195,954
Revenue from commercial activities	1	54,214	78,538
Interest, dividends and other investment revenue	1	9,719	5,806
Other revenue	1	4,316	5,033
Total Revenue		471,355	704,912
Expenses			
Employee remuneration and other related expenses	2	184,286	255,897
Volunteer related expenses		14,908	25,729
Expenses related to commercial activities	2	190,991	230,831
Other expenses related to service delivery		86,780	95,584
Grants and donations made	2	15,650	8,208
Other expenses	2	9,599	5,012
Total Expenses		502,213	621,261
Surplus/(Deficit) for the Year		(30,858)	83,651

This statement should be read in conjunction with the Audit Report and Notes to the Performance Report.

Statement of Financial Position

The New Zealand Society of Authors Te Puni Kaituhi o Aotearoa (PEN NZ Inc)
As at 31 December 2023

	NOTES	31 DEC 2023	31 DEC 2022
Assets			
Current Assets			
Cash and short-term deposits	3	377,303	310,781
Debtors and prepayments	3	1,521	30,332
Total Current Assets		378,824	341,113
Non-Current Assets			
Property, Plant and Equipment		52,988	53,203
Total Non-Current Assets		52,988	53,203
Total Assets		431,812	394,316
Liabilities			
Current Liabilities			
Creditors and accrued expenses	4	35,856	46,194
Employee costs payable	4	40,376	40,891
Deferred revenue	4	75,000	-
Other current liabilities	4	34,108	23,899
Total Current Liabilities		185,340	110,985
Non-Current Liabilities			
Other non-current liabilities	4	1,459	7,459
Total Non-Current Liabilities		1,459	7,459
Total Liabilities		186,799	118,444
Total Assets less Total Liabilities (Net Assets)		245,014	275,872
Accumulated Funds			
Restricted Reserves		170,079	170,079
Discretionary Reserves		74,934	105,793
Total Accumulated Funds		245,014	275,872

This statement should be read in conjunction with the Audit Report and Notes to the Performance Report.

Statement of Cash Flows

The New Zealand Society of Authors Te Puni Kaituhi o Aotearoa (PEN NZ Inc) For the year ended 31 December 2023

	2023	2022
Cash Flows from Operating Activities		
Cash was provided from:		
Donations, koha, bequests and other general fundraising activities	6,249	3,547
Capital grants and donations	10,000	-
Government service delivery grants/contracts	235,782	236,475
Non-government service delivery grants/contracts	25,300	46,885
Memberships fees and subscriptions	218,840	223,525
Receipts from providing commercial activities	135,232	80,195
Interest, dividends and other investment receipts	9,719	5,806
Cash receipts from other revenue	4,901	5,186
Total Cash was provided from:	646,024	601,617
Cash was applied to:		
Payments to suppliers	(363,229)	(390,654)
Employee remuneration and other related expenses	(184,362)	(256,020)
Wages & Honorariums	(14,320)	(24,980)
Grants and donations made	(8,150)	(8,208)
Total Cash was applied to:	(570,061)	(679,862)
Total Cash Flows from Operating Activities	75,963	(78,245)
Cash Flows from Investing and Financing Activities		
Receipts from sale of property, plant and equipment	560	-
Payments to acquire property, plant and equipment	(10,000)	(46,806)
Total Cash Flows from Investing and Financing Activities	(9,440)	(46,806)
Net Increase/(Decrease) in Cash	66,523	(125,050)
Bank Accounts and Cash		
Opening cash	310,781	435,831
Closing cash	377,303	310,781

This statement should be read in conjunction with the Audit Report and Notes to the Performance Report.

Statement of Accounting Policies

The New Zealand Society of Authors Te Puni Kaituhi o Aotearoa (PEN NZ Inc) For the year ended 31 December 2023

Basis of Preparation

This performance report is prepared in accordance with the XRB's Tier 3 (NFP) Standard. The entity is eligible to apply these requirements as it does not have public accountability and has total annual expenses of less than \$2,000,000. All transactions in the performance report are reported using the accrual basis of accounting. This performance report is prepared under the assumption that the entity will continue to operate for the foreseeable future.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period

Revenue Recognition

Membership subscriptions are recognised on receipt of payment, or on receipt of the first payment of an agreement to pay in instalments.

Fees for submitting entries to prize competitions and contestable skills development programmes are paid to acceptance and revenue is recognised on receipt. Entry to the society's online and in-person events, such as webinars and regional roadshows, is by ticket paid for in advance and recognised as revenue on receipt. Interest received is recognised as interest accrues, gross of refundable tax credits.

Grants requiring specified future conditions or workstreams to be met are recognised as a liability on receipt. The grants are recognised as income over the period that the specified conditions are complete, and the associated costs are recognised.

Donations and bequests without conditions are recognised as income on receipt. If conditions apply, the donation or bequest will be recognised initially as a liability and recognised as income when specific conditions are met.

Donations and bequests with conditions are recognised as income on receipt. If conditions apply, the donation or bequest will be recognised initially as a liability and recognised as income when specific conditions are met.

Donations and bequests of money to fund prizes and awards administered by the society will be recognised on receipt and transferred to designated reserves.

Goods and Services Tax (GST)

The entity is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Income Tax

The New Zealand Society of Authors Te Puni Kaituhi o Aotearoa (PEN NZ Inc) achieved charitable status on the 19 October 2023 therefore is wholly exempt from New Zealand income tax from that date.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Accounts Receivable

Accounts receivable are recognised at the date of invoice stated at their estimated realisable value. Individual debts that are known to be uncollectable are written off in the period that they are identified.

Fixed Assets & Depreciation

The entity has the following asset classes with depreciation rates used:

Office Equipment 40-50% DV

Furniture & Fixtures 12-15% DV

Skills Development 10% SL or expected useful economic life

Website & Software Legacy assets 50% DV, New assets 20% SL or expected useful economic life

Notes to the Performance Report

The New Zealand Society of Authors Te Puni Kaituhi o Aotearoa (PEN NZ Inc) For the year ended 31 December 2023

	2023	2022
1. Analysis of Revenue		
Donations, koha, bequests and other general fundraising activities		
Donations	4,246	1,547
Bequests	2,000	149,133
Total Donations, koha, bequests and other general fundraising activities	6,246	150,680
Capital grants and donations		
Grant received - Gaming Charity and others	10,000	-
Total Capital grants and donations	10,000	-
Government service delivery grants/contracts		
Ministry for Culture and Heritage	68,500	124,526
Creative New Zealand	106,823	100,700
Auckland Council	-	375
Total Government service delivery grants/contracts	175,323	225,601
Non-government service delivery grants/contracts		
Grants Received		
Grants Received	1,500	-
Grant - Other	20,500	43,300
Total Grants Received	22,000	43,300
Total Non-government service delivery grants/contracts	22,000	43,300
Memberships fees and subscriptions		
Subs from Members	189,537	195,954
Total Memberships fees and subscriptions	189,537	195,954
Revenue from providing commercial activities		
Administration	7,905	8,639
Advertising	2,979	3,214
Book revenues	(1,007)	3,751
Event Fees	7,010	19,304
Programme & Award Fees	9,478	16,385
Sponsorship	5,835	3,474
NZ Author Subscriptions	3,559	5,570
Workshop & Application Fees	18,454	18,200
Total Revenue from providing commercial activities	54,214	78,538
Interest, dividends and other investment revenue		
Interest Received	9,719	5,806
Total Interest, dividends and other investment revenue	9,719	5,806
Other revenue		
Sundry Income	4,316	5,033
Total Other revenue	4,316	5,033

	2023	2022
2. Analysis of Expenses		
Employee remuneration and other related expenses		
Wages & Salaries	183,774	255,079
ACC Levy	511	819
Total Employee remuneration and other related expenses	184,286	255,897
Volunteer related expenses		
Honorariums	14,908	25,729
Total Volunteer related expenses	14,908	25,729
Expenses related to commercial activities		
Assessment Programme	8,309	6,807
Bad Debts Expense	298	84
Contractors	87,907	91,054
Design, Promotion & Marketing	6,767	3,006
Event Costs	7,652	19,151
Memberships	2,787	2,768
Payments to Mentors	19,709	21,754
Paypal Charges	619	-
Prizes & Awards	9,768	11,781
Postage & Distribution	11,045	9,031
Publishing costs, prize-winning books	1,912	10,550
Purchase of Publications	61	-
Royalty payments	(335)	2,495
Selection Panel, Judges	17,216	20,042
Speakers & Presenters	13,238	27,475
Start Write assessment programme	4,040	4,833
Total Expenses related to commercial activities	190,991	230,831
Other expenses related to service delivery		
Accountant	150	4,655
Audit Fees	7,761	10,800
Bank Charges	562	2,068
Travel Expenses	26,227	25,619
Website Expenses	12,137	3,512
Telephone, Power & Broadband	1,748	1,080
Subscriptions & Levies	7,656	8,241
Stationery	376	142
Entertainment	195	-
General Expenses	2,250	1,125
Insurance	1,941	2,014
Interest paid	19	-
IT Support	1,856	3,305
Office Expenses	445	2,970
Office Rental & Venue Hire	10,347	13,971

	2023	2022
Printing & Photocopy	6,408	6,450
Professional Development	2,115	-
Sponsorships	130	2,230
Meeting Costs	3,384	6,072
IRD Penalty	243	-
Income Tax	831	1,330
Total Other expenses related to service delivery	86,780	95,584
Grants and donations made		
Donations and grants	15,650	8,208
Total Grants and donations made	15,650	8,208
Other expenses		
Depreciation	9,599	5,012
Total Other expenses	9,599	5,012

2023 2022

3. Analysis of Assets

Bank accounts and cash

NZSA Bank Accounts

BNZ	107,934	16,266
Paypal	1,572	1,528
Total NZSA Bank Accounts	109,506	17,794

NZSA Investment Accounts

BNZ	223,532	250,326
Total NZSA Investment Accounts	223,532	250,326

Branch Bank Accounts

ANZ	3,663	3,039
ASB	8,698	9,366
BNZ	21,057	20,166
NBS	6,791	5,871
Westpac	4,058	4,219
Total Branch Bank Accounts	44,266	42,660

Total Bank accounts and cash 377,303 310,781

Debtors and prepayments

Accounts Receivable	1,521	25,124
Accrued Income	-	4,697
Prepayments	-	512
Total Debtors and prepayments	1,521	30,332

2023 2022

4. Analysis of Liabilities**Current Liabilities****Creditors and accrued expenses**

Accounts Payable	21,050	23,650
Accrued Expenses	8,000	13,491
BNZ Credit Card	805	3,053
Covid-19 Subsidy	6,000	6,000
Employee costs payable	40,376	40,891
Total Creditors and accrued expenses	76,232	87,085

Deferred Revenue

Income Received in Advance	75,000	-
Total Deferred Revenue	75,000	-

Other current liabilities

GST	31,991	21,717
Income Tax	2,117	2,182
Total Other current liabilities	34,108	23,899

Total Current Liabilities	185,340	110,985
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Non-Current Liabilities**Other non-current liabilities**

Covid-19 Subsidy	1,459	7,459
Total Other non-current liabilities	1,459	7,459

Total Non-Current Liabilities	1,459	7,459
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5. Property, Plant and Equipment

Asset Class	Opening Balance	Purchases	Disposals	Depreciation	Revaluation	Closing Balance
Furniture & Fixtures	1,680	1,026	1,641	82	0	983
Office Equipment	3,137			1,568	0	1,569
Skills Development	35,361			3,536	0	31,824
Website & Software	13,025	10,000		4,412	0	18,613
Total	53,203	11,026	1,641	9,599	0	52,988

2023 2022

6. Accumulated Funds**Discretionary Reserves**

Opening Balance	105,793	154,986
Capital contributed by owners or members	-	-
Capital returned to owners	-	-
Surplus/(Deficit)	(30,858)	83,651
Distributions paid to owners	-	-
Transfer to restricted or discretionary reserves	-	(132,844)
Revaluation movements	-	-
Transfers from revaluation reserve due to disposal of	-	-
Other movements recognised directly	-	-
Total Discretionary Reserves	74,934	105,793

Restricted Reserves

Opening Balance	170,079	37,235
Restricted Reserves	-	132,844
Total Restricted Reserves	170,079	170,079

Total Accumulated Funds	245,014	275,872
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Breakdown of Reserves

Name	Nature and Purpose	2023	2022
NZSA Laura Solomon Cuba Press Prize	The NZSA Laura Solomon Cuba Press Prize reserves pay for the annual publication of the book by the winner. The publication of the book is paid by NZSA from the Laura Solomon bequest to The Cuba Press for the book to be produced and published and marketed by The Cuba Press.	132,844	132,844
Lilian Ida Smith Bequest	Scholarship/Award is run every 3-4 years to continue this legacy bequest	27,477	27,477
Writers Walk Grants	New Plaque in te reo maori for Wellington harbourside writers walk.	9,758	9,758

2023 2022

7. Income Tax Expense**Contributions to Taxable Profit**

Interest Received	3,968	5,806
Total Contributions to Taxable Profit	3,968	5,806

Deductions from Taxable Profit

Net Interest accrual	-	56
Exemption Non Profit Body	1,000	1,000
Total Deductions from Taxable Profit	1,000	1,056

Taxable Profit (Loss)	2,968	4,750
Tax Payable at 28%	831	1,330

Additions (Deductions) from Tax Payable

Resident Withholding Tax & Adjustment	(29)	(13)
Income Tax Paid (Refunded)	-	(1,763)
Total Additions (Deductions) from Tax Payable	(29)	(1,776)

Last Year Tax Balance	1,315	2,628
Income Tax Payable (Refund Due)	2,117	2,182

8. Deferred Revenue

Description	Purpose and nature of the condition(s)	Date condition(s) expected to be met	Original Amount	2023	2022
Ministry of Culture & Heritage	Support the establishment of Te Kaituhi Maori	30 June 2024	\$143,500	\$75,000	\$0

9. Commitments

There are no commitments as at 31 December 2023 (Last year - nil).

10. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 December 2023 (Last year - nil).

11. Related Parties

Key management personnel

The key management personnel, for the purposes of this disclosure, are the President, Board Members, Chief Executive and Operations Manager. The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration is as follows:

	2023	2022
Total Remuneration		
Senior Management		
Total Remuneration	183,774	167,912
Total FTEs (full time equivalent)	2	2
President		
Honorarium	3,000	13,319
Board Members		
Honorarium	11,908	12,410

12. Wages & Salaries

Wages and salaries for 2023 includes the value of accrued leave \$40,376 (Last year \$40,731)

13. Events After the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report (Last year - nil).

14. Ability to Continue Operating

The entity will continue to operate for the foreseeable future.

HounsellAccountingLtd
Chartered Accountants

B1/129 Onewa Road
PO Box 34 859
Birkenhead
Auckland 0746
Tel: 09 418 2729
Fax: 09 418 2769
a h Tel: 09 418 3184
office@hounsell.co.nz

INDEPENDENT AUDITOR'S REPORT

To the Members of The New Zealand Society of Authors Te Puni Kaituhi o Aotearoa PEN New Zealand Incorporated

Opinion

We have audited the accompanying Performance Report of The New Zealand Society of Authors Te Puni Kaituhi o Aotearoa PEN New Zealand Incorporated on pages 3 to 19, which comprises the Entity Information, the Statement of Service Performance, the Statement of Financial Performance and Statement of Cash Flows for the year ended 31 December 2023, the Statement of Financial Position as at 31 December 2023, a Statement of Accounting Policies and Notes to the Performance Report.

In our opinion, the accompanying Performance Report presents fairly, in all material respects:

- the entity information for the year ended 31 December 2023;
- the service performance for the year ended 31 December 2023, in that the service performance information is appropriate and meaningful and prepared in accordance with the entity's measurement bases or evaluation methods;
- the financial position of The New Zealand Society of Authors Te Puni Kaituhi o Aotearoa PEN New Zealand Incorporated as at 31 December 2023, and its financial performance, and cash flows for the year then ended,

in accordance with the Tier 3 Not-for-Profit (NFP) Standard issued by the New Zealand Accounting Standards Board of the External Reporting Board (XRB).

Basis for Opinion

We conducted our audit of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Statement of Accounting Policies and Notes to the Performance Report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the Entity Information and Statement of Service Performance in accordance with New Zealand Auditing Standard 1 (Revised) 'The Audit of Service Performance Information' (NZ AS1 (Revised)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Performance Report section of our report. We are independent of The New Zealand Society of Authors Te Puni Kaituhi o Aotearoa PEN New Zealand Incorporated in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, 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 auditor we have no relationship with, or interests in, The New Zealand Society of Authors Te Puni Kaituhi o Aotearoa PEN New Zealand Incorporated.

Restriction on Responsibility

This report is made solely to the Members, as a body, in accordance with section 42F of the Charities Act 2005. Our audit work has been undertaken so that we might state to the Members those matters we are required to state to them 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 Members as a body, for our audit work, for this report, or for the opinions we have formed.

Executive's Responsibility for the Performance Report

The Executive are responsible on behalf of the entity for:

(a) the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present service performance information that is appropriate and meaningful in accordance with the Tier 3 (NFP) Standard;

(b) the preparation and fair presentation of the Performance Report which comprises:

- the Entity Information;
- the Statement of Service Performance; and
- the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Statement of Accounting Policies and Notes to the Performance Report in accordance with the Tier 3 (NFP) Standard, and

(c) for such internal control as the Executive determine is necessary to enable the preparation of a Performance Report that is free from material misstatement, whether due to fraud or error.

In preparing the Performance Report, the Executive are responsible on behalf of the entity for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the Performance Report is 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 ISAs and NZ AS1 (Revised) 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 decisions of users taken on the basis of this Performance Report.

As part of an audit in accordance with ISAs (NZ) and NZ AS1 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Performance Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and

obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Obtain an understanding of the process applied by the entity to select its elements/aspects of service performance, performance measures and/or descriptions and the measurement bases or evaluation methods.
- Evaluate whether the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods present an appropriate and meaningful assessment of the entity's service performance in accordance with the applicable financial reporting framework.
- Evaluate whether the service performance information is prepared in accordance with the entity's measurement bases or evaluation methods, in accordance with the applicable financial reporting framework.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Executive and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Performance Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Performance Report, including the disclosures, and whether the Performance Report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Executive regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Hounsell Accounting Limited
Auckland

12 August 2024.