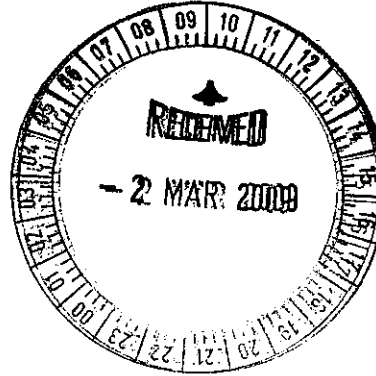




Grant Thornton



Audit Report

Grant Thornton
PO Box 10712
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AXA Centre
80 The Terrace
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New Zealand

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E info@gtwn.co.nz
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To the Libertarianz Party

We have audited the attached Return of the Party Election Expenses (the Return) for the 2008 General Election period 1 January 2008 to 8 November 2008. The Return is prepared in compliance with section 106 of the Electoral Finance Act 2008, and provides information about party election expenses incurred by the Libertarianz Party.

Party Secretary's Responsibilities

The Party Secretary is responsible for ensuring that the Electoral Commission receives a return of the Party's election expenses incurred by the Party for the period 1 January 2008 to 8th November 2008.

Auditor's Responsibilities

It is our responsibility to express an independent opinion on the Return in terms of the requirements of section 107 of the Electoral Act 1993.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the position disclosed in the Return as regards whether or not total incurred expenditure was less than the permitted maximum expenditure.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that 'the Party total election expenses not exceed the maximum amount prescribed by section 98' disclosed by the Return is free from material misstatement whether caused by fraud or error.

In forming our opinion we were reliant on the source documentation provided to us by the Council and candidates disclosing party vote related expenses.

Other than in our capacity as auditors of the Libertarianz Party, we have no other relationship with, or interests in, the Libertarianz Party.

Business Advisers & Chartered Accountants

Grant Thornton Wellington, an independent member firm of Grant Thornton New Zealand.

Other independent member firms in Auckland, Christchurch and Dunedin. Grant Thornton New Zealand is a member of Grant Thornton International Limited.



Qualified Opinion

We are unable to form an opinion on the attached Return of the Party Election Expenses for the following reasons:

- There is currently significant uncertainty surrounding what constitutes an election advertisement,
- The risk surrounding completeness of the advertising expenses,
- Difficulties in establishing the commercial value of materials or space provided free of charge,
- Difficulties in the apportionment of election expenses of election activity between candidates and the party as a whole.

In this respect alone:

- We have not obtained all the information and explanations that we have required; and
- We were unable to determine whether they had met all the conditions of the Electoral Finance Act 2007.

Because of the potential effect of the limitation in the evidence available to us, we are unable to form an opinion as to whether the Party Election Expense Return complies with the Electoral Finance Act 2007.

Our audit was completed on 2 March 2009 and our qualified opinion is expressed as at that date.

A handwritten signature in black ink that reads "Grant Thornton".

Grant Thornton
Wellington
02 March 2009

Statutory declaration by Party Secretary and Financial Agent accompanying Party Election Expense Return under the provisions of section 106 (2) (a) of the Electoral Finance Act 2007

Please insert...

full name of person who is party secretary and financial agent

I, ROBERT PALMER.

Registered name of party

Party secretary and Financial Agent of
LIBERTARIANZ

solemnly and sincerely declare that to the best of my knowledge and belief the attached election expense return correctly sets out all the information required to be provided and that a fair assessment has been made of the commercial value of any materials and advertising spaces used in party advertisements.



Applicant to sign before authorised person

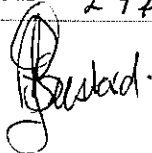
locality

Declared at AUCKLAND

nth, month, year

this 27th day of FEBRUARY, 2004 before

Authorised person to complete



J.G. Bustard, JP
#6210
AUCKLAND

Justice of the Peace, Solicitor, or other person authorised to take a statutory declaration

Justice of the Peace for New Zealand



Party Election Expense Form 2008 Election

Party name

Libertarianz

Did you contest the party vote? Write yes or no
Number of electorate candidates

Yes	
17	

\$
 1,000,000
 340,000

Expenditure limit (incl GST)

1,340,000

Summary

Total expenditure returned for each (incl GST)

\$	
15,101.21	
0.00	
8,963.03	
0.00	
0.00	
24,064.24	

Party ads not shared with anyone and conducted entirely within the regulated period

Apportionment of party ads published both within and outside the regulated period

Apportionment of party ads shared with candidates

Apportionment of party ads shared with other parties

Party ads shared with third parties

Total

Please indicate, write 'Yes' or 'No' in each box

Everything has been included

All expenses greater than \$100 vouched by bill

All relevant papers provided to auditor

Yes	
No	
Yes	

Please email a copy of this workbook file to catt@elections.govt.nz

Include a printed copy with the statutory declarations and auditor's report posted to



**Libertarianz
 Party ads not shared with anyone and conducted entirely within the regulated period
 - 2008 party election expenses component**

\$15,101.21

Total cost

Itemised Item description (including volume/duration/quality/size as appropriate)	All costs GST incl	production costs \$	publishing costs \$	total costs \$
6 Adverts in Sundar Star Times and Sunday News			7,363.44	\$7,363.44
GEON Print 5000 brochures		1,320.75		\$1,320.75
GEON Print		2,313.00		\$2,313.00
Digital Link		1,573.89		\$1,573.89
Field Days - site rental		2,193.75		\$2,193.75
Decision 08 website			336.38	\$336.38
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00

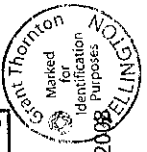


**Libertarianz
 Party ads published both within and outside the regulated period
 - 2008 party election expenses component**

Total returned expense for party

\$0.00

Item description (including volume/duration/quality/size as appropriate)	All costs GST incl	total production costs	total publishing costs	total costs	% within regulated period	entered number only	returned for party
				0			0
				0			0
				0			0
				0			0
				0			0
				0			0
				0			0
				0			0
				0			0
				0			0
				0			0
				0			0
				0			0
				0			0
				0			0
				0			0
				0			0
				0			0
				0			0
				0			0
				0			0



**Libertarianz
 Party ads shared with candidate(s)
 - 2008 party election expenses component**

\$8,963.03

Total returned expense for party

Item description (including volume/duration/quality/size as appropriate)	All costs GST incl	total costs		total publishing costs	total costs \$	% of party coverage (enter number only)	returned expense for party \$
		production costs \$	total costs \$				
Billboards - Auckland		5266.61	0	0	\$5,266.61	93.63	\$4,930.98
Billboards - Wellington		6912.09	0	0	\$6,912.09	58.33	\$4,032.05
					\$0.00		\$0.00
					\$0.00		\$0.00
					\$0.00		\$0.00
					\$0.00		\$0.00
					\$0.00		\$0.00
					\$0.00		\$0.00
					\$0.00		\$0.00
					\$0.00		\$0.00
					\$0.00		\$0.00
					\$0.00		\$0.00
					\$0.00		\$0.00
					\$0.00		\$0.00
					\$0.00		\$0.00
					\$0.00		\$0.00
					\$0.00		\$0.00
					\$0.00		\$0.00



Libertarianz
Party ads shared with another party or parties
- 2008 party election expenses component

Total returned expense for party

\$0.00

Item description (including volume/duration/quality/size as appropriate)	All costs GST incl	total production costs	total publishing costs	total costs	% of party coverage (enter number only)	returned expense for party
	\$	\$	\$	\$	%	\$
				\$0.00		\$0.00
				\$0.00		\$0.00
				\$0.00		\$0.00
				\$0.00		\$0.00
				\$0.00		\$0.00
				\$0.00		\$0.00
				\$0.00		\$0.00
				\$0.00		\$0.00



**Libertarianz
 Party ads shared with a third party or parties
 - 2008 party election expenses component**

Total returned expense for party

\$0.00

Item description (including volume/duration/quality/size as appropriate)	All costs GST incl	total costs	
		production costs \$	publishing costs \$
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00



Item description (including volume/duration/quality/size as appropriate)	All costs GST Incl	production costs	publishing costs	total costs
	\$	\$	\$	\$
6 Adverts in Sundar Star Times and Sunday News			7,363.44	\$7,363.44
GEON Print 5000 brochures		1,320.75		\$1,320.75
GEON Print 10,000 Quiz cards		443.25		\$443.25
GEON Print 10,500 DL brochures		1,509.75		\$1,509.75
GEON Print 5000 Quiz cards		360.00		\$360.00
Digital Link Printing and production of display stand		1,573.89		\$1,573.89
Field Days - site rental		2,193.75		\$2,193.75
Decision 08 website			336.38	\$336.38

Supplementary information
requested and provided 02-03-09.

pl Brookes

Libertarianz
P O Box 11705
Wellington

2 March 2009

Grant Thornton
Level 13, AXA Centre
80 The Terrace
Wellington



Dear Grant Thornton

**Letter of Representation for Party Election Expenses Return
for the 2008 General Election**

This representation letter is furnished in connection with the return of party election expenses for the 2008 general election (return) by Libertarianz (Party) made in accordance with section 106 of the Electoral Finance Act 2007 (Act) which has been audited by you in accordance with section 107 of the Act.

I understand that your audit was conducted in accordance with the relevant provisions of the Act and the Auditing Standards issued by the New Zealand Institute of Chartered Accountants.

I confirm and take responsibility for the following representations after taking all reasonable steps to assure myself of them:

- 1 The return has been prepared in accordance with the relevant provisions of the Act.
- 2 I am responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the return, I have done this, and all explanations or demonstrations of this to you have been complete and accurate.
- 3 All records, documents and accounts (records) have been kept by the Party (including subsidiary entities) and made available to you, and these materials will be retained in accordance with the requirements of the Act.
- 4 I have disclosed to you:
 - 4.1 any material transactions not disclosed in the records;

- 4.2 the existence of all relevant agreements or activities relating to the Party's members of the previous Parliament, electorate candidates, subsidiary or closely connected political entities, third parties (whether listed or not), and other political parties (whether registered or not) or their electorate candidates;
 - 4.3 any alleged, suspected or proven illegal activity under the Act or other legislation potentially relevant to the return;
 - 4.4 any outstanding disputed claims, matters with authorities, or planned or continuing litigation; and
 - 4.5 the fact of, and results from, any assessment made by me that considered whether the records of the Party may be materially misstated or incomplete for any reason.
- 5 The return contains the total returnable election expenses of the party for the 2008 general election whether paid or incurred before, during, or after the regulated period. The return includes all expenses, including apportioned expenses, and irrespective of the source of funds or entity paying for the activities concerned, and irrespective of whether or not a party advertisement contained a promoter statement.
- 6 The return's contents have been determined by considering, in the following sequence, these questions and the relevant provisions of the Act:
- 6.1 Was the activity undertaken by the party secretary or the party financial agent or with their authority? [Section 93, definition of **party activity**, paragraph (a)] (If no, activity is not an election expense.)
 - 6.2 If yes ... did the activity constitute **publishing**? [section 4, definition of **publish**; section 93, definition of **party activity**, paragraph (b)] (If no, activity is not an election expense.)
 - 6.3 If yes ... was that the publishing of a **party advertisement**? That is, did the activity encourage or persuade, or appear to encourage or persuade, voters to vote for the party, or against another party, or both? [section 4, definition of **party advertisement**; section 93, definition of **party activity**, paragraph (b)] (If no, activity is not an election expense.)
 - 6.4 If yes ... was the activity undertaken (or deemed to be undertaken) during the regulated period (from 1 January 2008 to polling day)? [section 4, definition of **regulated period**; section 93, definition of **party activity**, paragraph (c)] (If no, activity is not an election expense.)

- 6.5 Was the activity something done in relation to a member of Parliament in his or her capacity as a member of Parliament? [paragraph 7, below; section 93, definition of **party activity**, paragraph (d)] (If yes, activity is not an election expense.)
- 6.6 If no:
- 6.6.1 What expense was incurred in undertaking the activity? [section 94(1)(a)]
- 6.6.2 What cost was involved in respect of the cost of preparation, design, composition, printing, distribution, postage and publishing of the party advertisement? [section 94(1)(b)(i)]
- 6.6.3 What was the cost of any **material** used for or applied toward the party advertisement? [section 94(1)(b)(ii)]
- 6.6.4 What was the cost of displaying the party advertisement on any **advertising space** on any land or building of a specified kind that is used solely or principally for commercial or industrial purposes? [section 94(1)(b)(iii)]
- 6.6.5 What was the commercial value of any material or advertising space provided free of charge? [section 94(4)]
- 6.6.6 What was the difference between the contract price and the commercial value of any material or advertising space provided at less than commercial value? [section 94(5)]
- 6.7 Do any of the costs identified above fall within any of the expense exceptions? [section 94(2)]
- 6.7.1 Travel
- 6.7.2 The conduct of any survey or public opinion poll (other than push-polling)
- 6.7.3 The labour of any person provided free of charge by that person
- 6.7.4 Replacement of election materials damaged in circumstances out of the party's control
- 6.7.5 Electorate candidate expenses of a party candidate

6.7.6 Allocations from the Electoral Commission of time and money for election broadcasting

6.7.7 Publications that relate to a member of Parliament in his or her capacity as a member of Parliament [paragraph 7, below].

If yes, that specific cost is not an election expense.

If no, that specific cost is an election expense to be included in the return.

7 When determining that:

- an activity was not a party activity because it was done in relation to a member of Parliament in his or her capacity as a member of Parliament, or
- any publication was not an election expense because it related to a member of Parliament in his or her capacity as a member of Parliament

I have considered and applied the Electoral Commission's guidance under the heading *What does capacity as a member of Parliament mean in this context?* on the Elections NZ webpage *Party election expenses and returns*

(www.elections.org.nz/rules/parties/partysub/e5-party-return-expenses.html), and

I have sought, received, and hold in the Party's records assurances from, or on behalf of, any Party members of the previous Parliament that all party activities or election expenses done or incurred by those members of Parliament have been disclosed to me, with adequate supporting records, for inclusion in this return.

8 Where an apportionment of election expenses is given in the return:

- the basis of apportionment is appropriate, and has been properly applied and recorded, and
- the information contained in the Party's return is known to be consistent with that of the Party's electorate candidates or the undertakings of other entities involved in the apportionment included in the records.


9 Any and all misstatements you have identified during the course of your audit have been adjusted in the final return.

10 I have completed our own procedures, distinct from your audit processes, to evaluate the accuracy and completeness of the return.

11 The return is free of any material misstatements or omissions.

These representations are made in terms mutually agreed between us, and to supplement information obtained by you from the records of the Party and to confirm information given to you orally.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R. Palmer', followed by a long horizontal line extending to the right.

Robert Palmer
Party Secretary
and Financial Agent