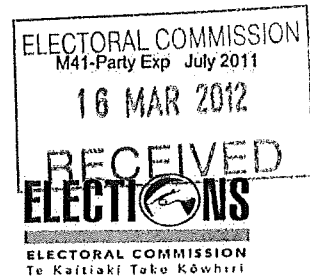


Party
Election Expense Return 2011 General Election



Fill in boxes highlighted in yellow
If completing the form manually - also fill in orange boxes

**Party
Name**

CONSERVATIVE PARTY OF NEW ZEALAND

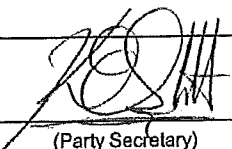
**Party
Secretary
Name**

Kevin Stitt

Declaration

I declare that to the best of my knowledge this return, filed pursuant to section 206I of the Electoral Act 1993, is an accurate record of the party election expenses for the 2011 General Election and is not false in any material particular.

Signed:


(Party Secretary)

Date:

2/03/2012

Where you have completed the return electronically you will need to print the return. The return needs to be signed and dated by the party secretary and both the party secretary and the auditor must initial each page of the return. The signed return and the auditor's report must be received by the Electoral Commission before **Friday 16 March 2012**. Returns can be filed:

- By post at PO Box 3220 Wellington 6140
- Delivered to Level 9, 17-21 Whitmore Street, Wellington
- By fax to 04 495 0031
- By email to enquiries@elections.govt.nz

Please note, where the return is sent by fax or email the original signed return should also be sent or delivered to the Electoral Commission.

Checklist

Parts A to D completed (if no expenses, then answer Nil on the Summary Sheet)	✓
Party Secretary has initialled every page	✓
All relevant supporting documentation supplied to auditor	✓
Auditor has stamped and initialled every page	✓
Auditors report enclosed	✓
Representation letter enclosed, if used	✓

Party **Election Expense Return 2011 General Election**



Party Name

CONSERVATIVE PARTY OF NEW ZEALAND

Did you contest the party vote?	Answer Yes or No	Yes	"Yes" = \$1,065,000	\$0.00
Number of electorate candidates for the party		52	Number * \$25,000	\$1,065,000.00
				\$0.00
Expenditure limit (incl GST)				Total \$2,365,000.00

Summary

Total expenditure returned (incl GST)		\$0.00
If you do not have any expenses to declare answer Nil		
Part A	Party advertisements promoted solely by the party	Total A \$1,849,961.08
Part B	Apportionment of party advertisements shared with candidates or another party or parties	Total B \$28,376.14
Part C	Authorised party advertisements promoted by candidate or third party promoters	Total C Nil
Part D	Joint party and referendum advertisements	Total D Nil
		\$0.00
Total		Total A to D \$1,878,337.22

Please indicate in each box	Answer Yes or No
All party election expenses have been included	Yes
All expenses greater than \$100 vouched by invoice and receipt	Yes
All relevant papers provided to auditor	Yes

Notes/Comments: (Add any notes/comments in this section)

--

Party Secretary
Initial

Auditor
Stamp/Initial

A: Party advertisements promoted solely by the party

(Note: the only apportionment permitted is for advertisements published both before and within the regulated period)

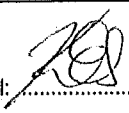


		Total A \$0.00	
		Party Name	\$1,849,961.08
Total returned expense for A		CONSERVATIVE PARTY OF NEW ZEALAND	
		\$0.00	%
		\$0.00	\$0.00
Item description (incl name of advertiser, supplier, volume, duration, size as appropriate)	Total cost inc GST (including preparation, design, composition, printing, publishing and postage)	% apportioned for regulated period (Enter number only - e.g. 20 for 20%)	Returned expense for party (e.g. \$30,000 * 20% = \$6,000. Enter \$6,000)
Western Mailing - Letter mailouts	\$59,501.18		\$59,501.18
Benfitz - flyers and mailing	\$20,281.40		\$20,281.40
Kale Print - letter mailouts	\$84,884.95		\$84,884.95
Colour Mania - letter mailouts	\$36,322.75		\$36,322.75
Mallout from HQ - Post Shop charges bulk mailing	\$29,611.00		\$29,611.00
Aidemediia Profile Billboards - October lease	\$25,558.75		\$25,558.75
Aidemediia Profile Billboards - November lease	\$37,438.25		\$37,438.25
Total Signs Solutions - Coreflute sign production	\$14,288.75		\$14,288.75
Benfitz - Coreflute signs	\$34,411.45		\$34,411.45
Benfitz - Coreflute signs	\$2,409.25		\$2,409.25
Ribbons Plus - Rosettes etc	\$1,042.37		\$1,042.37
Admail - Brochure delivery	\$5,637.30		\$5,637.30
Digitech Services - Teeshirts, balloons etc	\$4,597.02		\$4,597.02
Brightsparks - Teeshirts, balloons etc	\$3,084.07		\$3,084.07
Able Promo - Teeshirts, pens etc	\$1,553.79		\$1,553.79
Damien Tauri - Website design	\$2,000.00		\$2,000.00
CMYK Signs - Party Vote Stickers	\$310.50		\$310.50
Autocue - Phone calling	\$900.00		\$900.00
ZenithOptimedia - National distribution of printed brochures	\$10,814.54		\$10,814.54
ZenithOptimedia - National distribution of printed brochures	\$9,910.13		\$9,910.13
ZenithOptimedia - National distribution of printed brochures	\$21,913.71		\$21,913.71
ZenithOptimedia - National distribution of printed brochures	\$10,296.81		\$10,296.81
ZenithOptimedia - National distribution of printed brochures	\$10,296.81		\$10,296.81
ZenithOptimedia - Insertion of brochures in National Newspapers	\$116,990.59		\$116,990.59
ZenithOptimedia - Insertion of brochures in National Newspapers	\$134,868.39		\$134,868.39
ZenithOptimedia - Insertion of brochures in National Newspapers	\$133,570.73		\$133,570.73

Party Secretary Initial: 


Total returned expense for A

Item description (incl name of advertiser, supplier, volume, duration, size as appropriate)	CONSERVATIVE PARTY OF NEW ZEALAND		
	\$0.00	%	\$0.00
	Total cost inc GST (Including preparation, design, composition, printing, publishing and postage)	% apportioned for regulated period (Enter number only - e.g. 20 for 20%)	Returned expense for party (e.g. \$30,000 * 20% = \$6,000. Enter \$6,000)
ZenithOptimedia - Insertion of brochures in National Newspapers	\$134,868.39		\$134,868.39
ZenithOptimedia - Insertion of brochures in National Newspapers	\$129,629.16		\$129,629.16
ZenithOptimedia - Auckland Community Newspapers online broch upload	\$5,060.00		\$5,060.00
ZenithOptimedia - Farming Mag inserts - Country-Wide	\$1,978.00		\$1,978.00
ZenithOptimedia - Farming Mag inserts - Dairy Exporter	\$1,978.00		\$1,978.00
ZenithOptimedia - Allied Press Farming inserts	\$2,853.20		\$2,853.20
ZenithOptimedia - Printing 12pg WDYRW brochure x 1,940,855	\$280,621.85		\$280,621.85
ZenithOptimedia - Printing 4pg You Were Right broch x 2,283,305	\$69,977.59		\$69,977.59
ZenithOptimedia - Printing 4pg Weak Strong broch x 2,341,605	\$75,855.79		\$75,855.79
ZenithOptimedia - Printing 4pg Foreshore & Seabed brochx2,363,550	\$75,855.79		\$75,855.79
ZenithOptimedia - Printing 8pg Truth or Lies broch x 2,279,655	\$146,661.80		\$146,661.80
ZenithOptimedia - Printing 8pg ETS Broch x 71,500	\$9,718.65		\$9,718.65
ZenithOptimedia - Printing extra You Were Right x 80,000	\$7,529.63		\$7,529.63
ZenithOptimedia - Printing extra ETS x 70,000	\$14,904.00		\$14,904.00
ZenithOptimedia - Printing extra ETS x 40,000	\$8,470.44		\$8,470.44
ZenithOptimedia - Printing extra WDYRW x 50,000	\$15,249.00		\$15,249.00
NZ Herald Election Guide - full page colour	\$8,697.22		\$8,697.22
NZ Herald - Front Page solus strip 6x10 (60mm x 360mm)	\$9,907.48		\$9,907.48
NZ Herald - Pg 3 solus - 16x10 (60mm x 376mm)	\$7,719.17		\$7,719.17
Auckland Community Newspapers online broch upload	\$5,060.00		\$5,060.00
Sunday Star Times - Pg 3 solus 14x10 (140mm x 376mm)	\$9,663.86		\$9,663.86
Otago Daily Times - Pg 5 6x10 colour	\$1,150.89		\$1,150.89
The Southland Time - Pg 3 16x10 colour	\$3,164.80		\$3,164.80
Farmers Weekly - Half Page Colour	\$2,898.00		\$2,898.00
Epoch Times - Colour	\$1,760.00		\$1,760.00
Challenge Weekly - Colour	\$822.25		\$822.25
Baptist - Colour	\$862.50		\$862.50
NZ News Online - Banner advert	\$885.55		\$885.55
Skykiwi PAJ Holding - Banner Advert	\$1,840.00		\$1,840.00
ITBank Web Development - production of banner	\$575.00		\$575.00
Local Matters - Party Ad in election Issue	\$497.95		\$497.95

Party Secretary Initial: 

Total returned expense for A

CONSERVATIVE PARTY OF NEW ZEALAND			
	\$0.00	%	\$0.00
Item description (incl name of advertiser, supplier, volume, duration, size as appropriate)	Total cost inc GST (including preparation, design, composition, printing, publishing and postage)	% apportioned for regulated period (Enter number only - e.g. 20 for 20%)	Returned expense for party (e.g. \$30,000 * 20% = \$6,000. Enter \$6,000)
Wentforth Press - Business Cards	\$750.63		\$750.63

Party Secretary Initial: 

Auditor Stamp/Initial



(Note: apportionment is permitted between the party and candidate/other party, and for advertisements published both before and within the regulated period)

Party Secretary Initial:

PKERM
AUDIT

Page 1 of 1



16 March 2012

Graeme S Lynch
PKF Ross Melville Audit
50 Anzac Ave
Auckland

Dear Graeme,

**Letter of Representation for Party Election Expenses Return
for the 2011 General Election**

This representation letter is furnished in connection with the return of party election expenses for the 2011 general election (return) by Conservative Party of New Zealand made in accordance with section 206I of the Electoral Act 1993 (Act) which has been audited by you in accordance with section 206L 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 party promoters (whether registered 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;

29 Gillies Avenue, Newmarket, Auckland. PO Box 99638, Auckland 1149.

☎ 09 520 2082 ✉ office@conservativeparty.co.nz 🌐 www.conservativeparty.org.nz

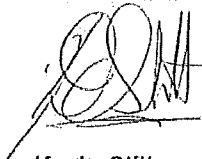
- 4.4 any outstanding disputed claims, matters with authorities, or planned or continuing litigation; and
 - 4.5 the fact of, and results from, any assessment made by me that considered whether the records of the Party may be materially misstated or incomplete for any reason.
- 5 The return contains the total returnable election expenses of the party for the 2011 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 declarations and the relevant provisions of the Act:
 - 6.1 The advertising was undertaken by the party secretary, or with his authority. [section 206(1), definition of **election expenses**, paragraph (a)(ii)]
 - 6.2 The advertising did constitute **publishing**. [section 3D, definition of **publish**; section 206(1), definition of **election expenses**, paragraph (a)(i)]
 - 6.3 The advertisement did encourage or persuade, or appear to encourage or persuade, voters to vote for the party. [section 3(1), definition of **party advertisement**; section 206(1), definition of **election expenses**]
 - 6.4 The advertising undertaken (or deemed to be undertaken) was during the regulated period (from 26 August 2011 to 25 November 2011)? [section 3B, definition of **regulated period**; section 206(1), definition of **election expenses**, paragraph (a)(i)]
 - 6.5 The following was considered:
 - 6.5.1 The expense incurred in undertaking the advertising. [definition of **advertising expenses**, section 3E; definition of **election expenses**, section 206(1)]
 - 6.5.2 The cost involved in respect of the preparation, design, composition, printing, distribution, postage and publishing of the party advertisement. [section 3E(1)(a)(i)]
 - 6.5.3 The reasonable market value of any **material** used for or applied toward the party advertisement, including material provided free of charge, or below reasonable market value. [section 3E(1)(a)(ii)]
 - 6.5.4 Some advertisements were a **joint party and candidate advertisement** [section 206CC]? The costs have been apportioned based on coverage.
 - 6.6 The costs identified above do not fall within any of the expense exceptions below. [section 3E(1)(b)]

- 6.6.1 The conduct of any survey or public opinion poll (other than push-polling)
- 6.6.2 Framework, other than a commercial framework, supporting a hoarding displaying the party advertisement
- 6.6.3 The labour of any person provided free of charge by that person
- 6.6.4 Replacement of election materials damaged in circumstances out of the party's control
- 6.6.5 Expenses, including running costs, of a vehicle used to display a party advertisement (provided payment was not made or promised) for the display of the advertisement on the vehicle
- 6.6.6 Allocations from the Electoral Commission of time and money for election broadcasting [definition of election expenses, section 206(1)(c)]

- 7 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 advertisements published, or election expenses 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,



Kevin Stitt
Party Secretary

AUDITOR'S REPORT

To the Party Secretary of the Conservative Party of New Zealand

We have audited the Party Election Expense Return (the "Return") prepared for the Conservative Party of New Zealand (the "Party") in respect of the 2011 General Election. The Return provides information about party election expenses incurred by the Party.

Party Secretary's Responsibilities

The Party Secretary, as defined under Section 3 of the Electoral Act 1993 ("the Act"), is responsible for the preparation of a Return which correctly presents the Party's election expenses incurred for the period to 25 November 2011 in accordance with the Act.

Auditors' Responsibilities

Section 206L of the Act requires us to express an independent opinion on the position shown by the Return in respect of the requirement that the Party's election expenses not exceed the maximum amount prescribed by Section 206C of the Act.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts disclosed in the Return.

We conducted our audit in accordance with New Zealand Auditing Standards except that our work was limited as explained below. 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 Return is free from material misstatement, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Return as required by the Act.

Other than in our capacity as auditor, we have no relationship with or interests in the Party.

Qualified Opinion

The scope of our work was limited in that:

- we were unable to assess the extent to which Party advertising expenses may have been incurred at an electorate candidate or branch level;
- we were unable to verify the percentages applied to apportion advertising expenses benefitting both the Party and a candidate (i.e. "shared" party advertisements);
- we were unable to assess the extent to which Party advertisements may have been provided at no cost, or for less than market value.

These limitations in our audit scope are such that we are unable to assess the overall completeness of the election expenses reported in parts A to D of the Return.

Hence we are unable to form an opinion as to whether the Return has included all election expenses and hence as to whether the stated position, that the Party's election expenses do not exceed the maximum amount prescribed by Section 206C, is correct.

In these respects alone we have not obtained all the information and explanations that we have required.

Our audit was completed on 15 March 2011 and our qualified opinion is expressed as at that date.

PKF Ross Melville Audit