

Party Election Expenses Return for the for the 2014 General Election

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

Party
Name

Internet Party

Party
Secretary
Name

Andy Pickering

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 2014 General Election and is not false in any material particular.

Signed:



(Party Secretary)

Date:

19/2/15

(dd/mm/yyyy)

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 by **Wednesday 18 February 2015**. Returns can be filed:

- By post at PO Box 3220 Wellington 6140
- Delivered to Level 10, 34-42 Manners 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 C completed (if no expenses, then answer Nil on the Summary Sheet)	Yes
Party Secretary has initialled every page	Yes
All relevant supporting documentation supplied to auditor	Yes
Auditor has stamped or initialled every page	Yes
Auditor's report enclosed	Yes
Representation letter enclosed, if used	Yes

Party Election Expense Return 2014 General Election

Party Name

Internet Party

Did you contest the party vote?	Answer Yes or No	No	"Yes" = \$1,091,000	\$0.00
Number of electorate candidates for the party		15	Number * \$25,700	\$385,500.00
				\$0.00
Expenditure limit (incl GST)	Total			\$385,500.00

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 \$311,753.08
Part B	Apportionment of party advertisements shared with candidates or another party or parties	Total B \$8,333.80
Part C	Authorised party advertisements promoted by candidate or third party promoters	Total C Nil
TOTAL		Total A to C \$320,086.88
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	
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A: Party advertisements promoted solely by the party

Note: the only apportionment permitted is for advertisements published both before and during the regulated period (20 June to 19 September 2014).

			Total A \$0.00
Party Name			\$311,753.08
Total returned expense for A	Internet Party		
	\$0.00	%	\$0.00
Item description (include details of type of advertisement, name of advertiser or supplier, volume, duration and 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)
Project Manifesto: Internet Party YouTube Launch Video	\$122,456.44	52	\$63,677.35
One Minute PSA: Internet Party YouTube Launch Video	\$7,181.75	52	\$3,734.51
Neil Baldock (song mixing for launch videos)	\$800.00	52	\$416.00
social media manager salary (part) (pre-regulated period)	\$2,615.01	72	\$1,882.81
press secretary salary (part) (pre-regulated period)	\$7,461.41	71	\$5,297.60
social media manager salary (part) (regulated period)	\$4,234.52		\$4,234.52
press secretary salary (part) (regulated period)	\$8,000.00		\$8,000.00
Marker (Internet Party membership app on iPhone and Android) (part)	\$10,781.25	52	\$5,606.25
Marker (Internet Party membership app on iPhone and Android) (part)	\$10,781.25	52	\$5,606.25
301. Marker (Internet Party membership app on iPhone and Android) (part)	\$3,277.50	52	\$1,704.30
302. revolver studios (sound mixing for launch videos)	\$2,300.00	52	\$1,196.00
303. Spicerack (social media) (part)	\$736.00	52	\$382.72
401. Ben McCallister (in house videography) (part)	\$2,875.00	57	\$1,638.75
402. Platform Print (t shirts)	\$1,039.60	57	\$592.57
403. Platform Print (t shirts)	\$5,750.00	57	\$3,277.50
404. Marker (Internet Party membership app on iPhone and Android) (part)	\$6,434.25	52	\$3,345.81
406. Philip Rosieur (design)	\$3,450.00	72	\$2,484.00
407. creature (online grading for launch videos)	\$3,335.00	52	\$1,734.20
501. 888 Ltd. (marketing and strategy contractor)	\$17,250.00	60	\$10,350.00
502. Lovely Ltd. (in-house design expense - stock images)	\$40.00	71	\$28.40
503. Lovely Ltd. (in-house designer)	\$8,050.00	69	\$5,554.50
504. Baboom (Internet Party website) (part)	\$29,141.00	68	\$19,815.88
505. Platform Print (t shirts)	\$1,672.10	63	\$1,053.42

Party Secretary Initial: 

Total returned expense for A

Internet Party			
	\$0.00	%	\$0.00
Item description (include details of type of advertisement, name of advertiser or supplier, volume, duration and 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)
52801. Ben McCallister (in house videography) (part)	\$5,750.00	66	\$3,795.00
52802. SG Digital (teardrop flags)	\$3,300.50	76	\$2,508.38
60401. Lovely Limited (in house design)	\$8,050.00	77	\$6,198.50
60402. Philip Rosieur (design)	\$2,185.00	77	\$1,682.45
61101. Lovely Limited (in house design)	\$8,050.00	87	\$7,003.50
61201. Platform Print (t shirts)	\$5,974.74	88	\$5,257.77
61202. Scoop (web advertising) (half)	\$5,750.00	82	\$4,715.00
61301. Internet Party website (baboom) (part)	\$15,711.44	52	\$8,169.95
61801. Guy Innes (voiceover GCSB stories video)	\$100.00	86	\$86.00
61901. Independent Effects Ltd (Special effects for video)	\$345.00		\$345.00
61902. Made You Look Ltd - brand management (part)	\$3,200.00		\$3,200.00
61903. 888 Limited (marketing and strategy contractor)	\$17,250.00		\$17,250.00
61904. 888 Limited (marketing and strategy contractor)	\$4,830.00		\$4,830.00
61905. Hark Entertainment (Party Party advertising)	\$3,220.00	97	\$3,123.40
62001. Interlike (PR Photography)	\$575.00		\$575.00
62002. Ben McCallister (in house videography) (part)	\$7,187.50	89	\$6,396.88
62401. Tod Wilson Photography (design) (part)	\$1,897.50		\$1,897.50
70101. Eventfinda (Party Party advertising)	\$2,062.50		\$2,062.50
70102. Jericho (email) (part)	\$77.08		\$77.08
70103. Lovely Limited (design) (half)	\$5,750.00		\$5,750.00
70104. Tod Wilson Photography (design) (half)	\$948.75		\$948.75
70105. Tod Wilson Photography (design) (half)	\$805.00		\$805.00
70302. Phantom Billstickers (printing and postering)	\$15,672.06		\$15,672.06
70406. Platform Print (t shirts)	\$1,274.94		\$1,274.94
70407. Radio Active (website advertising)	\$2,530.00		\$2,530.00
70801. Phantom Billstickers (printing and postering)	\$770.50		\$770.50
70802. Tod Wilson Photography (design) (half)	\$998.75		\$998.75
71001. Baboom (website) (part)	\$13,373.14		\$13,373.14
71701. Phantom Billstickers (printing and postering) (half)	\$1,094.44		\$1,094.44

Party Secretary Initial: 

Total returned expense for A

	Internet Party		
	\$0.00	%	\$0.00
Item description (include details of type of advertisement, name of advertiser or supplier, volume, duration and 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)
71702. Planet Media Dunedin Ltd (Critic advertisement)	\$1,035.00		\$1,035.00
71801. Made You Look Ltd (brand contracting) (part)	\$1,600.00		\$1,600.00
71802. University of Canterbury Students' Association (CANTA ad)	\$575.00		\$575.00
72102. Lovely Ltd (in-house design) (part)	\$2,415.00		\$2,415.00
72104. Planet Media Dunedin Ltd (Critic advertisement)	\$1,035.00		\$1,035.00
72802. University of Canterbury Students' Association (CANTA ad)	\$632.50		\$632.50
73032. Joseph Johnson (photography)	\$460.00		\$460.00
73033. Auckland University Student's Association (Craccum ad)	\$1,035.00		\$1,035.00
80603. Hark Entertainment (ad and billboard)	\$3,144.00		\$3,144.00
80604. Planet Media Dunedin Ltd (posters)	\$593.40		\$593.40
80606. Victoria University of Wellington Students' Association (Salient ad)	\$828.00		\$828.00
80607. Victoria University of Wellington Students' Association (Salient ad)	\$828.00		\$828.00
80803. 329 Productions (video)	\$12,165.45	52	\$6,326.03
80806. Jericho Ltd (email) (part)	\$536.71		\$536.71
80807. Juggernaut (Cat backdrop banner)	\$690.00		\$690.00
81202. VistaPrint (banners and business cards) (part)	\$90.19		\$90.19
81202. NZ Post (postage - party party ads)	\$18.00		\$18.00
81501. Eventfinda (Party Party advertising)	\$309.38		\$309.38
81502. Tod Wilson Photography (design) (part)	\$577.98		\$577.98
82101. Made You Look (brand contracting) (part)	\$1,600.00		\$1,600.00
82801. Charles Howells Ltd (photography)	\$8,000.00		\$8,000.00
90201. Digiweb (web hosting)	\$629.32		\$629.32
90901. Theo Martin (event sponsorship)	\$2,000.00		\$2,000.00
90902. Opcode (site host)	\$247.25		\$247.25
90907. Massey Wellington Students Association ("Massive" ad and web banner)	\$1,495.00		\$1,495.00
100701. Souled Out Records (production costs)	\$300.00		\$300.00
100702. Message 4 U Pty Ltd (txt messages)	\$0.24		\$0.24
100703. Georgia Schofield Photography	\$500.00		\$500.00
100704. Opcode (site host)	\$247.25		\$247.25

Party Secretary Initial: 

B: Party advertisements shared with candidates or other parties

Note: apportionment is permitted between the party and candidate/other party, and for advertisements published both before and within the regulated period (20 June to 19 September 2014).

			Total B \$0.00
			Party Name
			\$8,333.80
Total returned expense for B	Internet Party		
	\$0.00	%	\$0.00
Item description (include name of candidate and/or other party, type of advertisement, name of advertiser or supplier, volume, duration and size as appropriate)	Total cost inc GST (including preparation, design, composition, printing, publishing and postage)	% apportioned as party expense (Enter number only - e.g. 20 for 20%)	Returned expense for party (e.g. \$30,000 * 20% = \$6,000. Enter \$6,000)
A. Big Colour Imaging Solutions (Laila Harré business cards) (also shared with Internet MANA)	\$82.66	25	\$20.67
A. Big Colour Imaging (Chris Yong business cards) (also shared with Internet MANA)	\$82.66	25	\$20.67
A. Big Colour Imaging (Miriam Pierard business cards) (also shared with Internet MANA)	\$82.66	25	\$20.67
A. Big Colour Imaging David Currin business cards) (also shared with Internet MANA)	\$82.66	25	\$20.67
A. Big Colour Imaging (Beverley Ballantine business cards) (also shared with Internet MANA)	\$82.66	25	\$20.67
A. Big Colour Imaging (Gil Ho business cards) (also shared with Internet MANA)	\$82.66	25	\$20.67
A. Big Colour Imaging (Pani Farvid business cards) (also shared with Internet MANA)	\$82.66	25	\$20.67
A. Big Colour Imaging (Patrick Salmon business cards) (also shared with Internet MANA)	\$82.66	25	\$20.67
A. Big Colour Imaging (Roshni Sami business cards) (also shared with Internet MANA)	\$82.66	25	\$20.67
A. Big Colour Imaging (Callum Valentine business cards) (also shared with Internet MANA)	\$82.66	25	\$20.67
A. Big Colour Imaging (Grant Keinzley business cards) (also shared with Internet MANA)	\$82.66	25	\$20.67
A. Big Colour Imaging (Lois McClintock business cards) (also shared with Internet MANA)	\$82.66	25	\$20.67
A. Big Colour Imaging (Robert Stewart business cards) (also shared with Internet MANA)	\$82.66	25	\$20.67
A. Big Colour Imaging (Raymond Calver business cards) (also shared with Internet MANA)	\$82.66	25	\$20.67
A. Big Colour Imaging (Andrew Lepine business cards) (also shared with Internet MANA)	\$82.66	25	\$20.67
B. The Porch (Pani Farvid business cards) (also shared with Internet MANA)	\$138.00	25	\$34.50
A. Big Colour Imaging (business cards) (shared with Internet MANA)	\$578.65	50	\$289.33
72904. Scoop Media (on-line ads) (shared with Internet MANA)	\$17,500.00	44	\$7,700.00

Party Secretary Initial: 

Note: the only apportionment permitted is for advertisements published both before and within the regulated period (20 June to 19 September 2014).

Party Secretary Initial: _____

19 February 2015

Andrew Pickering
Party Secretary
Internet Party
2A Waverley Street
AUCKLAND 1010

PRIVATE AND CONFIDENTIAL

Dear Andrew

This letter confirms the terms and conditions of our engagement as auditor of the Internet Party's ("the Party's") Party Election Expenses Return for the 2014 General Election ("the Return"). We set out below our responsibilities as auditors, the Party's responsibilities and other general matters. The letter should be read in conjunction with the terms of engagement attached in Appendix A.

1. Responsibility of the Auditors

- (a) It is our responsibility to express an independent opinion on whether the Return, prepared in accordance with the requirements of section 206I of the Electoral Act 1993, correctly shows the Party's total election expenses for the 2014 General Election.
- (b) Our audit will be performed in accordance with the Auditing Standards Issued by the New Zealand Auditing and Assurance Standards Board, including such tests of the accounting records and other such auditing procedures as we consider necessary to enable us to express our opinion on the Return. Our examination should not be relied on to disclose defalcations or other irregularities, but their disclosure, if they exist, may result from the audit tests we undertake.

2. Responsibilities of the Party

The Party, by acceptance of the terms of this letter, represents that it will meet its responsibilities which include:

- (a) Maintaining accounting records that enable it to complete the Return in accordance with the requirements of section 206I of the Electoral Act 1993.
- (b) Preparing the Return in accordance with the requirements of section 206I of the Electoral Act 1993.
- (c) Making all explanations and information available to us that we may request.
- (d) Allowing us a right of access to the accounting records and other documents of the Party at all times.
- (e) Notifying us of such further information including post-audit events which will or might have a bearing on our audit responsibilities.
- (f) Implementing an internal control structure to maintain the reliability of the Return.

3. Responsibility Relating to Distribution of our Audit Report and Controls over Electronic Distribution Methods

If the Party intends to publish or reproduce, in printed form or electronically (for example on an internet website, other than the Electoral Commission's website), our audit report, together with the Return, or otherwise make reference to our firm in a document that contains other information, the Party agrees to:

- provide us with a draft of such document to read; and
- obtain our approval for inclusion of our report

before the document is finalised and distributed. Where our audit report is reproduced in any medium, the Return must also be presented.

Our engagement to perform the services described herein does not constitute our agreement to be associated with any such documents published or reproduced by or on behalf of the Party. Any request by the Party to reissue our report, to consent to its inclusion or incorporation by reference in another document, or to agree to its inclusion on an electronic site will be considered based on the facts and circumstances existing at the time of such request. The estimated fees outlined herein do not include any services that would need to be performed in connection with any such request. Fees for such services (and their scope) would be subject to the mutual agreement of the Party and us at such time as we are engaged to perform the services and would be described in a separate engagement letter.

In the event the Return and audit report are published on a website other than the Electoral Commission's website, the security and controls over information on the website should be addressed by the Party to maintain the integrity of the data presented. The examination of the controls over the electronic presentation of information on the Party's website is beyond the scope of the audit of the Return. Responsibility for the electronic presentation of the Return on the Party's website is that of the Party.

If the Return is published on the Party's website, the Party agrees to display the following disclaimer in the audit report on the website with the Return:

"Matters Relating to the Electronic Presentation of the Return

This audit report relates to the Internet Party's Party Election Expenses Return for the 2014 General Election included on the Internet Party's website. The Internet Party is responsible for the maintenance and integrity of the Internet Party's website. We have not been engaged to report on the integrity of the Internet Party's website. We accept no responsibility for any changes that may have occurred to the Internet Party's Party Election Expenses Return for the 2014 General Election since it was initially presented on the website.

The audit report refers only to the Internet Party's Party Election Expenses Return for the 2014 General Election. It does not provide an opinion on any other information which may have been hyper linked to / from the Return.

Legislation in New Zealand governing the preparation and dissemination of election expenses returns may differ from legislation in other jurisdictions."

4. Access to Working Papers

The working papers, including electronic documents and files, for this engagement are the property of Staples Rodway and constitute confidential information.

Requests by third parties for access to our working papers, including those made by parties entitled by law to compel us to provide such access, will be discussed with you before access is given.

Along with other chartered accountancy firms in New Zealand, we are subject to review by Chartered Accountants Australia and New Zealand. In addition, as a registered audit firm, we are also subject to the regulation and oversight of auditors by the Financial Markets Authority. We are required to produce any document or other material in our possession or power and co-operate in these review processes. The work we perform for you may be selected by the examiners as part of these reviews. If so, they are obliged to keep all information confidential.

5. Quality of Service

It is our desire to provide you at all times with a high quality service to meet your needs. If, at any time, you believe that our service to you could be improved, or if you are dissatisfied with any aspect of our service, please raise the matter immediately with the partner responsible.

6. Use of audit report

Our audit opinion on the Return is intended for the benefit of those to whom it is addressed. The audit will not be planned or conducted in contemplation of reliance by any third party or with respect to any specific transaction. Therefore, items of possible interest to a third party will not be specifically addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction.

7. Fees

All fees, which will be billed as work progresses, are based on the time required by the individuals assigned to the engagement plus out of pocket expenses. Individual hourly rates vary according to the degree of responsibility involved and the experience and skill required.

Our fees are due for payment on the 20th of the month following invoice.

This letter will be effective in future years unless we advise otherwise, or we mutually agree upon changes in the arrangement.

We would be grateful if you would sign and return this letter to indicate that it is in accordance with your understanding of the arrangements for our audit of the Return. If the contents are not in accordance with your understanding of our agreement, we would be pleased to discuss your observations and provide further information as you may require.

Yours faithfully
STAPLES RODWAY



D I Searle
AUDIT & ASSURANCE SERVICES PARTNER

Acknowledgement of terms

I have read, understood and accept the terms and conditions set out in the above letter and the attached terms of engagement.

I am authorised to accept the terms and conditions on behalf of the Internet Party.

Signature



Name

Andrew Pickering

Position

Party Secretary

Date

19 / 2 / 15

TERMS OF ENGAGEMENT

Appendix A

These terms, together with the accompanying engagement letter, apply to all work we carry out for you, unless we agree otherwise in writing.

'We' and 'us' means Staples Rodway, a New Zealand firm of chartered accountants and business advisors. Reference to a SR Member Firm in these Terms and Conditions means, an entity (whether or not incorporated) which is a member of the Staples Rodway network of independent member firms affiliated with Baker Tilly International.

The services we have agreed to provide to you are described in our engagement letter.

In providing the services in the accompanying engagement letter we may use other Staples Rodway Firms to provide administrative assistance to support the operation of our electronic audit tool or to provide assistance in performing professional services relating to this engagement but we will retain sole responsibility for the services.

1 Conflicts of Interest

We have procedures in place to identify and respond to conflicts of interest. If a conflict of interest arises we will advise you and discuss an appropriate solution.

2 Confidentiality

We will hold in confidence all confidential or proprietary information concerning you or your affairs that we acquire in the course of providing services to you. We will not disclose such information to any other person unless:

- you instruct us to do so; or
- we are required by law to do so; or
- such disclosure is made for the purpose of complying with Staples Rodway's internal (national and international) quality assurance processes.

We will not disclose to you confidential information belonging to any other client.

You will hold in confidence any proprietary or confidential information belonging to us.

3 Provision of information by you

You agree to provide us promptly with any information or assistance that we reasonably require to perform the agreed services, including access to your premises, staff, records, information technology and other systems. We are entitled to assume the accuracy of any information which you give us or which anyone else gives us on your behalf.

You must notify us promptly if any information you have given us becomes incorrect, misleading or potentially misleading. You must take all reasonable steps to correct any communication or document that refers to or is based upon any such information.

You acknowledge that, because of the size of Staples Rodway and the range of services we provide, the Staples Rodway staff engaged in providing the services covered by this agreement may not receive or otherwise be aware of information that you may have provided to other Staples Rodway partners and staff in relation to other matters.

4 Our advice and services

We will communicate our advice to you in writing.

You may not rely on any advice given orally, in draft, or on an interim basis.

You agree not to:

- use our services or advice other than for the purpose for which they were sought,
- disclose to any other person any advice or opinion we give you, or
- use our name in connection with any offering document, financial statement, report or other public document,

without our prior written consent.

Our duties are owed to you, they do not extend to any associated persons, such as shareholders, related companies, directors or employees, or family members.

We do not undertake to update any advice, report or other work product after we have issued it in final form.

5 Our fees

Our fees, or the basis upon which our fees will be calculated, will be set out in the engagement letter or in a separate fees letter.

6 Other charges

In addition to our professional fees, we may incur costs or make payments to third parties on your behalf.

Unless agreed otherwise, we will charge you an additional 4.5% of our professional fees for routine office expenses and third party charges, such as filing fees, photocopying, research, couriers, on-line search fees, mileage and toll/mobile charges.

We will charge airfares, accommodation and other substantial out-of-pocket expenses separately.

7 Payment

GST (if any) will be added to our fees and other charges.

Our fees and disbursements will be billed as work progresses and are payable on the 20th of the month following, unless we have agreed otherwise with you.

If any amount you owe us is more than 60 days overdue:

- we may charge interest at the rate of 18%;
- we may suspend work; and
- we may exercise a lien over any of your documents that are in our possession.

8. Staff

You agree that during the provision of the Services, and for a period of six months thereafter, you will not make any offer of employment to any Staples Rodway partner or employee involved in the provision of the services, without our prior written consent.

TERMS OF ENGAGEMENT

Appendix A

You agree that should you employ any Staples Rodway partner or employee involved in the provision of the services during the provision of the services, and for a period of six months thereafter, you will pay Staples Rodway a fee equal to 15% of the remuneration package offered to the person concerned.

9 Electronic services and communications

You authorise us to communicate with you and others electronically.

Electronic services and communications can be subject to interference, interception or corruption. We do not represent or warrant that our electronic services or communications will always be accurate, complete, confidential and secure.

10 Your documents

Upon completing the agreed services and payment of our fees and other charges, we will return your documents to you (including share registers or company constitutions). We may retain copies of any documents we return to you.

11 Participation in proceedings

If we are required (by subpoena or otherwise) to produce documents or to participate in any judicial or administrative proceedings to which we are not a party, you will reimburse our costs, as they are incurred, at the standard billing rates of our partners and staff.

You will also pay our reasonable legal expenses in responding to any such request.

12 Limitation of our liability to you

You agree that any claim in relation to the provision of services in this engagement letter can only be made against us and not another SR Member Firm. This obligation has been included specifically for the benefit of other SR Member Firms and each SR Member Firm has the right to rely on this clause as if they were a party to this engagement letter.

13 Your indemnity to us

You must indemnify us, to the maximum extent permitted by law, against any and all costs, expenses or liabilities we incur to any person:

- In relation to any claim against us by a third party arising from or connected with any breach of your obligations to us;
- by relying on any information provided to us by you or on your behalf and which is false, misleading or incomplete.

The provisions of this section apply to the maximum extent permitted by law.

14 Addressing your complaints and resolving disputes

We always welcome your feedback on our services.

If you have a complaint, or would like to discuss how we can improve, please contact the partner or director who

has overall responsibility for the matter. This person will be identified in the engagement letter.

We are committed to investigating and resolving any concerns or complaints you may have as soon as possible. In some cases, it may be necessary for us to suspend work until the dispute is resolved.

If we cannot agree on the solution to your concern, we will both attempt to resolve the matter through mediation or some other form of alternative dispute resolution, before commencing legal proceedings,

You must commence any court proceedings against us within three years of the cause of action arising.

15 Termination of this agreement

You may terminate this agreement at any time by giving us 30 calendar days prior notice in writing.

We may terminate this agreement for good cause and by giving you 30 calendar days' prior written notice.

Good cause includes:

- If there has been a change of law, rule, regulation or professional standard or a change in circumstance that would cause the continued provision of services by us under this agreement to violate such law, rule, regulation or professional standard or would otherwise, in our reasonable opinion, prejudice our ability to comply with any applicable auditor independence requirement;
- If you fail to provide instructions or information as and when we reasonably require;
- If you fail to pay our fees and expenses on the agreed basis;
- If you become insolvent;
- If our services are suspended for more than 10 days due to non-payment of our fees and charges or a dispute.

If this agreement is terminated, you must pay our fees due up to the date of termination and all expenses incurred up to that date. Terms which shall survive termination of this agreement include those in sections 2 (Confidentiality), 7 (Payment), 12 (Limitation of our liability to you) and 13 (Your indemnity to us).

16 General

Our relationship with you is governed by New Zealand law. New Zealand courts shall have exclusive jurisdiction over any dispute arising out of this agreement or the agreed services.

These terms, and our engagement letter, do not affect any statutory right you may have irrespective of any term of your agreement with us.

The terms of the contractual relationship between us are set out in their entirety in these terms and our engagement letter. No statement or representation that we have made to you that is not recorded in these terms or in our engagement letter shall form part of the contract between us.

INDEPENDENT AUDITOR'S REPORT
TO THE PARTY SECRETARY OF THE INTERNET PARTY

Report on the Internet Party Election Expenses Return

We have audited the Party Election Expenses Return for the 2014 General Election ('the Return') prepared by the Internet Party ('the Party') for the 2014 General Election regulated period of 20 June 2014 to 19 September 2014. The Return is prepared in compliance with section 206I of the Electoral Act 1993, and provides information about party election expenses incurred by the Party. The Return states that the Party's total election expenses did not exceed the maximum amount prescribed by section 206C of the Electoral Act 1993.

This report is made solely to the Party Secretary. Our audit has been undertaken so that we might state to the Party Secretary 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 Party Secretary, for our audit work, for this report, or for the opinions we have formed.

Party Secretary's Responsibility

The Party Secretary is responsible for the preparation of the Return in accordance with the requirements of section 206I of the Electoral Act 1993.

Auditor's Responsibility

Our responsibility is to express an independent opinion on the Return in terms of the requirements of section 206L of the Electoral Act 1993 based on conducting our audit in accordance with International Standards on Auditing (New Zealand).

Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

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

Basis for Disclaimer of Opinion

We are unable to form an opinion on the Return for the following reasons:

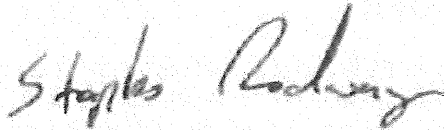
- The risk surrounding the completeness of the election expenses, specifically:
 - It is possible that expenses of the Party may have been paid directly by individuals or entities other than the Party;
 - Controls over the recording of election expenses that may have been provided at no cost are limited and there are no practical audit procedures to determine the effect of this limited control;
- Difficulties in the apportionment of election expenses of the Party as a whole due to supporting evidence lacking details on apportionment of invoice/employment costs; and
- Difficulties in obtaining supporting invoices for expenses paid before the Party formed that are apportioned to the 2014 General Election regulated period and recorded in the Return.

As a result of these matters, we were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded election expenses. In these respects alone, we have not obtained all of the information and explanations that we have required.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the Report or on whether the Party's total election expenses did, or did not, exceed the maximum amount prescribed by section 206C of the Electoral Act 1993.

In forming our opinion, we were reliant on the information provided to us by the Party Secretary.



STAPLES RODWAY AUCKLAND
AUCKLAND

19 February 2015



2A Waverley St, Auckland 1010

12 February 2015

David Searle
Staples Rodway Auckland
P O Box 3899
Shortland Street
Auckland 1140

Dear David

Letter of Representation for Party Election Expenses Return for the 2014 General Election

This representation letter is furnished in connection with the return of party election expenses for the 2014 general election (the return) by the Internet Party (the Party) made in accordance with section 206I of the Electoral Act 1993 (the 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 Auditing and Assurance Standards Board.

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;
 - 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 2014 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 advertising undertaken by the Party secretary, or with their authority? [section 206(1), definition of election expenses, paragraph (a)(ii)] (If no, advertising is not an election expense.)
 - 6.2 If yes ... did the advertising constitute publishing? [section 3D, definition of publish; section 206(1), definition of election expenses, paragraph (a)(i)] (If no, advertising is not an election expense.)
 - 6.3 If yes ... was that the publishing of a party advertisement? That is, did the advertisement encourage or persuade, or appear to encourage or persuade, voters to vote for the Party, or against another party, or both? [section 3(1), definition of party advertisement; section 206(1), definition of election expenses] (If no, advertising is not an election expense.)
 - 6.4 If yes ... was the advertising undertaken (or deemed to be undertaken) during the regulated period (from 20 June 2014 to 19 September 2014)? [section 3B, definition of regulated period; section 206(1), definition of election expenses, paragraph (a)(i)] (If no, advertising is not an election expense.)
 - 6.5 If yes:
 - 6.5.1 What expense was incurred in undertaking the advertising? [definition of advertising expenses, section 3E; definition of election expenses, section 206(1)]
 - 6.5.2 What cost was 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 What was the reasonable market 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 Was the advertisement a joint party advertisement [section 206CB or a joint party and candidate advertisement [section 206CC]? (If yes, the costs can be apportioned based on coverage.)

6.6 Do any of the costs identified above fall within any of the expense exceptions? [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)]

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

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 my 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 be 'A. Pickering', with a long horizontal flourish extending to the right.

Andrew Pickering
Party Secretary