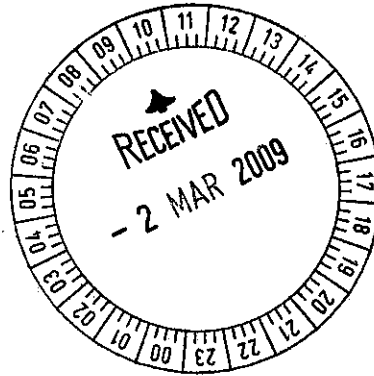


HENNING & ASSOCIATES

CHARTERED ACCOUNTANTS

26 February 2009

Jim Anderton's Progressive Party
296 Selwyn Street
Spreydon
CHRISTCHURCH
Attention: Jim Anderton



Dear Jim

Jim Anderton's Progressive Party – Election Expense Return

Please find enclosed the following:

1. Our Audit Report dated 26 February 2009.
2. Statutory Declaration by the Party Secretary and Financial Agent.
3. Party Election Expense Form 2008 Election.
4. Copy of Representation letter from the Jim Anderton's Progressive Party.

Should you have any queries about the above matter please contact the writer.

Yours faithfully

HENNING & ASSOCIATES LTD

A handwritten signature in black ink, appearing to read "Evan W Henning". The signature is stylized with a large, sweeping flourish that extends to the right and then loops back under the name.

Evan W Henning

Cvr ltr Electoral Commission.doc

HENNING & ASSOCIATES LTD

Director - Evan Henning. Associate - Joyce Wright.
Spicers House, 2 Burns Ave, Takapuna, Auckland. PO Box 33827, Takapuna.
Phone: 09 489 2916, Facsimile: 09 489 2917, Email: tax@henning.co.nz

Audit Report



To the readers of the party election expense return of the Jim Anderton's Progressive Party

We have audited the party election expense return (the Return) on pages 1 to 9. The Return sets out the party's election expenses as defined under the Electoral Finance Act 2007.

Party's responsibilities

The Party's Financial Agent is responsible for the preparation of the Return. The Return includes a statutory declaration by the Financial Agent and Party Secretary, declaring that, to the best of his or her knowledge and belief, -

- (i) the return correctly sets out all the information required to be provided; and
- (ii) a fair assessment has been made of the commercial value of any materials and advertising spaces used in party advertisements.

The Return covers the regulated period of the 2008 General Election.

Auditor's responsibilities

It is our responsibility to;

- (i) State the position shown by the Return in respect of the requirement that the party's total election expenses not exceed the maximum amount prescribed by section 98 of the Electoral Finance Act 2007; and -
- (ii) Express an independent opinion that the position stated is either correct or that we have been unable to form an opinion as to whether the position is correct.

Basis of opinion

An audit includes examining, on a test basis, evidence relevant to the amounts disclosed in the Return. It also includes assessing significant estimates and judgements made by the Financial Agent and Party Secretary in the preparation of the return.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand and the Electoral Finance Act 2007. We planned and performed our audit so as to obtain all the relevant information and explanations we considered necessary. We obtained sufficient evidence to give reasonable assurance that the Return is free from material misstatements, whether caused by fraud or error.

Other than in our capacity as auditor, our firm carries out no other assignments or work for the Party.

Disclaimer of Opinion

We have obtained all the information and explanations we have required.

In our opinion:

- (i) The Jim Anderton's Progressive Party total election expenses do not exceed the maximum amount prescribed by section 98 of the Electoral Finance Act 2007; and
- (ii) Notwithstanding that in normal circumstances we would be inclined to issue an Unqualified Opinion we have been unable to do this because of the following reasons.
 - a. There is currently significant uncertainty surrounding what constitutes an election advertisement;
 - b. It is not impossible that public funds may have been used for electioneering and we are unable to audit such information; and
 - c. It is difficult to establish how many advertisements existed and their exact cost, including the commercial value if any of the advertising space provided, especially so given the requirement for them to be removed in the period immediately prior to the Election Day.

Our audit was completed on the 26th of February 2009 and our disclaimer of opinion is expressed at that date.



Evan W Henning

**Statutory declaration by 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 financial agent

I, *Philip Thomas Clearwater*

Registered name of party

Financial Agent of
Jim Anderton's Progressive Party

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

P. T. Clearwater

locality

Declared at *Christchurch*

nth, month, year

this *24* day of *February*, 200 *9* before

Authorised person to
complete

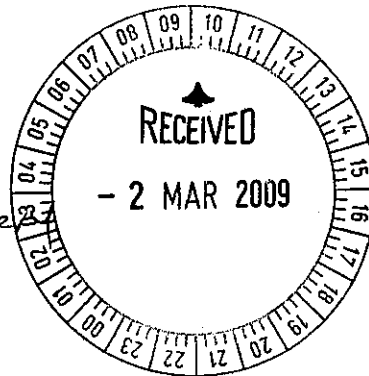
[Signature]

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



Hugh Alexander CLARK
21 Fairfield Avenue
Christchurch

*Party records indicate
Philip Clearwater is
also the Party Secretary
at Roskos.*



Party Election Expense Form 2008 Election

Party name

Jim Anderton's Progressive Party

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

Yes
27

\$
1,000,000
540,000

Expenditure limit (incl GST)

1,540,000

Summary

Total expenditure returned for each (incl GST)

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

\$
131,469.96

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

0.00

Apportionment of party ads shared with candidates

2,278.56

Apportionment of party ads shared with other parties

0.00

Party ads shared with third parties

34,480.95

Total

168,229.47

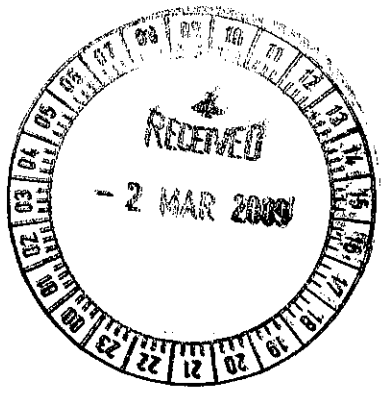
Please indicate, write 'Yes' or 'No' in each box

Everything has been included
 All expenses greater than \$100 vouched by bill
 All relevant papers provided to auditor

Yes
Yes
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 Dr Helena Catt, Electoral Commission, PO Box 3050, Wellington 6140, or delivered to L5, Featherston House, Cnr Waring Taylor and Featherston Sts, Wellington.



Jim Anderton's Progressive Party

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

Total cost

\$131,469.96

Itemised

Item description (including volume/duration/quality/size as appropriate)

	All costs GST incl	production costs	publishing costs	total costs
	\$	\$	\$	\$
Double Cove Production House -production costs for radio/TV				\$0.00
(Invoices DC0830/1, DC0833/1, DC0844, DC0838/2		23,975		\$23,975.37
Blackwebb Develop Ltd-Web design and billboard/themes Invoice 1212		3,656		\$3,656.25
The Pro Actors -Talent for TV ads-Invoice 3906		1,225		\$1,225.00
Bon Fire Audio-Music & Sound Mixing Invoice 968/949 dated 31/10/08		8,386		\$8,385.75
The Dub Shop -Closing Address Dubs Invoice 35604 dated 9/10/08		778		\$778.14
Website Hosting & Domain Names -Snap/Cave Rock 1/1/08 to 30/11/08		629		\$629.00
PB Couriers -Invoice Numbers 881375,762214,827513,840628,853874,867939		1,865		\$1,864.59
Sprint Print Limited -All printing/design				\$0.00
Invoice 8422 -Party Office Sign, Invoice 8600 -Party Brochure 130,000				\$0.00
Invoice 8506 -Letterhead, Invoice 8536 Car boards, adhesive strips,			10,492	\$10,492.46
Invoice 8617-Design & Print Billboards Invoice 8502 -Design letterhead		180	30,522	\$30,702.21

Invoice 8618 -Design/layout of all advertisements	3,043		\$3,042.60
Invoice 8628 -Party Vote Business Cards		428	\$427.50
Invoice 8615 -55,000 Party Brochures plus artwork	225	3,276	\$3,501.00
Billboard structures (Reused from last election-240 market value @\$30		7,200	\$7,200.00
Billboard Materials -Rosvall Building Centre-donated by Prog candidate		517	\$517.43
Media advertisements			\$0.00
OMD Insight Ltd-Invoice 08 11001-Media Ads-Dunedin Star, East & Bay			\$0.00
Couriers, Hutt News, Kapiti Observer, Manukau Courier, Kaikoura Star,			\$0.00
Rivercity Press, West Coast Messenger		10,600	\$10,599.77
Christchurch Star Invoice 10820160 Total community news coverage		14,512	\$14,512.48
Active Publishing Advertisement Invoice 1137,1120		599	\$598.50
The Mail: Advertisements DS6115, DS5159		2,030	\$2,029.50
Reach Media - Distribution of Party Leaflet Invoice 5635198		2,781	\$2,781.37
Phil Price Signs -Signage Party Office Invoice 425		268	\$267.75
Stationery - Cartridge-Office Max Invoice 4580769		702	\$702.34
Stamps -Office Max Invoice 4801147, 4801155, 4548807, 4558807		543	\$542.95
Travel -Matt Robson/Justin Robson		276	\$276.00

Electoral Data Invoice 25454	412		\$412.00
Gareth Hughes Media Training	50		\$50.00
Petrol Vouchers for transport/deliveries (\$1500, \$400)	1,900		\$1,900.00
Postage NZ Post	400		\$400.00
			\$0.00
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**Jim Anderton's Progressive Party
 Party ads shared with candidate(s)
 - 2008 party election expenses component**

\$2,278.56

Total returned expense for party

Item description (including volume/duration/quality/size as appropriate)	total costs		total publishing costs	total costs		% of party coverage (enter number only)	returned expense for party
	production costs	\$		\$	%		
All costs GST incl		\$					\$
Sprint Print 1/12 share of Wigram brochure Invoice 8634				\$3,240.00			\$270.00
Sprint Print Invoice 8628 50% Share PV Letter				\$1,077.00			\$538.87
NZ Post Target PV Letter 50% Share with wigram candidate				\$2,000.00			\$1,000.00
Sprint Print Invoice 8478 Envelope Share 50% Party Vote Letter				\$939.38			\$469.69
				\$0.00			\$0.00
				\$0.00			\$0.00
				\$0.00			\$0.00
				\$0.00			\$0.00
				\$0.00			\$0.00
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				\$0.00			\$0.00
				\$0.00			\$0.00
				\$0.00			\$0.00
				\$0.00			\$0.00

**Jim Anderton's Progressive Party
 Party ads shared with a third party or parties
 - 2008 party election expenses component**

Total returned expense for party

\$34,480.95

Item description (including volume/duration/quality/size as appropriate)	All costs GST incl	total production costs \$	total publishing costs \$	total costs \$
INZ Council of Trade Unions				\$34,480.95
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00

[Handwritten signature]

Jim Anderton's Progressive Party

Items that contained a promoter statement that are not included in the expense return - 2008 party election expenses component

This component is not compulsory, but challenges relating to expense returns may question why a particular item has not been included. Listing items here, with the reason why the associated expenses were not included, may forestall these questions.

Item description (including volume/duration/quality/size as appropriate)

Reason why expenses not included

Press Releases from 1/1/08 to 5/11/08-Press Releases/statements	Press releases pertaining to Leader of the Party's role in parliament
Caring about NZ Advertisements & DL Card 25 June 2008	Ads and DL Leaflet not election material - paid for from Leaders Parliamentary Budget.
Primary News - Ministerial Newsletter to Primary Sector	Paid by Ministerial Services-Newsletters to Primary Sector from Minister

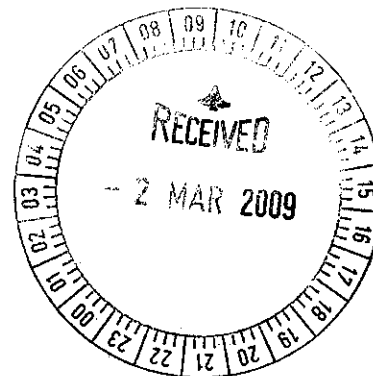
THE STRENGTH TO CARE

Now that's Progressive 

Leader Jim Anderton
Deputy Leader Marc Robinson

24 February 2009

Evan Henning
Henning & Associates
Chartered Accountants- 1st Floor, Spice House
2 Burns Avenue
Takapuna
Auckland 1309



Dear Evan

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 Jim Anderton's Progressive 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.

We 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.

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

- 1 The return has been prepared in accordance with the relevant provisions of the Act.
- 2 We are responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the return. We have done this, and all explanations or demonstrations of this to you have been complete and accurate.

- 3 All records, documents and accounts and 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 We 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

We 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

We 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:

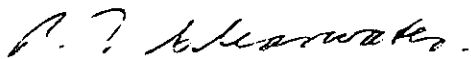
- the basis of apportionment is appropriate, and has been properly applied and recorded, and
- the information contained in the Party's return is known to be consistent with that of the Party's electorate candidates or the

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 We 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,



Philip Thomas Clearwater
Party General Secretary
and Financial Agent