

**Resort Zone Infrastructure
Association Incorporated**

Financial Statements
For the year ended 30 June 2022

Resort Zone Infrastructure Association Incorporated

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As at 30 June 2022

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Resort Zone Infrastructure Association Incorporated

DIRECTORY TO THE FINANCIAL STATEMENTS

As at 30 June 2022

Nature of Activities:	The shareholder is Coneburn Water Supply Company Limited and through its shareholding provide communal potable water to the residents within the Jacks Point Resort Zone.
Business Address:	Jacks Point Clubhouse McAdams Drive Jacks Point Queenstown
Postal Address:	PO Box 64 Queenstown
Registered Office:	C/- Anderson Lloyd Level 1 13 Camp Street Queenstown
Members:	Jacks Point Residents & Owners Association Incorporated RZIA Controlling Member (JP) Limited RZIA Member Limited Jacks Point Developments No. 2 Limited Jacks Point Developments No. 3 Limited
Accountant:	McCulloch & Partners PO Box 64 Queenstown
Incorporation No.:	2634215

Resort Zone Infrastructure Association Incorporated

CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE For the year ended 30 June 2022

	Notes	2022	2021
Income			
Water Levies		240,253	233,218
Capital Levy	5	28,042	-
Member Levies	5	7,418	6,843
Total Income		275,713	240,061
Less Expenses			
Audit Fees	1	7,188	6,613
Bank Charges		114	70
Company Fees		331	230
Consultants		8,545	7,790
Depreciation		235,002	234,768
Electricity		58,790	62,639
Financial & Accounting Fees		5,000	5,000
Insurance		25,008	26,391
Interest		4	5
Legal Fees		-	2,160
Management Fees		21,000	21,000
Rates		5,909	5,252
Repairs & Maintenance		114,224	101,459
Subscriptions		504	504
Telecommunications		1,054	948
Total Expenses		482,673	474,829
Net Deficit from Operations		(206,960)	(234,768)
Other Income			
Insurance Proceeds		-	-
Total Other Income		-	-
Total Comprehensive Revenue and Expense		(206,960)	(234,768)

Resort Zone Infrastructure Association Incorporated

CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY For the year ended 30 June 2022

	2022	2021
Revenue and Expenses		
Net Surplus/(Deficit)	(206,960)	(234,768)
Total Recognised Revenues and Expenses	(206,960)	(234,768)
Equity at the Beginning of the Year	10,894,948	11,129,816
Paid up Capital	100	100
Equity at the End of the Year	10,688,088	10,895,148
Movements in Retained Earnings		
Opening Balance	10,895,048	11,129,816
Plus:		
Net Surplus	(206,960)	(234,768)
Retained Earnings Closing Balance	10,688,088	10,895,048

Resort Zone Infrastructure Association Incorporated

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2022**

	Notes	2022	2021
Equity			
Paid Up Capital		100	100
Accumulated Funds	6	10,688,088	10,895,048
Total Equity		10,688,188	10,895,148
REPRESENTED BY:			
Current Assets			
Cash & Cash Equivalents		3,158	7,437
GST		8,590	2,350
Advance - Related Party	4	23,155	29,783
Total Current Assets		34,903	39,570
Less Current Liabilities			
Accounts Payable Due - Non-Related Parties		27,609	30,670
Accruals		7,188	8,794
Total Current Liabilities		34,797	39,464
Non-Current Assets			
Fixed Assets	2	10,658,639	10,865,599
Spare Parts	3	29,443	29,443
Total Non-Current Assets		10,688,082	10,895,042
Net Assets		10,688,188	10,895,148


 Committee Member:
 Date: 27/9/2022

Resort Zone Infrastructure Association Incorporated

**CONSOLIDATED STATEMENT OF CASH FLOWS
As at 30 June 2022**

	2022	2021
Cash flows from Operating Activities		
<u>Cash was provided from:</u>		
Receipts from customers	240,641	228,441
Capital & Member Levy Call	35,459	6,843
<u>Cash was disbursed to:</u>		
Payments to suppliers	(252,338)	(232,210)
Net cash inflow/(outflow) from operating activities	23,762	3,074
Cash flows to Investing Activities		
<u>Cash was disbursed to:</u>		
Acquisition of Property, Plant and Equipment	(28,042)	-
Net cash inflow/(outflow) from investing activities	(28,042)	-
Net increase/(decrease) in Cash and Cash Equivalents	(4,280)	3,074
Add Cash and Cash Equivalents at beginning of the year	7,438	4,364
Cash and Cash Equivalents at end of the year	3,158	7,438
Reconciliation of Loss for the Year to Net Cash Flows from Operating Activities		
Net Loss for the Year	206,960	234,768
Add Non Cash Items		
Depreciation	(235,002)	(234,768)
	(28,042)	-
Movement in Working Capital		
Increase/(Decrease) in Other Creditors	4,667	(7,850)
Increase/(Decrease) in Debtors	(387)	4,776
	4,280	(3,074)
Net Cash Flows From Operating Activities	(23,762)	(3,074)

Resort Zone Infrastructure Association Incorporated

STATEMENT OF ACCOUNTING POLICIES For the year ended 30 June 2022

REPORTING ENTITY

Resort Zone Infrastructure Association Incorporated (the Society) and its subsidiaries (together the Group) principal activities are to provide communal potable water to the residents within the Jacks Point Resort Zone.

Resort Zone Infrastructure Association Incorporated is an Incorporated Society registered under the Incorporated Societies Act 1908. Included within the Group is Coneburn Water Supply Company Limited (100% owned) from 31 December 2016, which is registered under the Companies Act 1993.

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with Public Benefit Entity Not For Profit Accounting Standards (PBE NFP) and other applicable Financial Reporting Standards, as appropriate for Tier 2 not for profit public entities, for which all disclosure regime exemptions have been applied. The Society qualifies for Tier 2 as it is not publically accountable and is not large.

The consolidated financial statements for the "Group" are for the economic entity comprising Resort Zone Infrastructure Association Incorporated and Coneburn Water Supply Company Limited.

The information is presented in New Zealand dollars. All values are rounded to the nearest \$.

MEASUREMENT BASIS

The consolidated financial statements have been prepared on the historical cost basis.

SPECIFIC ACCOUNTING POLICIES

The following specific accounting policies have a material effect on the measurement of results and financial position:

Basis of Consolidation

The financial statements of Coneburn Water Supply Company Limited (100% owned) have been incorporated into the consolidated financial statements of the Society using the purchase method from 31 December 2016.

Accounts Receivable

Accounts receivable are stated at expected realisable value, after provision for amounts considered doubtful.

Equity

Equity is the members' interest in the Society as measured by total assets less total liabilities.

Fixed Assets & Depreciation

Fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets. Where the asset is acquired for no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition.

Depreciation is provided on a straight line basis at rates that will write off the cost of the assets over their expected useful lives. The rates used for each class of asset are as follows:

<u>Asset Class</u>	<u>Years</u>	<u>Depn Rate</u>
Buildings & Structures	50	2.00%
Water (Potable) Plant & Equipment	10-50	2.00% - 10.00%
Water (Potable) Reticulation Networks	40-100	1.00% - 2.50%

Resort Zone Infrastructure Association Incorporated

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

For the year ended 30 June 2022

Impairment

At each reporting date, the Group reviews the carrying value of its tangible assets to determine whether there is any indication that the assets have suffered an impairment loss. If any such indication exists the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss (if any). An impairment loss is recognised in the Statement of Comprehensive Revenue and Expense immediately.

Accounts Payable

Accounts payable are recognised when the Group becomes obliged to make future payments normally from the purchase of goods and services.

Levies

Levies are recognised when the Group is entitled to pass rates.

Cash & Cash Equivalents

Cash and cash equivalents comprise of cash on hand, cash in banks and other short term highly liquid deposits that are readily convertible to a known amount of cash.

Goods and Services Tax

These financial statements are prepared on a GST exclusive basis. The parent entity is not GST registered, the subsidiary is GST registered.

Taxation

The Society is a non-profit incorporated Society and as such is not liable for income tax in relation to member income. The subsidiary is a company registered under the Companies Act 1993. The subsidiary company has been structured to ensure that it is not able or allowed to make a taxable profit in any year.

Vested Assets

Vested assets are recognized at their fair value at the date the assets are unconditionally passed to the Group. The fair value of the vested asset is recognized as income in the year of vesting in the Statement of Comprehensive Revenue and Expense.

Changes in Accounting Policies

There have been no changes in accounting policies during the year.

Critical Judgements in Applying Accounting Policies

Management has exercised the following critical judgement in applying accounting policies for the year ended 30 June 2022: No critical judgements have been made this year.

Use of Estimates, Judgements, and Assumptions

No material change in accounting estimates have been made this year.

Resort Zone Infrastructure Association Incorporated

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2022

1 Auditor's Remuneration

The auditor of Resort Zone Infrastructure Association Incorporated (RZIAL) is Deloitte Limited
2021 Audit Fee
2022 Audit Fee

	2022	2021
	-	6,613
	7,188	-
	<u>7,188</u>	<u>6,613</u>

2 Fixed Assets

Asset Class	Cost 1 July 2021	Additions & Disposals	Cost 30 June 2022	Accumulated Depreciation 1 July 2021	Depreciation	Accumulated Depreciation 30 June 2022	Carrying Value 30 June 2022
Buildings & Structures	192,120	-	192,120	17,291	3,842	21,133	170,987
<u>Infrastructural Assets</u>							
Water (Potable) Plant & Equipment	597,502	28,042	625,544	85,152	19,198	104,350	521,193
Water (Potable) Reticulation	11,041,701	-	11,041,701	863,281	211,961	1,075,242	9,966,458
	<u>11,831,323</u>	<u>28,042</u>	<u>11,859,365</u>	<u>965,724</u>	<u>235,001</u>	<u>1,200,725</u>	<u>10,658,639</u>

3 Spare Parts

	2022	2021
Motor – Pleuger MI-960-2 Potable Pump	29,443	29,443
	<u>29,443</u>	<u>29,443</u>

4 Advance to Related Parties

<u>Entity</u>	2022	2021
Jacks Point Residents & Owners Association (JPROA)	23,155	29,783
	<u>23,155</u>	<u>29,783</u>

Resort Zone Infrastructure Association Incorporated

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 30 June 2022

5 Related Party Transactions

Member Levy

The Society issued a Member Levy request to Jacks Point Residents & Owners Association ("JPROA") of \$7,418 (Prior year: \$6,843) for the following operating Expenditure incurred by Resort Zone Infrastructure Association Incorporated:

- Audit Fee 2022	\$ 7,188
- Annual Company Return Fee	\$ 230

Capital Levy

The Society issued a Capital Levy request to Jacks Point Residents & Owners Association ("JPROA") of \$28,042 (Prior year: \$nil) for the Capital Expenditure incurred by Coneburn Water Supply Company Ltd in the year ended 30 June 2022 for the exclusive service of JPROA members.

6 Accumulated Funds

	2022	2021
Opening Balance	10,895,048	11,129,816
Net (Deficit) for the Year	<u>(206,960)</u>	<u>(234,768)</u>
Closing Balance	<u>10,688,088</u>	<u>10,895,048</u>

7 Capital Commitments

There were no commitments for capital expenditure at balance date this year. (Prior year: nil)

8 Contingent Liabilities

In the prior year, on 12th May 2020, the Association and its Members entered a Deed of Release and Resignation – Water Deed and RZIAL ("the Deed"). As a result, the Member Henley Downs Residents and Owners Association Incorporated ("HDROA") resigned as a Member of the Association and was discharged and released from its rights and obligations under the Deed Pertaining to Jacks Point Water Supply dated 16 June 2016 ("Water Deed"). Further, RCL Developments Henley Downs Limited ("RCL") resigned as a Member and as a Controlling Member of the Association. In consideration for the discharge and release from the rights and obligations under the Water Deed of HDROA and the resignation of both HDROA and RCL as Members of the Association, HDROA was granted the right to receive 50% of the cash proceeds of any sale to an arm's length third party, within seven years after the date of the Deed, of the Water Infrastructure Assets of the 100% subsidiary Coneburn Water Supply Co Limited.

While there are no current plans to sell the Water Infrastructure Assets, a Committee has been formed to review the feasibility of such action.

There were no other contingent liabilities at balance date this year. (Prior year: nil)

9 Mortgages, Charges and Securities

There are no mortgages, charges and securities over the Society's property. (Prior year: nil)

Independent Auditor's Report

To the Members of Resort Zone Infrastructure Association Limited

Opinion

We have audited the financial statements of Resort Zone Infrastructure Association Incorporated (the 'entity') and its subsidiaries ('the group'), which comprise the consolidated statement of financial position as at 30 June 2022, and the consolidated statement of financial position as at 30 June 2022, and the consolidated statement of comprehensive revenue and expense, statement of movements in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements, on pages 3 to 10, present fairly, in all material respects, the consolidated financial position of the group as at 30 June 2022, and its consolidated financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Committee's responsibilities for the consolidated financial statements

The Committee is responsible on behalf of the group for the preparation and fair presentation of the consolidated financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, and for such internal control as the Committee determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Committee is responsible on behalf of the group for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee either intend to liquidate the group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on at the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-7>

This description forms part of our auditor's report.

Deloitte Limited

Dunedin, New Zealand
27 September 2022