

*JACKS POINT RESIDENTS & OWNERS
ASSOCIATION INCORPORATED*

*Financial Statements
For the Year Ended 30 June 2021*

Contents

	Page
Directory	2
Audit Report	3
Statement of Comprehensive Revenue and Expense	4
Statement of Changes in Equity	5
Statement of Financial Position	6
Statement of Cash Flows	7
Statement of Accounting Policies	8 - 9
Notes to the Financial Statements	10 - 21

Directory

Nature of Activities	Provide, maintain & administer infrastructural assets and communal facilities at Jacks Point on behalf of residents.		
Business Address	Jacks Point Clubhouse Clubhouse Road Jacks Point Queenstown	Postal Address	PO Box 64 Queenstown
Incorporation Number	1833867	IRD Number	095-399-517
Committee: Area	Person: Michael Coburn Clive Geddes Neville Andrews John Herlihy David Wightman Noel Kirkwood	Position: Chairman Committee Member Committee Member Committee Member Committee Member Committee Member	Representative of: Southern Village Precinct Residential Precinct Residential Precinct Southern Village Precinct Northern Village Precinct Northern Village Precinct
Residential	Clive Geddes Ilse Erasmus Simon Taverner Marcus Saxton Neville Andrews Steve Mclsaac	Chairman Committee Member Committee Member Committee Member Committee Member	
Southern Village	Michael Coburn John Herlihy	Chairman Committee Member	
Northern Village	David Wightman Noel Kirkwood	Chairman Committee Member	
Secretary	McCulloch + Partners Chartered Accountants PO Box 64 Queenstown	Auditors	Deloitte Chartered Accountants PO Box 1245 Dunedin
Bankers	ASB Bank PO Box 35 Shortland Street Auckland	Solicitors	Preston Russell Law PO Box 355 Invercargill Anderson Lloyd Po Box 201 Queenstown

Independent Auditor's Report

To the Members of Jacks Points Residents and Owners Association Incorporated

Opinion

We have audited the financial statements of Jacks Point Residents and Owners Association Incorporated (the 'entity'), which comprise the statement of financial position as at 30 June 2021, and the statement of comprehensive revenue and expense, statement of changes in equity and the 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 financial statements, on pages 4 to 21, present fairly, in all material respects, the financial position of the entity as at date, and its 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 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 financial statements

The Committee is responsible on behalf of the entity for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Committee is responsible for assessing the entity'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 entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8>

This description forms part of our auditor's report.

Restriction on use

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

Deloitte Limited

Dunedin, New Zealand
30 September 2021

Statement of Comprehensive Revenue and Expense

For the Year ended 30 June 2021

	Notes	2021	2020
Revenue from Exchange Transactions			
Interest Received		37,231	77,094
		37,231	77,094
Revenue from Non-Exchange Transactions			
Resident & Owners Association Levies		2,182,495	2,125,715
Golf Course Levies		692,338	665,213
Water & Wastewater Usage Charges		256,541	229,952
Administration Transfer Fees Received		43,896	36,182
Sundry Income		89,704	121,056
Penalties Income		50,816	25,300
		3,315,790	3,203,418
Total Income		3,353,021	3,280,512
Less Expenses			
Audit Fees		10,500	10,000
Bad Debts		-	3,378
Bank Charges & Interest		1,765	1,677
Bulk Water Charges		233,218	193,434
Civil Defence		678	630
Computer Support Costs		54,328	60,006
Committee Honorarium		6,000	4,000
Consultants		29,252	74,325
Depreciation	8	1,535,671	1,540,324
DRB Administration		21,000	21,000
Electricity		38,545	34,371
Financial & Accounting Fees		180,000	181,500
Golf Levies		692,338	665,213
Insurance		86,965	82,288
Legal Fees		26,046	8,184
Management Fees		153,230	131,033
Meeting Expense - Members		660	1,595
Members Services & General Enquires		73,500	73,500
Printing & Photocopying		7,597	6,479
Rates		13,659	13,715
Rent & Opex		29,802	32,880
Repairs & Maintenance		510,864	551,959
Servicing		501,578	438,189
Water Sampling & Testing		12,883	10,213
Total Expenses		4,220,079	4,139,893
Net Operating Deficit for the Year Before Tax		(867,058)	(859,381)
Taxation Expense	3a	10,425	21,587
Net Deficit for Year After Tax		(877,483)	(880,968)
Other Revenue or Expenses			
Member Levy Call from Joint Venture	1e	(6,843)	(6,980)
Share of Loss of Equity Accounted Investees	5	(117,384)	(117,384)
Vesting Income	4	110,088	-
Capital Contribution	2d	84,000	-
Total Other Revenue or Expenses		69,861	(124,364)
Total Net Surplus/(Deficit) and Comprehensive Income for the Year		(807,622)	(1,005,332)

Statement of Changes in Equity

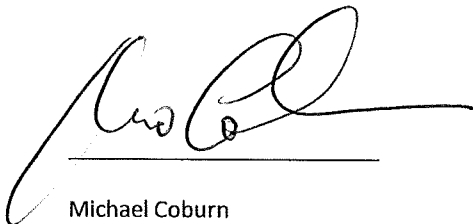
For the Year ended 30 June 2021

	Notes	Accumulated Funds	Reserves- Sinking Fund	Reserves - Future Capital Expenditure	Total
Balance 30 June 2019		31,684,818	2,208,604	16,924	33,910,346
Total Net Deficit & Comprehensive Income for the Year		(1,005,332)	-	-	(1,005,332)
Transfer from Accumulated Funds	2a	(646,001)	546,001	100,000	-
Transfer to Accumulated Funds	2a	236,752	(236,752)	-	-
Closing Balance 30 June 2020		30,270,237	2,517,853	116,924	32,905,014
Total Net Deficit & Comprehensive Income for the Year		(807,622)	-	-	(807,622)
Transfer from Accumulated Funds	2a	(731,783)	731,783	-	-
Transfer to Accumulated Funds	2a	58,634	(58,634)	-	-
Closing Balance 30 June 2021		28,789,466	3,191,002	116,924	32,097,392

Statement of Financial Position

For the Year ended 30 June 2021

	Notes	2021	2020
Equity			
Reserves - Sinking Fund	2c	3,191,002	2,517,851
Reserves - Future Capital Expenditure	2c	116,924	116,924
Accumulated Funds	2a	28,789,466	30,270,237
Total Equity		32,097,392	32,905,012
Represented By			
Current Assets			
Cash & Cash Equivalents		4,514,336	3,447,447
Accounts Receivable due from Related Party (Exchange)	10	4,733	4,438
Accounts Receivable due from Non-Related Party (Non-Exchange)	6a	229,008	192,345
Accrued Interest		7,391	14,833
GST		22,570	36,622
Provision for Taxation	3b	2,082	-
Total Current Assets		4,780,120	3,695,685
Less Current Liabilities			
Provision for Taxation	3b	-	3,173
Payables due to Related Party (Exchange)	9	96,387	92,517
Payables due to Non-Related Party (Exchange)	7	915,051	807,799
Advances from Related Party	11	29,783	25,778
Provisions due to Related Parties	12	236,973	-
Total Current Liabilities		1,278,194	929,267
Non-Current Assets			
Equity Accounted Investees	5	5,522,469	5,639,853
Non-Current Receivables	6b	15,938	21,375
Fixed Assets	8	23,057,059	24,477,366
Total Non-Current Assets		28,595,466	30,138,594
Net Assets		32,097,392	32,905,012



Michael Coburn

Chairman

Dated: 30/9/2021



Committee Member

Dated: 30/9/21

Statement of Cash Flows

For the Year ended 30 June 2021

	Notes	2021	2020
Cash Flows from Operating Activities			
<u>Cash was Provided From:</u>			
Receipts from Customers – Non-Exchange		3,848,676	2,795,939
Interest Received		44,673	65,793
Payments from Inland Revenue		-	2,711
<u>Cash was Disbursed To:</u>			
Payments to Suppliers		(2,706,624)	(2,648,294)
Payments to Inland Revenue		(1,633)	-
Net Cash Inflow from Operating Activities		1,185,092	216,149
Cash Flows from Investing Activities			
<u>Cash was Dispersed To:</u>			
Payments for Property, Plant and Equipment	8	(115,365)	(96,779)
Member Levy Call – Resort Zone Infrastructure Association Incorporated	1e	(6,843)	(6,980)
Net Cash Outflow from Investing Activities		(122,208)	(103,759)
Cash Flows from Financing Activities			
<u>Cash was Received From:</u>			
Advance to Related Party – Coneburn Water Supply Company Limited		4,005	-
<u>Cash was Dispersed To:</u>			
Advance to Related Party – Coneburn Water Supply Company Limited		-	(571)
Net Cash Inflow/(Outflow) from Financing Activities		4,005	(571)
Net Increase in Cash and Cash Equivalents		1,066,889	111,819
Add Cash and Cash Equivalents at Beginning of the Year		3,447,447	3,335,628
Cash and Cash Equivalents at End of the Year		4,514,336	3,447,447
Reconciliation of Comprehensive Income for the Year with Cash Flow from Operating Activities:			
Total Deficit and Comprehensive Income for the Year		(807,622)	(1,005,332)
Adjustments for:			
Share of Loss of Equity Accounted Investees	5	117,384	117,384
Capital & Member Levy Call from Associate	1e	6,843	6,980
Movement in Accrued Interest		7,442	(11,301)
Depreciation and Amortisation on Non-Current Assets	8	1,535,671	1,540,324
		1,667,340	1,653,387
Movements in Working Capital:			
Decrease/(Increase) in Trade and Other Receivables		(31,517)	(104,461)
Increase/(Decrease) in Trade and Other Payables		111,122	(351,747)
Increase/(Decrease) in Related Party Provisions		236,973	-
Increase/(Decrease) in Provisions		8,792	24,302
		325,370	(431,906)
Net Cash Generated by Operating Activities		1,185,088	216,149

Statement of Accounting Policies

For the Year ended 30 June 2021

Reporting Entity

Jacks Point Residents & Owners Association Incorporated (“The Society”) principle activities is to provide, maintain and administer infrastructural assets and communal facilities at Jacks Point on behalf of residents.

Jacks Point Residents & Owners Association Incorporated is an Incorporated Society registered under the Incorporated Societies Act 1908.

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 benefit entities, for which all reduced disclosure regime exemptions have been applied. The Society qualifies for Tier 2 as it is not publicly accountable and is not defined as large.

Measurement Base

The financial statements have been prepared on the basis of historical cost. Reliance is placed on The Society being a going concern.

The information is presented in New Zealand dollars. Due to rounding, numbers presented may not add up precisely to totals provided.

Specific Accounting Policies

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

(a) Interest in Equity-Accounted Investees

The Society’s interest in equity-accounted investees comprises interests in the associate Resort Zone Infrastructure Association Incorporated (“RZIAI”), which controls Coneburn Water Supply Company Limited (“CWSCL”). Associates are those entities in which the Group has significant influence, but not control over the financial and operating policies. The determination of Significant influence over RZIAI is a matter of judgement and is based on the nature of the relationship between The Society and RZIAI. Through the constitution of RZIAI and other Deeds, on wind up of RZIAI, The Society has a 50% interest in the Communal Facilities of RZIAI, which includes the shares in CWSCL, further The Society’s representatives are the Directors of CWSCL. Interests in associates are accounted for using the equity method, which is outlined at note 5.

(b) Accounts Receivable

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

(c) Equity

Equity is the members’ interest in The society as measured by total assets less total liabilities. Equity is made up of Accumulated Funds, Sinking Fund Reserves and Future Capital Expenditure Reserves. The purpose and calculation methodology are set out in Note 2.

(d) Impairment

At each reporting date, The Society reviews the carrying value of its tangible and intangible 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 Financial Performance immediately.

Statement of Accounting Policies (Continued)

For the Year ended 30 June 2021

(e) 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 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>	<u>Infrastructure Assets</u>	<u>Years</u>	<u>Depn Rater</u>
Open Spaces & Reserves Land	n/a	0%	Roads, Carparks & Tracks	10-15	6.7%-13.5%
Land Improvements (Stonewalls)	14	7%	Stormwater Reticulation Networks	25	4%
Buildings & Structures	50	2%	Street Furniture & Lighting	7-30	3.3-21%
Plants & Equipment	3-20	5%-33.3%	Wastewater/Sewage Reticulation Network	25	4%
Computer Equipment	3-4	30-40%	Water Reservoir (lake)	25	4%
Motor Vehicles	5	21%			
Civil Defence	6-17	6%-17.5%			
Office Equipment	4	25%			

(f) Accounts Payable

Accounts Payable are recognised when The Society becomes obliged to make future payments normally from the purchase of goods and services.

(g) Vested Assets

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

(h) Levies

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

(i) Provisions

A provision is recognised if, as a result of a past event, the Society has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

(j) Cash & Cash Equivalents

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

(k) Goods & Services Tax

These financial statements are prepared on a GST exclusive basis, with the exception of receivables and payables, which include GST.

(l) Taxation

The Society is a non-profit incorporated Society and as such is not liable for income tax in relation to member income.

(m) Changes in Accounting Policies

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

(n) Significant Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions about the recognition and measurement of assets, liabilities and income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Notes to the Financial Statements

For the Year ended 30 June 2021

1. Statement of Operations

The Statement of Operations represents income less the direct cost of operations excluding depreciation on vested assets and vested asset income share of joint venture loss.

	Notes	2021	2020
Income from Exchange Transactions			
Interest Received		37,231	77,094
		37,231	77,094
Income from Non-Exchange Transactions			
Administration Transfer Fees Received		43,896	36,182
Resident & Owners Association Levies		2,182,495	2,125,715
Golf Course Levies	1a	692,338	665,213
Water and Wastewater Usage Charges		256,541	229,952
Penalties Income		50,816	25,300
Sundry Income	1b	89,704	121,056
		3,315,790	3,203,418
Total Income		3,353,021	3,280,512
Administration Expenses			
Audit Fees		10,500	10,000
Bad Debts		-	3,378
Bank Charges & Interest		1,763	1,677
Computer Support Costs		54,328	60,006
Committee Honorarium		6,000	4,000
DRB Administration		21,000	21,000
Financial & Accounting Fees		180,000	181,500
Management Fees		153,230	131,033
Meeting Expense- Members		660	1,595
Members Services & General Enquiries		73,500	73,500
Printing & Photocopying		7,597	6,479
		508,578	494,168
Property Expenses			
Bulk Water Charges	1c	233,218	193,434
Electricity		38,545	34,371
Insurance		86,965	82,288
Rates		13,659	13,715
Rent & Opex		29,802	32,880
		402,189	356,688
Repairs & Maintenance			
Civil Defence		678	630
General Landscape Maintenance		501,578	438,189
Pest Control		13,146	4,843
Plant & Equipment		61,851	60,263
Roads		26,494	23,329
Roads-Reseal	1d	53,357	139,973
Stormwater		5,980	8,210
Wastewater Service Contract		350,037	315,341
Water Sampling & Testing		12,883	10,213
		1,026,004	1,000,991

Notes to the Financial Statements (Continued)

For the Year ended 30 June 2021

1. Statement of Operations (Continued)

	Notes	2021	2020
Other Overhead Expenses			
Consultants		29,252	74,325
Legal Fees		26,046	8,184
Golf Levies	1a	692,338	665,213
		747,636	747,722
Total Expenses		2,684,407	2,599,569
Net Surplus Before Depreciation and Taxation		668,614	680,943
Taxation		10,425	21,587
Net Surplus Before Depreciation		658,189	659,356
		2021	2020
Reconciliation to Statement of Comprehensive Revenue and Expense:			
Net Surplus Before Depreciation		658,189	659,356
Less: Share of Loss of Joint Venture	5	(117,384)	(117,384)
Less: Depreciation	8	(1,535,671)	(1,540,324)
Less: Levy Call from Joint Venture	1e	(6,843)	(6,980)
Plus: Vesting Income	4	110,088	-
Capital Contribution	2d	84,000	-
Total Comprehensive Income for the Year		(807,621)	(1,005,332)

(a) Golf Course Levies

The Society collected on behalf of Jacks Point Golf Limited golf course maintenance levies of \$692,338 (Prior Year: \$665,213) These levies are passed directly to Jacks Point Golf Limited. As such a Golf Levies expense of \$692,338 (Prior Year: \$665,213) has been recognised.

(b) Sundry Income

Sundry Income collected \$89,704 (Prior Year \$121,056) was generated from parking revenue, on charge of Design Review Board administration costs, forfeited building bonds and roading maintenance & management contributions.

(c) Bulk Water Charges

The Bulk Water Charges represent the supply cost of potable water by Coneburn Water Supply Company as set out in the Deed Pertaining to Jacks Point Water Supply. The supply cost of potable water is met through the fixed Water Access Charge and the variable Water Usage Charge.

(d) Roads- Reseal

In the current year, The Society incurred costs of \$53,357 (Prior Year: \$139,973) as part of the roading reseal program. This cost had been funded from Sinking Fund Reserve contributions as shown in Note 2(b).

(e) Member Levy Call from Associate

During the year Resort Zone Infrastructure Association made a member call of \$6,843 (Prior Year \$6,980) for Operating Expenditure incurred by Resort Zone Infrastructure Association Incorporated.

Notes to the Financial Statements (Continued)

For the Year ended 30 June 2021

2. Equity and Sinking Fund Calculations

The sinking fund was set up as per the constitution as a fund in which The Society sets aside money for future Capital Expenditure. It is based on a specific rate per exhaustible asset which may need future upgrade/repairs, calculated by number of leviable lots per quarter. A portion of the retained earnings are set aside specifically for the Sinking Fund and Future Capital Expenditure reserves, which are released back to Accumulated Funds when used for Capital Expenditure or other expenditure items as agreed by the Committee.

(a) Accumulated Funds

	Notes	2021	2020
Opening Balance		30,270,237	31,684,818
Net (Deficit) Surplus for the Year		(807,622)	(1,005,332)
Transfer from Sinking Funds		58,634	236,752
Transfer to Sinking Funds		(731,783)	(646,001)
Closing Balance (a)		28,789,466	30,270,237

(b) Sinking Funds / Future Capital

	Notes	2021	2020
Opening Balance		2,634,777	2,225,527
Transfer to Accumulated Funds- Roading Reseals	1d	(53,357)	(139,973)
Transfer from Accumulated Funds - Member Contributions		545,727	546,001
Transfer from Accumulated Funds - Future Capital Expenditure Footbridge	2f	-	100,000
Transfer from Accumulated Funds – Repayment of Capital Additions	2e	102,056	-
Transfer from Accumulated Funds – Capital Contributions	2d	84,000	-
Transfer from Accumulated Funds - 2021 Capital Additions	2e	(5,277)	-
Transfer from Accumulated Funds - 2020 Capital Additions	2e	-	(96,780)
Closing Balance (b)	2c	3,307,926	2,634,777
Total Equity (a+b)		32,097,392	32,905,014

Notes to the Financial Statements (Continued)

For the Year ended 30 June 2021

2. Equity and Sinking Fund Calculations (Continued)

(c) Sinking Funds / Future Capital (Continued)

The following is a representation of the balance of funds being held in the sinking fund. Each member contribution paid into the sinking fund is split between the relevant category and any expenditure is tracked throughout the year.

	Notes	2021	2020
<u>Roading Residential</u>			
Opening Balance		662,976	625,945
Collected for Roothing Residential		179,374	177,004
Spent on Roothing Residential		(53,357)	(139,973)
Closing Balance		<u>788,993</u>	<u>662,976</u>
<u>Roothing Preserve</u>			
Opening Balance		526,697	445,430
Collected for Roothing Preserve		53,829	81,267
Closing Balance		<u>580,526</u>	<u>526,697</u>
<u>Roothing Village</u>			
Collected for Roothing Village		16,810	-
Closing Balance		<u>16,810</u>	<u>-</u>
<u>Water</u>			
Opening Balance		526,614	428,424
Collected for Water		101,818	98,190
Closing Balance		<u>628,432</u>	<u>526,614</u>
<u>Waste & Storm Water - Residential</u>			
Opening Balance		1,150,422	972,392
Capital Contribution	2d	84,000	-
Collected for Waste & Storm Water Residential		180,417	178,030
Closing Balance		<u>1,414,839</u>	<u>1,150,422</u>
<u>Stormwater - Preserve</u>			
Opening Balance		14,715	12,192
Collected for Stormwater - Preserve		1,671	2,523
Closing Balance		<u>16,386</u>	<u>14,715</u>
<u>Stormwater - Village</u>			
Collected for Stormwater – Village		1,763	-
Closing Balance		<u>1,763</u>	<u>-</u>
<u>Street Furniture</u>			
Opening Balance		71,148	62,162
Collected for Street Furniture		10,046	8,986
Closing Balance		<u>81,194</u>	<u>71,148</u>
<u>Other Capital Expenditure</u>			
Opening Balance		(434,720)	(337,940)
Other Capital Expenditure Incurred	2e	(5,277)	(96,780)
Transfer from Accumulated Earnings	2e	102,056	-
Closing Balance		<u>(337,941)</u>	<u>(434,720)</u>
Total Reserves - Sinking Fund		<u>3,191,002</u>	<u>2,517,851</u>
<u>Future Capital Expenditure</u>			
Opening Balance		116,924	16,924
Collected for Future Capital Expenditure		-	100,000
Closing Balance		<u>116,924</u>	<u>116,924</u>
Total Future Capital Expenditure		<u>116,924</u>	<u>116,924</u>
Total Equity		<u>3,307,926</u>	<u>2,634,777</u>

Notes to the Financial Statements (Continued)

For the Year ended 30 June 2021

(d) Capital Contributions

During the year, as part of the approval of a development activity by an independent developer within the residential precinct, a capital contribution of \$84,000 was requested to contribute towards future upgrade requirements of the stormwater and wastewater system as a result of the development. This capital contribution has been recognised as other income per note 1 and been transferred to the sinking fund per note 2b - 2c.

(e) Other Capital Expenditure

The other capital expenditure line item within the sinking fund provision is made up of the cost of new capital assets, funded by sinking fund reserves. The new capital assets are not considered attributable to other line items of the sinking fund, which sinking fund levies are collected for. During the year, as detailed in note 8, \$5,277 (prior year \$96,780) of asset additions were purchased. The assets additions were fully funded (prior year fully funded) by sinking fund reserves. On preparation of the financial statements, it was agreed that \$102,056 (prior year \$nil) would be transferred from the current year operating surplus to offset the 2021 and 2020 asset additions of \$5,277 and \$96,780 funded by sinking fund reserves.

(f) Future Capital Expenditure – Maori Jack Road and Morrison Drive Footbridge

In the prior year, the Committee reviewed the footpath network within Jacks Point as a result of feedback from Residents. A number of projects were identified with estimated costs based on general assumptions. The identified projects were ranked based on several criteria. It was agreed that the installation of a footbridge attached to the culvert crossing at the intersection of Maori Jack Road and Morrison Drive was critical in the development of the footpath network. Rather than issuing a special levy to residents to fund the project, it was agreed that nil (\$100,00 prior year) from the current year operating surplus is to be transferred to the Future Capital Expenditure Reserve to assist with the funding of the project.

3. Taxation

(a) Tax Expense

	2021	2020
Net Deficit for the Year Before Tax	(867,058)	(859,381)
Total Other Comprehensive Revenue or (Expenses)	69,860	(124,364)
Total Comprehensive Income for the Year Before Tax	(797,198)	(983,745)
Tax Adjustments		
Less: Non-Taxable Income	(3,509,875)	(3,218,418)
Plus: Non-Taxable Expenses	4,344,304	4,279,256
Total Tax Adjustments	834,429	1,060,838
Total Taxable Income	37,231	77,093
Income Tax at 28%	10,425	21,587
Income Tax Expense	10,425	21,587

Notes to the Financial Statements (Continued)

For the Year ended 30 June 2021

(b) Provision for Tax

	<u>2021</u>	<u>2020</u>
Opening Balance Income Tax Payable/(Receivable)	3,173	(4,339)
Plus:		
Provision for Taxation	10,425	21,587
Tax Refund Received	-	4,339
Less:		
Resident Withholding Tax Paid	12,508	18,414
Tax Refund Paid	3,172	-
Income Tax Payable/(Receivable)	<u>(2,082)</u>	<u>3,173</u>

4. Vested Assets

During the financial year, The Society was vested infrastructure assets (Trails and Waste Water Connection) by third party developers as part of a subdivision approval. The assets were vested for nil consideration. The fair value of the vested assets of \$110,088 has been recognised as income in the Statement of Comprehensive Revenue and Expense. The fair value of the assets has been calculated using the Depreciated Replacement Cost Method given the specialist nature of the assets vested. Under the Depreciated Replacement Cost Method the fair value of the vested assets is equal to the cost incurred by the third party developer to bring these assets to a fully working order. No assets were vested in the prior financial year.

5. Interest in Equity-Accounted Investees

At 31 December 2016 The Society acquired a 50% interest in Resort Zone Infrastructure Association Incorporated "RZIAL". No consideration was paid for the interest in RZIAL. RZIAL holds 100% of the assets and operating activities of Coneburn Water Supply Company Limited "CWSC", known as the RZIAL Group. On obtaining its 50% interest in RZIAL, The Society was required to recognise the value of its interest with reference to the fair value of the underlying assets held by RZIAL, being the assets of CWSC.

It was determined by a valuation that 50% of the fair value of the underlying asset in CWSC as at 31 December 2016 was \$5,860,198. This value represents the original Investment in RZIAL Group.

The Society's investment in the RZIAL Group has been equity accounted in the Statement of Comprehensive Revenue and Expense. Under the equity accounting method, each year The Society's share of the operating profit or loss is added or subtracted from the opening balance of the 50% investment in the RZIAL Group and is recognised as either income or an expense in the Statement of Comprehensive Revenue and Expense.

During the financial year The Society recognised \$117,384 of expenses through the financial statements being its 50% share of the loss of the RZIAL Group. (Prior year: \$117,384)

	<u>2021</u>	<u>2020</u>
Opening Balance	5,639,853	5,757,237
Share of Profit/(Loss) for Period Ended 30 June	(117,384)	(117,384)
Closing Balance	<u>5,522,469</u>	<u>5,639,853</u>

Notes to the Financial Statements (Continued)

For the Year ended 30 June 2021

6. Accounts Receivable

(a) The Current Accounts Receivable Balance is made up of:

	<u>2021</u>	<u>2020</u>
Association Member Levies	228,495	192,345
Sundry Receivables	513	-
	<u>229,008</u>	<u>192,345</u>

Certain members have not paid various instalments of the Association levies. At balance date \$140,937 are overdue (Prior year: \$97,432).

(b) The Non-Current Accounts Receivable Balance is made up of:

	<u>2021</u>	<u>2020</u>
Association Member Levies	15,938	21,375
	<u>15,938</u>	<u>21,375</u>

i. Association Member Levies

The Committee is negotiating with those members whose Levies are in arrears to obtain payment of all outstanding amounts. However, The Society has presented certain amounts outstanding, \$15,938 as being non-current (Prior year: \$21,375) as payment is not expected to be made in the 12 months following balance date.

7. Accounts Payable

	<u>2021</u>	<u>2020</u>
The Current Accounts Payable Balance is made up of:		
Accruals	18,000	40,553
Bonds- Building & Design Review	747,217	613,874
Trade Payables	146,515	134,390
Sundry Payables	1,550	2,760
Retentions Not Yet Due	1,769	16,222
	<u>915,051</u>	<u>807,799</u>

Notes to the Financial Statements (Continued)

For the Year ended 30 June 2021

8. Fixed Assets

Carrying Value 30 June 2020	Asset Class	Opening Cost 1 July 2020	Additions/ (Disposals)	Closing Cost 30 June 2021	Accumulated Depreciation 1 July 2020	Depreciation Expense	Accumulated Depreciation 30 June 2021	Carrying Value 30 June 2021
236,798	Buildings & Structures	255,575	-	255,575	18,777	5,112	23,889	231,686
17,492	Computer Equipment	74,984	-	74,984	57,492	16,971	74,463	521
2,639	Office Equipment	10,393	-	10,393	7,754	856	8,610	1,783
59,750	Plant & Equipment	95,848	-	95,848	36,098	7,536	43,634	52,214
10,426	Motor Vehicles	45,391	-	45,391	34,965	9,536	44,501	890
	<u>Infrastructure Assets</u>							
2,097,124	Open Spaces & Reserves Land	2,097,124	-	2,097,124	-	-	-	2,097,124
413,316	Land Improvements (Stone Fencing)	831,879	-	831,879	418,563	41,856	460,419	371,460
10,079,995	Roads, Carparks & Tracks	13,514,234	115,365	13,629,599	3,434,239	906,093	4,340,332	9,289,267
4,737,750	Storm Water Reticulation Networks	5,578,978	-	5,578,978	841,228	223,159	1,064,387	4,514,591
528,006	Street Furniture & Lighting	764,286	-	764,286	236,280	27,602	263,882	500,404
5,870,979	Wastewater/Sewage Reticulation	6,916,313	-	6,916,313	1,045,334	276,652	1,321,986	5,594,327
419,287	Water Reservoir (Lake)	495,270	-	495,270	75,983	19,811	95,794	399,476
3,804	Civil Defence Equipment	4,697	-	4,697	893	487	1,380	3,317
<u>24,477,366</u>		<u>30,684,972</u>	<u>115,365</u>	<u>30,800,337</u>	<u>6,207,606</u>	<u>1,535,671</u>	<u>7,743,277</u>	<u>23,057,059</u>

Depreciation commences from the date at which the economic benefits associated with the class of asset begin to be consumed. An assessment was made in the current year that all infrastructure assets are now being used and therefore the consumption of economic benefits associated with the infrastructure assets has taken effect, which has resulted in the increase of depreciation expense compared to the Prior Year. In the Prior Year, a portion of infrastructure assets of the Group and Society were determined to be idle as the area serviced by those assets were not developed or there were significant vacant sections. For those infrastructure assets were not depreciated until those vacant sections were developed and the consumption of economic benefits associated with the infrastructure assets took effect.

As outlined in Note 4, during the year The Society was vested various infrastructure assets. These assets were vested to The Society for nil consideration. For accounting purposes, the assets were acquired at the fair value of \$110,088 (prior year nil). As such the total cash cost of asset additions for the year was \$5,277 (prior year \$96,780) as set out in the Statement of Cash Flows. There were no assets disposed of this year (prior year nil).

Notes to the Financial Statements (Continued)

For the Year ended 30 June 2021

9. Accounts Payable Due to Related Parties

Current Accounts Payable Due to Related Parties:

	2021	2020
Entity		
Darby Asset Management LP	28,377	27,320
Jacks Point Clubhouse Holdings Ltd	575	804
Jacks Point Golf Ltd	67,435	63,829
Jason Bartlett	-	564
Total	96,387	92,517

10. Accounts Receivable from Related Parties

	2021	2020
Entity		
Ilse Erasmus	(30)	301
Jacks Point Golf Limited	345	836
Jacks Point Village No 2 Limited	275	267
Jason Bartlett	-	124
Jerry Li	-	223
Michael Coburn	115	50
Neville Andrews	33	130
RCL Henley Downs Ltd	3,891	2,360
Steve McIsaac	104	147
Total	4,733	4,438

11. Related Party Advances

	2021	2020
Entity		
Advance from Coneburn Water Supply Company Limited	29,783	25,778
Total	29,783	25,778

12. Provisions Due to Related Parties

	2021	2020
Connections Charges – Water and Storm Water	236,973	-
Total	236,973	-

During the year, entities associated with the Developer of Jacks Point Village ("the Developer"), requested the Society invoice the unrelated developers of Jacks Point Village a connection charge for both potable water and stormwater. The connection charge was set out in the sale and purchase agreements between the Developer and the purchasers of the bulk Jacks Point Village lots. On collection by the Society, the funds are to be paid to the Developer. While the invoices have been collected by the Society at balance date, no payment or demand for payment has been made or received. It is expected that payment will be made within the year. As such, a provision for the amount collected and payable to the Developer has been recognised in the current year.

13. Capital Commitments

There were no commitments for capital expenditure at balance date this year (Prior Year: None)

14. Comparative Figures

Comparative figures are reported on a consistent basis.

Notes to the Financial Statements (Continued)

For the Year ended 30 June 2021

15. Contingent Liabilities

There were no known contingent liabilities at balance date this year (Prior Year: None)

16. Events Subsequent to Balance Date

There are no subsequent events.

17. Related Party Transactions

The following related parties are noted:

Darby Asset Management LP (“DAMLPL”) formerly Jacks Point Management Limited is the Controlling Member of The Society. The Directors of DAMLPL are also directors of a number of other entities involved in the wider development of Jacks Point.

The following related parties of Committee Members as outlined in the Directory are noted:

Clive Geddes	Property Owner Director of Fernhill 2009 Limited Director of Fiordland Tablelands Limited Director of JIA Limited Director of Korokipo Tablelands Limited Director of Napier Tablelands Limited Director of Otago Tablelands Limited Director of Yantai Views Limited
Ilse Erasmus	Property Owner Trustee of Erasmus Family Trust
Michael Coburn	Property Owner Director of Coneburn Community Housing Trustee Limited Director of Coneburn Water Supply Company Limited Director of Henley Downs Farm Holdings Limited Director of Henley Downs Land Holdings Limited Director of Jack Tewa Foundation Appointer Limited Director of Jacks Point Developments No. 1 Director of Jacks Point Developments No. 2 Director of Jacks Point Developments No. 3 Director of Jacks Point Developments No. 4 Director of Jacks Point Developments No. 5 Director of Jacks Point Developments No. 6 Director of Jacks Point Village Holdings Limited Director of Jacks Point Village Holdings No. 2 Limited Director of Willow Pond Farm Limited Trustee of the Coburn Family Trust Trustee of the Coburn Investment Trust
Neville Andrews	Property Owner
Noel Kirkwood	Director of RCL Jacks Point Limited Director of RCL Henley Downs Limited Director of RCL Jacks Point Village Limited Director of Coneburn Water Supply Company Limited Director of Henley Downs Village Investments Limited
Steve Mclsaac	Property Owner Trustee of S & C Mclsaac Family Trust

Notes to the Financial Statements (Continued)

For the Year ended 30 June 2021

17. Related Parties Transactions (Continued)

David Wightman	Director of RZIA Member Limited RCL Developments Henley Downs Limited Director of Northern Village Precinct Director of RCL Jacks Point Limited Director of RCL Henley Downs Limited Director of Northern Village Precinct C.M Limited Director of Coneburn Water Supply Company Limited
John Herihy	Director of Jacks Point Village Phase 2 Limited Director of Coneburn Approval Authority Limited
Marcus Saxton	Property Owner
Simon Taverner	Property Owner Trustee of Taverner Family Trust

The Transactions on the following table (GST inclusive) were undertaken with related parties during the year.

	Notes	Transactions		Balance Owing		Nature of Supply
		2021	2020	2021	2020	
Sales To (Excluding Levies):						
<u>Darby Asset Management LP</u>						
Darby Asset Management LP		63		-	-	Re-charge of Expenses
Jacks Point Golf Course Ltd		-	196	-	-	Re-charge of Expenses
Jacks Point Golf Ltd		-	156	172	-	Shared Utilities & Recharge of Expenses
Jacks Point Restaurant Ltd		-	61	-	-	Re-charge of Expenses
Jacks Point Village No. 2 Ltd		10,205	3,157	275	269	Water tank consumption & supplies
<u>Joint Venture</u>						
Coneburn Water Supply Co Ltd		16,139	46	-	-	Re-charge of Expenses
<u>Michael Coburn</u>						
Willow Pond Farm Ltd		-	79	-	-	Re-charge of Expenses
		26,407	3,695	447	269	
Purchases From:						
<u>Joint Venture</u>						
Coneburn Water Supply Co Ltd	1c	268,200	222,449	-	-	Bulk Water Charges
<u>Darby Asset Management LP</u>						
Jacks Point Clubhouse Holdings Ltd		2,645	805	575	805	Operating Costs
Jacks Point Golf Ltd		729,019	765,000	67,435	63,829	Operating Costs / Golf Levies
Jacks Point Golf Course Ltd		27,600	27,694	-	-	Operating Costs / Golf Levies
Jacks Point Restaurant Ltd		2,460	7,662	-	-	Rent & Opex / Operating Expenses
Darby Asset Management LP- Fixed Management		315,157	315,157	26,263	26,263	Provision of Management Services
Darby Asset Management LP- Disbursements		348	96,987	-	637	Operating Expense Re-charge at Cost. (Prior year expense recharged at cost for Insurance, Information Technology and Operating Expenses)
Darby Asset Management LP- Administration Fee		7,221	2,521	1,477	419	Re-charge at Cost of Variable Office services
Darby Asset management LP- Computer		9,469	-	637	-	For the Provision of Computer Support
<u>Jason Bartlett (resigned)</u>						
Bartlett Consulting		-	4,776	-	564	Consultancy Fees/ Professional Services
<u>Mike Coburn</u>						
Mike Coburn		1,000	-	-	-	Committee Honorarium

Notes to the Financial Statements (Continued)

For the Year ended 30 June 2021

17. Related Parties Transactions (Continued)

	<u>Notes</u>	<u>Transactions</u>		<u>Balance Owing</u>		<u>Nature of Supply</u>
		2021	2020	2021	2020	
Sales To (Excluding Levies):						
<u>Ilse Erasmus</u>						
Ilse Erasmus		1,000	-	-	-	Committee Honorarium
<u>Neville Andrews</u>						
Neville Andrews		1,000	-	-	-	Committee Honorarium
<u>Steve Mclsaac</u>						
Steve Mclsaac		1,000	1,000	-	-	Committee Honorarium
		1,366,119	1,444,051	96,387	92,517	
Levy Related Charges:						
<u>Clive Geddes</u>						
Clive & Sally Geddes		4,182	3,107	50	-	
Fernhill 2009 Ltd		5,885	-	-	-	
Fiordland Tablelands Ltd		5,885	-	-	-	
JIA Ltd		5,903	-	2	-	
Korokipo Tablelands Ltd		5,885	-	-	-	
Napier Tablelands Ltd		5,885	-	-	-	
Otago Tablelands Ltd		5,885	-	-	-	
Yantai Views Ltd		5,885	-	-	-	
<u>Darby Asset Management LP</u>						
Jacks Point Restaurant Ltd		630	1,690	-	-	
Jacks Point Golf Ltd		43,018	40,970	172	836	Water Levies
<u>Jason Bartlett (resigned)</u>						
Jason Bartlett		-	4,148	-	124	
<u>Michael Coburn</u>						
Coburn Family Trust		6,664	6,081	115	50	
<u>Neville Andrews</u>						
Neville & Erynne Andrews		4,197	4,271	33	130	
<u>Noel Kirkwood & David Wightman</u>						
RCL Henley Downs Ltd		16,356	11,307	3,891	2,360	
<u>Steve Mclsaac</u>						
S & C Mclsaac Family Trust		4,355	4,244	104	147	
<u>Ilse Erasmus</u>						
Erasmus Family Trust		3,977	4,590	(30)	301	
<u>Jerry Li (resigned)</u>						
Jacks Point Property Developing Ltd		-	4,390	-	223	
<u>Marcus Saxton (appointed)</u>						
Marcus Manuel Saxton & Shyne Lene Leigh Tay		4,172	-	72	-	
<u>Simon Taverne (appointed)</u>						
Taverne Family Trust		4,900	-	113	-	
		133,724	84,799	4,522	4,171	