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***Fernridge Water Supply
Association Inc***

C/- Mr Graeme Want (Treasurer), PO Box 80
Masterton 5840, Tel 06 377-1446

22nd June 2008

Registrar of Incorporated Societies
Companies Office
PO Box 92061
Auckland Mail Centre

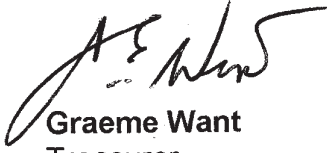
Dear Registrar

RE: Filing of 2007/2008 Annual Financial Statement

Please find enclosed a copy of our Association's Annual Financial Statement.

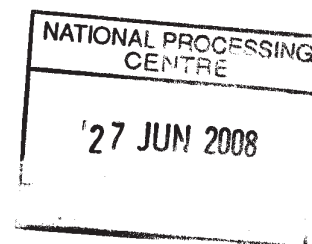
I confirm that this statement was submitted to and approved by the members of our Association, at our AGM held on the 25th May 2008.

Yours Faithfully


Graeme Want
Treasurer

Enc.

NPC # 07
- 9 JUL 2008



**FERNRIDGE WATER SUPPLY
ASSOCIATION (INC)**

FINANCIAL STATEMENTS

31 MARCH 2008

FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
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FOR THE YEAR ENDED 31 MARCH 2008

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FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
STATEMENT OF INCOME & EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 2008

2007		2007	2007
\$	INCOME	\$	\$
4,183.39	Interest		6,303.63
21,579.94	Rates/Administration Charge		22,892.44
250.00	Swimming Pool Filling/Tank Filling		650.00
4,725.00	Unit Sale		1,575.00
587.09	Sundry		257.49
<u>31,325.42</u>			<u>31,678.56</u>
	EXPENDITURE		
57.85	Bank Charges & Interest	105.05	
2,454.89	Power	4,321.49	
2,955.18	Water Treatment & Filters	2,861.28	
4,451.13	Repairs & Maintenance	5,236.72	
968.89	Supervision/Collection Fees - W.R.C.	-	
426.51	Office Expenses	890.41	
950.00	Audit Fee	995.01	
-	Legal Fees	-	
638.89	General	52.79	
1,542.80	Insurance	1,585.05	
1,000.00	Honorarium	1,000.00	
2,713.63	Water Sampling	1,351.42	
4,275.00	Unit Purchase	2,850.00	
1,380.39	Income Tax Expense	2,080.12	
<u>23,815.16</u>			<u>23,329.34</u>
<u>7,510.26</u>	EXCESS INCOME OVER EXPENDITURE		<u>8,349.22</u>
	TAXABLE ADJUSTMENTS		
3,326.87	Net Income/(Deficit) generated between members		2,045.59
<u>4,183.39</u>	TAXABLE INCOME (INTEREST)		<u>6,303.63</u>

These Financial Statements should be read in conjunction with the accompanying notes, Accounting Policies and Audit Report.



FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2008

2007		2008	2008
\$	ASSETS	\$	\$
183,478.26	Cost	183,478.26	
2,003.35	Additions	3,007.86	
185,481.61			186,486.12
166,836.61	Accumulated Depreciation		177,069.61
18,645.00			9,416.51
(554.04)	BNZ Current Account	254.39	
45.57	BNZ Call Account	46.29	
261.73	GST Clearing Account	522.34	
11,499.47	Kiwibank Call Account	13,233.33	
65,345.40	BNZ Term Deposit	75,495.26	
3,614.89	Accounts Receivable	118.28	
80,213.02			89,669.89
98,858.02	TOTAL ASSETS		99,086.40
	LIABILITIES		
564.64	Income Tax Payable	850.80	
204.66	Accounts Payable	2,030.66	
769.30	TOTAL LIABILITIES		2,881.46
98,088.72	NET ASSETS		96,204.94
	REPRESENTED BY:		
	Accumulated Funds		
58,747.31	Opening Balance	65,927.57	
7,510.26	Current Period Surplus/(Deficit)	8,349.22	
(330.00)	Adjustment to 2006 Tax Expense	-	
65,927.57			74,276.79
	MEMBER CONTRIBUTION		
198,997.76	Opening Balance	198,997.76	
-	plus Income Tax Payable		
198,997.76		198,997.76	
166,836.61	less Accumulated Depreciation	177,069.61	
32,161.15			21,928.15
98,088.72	TOTAL FUNDS		96,204.94

Chairman



Treasurer



These Financial Statements should be read in conjunction with the accompanying Notes, Accounting Policies and Audit Report



FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
OPERATING BUDGET - COMPARISON WITH ACTUAL
FOR THE YEAR ENDED 31 MARCH 2008

	BUDGET	ACTUAL
INCOME	\$	\$
Interest	1,200.00	6,303.63
Rates/Administration Charge	23,177.00	22,892.44
Swimming Pool Filling/Tank Filling	200.00	650.00
Unit Sale	-	1,575.00
Sundry	50.00	257.49
	<u>24,627.00</u>	<u>31,678.56</u>
 EXPENDITURE		
Bank Charges & Interest	56.00	105.05
Power	2,670.00	4,321.49
Water Treatment & Filters	3,830.00	2,861.28
Repairs & Maintenance	8,700.00	5,236.72
Supervision/Collection Fees - W.R.C.	-	-
Office Expenses	1,260.00	890.41
Audit Fee	990.00	995.01
Legal Fees	500.00	-
General	500.00	52.79
Insurance	1,643.00	1,585.05
Honorarium	1,000.00	1,000.00
Water Sampling	2,800.00	1,351.42
Unit Purchase	-	2,850.00
Income Tax Expense	396.00	2,080.12
	<u>24,345.00</u>	<u>23,329.34</u>
 EXCESS INCOME OVER EXPENDITURE	 282.00	 8,349.22

FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

1. STATEMENT OF ACCOUNTING POLICES:

REPORTING ENTITY

The reporting entity is the FERNRIDGE WATER SUPPLY ASSOCIATION (INC).

The financial statements are prepared in accordance with the reporting requirements of the Financial Reporting Act 1993.

This entity qualifies for the differential reporting exemptions as set out by the New Zealand Institute of Chartered Accountants as it is not publicly accountable and is not a large organisation.

This entity has taken advantage of all differential reporting exemptions except that Goods and Services Tax is accounted for on an exclusive basis.

The accounting policies adopted in the preparation of these financial statements are as follows:

GENERAL ACCOUNTING POLICES:

The measurement base adopted is that of historical cost (except as otherwise noted below). Reliance is placed on the fact that the venture is a going concern.

Accrual accounting is used to match expenses and revenues.

PARTICULAR ACCOUNTING POLICIES:

The following particular accounting policies which materially affect the measurement of profit and financial position have been applied.

Valuation of Assets - Scheme Expenditure

All direct expenses incurred on the water supply system to date have been recorded at cost. Depreciation has been charged against this expenditure in the Balance Sheet and claimed at 5.5% (see Note 2).

Goods and Services Tax

All income, deductible expenses and fixed assets are shown GST exclusive. Debtors and creditors, when applicable, are shown GST inclusive.

Income Tax

Income tax payable has been accounted for using the taxes payable method. Income tax is calculated on the profit disclosed in the Statement of Income & Expenditure less permanent differences. The entity does not have any timing differences.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in Accounting policies. All policies have been applied on bases consistent with those used in previous years.

FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

2. COST OF SYSTEM AND DEPRECIATION:

Depreciation has been claimed on a straight line rate of 5.5%. Since 1989 this amounts to \$ 177,069.61

	\$
Total Capital Cost of System	186,486.12
less Depreciation	177,069.61
Net Depreciated Value	9,416.51

3. TAXATION:

	\$
Taxable Income - Interest	6,303.63
Tax Expense (33%)	2,079.99
less RWT Paid	1,229.19
Tax Payable	<u>850.80</u>

4. COMMITMENT TO BUY BACK WATER UNIT:

There were no units of water available for sale to members.

Audit Report

To the Readers of the financial report of the Fernridge Water Supply Association Inc.

We have audited the financial report on pages 2 to 6. The financial report provides information about the past financial performance of the Association and its financial position as at 31 March 2008. This information is stated in accordance with the accounting policies set out on page 5 and 6.

The Management Committees Responsibilities

The Management Committee is responsible for the preparation of a financial report which fairly reflects the financial position of the Association as at 31 March 2008 and of the results of operations for the year ended 31 March 2008.

Auditors' Responsibilities

It is our responsibility to express an independent opinion on the financial report presented by the Management Committee and report our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial report. It also includes assessing:

- the significant estimates and judgements made by the Management Committee in the preparation of the financial report, and
- whether the accounting policies are appropriate to the Associations circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary. We obtained sufficient evidence to give reasonable assurance that the financial report is free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial report.

We have had an involvement in the compilation of the Associations accounts. Other than this we have no financial relationship or interests in the Association.

Unqualified Opinion

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

In our opinion the financial report on pages 2 to 6 fairly reflects the results of its operations for the year ended 31 March 2008.

Our audit was completed on 2 May 2008 and our unqualified opinion is expressed as at that date.

Markhams MRI Wairarapa

**Markhams MRI Wairarapa
MASTERTON**