

Fernridge Water Supply Associat



10061989697

Treasurer: Graeme Want
P O Box 80 Masterton

12th July 2013

Registrar of Incorporated Societies
Companies Off ice
PO Box 92061
Auckland Mail Centre

Dear Registrar

RE: Filing of 2012/2013 Annual Financial Statement

Please find **enclosed** a copy of our Association's Annual Financial Statement and a copy of the minutes of the 2013 A.G.M., which was held on the 26th May 2013.

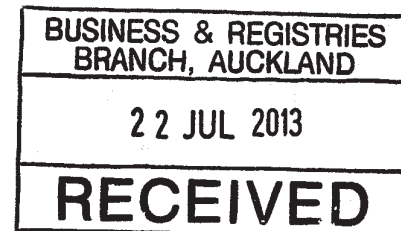
I confirm that this statement was submitted to and approved by the members of our association, at our A.G.M. held on the 26th may 2013.

Yours Faithfully

Graeme Want
Treasurer

Enc.

NPC# 15
25 JUL 2013



**MINUTES OF THE
26th ANNUAL GENERAL MEETING
OF THE**

FERNRIDGE WATER SUPPLY ASSOCIATION (INC)

MEETING OPENED AT:

Fernridge School Hall, Upper Plain Road, Sunday 26th May 2013 at 3.04 pm.

WELCOME

Mr Alec Birch (Chairman) welcomed all members.

PRESENT

A Birch (Chair), Coral Birch, George Butcher, Ian Gray, Jean Gray, Donna Holmes (Secretary), Tim Holmes, Grant Allan (Deputy Chair), Adrienne Hewitt, Jason Luttrell, Wayne Andrews-Paul, Phil Vallance, Cathy Lange, David Cartmell, Jenny Hansen, Ross Lerwill, Marie Millar, Stewart & Elaine Orme, Duncan Simpson, LR & RA Thurston, Sandy Ellis, Phil Taylor

PRESENT BY PROXY

John Drewery & Rachael Snoep, Steve Rogers & Jenny Wilkinson, Phil & Judy Taylor, Robin & Sherryl Richards, Alastair & Susan Naysmith

APOLOGIES

Graeme & Christine Want, Marie & Tony Garstang, Phil & Judy Taylor, Bill & June Pullin, George & Marjory Mahupuku, Murray & Jan Taucher, Alison Vallance, Ray & Karen Stewart

Wayne Andrews-Paul/Phil Vallance
Carried

MINUTES OF THE PREVIOUS ANNUAL GENERAL MEETING held on 20th May 2012 having been circulated were taken as read and confirmed with no alterations.

Grant Allan/Jason Luttrell
Carried

ARISING FROM THE MINUTES

No matters arising.

CHAIRMAN'S REPORT

Mr Birch read out the Chairman's AGM report and moved that the Chairman's report having been previously circulated together with the AGM 2013 Notice of Meeting be accepted.

Alec Birch/George Butcher
Carried



ANNUAL ACCOUNTS AND BUDGET

The Annual audited accounts for the year ending 31st March 2013 were presented having been distributed to members present. The Chairman gave a brief overview of the financial situation for the year ending 31st March 2013 as prepared by the Treasurer.

Budget for the forthcoming year:

The annual rates to be increased by CPI 0.91% in accordance with the motion passed at the 2008 AGM that: "the value of the water unit rate increase by the Consumer Price Index (CPI) each year".

Annual rates for 1st July 2013 – 30th June 2014 be increased by CPI 0.91% for connected units (\$171.73 + GST) \$197.49 INCL.

Annual rates for 1st July 2013 – 30th June 2014 be increased by CPI 0.91% for unconnected units (\$80.38 + GST) \$92.44 INCL.

Note that there were five proxies recorded in favour of the rates increase by CPI and none against.

Questions on the budget or the account report:

No questions from the floor.

The Chairman moved that the accounts and 2013/14 budget as presented be approved.

Ian Gray/Wayne Andrews-Paul
Carried

APPOINTMENT OF AUDITOR

The Chairman moved that Rob Blackett of Markhams Wairarapa be retained as Auditor to the Fernridge Water Supply Association.

Wayne Andrews-Paul/Stewart Orme
Carried

ELECTION OF OFFICERS

Chairman: Mr Alec Birch

Donna Holmes/Adrienne Hewitt
Carried with applause

Deputy Chairman: Mr Grant Allan

Alec Birch/Donna Holmes
Carried with applause

Secretary: Mrs Donna Holmes

Alec Birch/George Butcher
Carried with applause

Treasurer: Mr Graeme Want

Alec Birch/Elaine Orme
Carried with applause



Committee:

Present Management Committee:

Ian Gray, Christopher Holmes, Jason Luttrell, Murray Taucher, George Mahupuku, Wayne Andrews-Paul, Richard Page

Nominations to serve on the committee were called for by Alec Birch:

Alec Birch nominated Sandy Ellis to serve on the committee.

Duncan Simpson offered his assistance to the committee on an informal basis.

It was moved that nominations be closed and that the present Management Committee Members and the new nominee be duly appointed.


The Chairman advised that he has been informed by the Secretary that she will not be standing for re-election next year, and that this will be her last year on the committee.

Marie Miller/Elaine Orme
Carried

GENERAL BUSINESS

- Grant Allan acknowledged the large contribution made by the Chairman, Alec Birch to the water scheme which was greeted with applause.
- Jenny Hansen was asked to complete the draw for the water unit rebate. Ian and Jean Gray were the winners of the draw.

MEETING CLOSED: the Chairman thanked those in attendance for being present and the meeting was closed at 3.26 pm, followed by afternoon tea.

Chairman:


**FERNRIDGE WATER SUPPLY
ASSOCIATION (INC)**

FINANCIAL STATEMENTS

31 MARCH 2013



FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
INDEX TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

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FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2013

| 2012 | | 2013 | 2013 |
|------------------|---------------------------------------|----------|------------------|
| \$ | INCOME | \$ | \$ |
| 4,148.21 | Interest | | 2,995.62 |
| 26,403.07 | Rates/Administration Charge | | 26,629.94 |
| 1,565.23 | Unit Sale | | 1,575.00 |
| 2,316.58 | Insurance Claim | | - |
| <u>34,433.09</u> | | | <u>31,200.56</u> |
| | EXPENDITURE | | |
| 105.10 | Bank Charges & Interest | 108.02 | |
| 5,130.37 | Power | 4,287.00 | |
| 3,895.31 | Water Treatment & Filters | 3,440.53 | |
| 5,223.57 | Repairs & Maintenance | 1,363.82 | |
| 735.67 | Office Expenses | 522.59 | |
| 1,400.00 | Audit Fee | 1,485.00 | |
| 261.75 | General | 315.69 | |
| 2,459.02 | Insurance | 2,597.08 | |
| 171.59 | Interest on Tax Arrears | - | |
| 1,000.00 | Honorarium | - | |
| 1,425.00 | Water Unit Purchase | 1,425.00 | |
| 710.54 | Water Sampling | 569.04 | |
| <u>22,517.92</u> | | | <u>16,113.77</u> |
| <u>11,915.17</u> | EXCESS INCOME OVER EXPENDITURE | | <u>15,086.79</u> |
| | | | |
| 4,028.33 | Depreciation | 4,164.42 | |
| 1,244.40 | Income Tax Expense | 838.60 | |
| <u>6,642.44</u> | NET SURPLUS | | <u>10,083.77</u> |
| | TAXABLE ADJUSTMENTS | | |
| 2,494.23 | Net Income generated between members | | 7,088.15 |
| <u>4,148.21</u> | TAXABLE INCOME (INTEREST) | | <u>2,995.62</u> |

These Financial Statements should be read in conjunction with the accompanying notes, Accounting Policies and Audit Report
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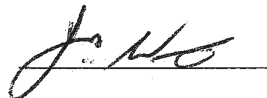
FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
STATEMENT OF FINANCIAL POSITION
As At 31 MARCH 2013

| 2012 | | 2013 | 2013 |
|------------|----------------------------------|------------|------------|
| \$ | | \$ | \$ |
| 198,114.54 | NON- CURRENT ASSETS | 198,114.54 | |
| 63,113.37 | Cost | 63,113.37 | |
| - | New Pump Shed | 3,782.77 | |
| 261,227.91 | Additions | | 265,010.68 |
| 193,621.10 | Accumulated Depreciation | | 197,785.52 |
| 67,606.81 | | | 67,225.16 |
| | CURRENT ASSETS | | |
| 1,024.66 | BNZ Current Account | 274.72 | |
| 48.07 | BNZ Call Account | 48.43 | |
| 623.38 | GST Clearing Account | 912.77 | |
| 15,381.54 | Kiwibank Call Account | 23,705.82 | |
| 50,000.00 | BNZ Term Deposit | 51,610.00 | |
| - | Income Tax Refund Due | 47.49 | |
| 112.62 | Accounts Receivable | 121.10 | |
| 67,190.27 | | | 76,720.33 |
| 134,797.08 | TOTAL ASSETS | | 143,945.49 |
| | CURRENT LIABILITIES | | |
| 18.32 | Income Tax Payable | - | |
| 1,000.00 | Accounts Payable | - | |
| 1,018.32 | TOTAL LIABILITIES | | - |
| 133,778.76 | NET ASSETS | | 143,945.49 |
| | REPRESENTED BY: | | |
| | Accumulated Funds | | |
| 117,731.76 | Opening Balance | 128,402.53 | |
| 10,670.77 | Current Period Surplus/(Deficit) | 14,248.19 | |
| 128,402.53 | | | 142,650.72 |
| | MEMBER CONTRIBUTION | | |
| 198,997.76 | Opening Balance | 198,997.33 | |
| (0.43) | Plus/Less: Income Tax Adjustment | 82.96 | |
| 198,997.33 | | 199,080.29 | |
| 193,621.10 | Less: Accumulated Depreciation | 197,785.52 | |
| 5,376.23 | | | 1,294.77 |
| 133,778.76 | TOTAL FUNDS | | 143,945.49 |

Chairman



Treasurer




FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

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 POLICES:

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.

Related Parties

Members of the committee provided services to the Association. These transactions were conducted at market rates.

CHANGES IN ACCOUNTING POLICES

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 2013

2. COST OF SYSTEM AND DEPRECIATION:

Depreciation has been claimed on a straight line rate of 5.5%. Since 1989 this amounts to \$ 197,785.52

| | |
|--------------------------------|------------------|
| | \$ |
| Total Capital Cost of System | 265,010.68 |
| Less: Accumulated Depreciation | 197,785.52 |
| Net Depreciated Value | <u>67,225.16</u> |

3. TAXATION:

| | |
|---------------------------|-----------------|
| | \$ |
| Taxable Income - Interest | 2,995.62 |
| Tax Expense (28%) | 838.60 |
| Less: RWT Paid | 886.09 |
| Tax Refund | <u>(47.49)</u> |

4. COMMITMENT TO BUY BACK WATER UNIT:

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



MOORE STEPHENS MARKHAMS

WAIRARAPA AUDIT

INDEPENDENT AUDITOR'S REPORT

To the members of
Fernridge Water Supply Association Incorporated

Moore Stephens Markhams Wairarapa Audit
40 Perry Street
PO Box 190, Masterton 5840, New Zealand

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F +64 (0)6 378 8260

www.markhams.co.nz

We have audited the financial statements of Fernridge Water Supply Association Incorporated on pages 2 to 5, which comprise the Statement of Financial Position as at 31 March 2013, and the Statement of Financial Performance, for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Committees' Responsibility for the Financial Statements

The Management Committee are responsible for the preparation of these financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate, and for such internal control as the Management Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

Other than providing assistance with the format of the final accounts, in our capacity as auditor we have no relationship with, or interests in, Fernridge Water Supply Association Incorporated.

Opinion

In our opinion, the financial statements on pages 2 to 5 present fairly, in all material respects, the financial position of Fernridge Water Supply Association Incorporated as at 31 March 2013, and its financial performance for the year then ended, in accordance with generally accepted accounting practice in New Zealand.

Restriction of Distribution or Use

This report is made solely to the members of Fernridge Water Supply Association Incorporated, as a body. Our audit work has been undertaken so that we might state to the members those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Fernridge Water Supply Association Incorporated and the members of Fernridge Water Supply Association Incorporated, as a body, for our audit work, for this report or for the opinions we have formed.

Moore Stephens Markhams Wairarapa Audit

Moore Stephens Markhams Wairarapa Audit
Masterton
17 May 2013

FERNRIDGE WATER SUPPLY ASSOCIATION (INC)

Operating Budget for the Year Ended 31st March 2013

| | 2012/2013 Budget \$ | 2012/2013 Actual \$ | 2013/2014 Budget \$ |
|--|---------------------------|---------------------------|---------------------------|
| INCOME | | | |
| Rates/valve and labour receipts | 26,880.00 | 26,629.94 | 26,870.00 |
| Water Units | 0.00 | 1,575.00 | 0.00 |
| Sundry | 0.00 | 0.00 | 0.00 |
| Swimming & tank filling | 400.00 | 0.00 | 0.00 |
| Bank Interest (Gross) on working account | 3,000.00 | 2,954.05 | 3,200.00 |
| Total Income | 30,280.00 | 31,158.99 | 30,070.00 |
| Expenditure | | | |
| Water Units | 0.00 | 1,425.00 | 0.00 |
| Repairs | 5,000.00 | 1,363.82 | 5,000.00 |
| Audit Fees | 1,485.00 | 1,485.00 | 1,575.00 |
| Sundry | 50.00 | 215.69 | 100.00 |
| Insurance | 2,600.00 | 2,597.08 | 2,800.00 |
| Honorarium | 1,000.00 | | 1,000.00 |
| Admin & Office | 700.00 | 522.59 | 700.00 |
| Power | 5,400.00 | 4,287.00 | 5,100.00 |
| Filter U/V | 900.00 | 1,372.97 | 1,800.00 |
| Water Testing | 800.00 | 569.04 | 700.00 |
| Water Treatment (Caustic) | 4,100.00 | 2,067.56 | 3,600.00 |
| Legal Fees | 0.00 | 0.00 | 0.00 |
| Rates Collection/Consent WRC | 100.00 | 100.00 | 360.00 |
| Capital Expenditure | 5,000.00 | 3,782.77 | 1,200.00 |
| Bank Fees | 100.00 | 108.02 | 100.00 |
| Tax on Working account | 800.00 | 886.09 | 920.00 |
| Total Operating Expenses | 28,035.00 | 20,782.63 | 24,955.00 |
| EXCESS INCOME over expenses | 2,245.00 | 10,376.36 | 5,115.00 |
| REPAYMENT to capital fund | | 0 | |
| SURPLUS/(DEFICIT) | 2,245.00 | 10,376.36 | 5,115.00 |
| Reserve Fund (Start 2012 financial year) | | 51,610.00 | |
| Added to the Reserve Fund | | 10,000.00 | |
| Interest on Reserve Fund | | 2,772.45 | |
| Tax on Interest | | 831.74 | |
| Estimate Reserve Fund at end of 2012 Financial year | | 63,550.72 | |

Note:

Capital expenditure the last financial year was for the new Pump.