

# Fernridge Water Supply Associa



\*10062664563\*

Treasurer: Graeme Want  
P O Box 80 Masterton  
Ph: 06 377 1446

12<sup>th</sup> June 2014

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

Dear Registrar

## **RE: Filing of 2013/2014 Annual Financial Statement**

Please find **enclosed** a copy of our Association's Annual Financial Statement and a copy of the minutes of the 2014 A.G.M., which was held on the 25<sup>th</sup> May 2014.

I confirm that this statement was submitted to and approved by the members of our association, at our A.G.M. held on the 25<sup>th</sup> May 2014.

Yours Faithfully

**Graeme Want**  
Treasurer

Enc.

**NPC# 09**  
23 JUN 2014



# **FERNRIDGE WATER SUPPLY ASSOCIATION (INC)**

## **FINANCIAL STATEMENTS**

**31 MARCH 2014**



**FERNRIDGE WATER SUPPLY ASSOCIATION (INC)**  
**INDEX TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2014**

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**FERNRIDGE WATER SUPPLY ASSOCIATION (INC)**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 31 MARCH 2014**

2013		2014	2014
\$	INCOME	\$	\$
2,995.62	Interest		3,107.95
26,629.94	Rates/Administration Charge		26,610.77
-	Swimming and Tank filling		70.00
1,575.00	Unit Sale		-
<u>31,200.56</u>			<u>29,788.72</u>
	<b>EXPENDITURE</b>		
1,485.00	Audit Fee	1,560.00	
108.02	Bank Charges & Interest	89.67	
315.69	General	543.75	
-	Honorarium	-	
2,597.08	Insurance	2,597.08	
522.59	Office Expenses	721.18	
4,287.00	Power	4,596.43	
1,363.82	Repairs & Maintenance	2,718.74	
569.04	Water Sampling	374.00	
3,440.53	Water Treatment & Filters	1,800.66	
1,425.00	Water Unit Purchase	-	
<u>16,113.77</u>			<u>15,001.51</u>
<u>15,086.79</u>	<b>NET SURPLUS BEFORE TAX &amp; DEPRECIATION</b>		<u>14,787.21</u>
4,164.42	Depreciation	4,319.00	
838.60	Income Tax Expense	869.96	
<u>10,083.77</u>	<b>NET SURPLUS AFTER TAX &amp; DEPRECIATION</b>		<u>9,598.25</u>



**FERNRIDGE WATER SUPPLY ASSOCIATION (INC)**  
**STATEMENT OF MOVEMENTS IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2014**

2013 \$		2014 \$
	<b>ACCUMULATED FUNDS</b>	
128,402.53	Opening Balance	142,650.72
15,086.79	Net Surplus/(Deficit) for the year, before tax & depreciation	14,787.21
838.60	Less tax expense	869.96
14,248.19	Total recognised revenue and expenses	13,917.25
-	Less: transfer from members contribution	3,024.23
142,650.72	Closing Balance of Accumulated funds	153,543.74
	<b>MEMBER CONTRIBUTIONS</b>	
198,997.33	Opening Balance	199,080.29
82.96	Plus/Less: Income Tax Adjustment	-
199,080.29	Closing balance of Member Contributions	199,080.29
197,785.52	Less: Accumulated Depreciation	( 202,104.52)
	Add: Transfer to Accumulated Funds	3,024.23
1,294.77	Net balance of Member Contributions	0.00
143,945.49	<b>TOTAL EQUITY</b>	153,543.74



**FERNRIDGE WATER SUPPLY ASSOCIATION (INC)**  
**STATEMENT OF FINANCIAL POSITION**  
**As At 31 MARCH 2014**

2013		2014	2014
\$		\$	\$
<b>NON-CURRENT ASSETS</b>			
198,114.54	Cost	201,897.31	
63,113.37	New Pump Shed	63,113.37	
<u>3,782.77</u>	Additions	<u>-</u>	
265,010.68			265,010.68
<u>( 197,785.52)</u>	Accumulated Depreciation		<u>( 202,104.52)</u>
462,796.20			62,906.16
<b>CURRENT ASSETS</b>			
274.72	BNZ Current Account	720.57	
48.43	BNZ Call Account	48.70	
912.77	GST Clearing Account	343.15	
23,705.82	Kiwibank Call Account	16,438.61	
51,610.00	BNZ Term Deposits	73,127.34	
47.49	Income Tax Refund Due	62.42	
<u>121.10</u>	Accounts Receivable	<u>( 103.21)</u>	
76,720.33			90,637.58
539,516.53	<b>TOTAL ASSETS</b>		153,543.74
<b>CURRENT LIABILITIES</b>			
-	Income Tax Payable	-	
<u>-</u>	Accounts Payable	<u>-</u>	
-	<b>TOTAL LIABILITIES</b>		-
539,516.53	<b>NET ASSETS</b>		153,543.74
<b>REPRESENTED BY:</b>			
<b>EQUITY</b>			
142,650.72	Accumulated Funds	153,543.74	
<u>1,294.77</u>	Member Contributions	<u>0.00</u>	
143,945.49	<b>TOTAL EQUITY</b>	153,543.74	

Chairman

*[Signature]*

Treasurer

*[Signature]*

Date

8-5-2014



**FERNRIDGE WATER SUPPLY ASSOCIATION (INC)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2014**

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**1. STATEMENT OF ACCOUNTING POLICES:**

**REPORTING ENTITY**

Fernridge Water Supply Association Incorporated is an incorporated society under the Incorporated Societies Act 1908.

The financial statements of the Association have been prepared according to generally accepted accounting practice in New Zealand.

**MEASUREMENT BASE**

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.

**DIFFERENTIAL REPORTING**

The Association qualifies for Differential Reporting concessions identified in accounting standards established in XRB A1, as it is not publically accountable, and it is not large as defined in XRB A1.

The Association has taken advantage of all differential reporting concessions except that Goods and Services Tax is accounted for on an exclusive basis.

**SPECIFIC ACCOUNTING POLICES:**

The following particular accounting policies which materially affect the measurement of financial performance 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% on a straight line basis (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. Provision has been made for income tax at 28% on income from outside the circle of membership after allowing for the standard exemption of \$1,000.

**Related Parties**

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

**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 2014**

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**2. COST OF SYSTEM AND DEPRECIATION:**

Depreciation has been claimed on a straight line rate of 5.5%. Since 1989 this amounts to -\$ 202,104.52

	\$
Total Capital Cost of System	265,010.68
Less: Accumulated Depreciation	( 202,104.52)
Net Depreciated Value	<u>62,906.16</u>

**3. TAXATION:**

	\$
Taxable Income - Interest	<u>3,107.95</u>
Tax Expense (28%)	869.96
Less: RWT Paid	( 932.38)
Tax Refund	<u>( 62.42)</u>

**4. COMMITMENT TO BUY BACK WATER UNIT:**

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

**5. CONTINGENT LIABILITIES**

At balance date there were no known contingent liabilities (2013: nil).

**6. OPERATING AND CAPITAL COMMITMENTS**

At balance date there were no known operating or capital commitments (2013: nil).



**FERNRIDGE WATER SUPPLY ASSOCIATION (INC)**  
**OPERATING BUDGET - COMPARISON WITH ACTUAL**  
**FOR THE YEAR ENDED 31 MARCH 2014**

	2014 BUDGET (Unaudited)	2014 ACTUAL
<b>INCOME</b>	<b>\$</b>	<b>\$</b>
Interest	3,200.00	3,107.95
Rates/Administration Charge	26,870.00	26,610.77
Swimming Pool Filling/Tank Filling	-	70.00
Unit Sale	-	-
	<u>30,070.00</u>	<u>29,788.72</u>
<b>EXPENDITURE</b>		
Bank Charges & Interest	100.00	89.67
Power	5,100.00	4,596.43
Water Treatment & Filters	5,400.00	1,800.66
Repairs & Maintenance	5,000.00	2,718.74
Supervision/Collection Fees - W.R.C.	-	-
Office Expenses	700.00	721.18
Audit Fee	1,575.00	1,560.00
Legal Fees	-	-
General	460.00	543.75
Insurance	2,800.00	2,597.08
Honorarium	1,000.00	-
Water Sampling	700.00	374.00
Unit Purchase	-	-
Income Tax Expense	920.00	869.96
	<u>23,755.00</u>	<u>15,871.47</u>
<b>EXCESS INCOME OVER EXPENDITURE</b>	<u>6,315.00</u>	<u>13,917.25</u>
<b>Less : Depreciation</b>		<u>4,319.00</u>
<b>NET SURPLUS AFTER TAX &amp; DEPRECIATION</b>		<u>9,598.25</u>
<b>CAPITAL EXPENDITURE</b>		
Capital Expenditure	1,200.00	-



## Independent auditor's report

### To the Members of Fernridge Water Supply Association (Inc)

We have audited the financial statements of Fernridge Water Supply Association on pages 2 to 7, which comprise the statement of financial position as at 31 March 2014 and the statement of financial performance and statement of movement in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management Committee's responsibility for the financial statements**

The management committee is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the management committee determines 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 and fair presentation of the financial statements 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.

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

Other than our capacity as auditor we have no relationship with, or interests in, Fernridge Water Supply Association (Inc).

#### **Opinion**

In our opinion, the financial statements on pages 2 to 7 present fairly, in all material respects, the financial position of Fernridge Water Supply Association as at 31 March 2014 and its financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.

*Moore Stephens Wairarapa Audit*

**Moore Stephens Wairarapa Audit | Chartered Accountants, Masterton, New Zealand**  
8 May 2014

# FERNRIDGE WATER SUPPLY ASSOCIATION (INC)

Operating Budget for the Year Ended 31st March 2015

	2013/2014 Budget \$	2013/2014 Actual \$	2014/2015 Budget \$
<b>INCOME</b>			
Rates/valve and labour receipts	26,870.00	26,610.77	27,036.54
Water Units	0.00	0.00	0.00
Sundry	0.00	0.00	0.00
Swimming & tank filling	0.00	70.00	400.00
Bank Interest (Gross) on working account	3,200.00	3,107.95	3,300.00
<b>Total Income</b>	<b>30,070.00</b>	<b>29,788.72</b>	<b>30,736.54</b>
<b>Expenditure</b>			
Water Units	0.00	0.00	0.00
Repairs	5,000.00	2,718.74	5,000.00
Audit Fees	1,575.00	1,560.00	1,560.00
Sundry	100.00	240.00	200.00
Insurance	2,800.00	2,597.08	2,800.00
Honorarium	1,000.00	0.00	0.00
Admin & Office	700.00	721.18	700.00
Power	5,100.00	4,596.43	5,600.00
Filter U/V	1,800.00	1,280.92	2,500.00
Water Testing	700.00	374.00	500.00
Water Treatment (Caustic)	3,600.00	519.74	2,500.00
Legal Fees	0.00	0.00	0.00
Consent WRC	360.00	303.75	350.00
Capital Expenditure	1,200.00	3,782.77	2,000.00
Bank Fees	100.00	89.67	100.00
Tax on Working account	920.00	932.38	1,000.00
<b>Total Operating Expenses</b>	<b>24,955.00</b>	<b>19,716.66</b>	<b>24,810.00</b>
<b>EXCESS INCOME over expenses</b>	<b>5,115.00</b>	<b>10,072.06</b>	<b>5,926.54</b>
<b>REPAYMENT to capital fund</b>		<b>0</b>	
<b>Less: Depreciation</b>		<b>4,319.00</b>	<b>3,460.00</b>
<b>SURPLUS/(DEFICIT)</b>	<b>5,115.00</b>	<b>5,753.06</b>	<b>2,466.54</b>
<b>Reserve Fund (Start 2015 financial year)</b>		53,127.00	
Added to the Reserve Fund		20,000.00	
Interest on Reserve Fund		3,290.72	
Tax on Interest		987.21	
<b>Estimate Reserve Fund at end of 2015 Financial year</b>		<b>75,430.50</b>	

BUSINESS & REGISTRIES BRANCH, AUCKLAND
18 JUN 2014
RECEIVED

**MINUTES OF THE  
27<sup>th</sup> ANNUAL GENERAL MEETING**

**OF THE**

**FERNRIDGE WATER SUPPLY ASSOCIATION (INC)**

**MEETING OPENED AT:**

Fernridge School Hall, Upper Plain Road, Sunday 25<sup>th</sup> May 2014 at 3 pm.

**WELCOME**

Mr Alec Birch (Chairman) welcomed all members.

**PRESENT**

Alec Birch (Chairman), Coral Birch, Graeme and Christine Want, Jean and Ian Gray, Tim and Donna Holmes, George Mahupuku, Ngaire and Ross Lerwill, Maree and Tony Garstang, Sandy Hansen, Jason Luttrell, Wayne Andrews-Paul, David Cartmell, George Butcher, Donald Perry, Grant Allan and Adrienne Hewitt, Duncan Simpson

**PRESENT BY PROXY**

J Wilkinson and S Rogers, J Drewery and R Snoep, C Rogers, R Richards and C Richards

**Proxies received after the AGM**

Cathy Laing, Eric and Tammy Sinclair, Peter and Gillian Bruwer, Susan & Alastair Naysmith

**APOLOGIES**

Pauline Senior and Albie Edington, Richard Page, Ray and Karen Stewart, Marjorie Mahupuku, Robin and Cheryl Richards, Chris and Barbara Noble, also two additional apologies received but misplaced

Sandy Hansen/Ian Gray  
Carried

**MINUTES OF THE PREVIOUS ANNUAL GENERAL MEETING** held on 26<sup>th</sup> May 2013 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 2014 Notice of Meeting be accepted.

Alec Birch/Wayne Andrews-Paul  
Carried

#### **ANNUAL ACCOUNTS AND BUDGET**

The Annual audited accounts for the year ending 31<sup>st</sup> March 2014 were presented having been distributed to members present. The Treasurer gave a brief overview of the financial situation for the year ending 31<sup>st</sup> March 2014 as prepared by the Treasurer.

#### **Budget for the forthcoming year:**

The annual rates to be increased by CPI 1.6% 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 1<sup>st</sup> July 2014 – 30<sup>th</sup> June 2015 be increased by CPI 1.6% for connected units (\$174.47 + GST) \$200.65 INCL.

Annual rates for 1<sup>st</sup> July 2014 – 30<sup>th</sup> June 2015 be increased by CPI 1.6% for unconnected units (\$81.66 + GST) \$93.90 INCL.

Note that there were 4 proxies recorded in favour of the rates increase by CPI and none against. Of the 4 proxies received after the AGM all 4 were in favour of the rates increase.

#### **Questions on the budget or the account report:**

An enquiry from the floor about the reservoir project was made. The Chairman explained that the water reservoir will need to be replaced due to its age. That the FWSA has the funds to finance this project with plans to complete this in the next 12 months.

The Treasurer moved that the accounts and 2014/15 budget as presented be approved.

Graeme Want/Tony Garstang  
Carried

#### **APPOINTMENT OF AUDITOR**

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

Alec Birch/Tim Holmes  
Carried

#### **ELECTION OF OFFICERS**

**Chairman:** Mr Alec Birch

Grant Allan/George Mahupuku  
Carried with applause

**Deputy Chairman:** Mr Grant Allan

Alec Birch/David Cartmell  
Carried with applause

**Secretary:** Mrs Donna Holmes did not seek re-election. Call for nominations from the floor, no nominations received. The position was not filled.

**Treasurer:** Mr Graeme Want

Alec Birch/Jason Luttrell  
Carried with applause

**Committee:** The present Committee agreed to stand again.

**Present Management Committee:**

Ian Gray, Christopher Holmes, Jason Luttrell, George Mahupuku, Wayne Andrews-Paul, Richard Page, Sandy Ellis.

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

No nominations were received. Duncan Simpson offered his assistance to the Committee on an "as needed" basis, he also advised that Chris Noble is prepared to assist the Committee as required also.

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

Alec Birch/Donna Holmes  
Carried

**GENERAL BUSINESS**

- David Cartmell suggested that trees not be planted along water lines, that property owners should find out where the water line is before planting. Duncan Simpson supported this opinion saying members are largely unaware of where water lines are.
- Tim Holmes asked whether there is an "as built scheme" that outlines where the water lines run. The Chairman advised that markers are being arranged that will identify the water lines. This would require helpers to complete this work.
- Grant Allan clarified that members are responsible for water supply from their toby to their water tank. The water agreements give authority to the scheme to enter properties, and to protect the integrity of the water supply.
- George Mahupuku was asked to complete the draw for the water unit rebate. George Butcher won the draw.

**MEETING CLOSED:** the Chairman thanked those in attendance for being present and the meeting was closed at 3.30pm, followed by afternoon tea.

Chairman,  
