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## Cover sheet – Financial statement for an incorporated society

Incorporated Societies Act 1908

Society name

Society number

Fernridge Water Supply Association Incorporated

388056

Financial year \*

2016

\* For example if the financial statement is for the period 1 April 2015 to 31 March 2016, the financial year will be 31 March 2016.

### Important

- › An officer of the society **must certify** that the financial statement has been submitted to, and approved by, the members of the society at a general meeting.
- › If your society is also registered under the **Charities Act 2005** it does not have to file an annual financial statement with the Registrar of Incorporated Societies but does need to file an annual return with Charities Services – [www.charities.govt.nz](http://www.charities.govt.nz).
- › You do not need to supply a copy of the minutes of the annual general meeting (AGM).

### Checklist

All items on the following checklist are requirements under section 23 of the Incorporated Societies Act 1908.

Your annual financial statement **must include** the following.

1. Statement of income and expenditure
2. Statement of financial position
3. Details of all mortgages, charges, and securities of any description affecting any of the property of the society (where applicable)
4. Audit or review report (where applicable)  
The financial statement **must** be audited or reviewed where the rules of the society specify that an auditor or reviewer must be appointed.

Enter page no(s)

2

4

### Change of contact details



Attached is a completed **Change of Contact Details**  
(Form IS3) **Only** if the contact details for the society have changed.

### AGM

The annual general meeting is usually held in the month of:

MAY

### Certification

I certify that the annual financial statement has been submitted to, and approved by, the members at a general meeting held on:

Date of meeting 29 May 2016

Signed: 

Name A.C. BIREN

Position held CHAIRMAN

BUSINESS & REGISTRIES  
BRANCH, AUCKLAND

20 OCT 2016

RECEIVED

### Form completed by

Name Graeme E. Want

Postal address 611 C Upper Plain Rd  
RD8  
Masterton 5888

Te

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

## **FINANCIAL STATEMENTS**

**31 March, 2016**

**FERNRIDGE WATER SUPPLY ASSOCIATION (INC)**  
**INDEX TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

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**FERNRIDGE WATER SUPPLY ASSOCIATION (INC)**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 31 MARCH 2016**

2015		2016	2016
\$	INCOME	\$	\$
4,002.71	Interest		98.62
27,035.33	Rates/Administration Charge		27,206.73
150.00	Swimming and Tank filling		360.00
<u>31,188.04</u>			<u>27,665.35</u>
	<b>EXPENDITURE</b>		
3,160.00	Audit/Review Fee	2,050.00	
93.05	Bank Charges & Interest	198.10	
1,453.16	General		
0.00	Sundry	132.00	
0.00	Rate Collection/Consent WRC	260.00	
2,615.20	Insurance	1,183.28	
0.00	Prepayment	1,925.77	
552.29	Office Expenses	1,612.44	
4,966.95	Power	5,409.74	
602.70	Repairs & Maintenance	4,549.14	
354.00	Water Sampling	268.11	
5,413.87	Water Treatments & Filters	1,072.13	
0.00	Water Unit Purchases	0.00	
<u>19,211.22</u>			<u>18,660.71</u>
<u>11,976.82</u>	<b>NET SURPLUS BEFORE TAX &amp; DEPRECIATION</b>		<u>9,004.64</u>
4,319.00	Depreciation	6,283.00	
1,120.76	Income Tax Expense	751.15	
	IRD Interest/Penalty/Corrections	-711.91	
<u>6,537.06</u>	<b>NET SURPLUS AFTER TAX &amp; DEPRECIATION</b>		<u>2,682.40</u>

**FERNRIDGE WATER SUPPLY ASSOCIATION (INC)**  
**STATEMENT OF MOVEMENTS IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2016**

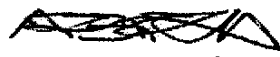
2015		2016
\$		\$
	<b>ACCUMULATED FUNDS</b>	
153,543.74	Opening Balance	160,080.80
6,537.06	Net Surplus(Deficit) for the year after tax & depreciation	2,682.40
0.00		
<u>6,537.06</u>	Total recognised revenue and expenses	<u>2,682.40</u>
<u>160,080.80</u>	Closing Balance of Accumulated funds	<u>162,763.20</u>
<u>160,080.80</u>	<b>TOTAL EQUITY</b>	<u>162,763.20</u>

**FERNRIDGE WATER SUPPLY ASSOCIATION (INC)**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2016**

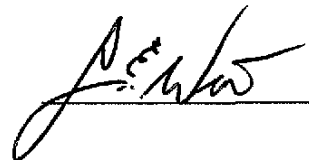
2015		2016	2016
\$		\$	\$
<b>NON-CURRENT ASSETS</b>			
201,897.31	Cost	201,897.31	
63,113.37	New Pump Shed	63,113.37	
0.00	New Tobys, Valves (Replacements/Upgrade)	80,705.76	
0.00	Additions. 4x Reservoir Tanks, & Sundries	26,449.80	
265,010.68			372,166.24
(206,423.52)	Accumulated depreciation		(212,706.52)
58,587.16			159,459.72
<b>CURRENT ASSETS</b>			
1,297.14	BNZ Current Account	4,265.54	
49.15	BNZ Call Account	49.48	
26,141.33	Kiwibank Call Account	502.43	
73,701.34	BNZ Term Deposit	0.00	
1,288.75	GST Refund Due	13,084.55	
0.00	Income Tax Refund Due	0.00	
2,241.39	Accounts Receivable and Accrued Income	53.25	
104,719.10			17,955.25
163,306.26	<b>TOTAL ASSETS</b>		177,414.97
<b>CURRENT LIABILITIES</b>			
682.72	Income Tax Payable		-53.63
2,542.74	Accounts Payable and Accrued Expenses		2,705.40
0.00	Short Term Loans		12,000.00
3,225.46	<b>TOTAL LIABILITIES</b>		14,651.77
160,080.80	<b>NET ASSETS</b>		162,763.20
<b>REPRESENTED BY</b>			
<b>EQUITY</b>			
160,080.80	Accumulated Funds		162,763.20
160,080.80	<b>TOTAL EQUITY</b>		162,763.20

Chairman

Date

  
27/5/16

Treasurer



**FERNRIDGE WATER SUPPLY ASSOCIATION (INC)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

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**1. STATEMENT OF ACCOUNTING POLICES:**

**REPORTING ENTITY**

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

The financial statements of the Association are special purpose financial statements and are prepared for the benefit of its members in accordance with the stated accounting policies.

**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.

**SPECIFIC ACCOUNTING POLICIES**

The following particular accounting policies which materially affect measurement of the 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 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.

**Related Parties**

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

**CHANGES IN ACCOUNTING POLICIES**

The Fernridge Water Supply Association (Inc), is no longer required to have a full financial audit done. At each monthly Management Committee meeting the Treasurer will present a copy of the previous months bank statement along with a Bank Reconciliation report from the Accounting System. A copy of all invoices requiring approval for payment will also be made available.

**FERNRIDGE WATER SUPPLY ASSOCIATION (INC)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

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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 -\$212,706.52

	\$
Total Capital Cost of System	372,166.24
Less: Accumulated Depreciation	(212,706.52)
Net Depreciated Value	<u>159,459.72</u>

**3. TAXATION**

Taxable Income - Interest	2,682.69
Tax Expense (28%)	751.15
Less: RWT Paid	(804.78)
Income Tax Refund	<u>(53.63)</u>

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

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

**5. CONTINGENT LIABILITIES**

Nil

**6. OPERATING AND CAPITAL COMMITMENTS**

At balance date there were no known operating or capital commitments. (2015: Nil)

**7 LOANS PAYABLE**

Total Loan balances payable to the Management Committee members at balance date amount to \$12,000. The Loans are Interest free and payable on demand.

# FERNRIDGE WATER SUPPLY ASSOCIATION (INC)

Operating Budget for the Year Ended 31st March 2018

	2015/2016 Budget \$	2015/2016 Actual \$	2016/2017 Budget \$
<b>INCOME</b>			
Rates/valve and labour receipts	27,251.61	27,206.73	39,722.00
Water Units	0.00	0.00	0.00
Sundry	0.00	0.00	0.00
Swimming & tank filling	200.00	360.00	1,000.00
Bank Interest (Gross) on working account	4,186.00	98.62	50.00
<b>Total Income</b>	<b>31,637.61</b>	<b>27,665.35</b>	<b>40,772.00</b>
<b>Expenditure</b>			
Water Units	0.00	0.00	0.00
Repairs	5,000.00	4,549.14	5,000.00
Audit/Review Fees	1,560.00	2,000.00	<del>1,650.00</del>
Sundry	200.00	132.00	200.00
Insurance	2,900.00	3,109.05	3,500.00
Honorarium	0.00	0.00	0.00
Admin & Office	1,900.00	1,612.44	1,900.00
Power	5,600.00	5,409.74	5,600.00
Filter U/V	3,000.00	0.00	3,000.00
Water Testing	500.00	268.11	480.00
Water Treatment (Caustic)	2,500.00	1,072.13	3,000.00
Legal Fees	0.00	0.00	0.00
Consent WRC	420.00	260.00	320.00
Capital Expenditure	30,000.00	107,155.56	0.00
Bank Fees	100.00	198.10	200.00
Tax on Working account	1,000.00	751.15	20.00
<b>Total Operating Expenses</b>	<b>54,680.00</b>	<b>126,517.42</b>	<b>24,870.00</b>
<b>EXCESS INCOME over expenses</b>	<b>(23,042.39)</b>	<b>(98,852.07)</b>	<b>15,902.00</b>
<b>REPAYMENT to capital fund</b>		<b>0</b>	<b>10,000.00</b>
<b>Less: Depreciation</b>	<b>4,412.00</b>	<b>6,283.00</b>	<b>10,212.00</b>
<b>SURPLUS/(DEFICIT)</b>	<b>(27,454.39)</b>	<b>(105,135.07)</b>	<b>-4,310.00</b>
<b>Reserve Fund (Start 2017 financial year)</b>			<b>0.00</b>
Added to the Reserve Fund			10,000.00
<b>Estimate Reserve Fund at end of 2017 Financial year</b>			<b>10,000.00</b>

**NOTE:** The \$12,000 short Term Loans will be paid back in August.

This cash will come from our recovered GST of approx. \$13,000.

The Depreciation figure shown does not affect our Cheque account, which should contain approximately \$5,900, with \$10,000 in Term Deposit by the end of the 2017 Financial year.

**MINUTES OF THE  
29<sup>th</sup> ANNUAL GENERAL MEETING  
of the  
FERNRIDGE WATER SUPPLY ASSOCIATION (INC)**

**MEETING OPENED AT:** Fernridge School Hall, Upper Plain Road on Sunday, 29<sup>th</sup> May 2016 at 3 pm.

**WELCOME**

Mr Alec Birch (Chairman) welcomed all present and noted that the attendance was well in advance of previous years.

**PRESENT**

Alec Birch (Chairman) and Coral Birch, Grant Allan (Deputy Chair) and Adrienne Hewitt, Graeme Want (Treasurer) and Christine Want, Wayne and Sam Andrews-Paul, Ian and Jean Gray, Ross and Ngaire Lerwill, Jason Luttrell, George Mahupuku, Richard Page, Michael Amer, Grant Backhouse, Tim Bannantyne, Alan and Shona Bohm, Rona and Bruce Bramwell, Richard and Ingrid Brooks, Shane Chandler, David Drysdale, Lesley Gibson, David Hilliard, Cathy Laing, Marie Millar, Robin Richards, Philip Vallance, Ria van Den Berg, Maxine Welsh, Lloyd Wilson.

**PRESENT BY PROXY**

John Drewery and Rachel Snoep, Tony Garstang, Sandy Hansen, Dr R W Jones, Chris Ryan, Gary Leach, Mr Lim and Mrs Heng, Chris Ryan and Heather McCallum, Pauline Senior, Adrian and Rebecca Sorrell, Phil and Judy Taylor, M Walter, J Wilkinson and S Rogers.

**APOLOGIES**

William Denton and Janna Johnston, Sandy Hansen, Jane Beverly-Haste, William and Janina Johnstone, Brian Jones, Robert Jones, Alan and Paul Kirkham, Shirlene Larsen, Chris Ryan and Heather McCallum, Gareth Price, Bill Pullen, Alison Vallance.

Marie Millar/Wayne Andrews-Paul  
CARRIED

**MINUTES OF THE PREVIOUS ANNUAL GENERAL MEETING** held on 29<sup>th</sup> May 2016 and having been circulated were taken as read and confirmed with no alterations.

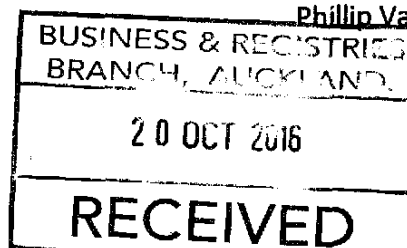
**ARISING FROM THE MINUTES**

No matters arising.

**CHAIRMAN'S REPORT**

The Chair presented the 29<sup>th</sup> Chairman's AGM report attached and moved that it be accepted.

Alec Birch/Grant Allan  
CARRIED



Phillip Vallance/Ross Lerwill  
CARRIED

## **ANNUAL ACCOUNTS AND BUDGET**

The Annual Audited Accounts for the year ending 31<sup>st</sup> March 2016 were presented by the Treasurer, Graeme Want, having been distributed to the members present. He gave a brief overview of the financial situation he had prepared.

### **1. Budget for the forthcoming year**

#### New Rates Proposal:

The Treasurer presented the proposal to increase the rates at the meeting and asked if there were any questions. He noted that by covering it off at the AGM as the financial statement, it was assumed that the increase was accepted.

- That the Annual Rates for Connected Units be increased per unit to \$295.30, GST inclusive, for 2016/2017; and
- That the Annual Rates for Unconnected Units be increased per unit to \$138.20, GST inclusive, for 2016/2017.

Moved by Treasurer and seconded by Maxine Welsh that the proposal to increase the Rates be accepted.

CARRIED

#### New Rule Proposal: Rule 5 (i) Revised:

The Treasurer explained that prior to the AGM the Management Committee had the right to bring in an Accountant (who is not a member of the Fernridge Water Scheme) to review the accounts before they give their final approval of the Financial Statement for the current financial year. This approved version would then be presented at the AGM for approval by its members.

The reason for the proposed change: There was no longer a requirement to do an audit/review and the Association would now work within the Rules of the Society as prescribed by the Incorporated Societies Act and the Companies Office.

#### Change to Rule 5 (i) for Audit Review:

As the Rule was not changed to date, it was decided to have a review carried out by the Association's auditors, which was meant to be more cost-effective than the audit FWSA had previously undertaken. However, there have been a number of issues in getting this review finalised and the costs were escalating out of control for a very small Incorporated Society with an income less than a person on the average wage.

He advised that the Association uses a reputable computerised accounting package, with reconciliations to bank statements.

- All Transactions have paperwork to back them, such as receipts, invoices or statements.
- All payments have to be approved by Management Committee.

The Treasurer then asked for questions from the floor.

It was moved by Treasurer and seconded by Maxine Welsh that the proposed rule change be accepted.

CARRIED

## **2. Treasurer's Report**

The Treasurer, Graeme Want, gave a brief overview of the Financial Statement. He proposed that the Financial Statement be accepted.

- Maxine Welsh questioned why FWSA used two bank accounts. The Treasurer explained the history, but Maxine noted that when split by different entities there was more security. There should not be more than 50K deposited in one entity. Noted with thanks.
- The Treasurer explained that due to the budget shortfall was provided a temporary loan from the Committee members. The debt will be paid by 16 August and will kick start the new financial year.
  - Power provider is Genesis – controlled rate.
  - Water testing – now taken to Palmerston North. FWSA paying standard courier rates.
  - Maxine Welsh raised a question around supply for swimming pools. Alec Birch explained that it was not viable due to a restrictor issue, plus time and money.

Graeme Want/Wayne Andrews-Paul  
CARRIED

Those present thanked Graeme for hard work involved in compiling the Annual Financial Report.

### **ELECTION OF OFFICERS**

**Chairman:** Mr Alec Birch

Grant Allan/Ross Lerwill  
Carried with applause

**Deputy Chairman:** Mr Grant Allan

Alec Birch/Lloyd Wilson  
Carried with applause

**Secretary:** Mrs Sandra Spence

Sam Andrews-Paul /Ngaire Lerwill  
Carried with applause

**Treasurer:** Mr Graeme Want

Grant Allan/Marie Millar  
Carried with applause

### **Present Management Committee:**

Ian Gray, Jason Luttrell, George Mahupuku, Wayne Andrews-Paul, Richard Page, Sandy Hansen.

Two new members were nominated by Alec Birch: Tony Garstang and Maxine Welsh.


The Chair moved that nominations close and that the present Management Committee, with the addition of the two new nominees, be duly appointed.

Alec Birch/Grant Allen  
CARRIED

## GENERAL BUSINESS

- The Treasurer advised that the Membership Information Form and Invoice Remittance Advice would be revised to include a space for an email address.
- Grant Allan informed the members present that Ian Gray had made a huge contribution in assisting Patrick Nelson with the Toby Update Project, which had recently been completed. The Committee would find an appropriate way of acknowledging Ian's hard work and would report back at next year's AGM.
- In response to Sam Andrews-Paul's query regarding extra number of units; The Chair advised that all units were allocated at present and at times when there was a fault in reticulation the plant works to full capacity; therefore FWSA is reluctant to increase the number of units available until such time as FWSA models the reticulation to determine its capacity.
- The Draw for the water unit was won by Grant Backhouse.

**MEETING CLOSED: 4.05 pm.** The Chairman thanked those in attendance and invited them to stay for afternoon tea.

  
CHAIRMAN  
14/7/16.