

2018 Annual Report

Omaha Beach Residents Society Incorporated
For the year ended 30 June 2018

Prepared by Macnicol & Co Limited

Contents

- 3 Directory
- 4 Audit Report
- 6 Statement of Financial Performance
- 7 Statement of Financial Position
- 8 Notes to the Financial Statements

Directory

Omaha Beach Residents Society Incorporated For the year ended 30 June 2018

Nature of Business

Representation of Omaha Beach Residents

Address

5 Lilburn St, Warkworth, New Zealand, 0910

Ph: 09, 4257719

info@obrs.co.nz

Date of Commencement of Business

Commenced 2001

Committee Members

Current Committee

Rob Zubielevitch (Chairman) | Bill Harris (Chairman Design Control Committee) | Trish Young | Andrew Pook | Bruce Coombes

Committee Members Retired at 2018 AGM

Karen Spires

Bankers

ANZ Bank NZ Ltd, Warkworth, New Zealand

Accountants

Macnicol & Co Ltd, Warkworth, New Zealand

Auditors

RSM Hayes Audit, Auckland

Statement of Financial Performance

Omaha Beach Residents Society Incorporated For the year ended 30 June 2018

| | NOTES | 2018 | 2017 |
|--|-------|----------------|----------------|
| Income | | | |
| Levies Received | | 122,625 | 122,625 |
| Interest Received | | 29,954 | 30,176 |
| Insurance Payment - Legal Fees | | - | 59,365 |
| Total Income | | 152,579 | 212,166 |
| Operating Expenses | | | |
| AGM Expenses | | 239 | 348 |
| Audit Fees | | 5,650 | 5,651 |
| Bank Fees | | 276 | 266 |
| Committee Meeting Expenses | | 1,000 | 820 |
| Consulting | | 2,240 | - |
| General Expenses | | 48 | - |
| Insurance | | 21,045 | 4,035 |
| IT, Website Hosting, Xero Fees | | 2,126 | 2,186 |
| Maintenance - Tennis Courts | | 4,513 | 4,326 |
| Management Fee | | 49,503 | 49,503 |
| OBC - Membership Levy, Security | | 33,418 | 33,418 |
| Printing, Stationery & Postage | | 1,524 | 2,429 |
| Rates | | 664 | 650 |
| Subscriptions | | 60 | - |
| Legal & Litigation Expenses | | | |
| Legal expenses | | 3,969 | 3,215 |
| Legal re DCC Matters | 11 | - | 21,426 |
| Total Legal & Litigation Expenses | | 3,969 | 24,641 |
| Total Operating Expenses | | 126,274 | 128,273 |
| Operating Surplus/(Deficit) | | 26,305 | 83,893 |
| Non Operating Expenses | | | |
| Provision for Replacement Tennis Courts | 7 | - | 11,257 |
| Taxation Provided | | 4,618 | 8,169 |
| Total Non Operating Expenses | | 4,618 | 19,426 |
| Net Surplus/(Deficit) | | 21,687 | 64,468 |

These financial statements must be read in conjunction with the Notes to the Financial Statements and the Audit Report.

Statement of Financial Position

Omaha Beach Residents Society Incorporated As at 30 June 2018

| | NOTES | 30 JUN 2018 | 30 JUN 2017 |
|--|-------|----------------|----------------|
| Assets | | | |
| Current Assets | | | |
| Cash and Bank | | | |
| ANZ National Bank - Working Account | | 4,364 | 29,754 |
| ANZ National Bank - Term Investments | 4 | 899,907 | 939,780 |
| ANZ Bank Savings Account | | 115 | 3,107 |
| Total Cash and Bank | | 904,386 | 972,640 |
| Trade and Other Receivables | 2 | 3,923 | 2,910 |
| GST Receivable | 2 | 8,310 | - |
| Interest Accrued | 3 | 4,407 | 4,588 |
| Total Current Assets | | 921,026 | 980,138 |
| Total Assets | | 921,026 | 980,138 |
| Liabilities | | | |
| Current Liabilities | | | |
| Accounts Payable | | 2,063 | 4,075 |
| GST Payable | | - | 2,343 |
| Income Tax Payable | | 5,129 | 6,740 |
| Net Bonds Held | | | |
| Bonds Held | 5 | 620,966 | 683,342 |
| DCC Costs - To be deducted from Bonds | 6 | (226,167) | (209,448) |
| Total Net Bonds Held | | 394,798 | 473,894 |
| Provisions | | | |
| Provision for Litigation | | 20,000 | 20,000 |
| Provision for Replacement of Tennis Courts | 7 | 180,112 | 180,112 |
| Provision for Grants/Donations | | 25,000 | 25,000 |
| Total Provisions | | 225,112 | 225,112 |
| Total Current Liabilities | | 627,102 | 712,165 |
| Total Liabilities | | 627,102 | 712,165 |
| Net Assets | | 293,924 | 267,973 |
| Equity | | | |
| Retained Earnings | | 267,973 | 203,506 |
| Current year earnings | | 21,687 | 64,468 |
| Prior Period Adjustment | | 4,263 | - |
| Total Equity | | 293,924 | 267,973 |

These financial statements must be read in conjunction with the Notes to the Financial Statements and the Audit Report.

For and on behalf of the committee _____

Chairman | Date:

Committee Member | Date:

Notes to the Financial Statements

Omaha Beach Residents Society Incorporated For the year ended 30 June 2018

1. Statement of Accounting Policies

Reporting Entity

Omaha Beach Residents Society Incorporated is an Incorporated Society registered under the Incorporated Societies Act 1908.

The financial statements of the Society are special purpose financial statements prepared for and used to report to Members on the financial transactions and financial position of the Society, assist in reporting to members on the financial part of the Committees stewardship for the year under review, assist the Committee in the financial management of the Society, and, assist Members and potential Members to form a view about likely future levies. Accordingly, they may not be suitable for any other purpose.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis are followed by the Society.

2. SPECIFIC ACCOUNTING POLICIES

The following specific accounting policies which materially affect the measurement of financial performance and the financial position have been applied:

Accounts Receivable

Accounts Receivable are recorded at their expected realisable value. Unrecoverable levies are written off in the year in which they are identified.

Revenue

Revenue comprises all levies raised for the purpose of the society, and is recognised when earned on an accrual basis. Interest is recognised using the effective interest method.

Provisions

The Society maintains provisions for potential litigation expenses, grants & donations. The Society's policy is intended to reflect a conservative approach of allocating funds towards potential litigation expenses and grants and donations to cater for any potential future outgoing without having any contractual financial obligation at balance date to do so.

Goods & Services Tax

The Statement of Financial Performance has been prepared so that all components are stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST, with the exception of account receivables and payables.

Income Tax

For income tax purposes the Society has been treated as a non-profit making entity as it deals only with its own members. Inland Revenue has issued an exemption to the Society which does not require the Society to pay income tax on interest earned.

Consistency

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

3. Interest Accrued

Being interest on deposits held with the ANZ National Bank which had been earned by the Society at 30.6.2018 but were credited to the relevant deposit accounts after that date.

4. National Bank Investments

| | | |
|--|-------|-----------|
| ANZ Money Market Call Acct | 0.35% | \$115 |
| ANZ Term Deposit 1005 - Expires 07/11/18 | 3.25% | \$899,907 |
| Total | | \$900,022 |

5. Members Bond Contributions Received

The sale and purchase agreement that each member entered into required a bond to be paid to the Society. The Bond is held within the Society on behalf of the Design Control Committee. The amount of that bond is in most instances \$5,000. The bond is released to each member upon completion of the design compliance process. The cost of compliance as described in Note 6 is deducted from the bond and the residual amount is repaid to the member.

Total Members Bonds Outstanding \$620,966 (Last Year \$683,342).

6. Deductions from Bonds Held

External consultants are engaged by the Design Control Committee to ensure each application for building consent complies with the guidelines stipulated by the developers. These costs are able to be deducted from members bonds prior to those bonds being repaid to members. The unrecovered accumulated total of all costs relating to DCC compliance evaluation up to 30/6/18 was \$226,162 (Last Year \$209,448).

7. Provision for Tennis Court Replacement

Inflation 2.5%

| | Astrograss & Net Stands | Exterior Fencing | Structures | Nets | Signage | Total |
|---------------------------------|-------------------------|------------------|------------|------|---------|---------|
| Expected Life | 10 | 15 | 20 | 3 | 5 | |
| Replacement Cost (Today) | 72,000 | 10,000 | 5,000 | 500 | 2,000 | 89,500 |
| Replacement Cost (Future Value) | 92,425 | 14,544 | 8,239 | 539 | 2,567 | 118,014 |
| p.a. Replacement Provision | 9,242 | 969 | 412 | 179 | 453 | 11,257 |

Based on the most recent cost estimates received by the board the amount set aside to provide for the replacement of the Tennis Courts is more than would be required to complete the upgrades at balance date. The Committee has decided to retain the higher provision due to uncertainty related to the actual costs that will be incurred at some future time when the replacement is completed. The committee will continue to monitor the amount of the provision and will assess transfers into the provision annually. Should the provision exceed the level of the committee's best estimate of future costs related to tennis court replacement, transfers into the provision will cease or be reduced.

8. Contingent Liabilities

At balance date there are no known contingent liabilities. The Society has not granted any securities in respect of liabilities payable by any other party whatsoever.

9. Capital Commitments

There were no material commitments for capital expenditure outstanding at balance date (last year \$0).

10. Related Party Transactions

Paul Macnicol is considered a related party as he is the Manager of the Society which contracts its operations management to Paul Macnicol's company Macnicol & Co Ltd and also prepares the financial statements for the Society. All related party transactions are conducted on an arms length basis.

11. Post Balance Date Events

There are no post balance date events to report.