

OMAHA BEACH RESIDENTS SOCIETY INCORPORATED

**SPECIAL PURPOSE
FINANCIAL STATEMENTS**

For the Year Ended 30th June 2014

OMAHA BEACH RESIDENTS SOCIETY INCORPORATED

Index to Financial Statements

	Page
Business Profile	1
Auditor's Report	2-3
Statement of Financial Performance	4
Statement of Financial Position	5
Notes to Accompany Financial Statements	6-7

OMAHA BEACH RESIDENTS SOCIETY INCORPORATED

Business Profile as at 30 June 2014

Nature of Business	Representation of Omaha Beach Residents
Business Address	5 Lilburn Street Warkworth 0941
Postal Address	P.O. Box 44 Warkworth 0941
Telephone	09 4257719
Date of Commencement of Business	Established in 2001
Auditor	RSM Hayes Chartered Accountants Level 1 1 Broadway Newmarket Auckland
Committee Members	Brian Coleman (OBRS Chairman) Chris Allan Michael Campbell Mike Fitzgerald Ewan McLeod (DCC Chairman) Graham Painter Mike Prebble Don Sykes Paul Macnicol (Manager)
Bankers	ANZ Bank New Zealand Limited Warkworth
Accountants	Macnicol + Co Ltd Chartered Accountants 5 Lilburn Street Warkworth 0910



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OMAHA BEACH RESIDENTS SOCIETY INCORPORATED

We have audited the financial statements of Omaha Beach Residents Society Incorporated on pages 4 to 7 which comprise the statement of financial position as at 30 June 2014, and the statement of financial performance for the year then ended, and a summary of significant accounting policies and other explanatory information.

Committee Members' Responsibility for the Financial Statements

The members of the committee are responsible for the preparation and presentation of these financial statements in accordance with the accounting policies set out on page 6 and for such internal control as the members of the committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The committee is also responsible for determining that the accounting policies adopted are acceptable in the society's circumstances.

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 in our capacity as auditor we have no relationship with, or interests in, Omaha Beach Residents Society Incorporated.



RSM Hayes Audit
Audit • Assurance • Advisory

Opinion

In our opinion, the special purpose financial statements of Omaha Beach Residents Society Incorporated as at 30 June 2014 on pages 4 to 7 are prepared, in all material respects, in accordance with the accounting policies set out on page 6.

Other Matter

The financial statements of Omaha Beach Residents Society Incorporated for the year ended 30 June 2013 were audited by another auditor who expressed an unmodified opinion on those statements on 23 July 2014.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describe the basis of accounting. The special purpose financial statements are prepared solely for the purpose of providing financial information about Omaha Beach Residents Society Incorporated to the members of Omaha Beach Residents Society Incorporated as set out in Note 1. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for members of Omaha Beach Residents Society Incorporated and should not be distributed to or used by parties other than members of Omaha Beach Residents Society Incorporated.

RSM Hayes Audit

RSM HAYES AUDIT

AUCKLAND, NEW ZEALAND

19 May 2015

Statement of Financial Performance

Omaha Beach Residents Society Inc For the year ended 30 June 2014

	30 Jun 14	30 Jun 13
Income		
Interest Received	52,327	62,533
Levies Received	123,750	121,536
Total Income	176,077	184,069
Gross Profit	176,077	184,069
Less Operating Expenses		
Accounting software transitioning cost	-	1,757
AGM Expenses	2,766	213
Audit Fees	4,425	4,425
Bank Fees	414	394
Debt Collection	625	-
General Expenses	2,576	360
Insurance	4,309	318
IT, Website Hosting, Xero Fees	2,215	1,779
Legal & Litigation Expenses	21,567	129,779
Light, Power, Heating	1,069	1,172
Maintenance - Tennis Courts	5,165	1,710
Management Fee	49,503	49,503
OBC - Membership Levy	12,232	12,256
OBC - Security	10,420	10,440
Printing, Stationery & Postage	644	-
Rates	893	658
Grants/Donations Paid		
Tsunami/Quarry Bridge	-	9,949
Total Grants/Donations Paid	-	9,949
Total Operating Expenses	118,823	224,712
Operating Profit	57,254	(40,642)
Non-operating Expenses		
Provision for Legal Fees & Extraordinaries	-	20,000
Provision for Replacement Tennis Courts	11,257	11,257
Provision for Taxation	14,655	20,292
Taxation underprovided	100	-
Grants & Donations Approved (Unpaid)		
OBC - Walkway	1,000	5,100
Taniko Walkway	-	25,000
Total Grants & Donations Approved (Unpaid)	1,000	30,100
Total Non-operating Expenses	27,012	81,649
Net Profit	30,242	(122,292)

These Financial Statements should be read in conjunction with the Notes to the Financial Statements and the Auditor's Report



Statement of Financial Position

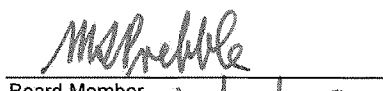
Omaha Beach Residents Society Inc As at 30 June 2014

	30 Jun 2014	30 Jun 2013
Assets		
Bank		
National Bank - Term Investments	1,225,417	1,356,709
National Bank - Working Account	34,227	100,857
Total Bank	1,259,644	1,457,565
Current Assets		
Accounts Receivable	20,923	21,227
Bonds Held with Minter Ellison	-	10,000
Goods & Services Tax Refund Due	8,391	28,043
Income Tax Refund Due	2,616	421
Interest Accrued	4,229	4,756
Total Current Assets	36,158	64,447
Total Assets	1,295,802	1,522,012
Liabilities		
Current Liabilities		
Accounts Payable	18,782	137,328
Net Bonds Held		
Bonds Held	979,572	1,107,652
DCC Costs - To be recovered from Bonds	(178,435)	(157,353)
Total Net Bonds Held	801,137	950,299
Provisions		
Provision for Grants/Donations	25,000	30,100
Provision for Litigation	20,000	20,000
Provision for Replacement of Tennis Courts	146,341	135,084
Total Provisions	191,341	185,184
Total Current Liabilities	1,011,260	1,272,812
Total Liabilities	1,011,260	1,272,812
Net Assets	284,542	249,200
Equity		
Current Year Earnings	30,242	(122,292)
Prior Period Adjustment	5,100	2,955
Retained Earnings	249,200	368,537
Total Equity	284,542	249,200

For and on behalf of the Members


Chairman

Date: 15/4/15


Board Member

Date: 15/5/15

These Financial Statements should be read in conjunction with the Notes to the Financial Statements and the Auditor's Report



Omaha Beach Residents Society Incorporated

Notes to the Financial Statements For the Year Ended 30th June 2014

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. Provision for Income Tax has been made on interest income received.

Consistency

There have been no changes of accounting policies and other policies have been applied on bases consistent with those used in the previous year.



3. 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.

4. NOTES

1. Interest Accrued

Being interest on deposits held with the ANZ National Bank which had been earned by the Society at 30.6.2014 but were credited to the relevant deposit accounts after that date.

2. National Bank Investments

Money Market Call Account	0.75%	\$2,995
Term Deposit 1005 – expires 11/11/2014	3.75%	\$1,222,422

3. 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 is \$5,000. The bond is released to each member upon completion of the design compliance process. The cost of compliance as described in Note 5 is deducted from the bond and the residual amount is repaid to the member.

Total Members Bonds Outstanding \$979,572 (Last Year \$1,107,652)

5. 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 30/6/14 was \$178,513 (Last Year \$157,352).

6. Prior Period Adjustment

Relates to a provision made in the 2013 financials for a donation towards to OBC walkway. The donation was made on the 30 July 2012 and was expensed as a donation in that year.

7. Provision For Tennis Court Replacement

Inflation Rate 2.5%

Asset Replacements

	Astrograss	Exterior Fencing	Structures	Net	Net Stands	Signage	Total
Expected Life - years	10	15	20	3	10	5	
Replacement Cost (Today \$)	\$70,000	\$10,000	\$5,000	\$500	\$2,000	\$2,000	\$89,500
Replacement Cost (Future Value)	\$89,858	\$14,544	\$8,239	\$539	\$2,567	\$2,266	\$118,014
Per annum provision for replacement	\$8,985.80	\$969.60	\$412.00	\$179.60	\$256.70	\$453.20	\$11,257

8. Capital Commitments

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

9. 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.

Chris Allan is considered a related party as he is a committee member and is also a partner in the legal firm Grove Darlow & Partners. The committee engages Chris Allan and Grove Darlow & Partners to provide legal services as necessary to the Society.

All related party transactions are conducted on an arms length basis.

