

**Resort Zone Infrastructure
Association Incorporated**

Financial Statements
For the year ended 30 June 2021

Resort Zone Infrastructure Association Incorporated

**CONTENTS OF THE FINANCIAL STATEMENTS
As at 30 June 2021**

Directory to the Financial Statements	2
Consolidated Statement of Comprehensive Revenue and Expense	3
Consolidated Statement of Movements in Equity	4
Consolidated Statement of Financial Position	5
Consolidated Statement of Cash Flows	6
Statement of Accounting Policies	7 - 8
Notes to and forming part of the Financial Statements	9 - 10

Resort Zone Infrastructure Association Incorporated

DIRECTORY TO THE FINANCIAL STATEMENTS

As at 30 June 2021

Nature of Activities:	The shareholder is Coneburn Water Supply Company Limited and through its shareholding provide communal potable water to the residents within the Jacks Point Resort Zone.
Business Address:	Jacks Point Clubhouse McAdams Drive Jacks Point Queenstown
Postal Address:	PO Box 64 Queenstown
Registered Office:	C/- Anderson Lloyd Level 1 13 Camp Street Queenstown
Members:	Jacks Point Residents & Owners Association Incorporated RZIA Controlling Member (JP) Limited RZIA Member Limited Jacks Point Developments No. 2 Limited Jacks point Developments No. 3 Limited
Accountant:	McCulloch & Partners PO Box 64 Queenstown
Incorporation No.:	2634215

Resort Zone Infrastructure Association Incorporated

CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 June 2021

	Notes	2021	2020
Income			
Water Levies		233,218	193,433
Member Levies	5	6,843	6,980
Total Income		240,061	200,413
Less Expenses			
Audit Fees	1	6,613	6,750
Bank Charges		70	112
Company Fees		230	230
Consultants		7,790	6,750
Depreciation		234,768	234,768
Electricity		62,639	44,022
Financial & Accounting Fees		5,000	5,000
Insurance		26,391	16,698
Interest		5	-
Legal Fees		2,160	-
Management Fees		21,000	21,000
Rates		5,252	5,060
Repairs & Maintenance		101,459	98,493
Subscriptions		504	504
Telecommunications		948	960
Total Expenses		474,829	440,347
Net Deficit from Operations		(234,768)	(239,934)
Other Income			
Insurance Proceeds		-	5,166
Total Other Income		-	5,166
Total Comprehensive Revenue and Expense		(234,768)	(234,768)

Resort Zone Infrastructure Association Incorporated

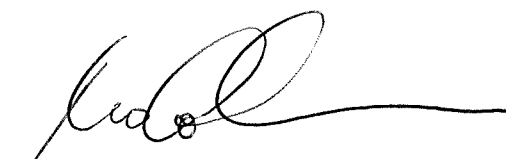
CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY
For the year ended 30 June 2021

	2021	2020
Revenue and Expenses		
Net Surplus/(Deficit)	(234,768)	(234,768)
Total Recognised Revenues and Expenses	<u>(234,768)</u>	<u>(234,768)</u>
Equity at the Beginning of the Year	11,129,816	11,364,584
Paid up Capital	100	100
Equity at the End of the Year	<u>10,895,148</u>	<u>11,129,916</u>
Movements in Retained Earnings		
Opening Balance	11,129,816	11,364,584
Plus:		
Net Surplus	(234,768)	(234,768)
Retained Earnings Closing Balance	<u>10,895,048</u>	<u>11,129,816</u>

Resort Zone Infrastructure Association Incorporated

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2021

	Notes	2021	2020
Equity			
Paid Up Capital		100	100
Accumulated Funds	6	10,895,048	11,129,816
Total Equity		<u>10,895,148</u>	<u>11,129,916</u>
REPRESENTED BY:			
Current Assets			
Cash & Cash Equivalents		7,437	4,364
GST		2,350	1,577
Advance - Related Party	4	29,783	25,778
Total Current Assets		<u>39,570</u>	<u>31,719</u>
Less Current Liabilities			
Accounts Payable Due - Non-Related Parties		30,670	25,575
Accruals		8,794	6,038
Total Current Liabilities		<u>39,464</u>	<u>31,613</u>
Non-Current Assets			
Fixed Assets	2	10,865,599	11,100,367
Spare Parts	3	29,443	29,443
Total Non-Current Assets		<u>10,895,042</u>	<u>11,129,810</u>
Net Assets		<u>10,895,148</u>	<u>11,129,916</u>



 Committee Member:
 Date: 30/9/2021

Resort Zone Infrastructure Association Incorporated

CONSOLIDATED STATEMENT OF CASH FLOWS
As at 30 June 2021

	2021	2020
Cash flows from Operating Activities		
<u>Cash was provided from:</u>		
Receipts from customers	228,441	200,650
Capital & Member Levy Call	6,843	6,980
Insurance Proceeds	-	5,166
<u>Cash was disbursed to:</u>		
Payments to suppliers	(232,210)	(213,291)
Net cash inflow/(outflow) from operating activities	3,074	(495)
Net increase/(decrease) in Cash and Cash Equivalents	3,074	(495)
Add Cash and Cash Equivalents at beginning of the year	4,364	4,859
Cash and Cash Equivalents at end of the year	7,438	4,364
Reconciliation of Loss for the Year to Net Cash Flows from Operating Activities		
Net Loss for the Year	234,768	234,768
Add Non Cash Items		
Depreciation	(234,768)	(234,768)
	-	-
Movement in Working Capital		
Increase/(Decrease) in Other Creditors	(7,850)	7,711
Increase/(Decrease) in Debtors	4,776	(7,216)
	(3,074)	495
Net Cash Flows From Operating Activities	(3,074)	495

Resort Zone Infrastructure Association Incorporated

STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June 2021

REPORTING ENTITY

Resort Zone Infrastructure Association Incorporated (the Society) and its subsidiaries (together the Group) principal activities are to provide communal potable water to the residents within the Jacks Point Resort Zone.

Resort Zone Infrastructure Association Incorporated is an Incorporated Society registered under the Incorporated Societies Act 1908. Included within the Group is Coneburn Water Supply Company Limited (100% owned) from 31 December 2016, which is registered under the Companies Act 1993.

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with Public Benefit Entity Not For Profit Accounting Standards (PBE NFP) and other applicable Financial Reporting Standards, as appropriate for Tier 2 not for profit public entities, for which all disclosure regime exemptions have been applied. The Society qualifies for Tier 2 as it is not publically accountable and is not large.

The consolidated financial statements for the "Group" are for the economic entity comprising Resort Zone Infrastructure Association Incorporated and Coneburn Water Supply Company Limited.

The information is presented in New Zealand dollars. All values are rounded to the nearest \$.

MEASUREMENT BASIS

The consolidated financial statements have been prepared on the historical cost basis.

SPECIFIC ACCOUNTING POLICIES

The following specific accounting policies have a material effect on the measurement of results and financial position:

Basis of Consolidation

The financial statements of Coneburn Water Supply Company Limited (100% owned) have been incorporated into the consolidated financial statements of the Society using the purchase method from 31 December 2016.

Accounts Receivable

Accounts receivable are stated at expected realisable value, after provision for amounts considered doubtful.

Equity

Equity is the members' interest in the Society as measured by total assets less total liabilities.

Fixed Assets & Depreciation

Fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets. Where the asset is acquired for no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition.

Depreciation is provided on a straight line basis at rates that will write off the cost of the assets over their expected useful lives. The rates used for each class of asset are as follows:

<u>Asset Class</u>	<u>Years</u>	<u>Depn Rate</u>
Buildings & Structures	50	2.00%
Water (Potable) Plant & Equipment	10-50	2.00% - 10.00%
Water (Potable) Reticulation Networks	40-100	1.00% - 2.50%

Resort Zone Infrastructure Association Incorporated

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

For the year ended 30 June 2021

Impairment

At each reporting date, the Group reviews the carrying value of its tangible assets to determine whether there is any indication that the assets have suffered an impairment loss. If any such indication exists the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss (if any). An impairment loss is recognised in the Statement of Comprehensive Revenue and Expense immediately.

Accounts Payable

Accounts payable are recognised when the Group becomes obliged to make future payments normally from the purchase of goods and services.

Levies

Levies are recognised when the Group is entitled to pass rates.

Cash & Cash Equivalents

Cash and cash equivalents comprise of cash on hand, cash in banks and other short term highly liquid deposits that are readily convertible to a known amount of cash.

Goods and Services Tax

These financial statements are prepared on a GST exclusive basis. The parent entity is not GST registered, the subsidiary is GST registered.

Taxation

The Society is a non-profit incorporated Society and as such is not liable for income tax in relation to member income. The subsidiary is a company registered under the Companies Act 1993. The subsidiary company has been structured to ensure that it is not able or allowed to make a taxable profit in any year.

Vested Assets

Vested assets are recognized at their fair value at the date the assets are unconditionally passed to the Group. The fair value of the vested asset is recognized as income in the year of vesting in the Statement of Comprehensive Revenue and Expense.

Changes in Accounting Policies

There have been no changes in accounting policies during the year.

Critical Judgements in Applying Accounting Policies

Management has exercised the following critical judgement in applying accounting policies for the year ended 30 June 2021: No critical judgements have been made this year.

Use of Estimates, Judgements, and Assumptions

No material change in accounting estimates have been made this year.

Resort Zone Infrastructure Association Incorporated

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

1 Auditor's Remuneration

The auditor of Resort Zone Infrastructure Association Incorporated (RZIAI) is Deloitte Limited

2021 Audit Fee

2020 Audit Fee

2019 Audit Fee

	2021	2020
2021 Audit Fee	6,613	-
2020 Audit Fee	-	6,038
2019 Audit Fee	-	712
	<u>6,613</u>	<u>6,750</u>

2 Fixed Assets

Asset Class	Cost 1 July 2020	Additions & Disposals	Cost 30 June 2021	Accumulated Depreciation 1 July 2020	Depreciation	Accumulated Depreciation 30 June 2021	Carrying Value 30 June 2021
Buildings & Structures	192,120	-	192,120	13,448	3,842	17,290	174,830
<u>Infrastructural Assets</u>							
Water (Potable) Plant & Equipment	597,502	-	597,502	66,188	18,964	85,152	512,350
Water (Potable) Reticulation	11,041,701	-	11,041,701	651,320	211,962	863,282	10,178,419
	<u>11,831,323</u>	-	<u>11,831,323</u>	<u>730,956</u>	<u>234,768</u>	<u>965,724</u>	<u>10,865,599</u>

3 Spare Parts

	2021	2020
Motor – Pleuger MI-960-2 Potable Pump	29,443	29,443
	<u>29,443</u>	<u>29,443</u>

4 Advance to Related Parties

Entity	2021	2020
Jacks Point Residents & Owners Association (JPROA)	29,783	25,778
	<u>29,783</u>	<u>25,778</u>

Resort Zone Infrastructure Association Incorporated

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2021

5 Related Party Transactions

Member Levy

The Society issued a Member Levy request to Jacks Point Residents & Owners Association ("JPROA") of \$6,843 (Prior year: \$6,980) for the following operating Expenditure incurred by Resort Zone Infrastructure Association Incorporated:

- Audit Fee 2021	\$ 6,613
- Annual Company Return Fee	\$ 230

6 Accumulated Funds

	2021	2020
Opening Balance	11,129,816	11,364,584
Net (Deficit) for the Year	(234,768)	(234,768)
Closing Balance	<u>10,895,048</u>	<u>11,129,816</u>

7 Capital Commitments

There were no commitments for capital expenditure at balance date this year. (Prior year: nil)

8 Contingent Liabilities

In the prior year, on 12th May 2020, the Association and its Members entered a Deed of Release and Resignation – Water Deed and RZIAI ("the Deed"). As a result, the Member Henley Downs Residents and Owners Association Incorporated ("HDROA") resigned as a Member of the Association and was discharged and released from its rights and obligations under the Deed Pertaining to Jacks Point Water Supply dated 16 June 2016 ("Water Deed"). Further, RCL Developments Henley Downs Limited ("RCL") resigned as a Member and as a Controlling Member of the Association. In consideration for the discharge and release from the rights and obligations under the Water Deed of HDROA and the resignation of both HDROA and RCL as Members of the Association, HDROA was granted the right to receive 50% of the cash proceeds of any sale to an arm's length third party, within seven years after the date of the Deed, of the Water Infrastructure Assets of the 100% subsidiary Coneburn Water Supply Co Limited.

While there are no current plans to sell the Water Infrastructure Assets, a Committee has been formed to review the feasibility of such action.

There were no other contingent liabilities at balance date this year. (Prior year: nil)

9 Mortgages, Charges and Securities

There are no mortgages, charges and securities over the Society's property. (Prior year: nil)

Independent Auditor's Report

To the Members of Resort Zone Infrastructure Association Limited

Opinion

We have audited the financial statements of Resort Zone Infrastructure Association Incorporated (the 'entity') and its subsidiaries ('the group'), which comprise the consolidated statement of financial position as at 30 June 2021, and the consolidated statement of comprehensive revenue and expense, statement of movements in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements, on pages 3 to 10, present fairly, in all material respects, the consolidated financial position of the group as at 30 June 2021, and its consolidated financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

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

We are independent of the Company in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor, we have no relationship with or interests in the entity.

Committee's responsibilities for the consolidated financial statements

The Committee is responsible on behalf of the group for the preparation and fair presentation of the consolidated financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, and for such internal control as the Committee determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Committee is responsible on behalf of the group for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee either intend to liquidate the group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on at the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-7>

This description forms part of our auditor's report.

Restriction on use

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

Deloitte Limited

Dunedin, New Zealand
30 September 2021