

Annual Report

Urban Cohousing Otepoti Limited
As at 31 March 2020

Prepared by Nicola Holman Chartered Accountant Limited

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Compilation Report

Urban Cohousing Otepoti Limited For the year ended 31 March 2020

Compilation Report to the Directors of Urban Cohousing Otepoti Limited.

Scope

On the basis of information provided and in accordance with Service Engagement Standard 2 Compilation of Financial Information, we have compiled the financial statements of Urban Cohousing Otepoti Limited for the year ended 31 March 2020.

These statements have been prepared in accordance with the accounting policies described in the Notes to these financial statements.

Responsibilities

The Directors are solely responsible for the information contained in the financial statements and have determined that the Special Purpose Reporting Framework used is appropriate to meet your needs and for the purpose that the financial statements were prepared.

The financial statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the financial statements.

No Audit or Review Engagement Undertaken

Our procedures use accounting expertise to undertake the compilation of the financial statements from information you provided. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

Independence

We have no involvement with Urban Cohousing Otepoti Limited other than for the preparation of financial statements and management reports and offering advice based on the financial information provided.

Disclaimer

We have compiled these financial statements based on information provided which has not been subject to an audit or review engagement. Accordingly, we do not accept any responsibility for the reliability, accuracy or completeness of the compiled financial information contained in the financial statements. Nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on these financial statements.



Nicola Holman Chartered Accountant Limited

309 Signal Hill Road, Dunedin

Dated: 7 June 2021

Directory

Urban Cohousing Otepoti Limited For the year ended 31 March 2020

Nature of Business

Residential property operation and development (excluding site construction)

Registered Office

7 Montpellier Street, Dunedin Central, Dunedin, New Zealand, 9016

Incorporation Number

4568032

New Zealand Business Number

9429030121034

IRD Number

112-028-366

Directors

Susan Jack

Alex King

Catherine Spencer

Anne Thomson

Chartered Accountant

Nicola Holman Chartered Accountant Limited

Bankers

SBS Bank

Kiwibank

Solicitors

McMillan & Co, Dunedin

Approval of Financial Report

Urban Cohousing Otepoti Limited For the year ended 31 March 2020

The Directors are pleased to present the approved financial report including the historical financial statements of Urban Cohousing Otepoti Limited for year ended 31 March 2020.

APPROVED

For and on behalf of the Board of Directors.

Susan Jack

Date: 11 June 2021

Alex King

Date: 11 June 2021

Catherine Spencer

Date: 11 June 2021

Anne Thomson

Date: 11 June 2021

Statement of Profit or Loss

Urban Cohousing Otepoti Limited For the year ended 31 March 2020

	NOTES	2020	2019
Trading Income			
Membership Fees		609	1,391
Rent Received		-	3,548
Total Trading Income		609	4,939
Cost of Sales			
Opening WIP		3,564,559	1,428,998
Direct Costs		4,041,231	2,135,561
Closing WIP		(7,605,790)	(3,564,559)
Total Cost of Sales		-	-
Gross Profit		609	4,939
Other Income			
Interest Received		5,277	39,996
Total Other Income		5,277	39,996
Expenses			
Accountancy Fees		7,606	6,212
Bank Charges		68	65
Commissions		172	93
General Expenses		365	-
Insurance		2,890	3,504
Interest Other		7	3
Licences & Registrations		36	162
Light Power & Heating		-	985
Postage		170	161
Printing & Stationery		-	22
Rates		4,119	4,010
Total Expenses		15,433	15,216
Net Profit (Loss) Before Taxation		(9,547)	29,719
Taxation and Adjustments			
Tax Expense		-	8,321
Total Taxation and Adjustments		-	8,321
Net Profit (Loss) for the Year		(9,547)	21,398

These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

Balance Sheet

Urban Cohousing Otepoti Limited As at 31 March 2020

	NOTES	31 MAR 2020	31 MAR 2019
Assets			
Current Assets			
Cash and Bank	6	290,486	1,043,339
GST Receivable		55,453	110,930
Accrued Revenue		-	2,527
Work in Progress	2	7,605,790	3,564,559
Income Tax Receivable	3	12,004	9,428
Other Current Assets	7	263,101	210,299
Total Current Assets		8,226,834	4,941,083
Total Assets		8,226,834	4,941,083
Liabilities			
Current Liabilities			
Trade and Other Payables			
Trade payables		438,412	568,863
Interest Payable		4,963	37,035
Total Trade and Other Payables		443,375	605,898
Loans			
Unsecured loans to secure place on waiting list	8	40,000	20,000
Total Loans		40,000	20,000
Other Current Liabilities	9	261,495	198,959
Total Current Liabilities		744,870	824,858
Non-Current Liabilities			
Loans			
Secured loans (non current)	10	2,793,385	-
Unsecured Loans - Friends of Project	11	507,010	727,010
Unsecured Loans - Unit Purchasers	12	4,040,033	3,238,132
Total Loans		7,340,428	3,965,142
Total Non-Current Liabilities		7,340,428	3,965,142
Total Liabilities		8,085,297	4,789,999
Net Assets		141,536	151,083

These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

NOTES 31 MAR 2020 31 MAR 2019

Equity

Share Capital	112,000	112,000
Retained Earnings	29,536	39,083
Total Equity	141,536	151,083

Approved by:

Susan Jack

Alex King

Catherine Spencer

Anne Thomson

These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

Statement of Changes in Equity

Urban Cohousing Otepoti Limited For the year ended 31 March 2020

	2020	2019
Equity		
Opening Balance	151,083	114,686
Increases		
Profit for the Period	(9,547)	21,398
Share Capital	-	15,000
Total Increases	(9,547)	36,398
Total Equity	141,536	151,083

These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

Notes to the Financial Statements

Urban Cohousing Otepoti Limited For the year ended 31 March 2020

1. Reporting Entity

Urban Cohousing Otepoti Limited is a company incorporated under the Companies Act 1993 and is engaged in the business of residential property development. The company is governed according to Shareholders Agreement which was formally adopted and signed on 3 July 2018. Prior to this it was governed by a draft Organising Agreement which contained essentially the same principles as have since been adopted in the Shareholders Agreement.

This special purpose financial report was authorised for issue in accordance with a resolution of directors dated 11 June 2021.

2. Statement of Accounting Policies

Basis of Preparation

These financial statements have been prepared in accordance with the Special Purpose Framework for use by For-Profit Entities (SPFR for FPEs) published by Chartered Accountants Australia and New Zealand.

The financial statements have been prepared for taxation purposes and the entity's owners.

Historical Cost

These financial statements have been prepared on a historical cost basis. The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except when otherwise indicated.

Changes in Accounting Policies

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

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, excluding goods and services tax rebates and discounts, to the extent it is probable that the economic benefits will flow to the entity and revenue can be reliably measured.

Sales of services are recognised in the period by reference to the stage of completion of the transaction at the end of the reporting period.

Lease income is recognised on a straight line basis over the life of the lease.

Interest received is recognised as interest accrues, gross of refundable tax credits received.

Work in Progress

The cost of work in progress and finished goods includes the cost of direct materials, direct labour and a proportion of the manufacturing overhead, based on the normal capacity of the facilities, expended in putting the inventories in their present location and condition.

Work in progress in the balance sheet represents the cost of the co-housing development at 7 Montpellior Street, Dunedin, to date.

Income Tax

Income tax is accounted for using the taxes payable method. The income tax expense in profit or loss represents the estimated current obligation payable to Inland Revenue in respect of each reporting period after adjusting for any variances between

estimated and actual income tax payable in the prior reporting period.

Goods and Services Tax

All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

	2020	2019
3. Income Tax Expense		
Net Profit (Loss) Before Tax	(9,547)	29,719
Deductions from Taxable Profit		
Losses Carried Forward	-	-
Total Deductions from Taxable Profit	-	-
Taxable Profit (Loss)	(9,547)	29,719
Tax Payable at 28%	-	8,321
Deductions from Tax Payable		
Opening Balance	9,428	8,326
Prior period tax paid (refunded)	17,749	6,489
Resident withholding tax paid	(15,173)	2,934
Total Deductions from Tax Payable	12,004	17,749
Income Tax Payable (Refund Due)	(12,004)	(9,428)
	2020	2019

4. Imputation Credit Account

	2020	2019
Imputation Credit Account		
Opening Balance	24,238	14,815
Increases		
IRD Interest	-	-
Imputation credits converted to losses	-	-
Income Tax Paid	-	-
Resident Withholding Tax Paid	2,576	17,749
Imputation credits on dividends received	-	-
Total Increases	2,576	17,749
Decreases		
Imputation Credits Attached to Dividends	-	-
Income Tax Refund	-	8,326
Total Decreases	-	8,326
Total Imputation Credit Account	26,814	24,238
	2020	2019

5. Equity

	2020	2019
Share Capital		
Opening Balance	112,000	97,000

	2020	2019
Ordinary Shares	-	15,000
Total Share Capital	112,000	112,000
Retained Earnings		
Opening Balance	39,083	17,686
Current Year Earnings	(9,547)	21,398
Total Retained Earnings	29,536	39,083
Total Equity	141,536	151,083

Each fully paid ordinary share confers on the holder one vote at a meeting of the company, a share in distributions approved by the Directors, and a share in distribution of the surplus assets of the company on dissolution.

97 ordinary shares have been issued at \$1,000 each and are fully paid up

	2020	2019
6. Cash and Bank Balances		
Kiwibank 00 Business Edge	175,442	48,191
Kiwibank 03 Term Deposit	-	300,000
Kiwibank 04 Business Online Call	69,108	673,803
Kiwibank 05 GST Funding overdr	(526)	-
SBS 00 Cheque Account	8	15
SBS 01 I Save Account	46,454	21,329
Total Cash and Bank Balances	290,486	1,043,339

	2020	2019
7. Other Current Assets		
McMillan & Co Trust Account - Retentions	127,073	74,902
McMillan & Co Trust Account - Other Funds	136,028	135,397
Total Other Current Assets	263,101	210,299

	2020	2019
8. Current loans to secure place on waiting list		
CL427 Mike Hazel	5,000	5,000
CL429 MR Barker & RA Smith	5,000	5,000
CL440 Kevin Booth	5,000	5,000
CL441 Joe Booth	5,000	5,000
Total Current loans to secure place on waiting list	20,000	20,000

Current loans to secure a place on the waiting list have been provided to the company by prospective unit purchases where a unit is not currently available. The loans are unsecured and will be repaid if a unit doesn't become available.

	2020	2019
9. Other Current Liabilities		
Retentions Withheld	126,495	63,959

Purchaser Deposits	135,000	135,000
Total Other Current Liabilities	261,495	198,959
	2020	2019

10. Secured Loans

Kiwibank 06 Construction Term	2,793,385	-
Total Secured Loans	2,793,385	-

The Kiwibank Business Loan has been raised to finance the balance of the construction cost after the company's other sources of funds have been used. The loan is secured over the work in progress of the company on interest only terms. At balance date the interest rate is 8.5% pa.

	2020	2019
11. Unsecured Loans - Friends of Project		
TL10 Carolyn Upton	10,000	10,000
TL12 Helen Watson White	5,000	5,000
TL19 Upton Family Trust	150,000	150,000
TL22 Elizabeth Gibson	300,010	300,010
TL24 Murray Efford	-	20,000
TL28 Nancy Earth	-	150,000
TL32 Michael Hazel	25,000	75,000
TL35 Maurice Barker & Rosemary Smith	5,000	5,000
TL38 Michael Hazel	12,000	12,000
Total Unsecured Loans - Friends of Project	507,010	727,010

Non current loans provided by Friends of the Project are unsecured. They are payable, along with any accrued simple interest on or before six months after completion of the project, or six months after the abandonment of the project or on a date specified by the lender but at the absolute discretion of the company.

	2020	2019
12. Unsecured Loans - Unit Purchasers		
TL50 A J Doesburg & A K Maxwell	100,000	-
TL49 Pauline Taylor	70,000	70,000
TL01 Rachel Gibb	100,000	100,000
TL04 Alexander King	412,000	302,000
TL07 Kristin & Susan Jack	215,000	215,000
TL13 Elizabeth (Anne) & Ian Thomson	730,000	520,000
TL23 Alexander & Frances Ross	340,000	290,000
TL25 Catherine Spencer (2A)	205,774	195,362
TL26 Patricia Gay Buckingham	170,000	170,000
TL27 Michael & Rosemary Wilson	155,000	155,000
TL29 Janice Burch	346,489	165,000
TL30 Timothy & Philippa Ross	172,656	172,656
TL31 Rainer Beneke & Marian Quinn	100,000	100,000
TL34 Juan Puricelli & Maria Callau	70,895	30,895

	2020	2019
TL39 Claire Loftus	165,000	165,000
TL40 Warren Hurley	60,259	60,259
TL41 James & Jessica Ross	52,000	52,000
TL42 Sander Zwanenburg & Nga Fong Or	63,000	63,000
TL43 Dennis Chan	50,000	30,000
TL44 Yu-min Lee	180,000	100,000
TL45 Miriam Frances & Donald Shand	98,400	98,400
TL46 Geoffery & Anne King	94,560	94,560
TL47 Elizabeth (Anne) Thomson (Unit C3)	70,000	70,000
TL48 Sara Ferreira	19,000	19,000
Total Unsecured Loans - Unit Purchasers	4,040,033	3,238,132

Non current loans provided by Unit Purchasers are unsecured. They are payable, along with any accrued simple interest on or before six months after completion of the project, or six months after the abandonment of the project or on a date specified by the lender but at the absolute discretion of the company. According to the Shareholder Agreement dated 3 July 2018 these loans will be applied the purchase of individual units upon settlement.

	2020	2019
13. Related Parties		
Long term loans from Directors or Director's spouse or parents		
TL04 Alexander King	412,000	302,000
TL07 Kristin & Susan Jack	215,000	215,000
TL13 Elizabeth (Anne) & Ian Thomson	730,000	520,000
TL25 Catherine Spencer (2A)	205,774	195,362
TL46 Geoffery & Anne King	94,560	94,560
TL47 Elizabeth (Anne) Thomson (Unit C3)	70,000	70,000
Total Long term loans from Directors or Director's spouse or parents	1,727,334	1,396,922
Payments made to Directors		
WIP - Consultant - Project Management UCOL	-	7,625
Total Payments made to Directors	-	7,625
Total Related Parties	1,727,334	1,389,297