

Annual Report

Urban Cohousing Otepoti Limited
For the year ended 31 March 2019

Prepared by Nicola Holman Chartered Accountant Limited

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Compilation Report

Urban Cohousing Otepoti Limited For the year ended 31 March 2019

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 2018.

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 2019

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 2019

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 2019.

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 2019

	NOTES	2019	2018
Trading Income			
Grants Received		-	1,665
Membership Fees		1,391	696
Rent Received		3,548	13,130
Total Trading Income		4,939	15,491
Cost of Sales			
Opening WIP		1,428,998	1,291,374
Direct Costs		2,135,561	137,624
Closing WIP		(3,564,559)	(1,428,998)
Total Cost of Sales		-	-
Gross Profit		4,939	15,491
Other Income			
Interest Received		39,996	48,314
Total Other Income		39,996	48,314
Expenses			
Accountancy Fees		6,212	4,897
Advertising		-	755
Bank Charges		65	22
Commissions		93	-
General Expenses		-	74
Insurance		3,504	6,953
Interest Other		3	-
Licences & Registrations		162	64
Light Power & Heating		985	1,035
Office Expense		-	39
Postage		161	152
Printing & Stationery		22	-
Rates		4,010	3,620
Repairs & Maintenance		-	883
Total Expenses		15,216	18,494
Net Profit (Loss) Before Taxation		29,719	45,311
Taxation and Adjustments			
Tax Expense		8,321	6,489
Total Taxation and Adjustments		8,321	6,489
Net Profit (Loss) for the Year		21,398	38,822

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 2019

	NOTES	31 MAR 2019	31 MAR 2018
Assets			
Current Assets			
Cash and Bank	6	1,043,339	1,666,254
Trade and Other Receivables		-	100
GST Receivable		110,930	3,080
Accrued Revenue		2,527	16,359
Work in Progress	2	3,564,559	1,428,998
Income Tax Receivable	3	9,428	8,326
Other Current Assets	7	210,299	-
Total Current Assets		4,941,083	3,123,117
Total Assets		4,941,083	3,123,117
Liabilities			
Current Liabilities			
Trade and Other Payables			
Trade payables		568,863	8,676
Interest Payable		37,035	29,302
Total Trade and Other Payables		605,898	37,978
Loans			
Unsecured loans in lieu of shares	8	-	25,000
Unsecured loans to secure place on waiting list	9	20,000	15,000
Total Loans		20,000	40,000
Other Current Liabilities	10	198,959	-
Total Current Liabilities		824,858	77,978
Non-Current Liabilities			
Loans			
Unsecured Loans - Friends of Project	11	727,010	697,010
Unsecured Loans - Unit Purchasers	12	3,238,132	2,233,443
Total Loans		3,965,142	2,930,453
Total Non-Current Liabilities		3,965,142	2,930,453
Total Liabilities		4,789,999	3,008,431
Net Assets		151,083	114,686
Equity			
Share Capital		112,000	97,000
Retained Earnings		39,083	17,686
Total Equity		151,083	114,686

Approved by:

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

Susan Jack

Alex King

Catherine Spencer

Anne Thomson

Statement of Changes in Equity

Urban Cohousing Otepoti Limited For the year ended 31 March 2019

	2019	2018
Equity		
Opening Balance	114,686	75,863
Increases		
Profit for the Period	21,398	38,822
Share Capital	15,000	-
Total Increases	36,398	38,822
Total Equity	151,083	114,686

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 2019

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.

	2019	2018
3. Income Tax Expense		
Net Profit (Loss) Before Tax	29,719	45,311
Deductions from Taxable Profit		
Losses Carried Forward	-	22,137
Total Deductions from Taxable Profit	-	22,137
Taxable Profit (Loss)	29,719	23,174
Tax Payable at 28%	8,321	6,489
Deductions from Tax Payable		
Opening Balance	8,326	472
Prior period tax paid (refunded)	6,489	-
Resident withholding tax paid	2,934	14,343
Total Deductions from Tax Payable	17,749	14,815
Income Tax Payable (Refund Due)	(9,428)	(8,326)
	2019	2018

4. Imputation Credit Account

	2019	2018
Imputation Credit Account		
Opening Balance	14,815	472
Increases		
IRD Interest	-	-
Imputation credits converted to losses	-	-
Income Tax Paid	-	-
Resident Withholding Tax Paid	17,749	14,815
Imputation credits on dividends received	-	-
Total Increases	17,749	14,815
Decreases		
Imputation Credits Attached to Dividends	-	-
Income Tax Refund	8,326	472
Total Decreases	8,326	472
Total Imputation Credit Account	24,238	14,815
	2019	2018

5. Equity

	2019	2018
Share Capital		
Opening Balance	97,000	97,000

	2019	2018
Ordinary Shares	15,000	-
Total Share Capital	112,000	97,000
Retained Earnings		
Opening Balance	17,686	(21,137)
Current Year Earnings	21,398	38,822
Total Retained Earnings	39,083	17,686
Total Equity	151,083	114,686

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

	2019	2018
6. Cash and Bank Balances		
Kiwibank 00 Business Edge	48,191	233,928
Kiwibank 01 Term Deposit	-	403,697
Kiwibank 02 Term Deposit	-	1,012,429
Kiwibank 03 Term Deposit	300,000	-
Kiwibank 04 Business Online Call	673,803	-
SBS 00 Cheque Account	15	13
SBS 01 I Save Account	21,329	16,187
Total Cash and Bank Balances	1,043,339	1,666,254
	2019	2018

7. Other Current Assets

McMillan & Co Trust Account - Retentions	74,902	-
McMillan & Co Trust Account - Other Funds	135,397	-
Total Other Current Assets	210,299	-
	2019	2018

8. Current loans in lieu of shares

CL414 Yu-Hsin Lin	-	5,000
CL431 Warren Hurley	-	5,000
CL432 Claire Loftus	-	5,000
CL433 James & Jess Ross	-	5,000
CL434 Sander Zwanenburg & Karen Or	-	5,000
Total Current loans in lieu of shares	-	25,000

Current loans in lieu of shares have been provided to the company by prospective unit purchases as their contribution to the ongoing expenses of the company which will not form part of the construction cost of individual units. The requirement for contributing is set out in the Shareholders Agreement dated 3 July 2018 which replaced this. The loans are unsecured and held until shares are issued by the Directors.

	2019	2018
9. Current loans to secure place on waiting list		
CL427 Mike Hazel	5,000	5,000
CL429 MR Barker & RA Smith	5,000	5,000
CL430 G A Parmenter & V A Parkes	-	5,000
CL440 Kevin Booth	5,000	-
CL441 Joe Booth	5,000	-
Total Current loans to secure place on waiting list	20,000	15,000

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

	2019	2018
10. Other Current Liabilities		
Retentions Withheld	63,959	-
Purchaser Deposits	135,000	-
Total Other Current Liabilities	198,959	-

	2019	2018
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	295,010
TL24 Murray Efford	20,000	20,000
TL28 Nancy Earth	150,000	150,000
TL32 Michael Hazel	75,000	50,000
TL35 Maurice Barker & Rosemary Smith	5,000	5,000
TL38 Michael Hazel	12,000	12,000
Total Unsecured Loans - Friends of Project	727,010	697,010

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.

	2019	2018
12. Unsecured Loans - Unit Purchasers		
TL49 Pauline Taylor	70,000	-
TL01 Rachel Gibb	100,000	100,000
TL04 Alexander King	302,000	302,000
TL07 Kristin & Susan Jack	215,000	165,000
TL13 Elizabeth (Anne) & Ian Thomson	520,000	520,000
TL23 Alexander & Frances Ross	290,000	235,000
TL25 Catherine Spencer (2A)	195,362	176,892

	2019	2018
TL26 Patricia Gay Buckingham	170,000	70,000
TL27 Michael & Rosemary Wilson	155,000	155,000
TL29 Janice Burch	165,000	165,000
TL30 Timothy & Philippa Ross	172,656	145,000
TL31 Rainer Beneke & Marian Quinn	100,000	72,000
TL33 Patricia McLean	-	2,000
TL34 Juan Puricelli & Maria Callau	30,895	25,000
TL39 Claire Loftus	165,000	67,000
TL40 Warren Hurley	60,259	-
TL41 James & Jessica Ross	52,000	-
TL42 Sander Zwanenburg & Nga Fong Or	63,000	-
TL43 Dennis Chan	30,000	-
TL44 Yu-min Lee	100,000	-
TL45 Miriam Frances & Donald Shand	98,400	-
TL46 Geoffery & Anne King	94,560	-
TL47 Elizabeth (Anne) Thomson (Unit C3)	70,000	-
TL48 Sara Ferreira	19,000	-
TLS01 Timothy Ross	-	27,656
TLS02 Maria Callau	-	5,895
Total Unsecured Loans - Unit Purchasers	3,238,132	2,233,443

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.

	2019	2018
13. Related Parties		
Long term loans from Directors or Director's spouse or parents		
TL04 Alexander King	302,000	302,000
TL07 Kristin & Susan Jack	215,000	165,000
TL13 Elizabeth (Anne) & Ian Thomson	520,000	520,000
TL25 Catherine Spencer (2A)	195,362	176,892
TL46 Geoffery & Anne King	94,560	-
TL47 Elizabeth (Anne) Thomson (Unit C3)	70,000	-
Total Long term loans from Directors or Director's spouse or parents	1,396,922	1,163,892
Payments made to Directors		
WIP - Consultant - Project Management UCOL	7,625	9,538
Total Payments made to Directors	7,625	9,538
Total Related Parties	1,389,297	1,154,355