

Annual Report

Urban Cohousing Otepoti Limited
For the year ended 31 March 2021

Prepared by Nicola Holman Chartered Accountant Limited

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Compilation Report

Urban Cohousing Otepoti Limited For the year ended 31 March 2021

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 2021.

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 annual financial statements, monthly management reports and providing advice on financial and other as requested.

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: 23 March 2022

Directory

Urban Cohousing Otepoti Limited For the year ended 31 March 2021

Nature of Business

Residential property operation and development (excluding site construction)

Registered Office

7 Montpellier Street, Mornington, Dunedin, Otago, New Zealand

Incorporation Number

4568032

New Zealand Business Number

9429030121034

IRD Number

112-028-366

Directors

Susan Jack

Alex King

Catherine Spencer

Anne Thomson

Shareholders

Each of the following shareholders hold ordinary shares at a cost of \$1,000 each. The number of shares held is indicated in brackets at the end of their name. There are 112 shares in total.

1. Alexander Charles KING (5)
2. Alexander John Fergus ROSS & Frances ROSS (5)
3. Anna Kathryn MAXWELL & Anthony Joseph DOESBURG (5)
4. Catherine Mary SPENCER (5)
5. James Alexander Francis ROSS & Jessica Alice ROSS (5)
6. Juan Ignacio PURICELLI & Maria Fernanda CALLAU (5)
7. Kristin Robert JACK & Susan Janice JACK (5)
8. Sara DA SILVA TELES GRANGEIO FERREIRA (5)
9. Patricia Gay BUCKINGHAM (5)
10. Marian QUINN & Rainer Nicolaus BENEKE (5)
11. Nga Fong OR & Sander Paul ZWANENBURG (5)
12. Michael Charles Bouverie WILSON & Rosemary Sheryl WILSON (5)
13. Janice Robyn BURCH (5)
14. Adelyn Ai Lyn LAU & Dennis Shen Han CHAN (5)
15. Elizabeth Anne THOMSON & Ian Armstrong THOMSON (5)
16. Philippa Lois ROSS & Timothy Nigel ROSS (5)
17. Claire LOFTUS (5)
18. Warren James HURLEY (5)
19. Yu-min LEE (5)
20. Donald Gordon SHAND & Miriam FRANCES (5)

21. Elizabeth Gail MITCHELL (5)
22. Pauline Anne TAYLOR (5)
23. Susan Helen TAYLOR (2)

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 2021

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 2021.

APPROVED

For and on behalf of the Board of Directors.

Susan Jack

Date: 23 March 2022

Alex King

Date: 23 March 2022

Catherine Spencer

Date: 23 March 2022

Anne Thomson

Date: 23 March 2022

Statement of Profit or Loss

Urban Cohousing Otepoti Limited For the year ended 31 March 2021

	NOTES	2021	2020
Income			
Grants Received		5,440	-
Membership Fees		-	609
Total Income		5,440	609
Cost of Sales			
Opening Work in Progress		7,605,790	3,564,559
Direct Costs		3,488,880	4,041,231
Closing Work in Progress		(11,094,670)	(7,605,790)
Total Cost of Sales		-	-
Gross Profit		5,440	609
Other Income			
Interest Received		1,874	5,277
Total Other Income		1,874	5,277
Expenses			
Accountancy Fees		9,000	7,606
Bank Charges		95	68
Commissions		51	172
General Expenses		-	365
Insurance		6,516	2,890
Interest Other		-	7
Licences & Registrations		44	36
Postage		178	170
Rates		4,272	4,119
Telephone, Tolls & Internet		77	-
Total Expenses		20,233	15,433
Net Operating Profit (Loss) Before Taxation		(12,919)	(9,547)
Net Profit (Loss) for the Year		(12,919)	(9,547)

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 2021

	NOTES	31 MAR 2021	31 MAR 2020
Assets			
Current Assets			
Cash and Bank	6	607,990	290,486
Trade and Other Receivables	7	154,367	-
GST Receivable		29,996	55,453
Income Tax Receivable	3	12,774	12,004
Other Current Assets	8	328,044	263,101
Work in Progress	2	11,094,670	7,605,790
Total Current Assets		12,227,841	8,226,834
Total Assets		12,227,841	8,226,834
Liabilities			
Current Liabilities			
Trade and Other Payables			
Trade payables		234,874	438,412
Interest Payable		22,095	4,963
Total Trade and Other Payables		256,969	443,375
Loans			
Unsecured loans to secure place on waiting list	9	20,000	40,000
Total Loans		20,000	40,000
Other Current Liabilities	10	326,106	261,495
Total Current Liabilities		603,074	744,870
Non-Current Liabilities			
Loans			
Secured loans (non current)	11	4,301,807	2,793,385
Unsecured Loans - Friends of Project	12	627,010	507,010
Unsecured Loans - Unit Purchasers	13	6,567,332	4,040,033
Total Loans		11,496,149	7,340,428
Total Non-Current Liabilities		11,496,149	7,340,428
Total Liabilities		12,099,223	8,085,297
Net Assets		128,617	141,536

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 2021 31 MAR 2020

Equity

Share Capital	112,000	112,000
Retained Earnings	16,617	29,536
Total Equity	128,617	141,536

Approved by:Susan JackAlex KingCatherine SpencerAnne 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 2021

	2021	2020
Equity		
Opening Balance	141,536	151,083
Increases		
Profit for the Period	(12,919)	(9,547)
Total Increases	(12,919)	(9,547)
Total Equity	128,617	141,536

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 2021

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 23 March 2022.

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 in the balance sheet represents the cost of the co-housing development at 7 Montpellior Street, Dunedin, from the start of the project in 2013 until 31 March 2021.

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.

	2021	2020
3. Income Tax Expense		
Net Profit (Loss) Before Tax	(12,919)	(9,547)
Deductions from Taxable Profit		
Losses Carried Forward	9,547	-
Total Deductions from Taxable Profit	9,547	-
Taxable Profit (Loss)	(22,466)	(9,547)
Tax Payable at 28%	-	-
Deductions from Tax Payable		
Opening Balance	12,004	9,428
Prior period tax paid (refunded)	2,576	17,749
Resident withholding tax paid	(1,806)	(15,173)
Total Deductions from Tax Payable	12,774	12,004
Income Tax Payable (Refund Due)	(12,774)	(12,004)
	2021	2020

4. Imputation Credit Account

Imputation Credit Account		
Opening Balance	26,814	24,238
Increases		
IRD Interest	-	-
Imputation credits converted to losses	-	-
Income Tax Paid	-	-
Resident Withholding Tax Paid	770	2,576
Imputation credits on dividends received	-	-
Total Increases	770	2,576
Decreases		
Imputation Credits Attached to Dividends	-	-
Income Tax Refund	-	-
Total Decreases	-	-
Total Imputation Credit Account	27,584	26,814
	2021	2020

5. Equity

Share Capital		
Opening Balance	112,000	112,000
Total Share Capital	112,000	112,000
Retained Earnings		

	2021	2020
Opening Balance	29,536	39,083
Current Year Earnings	(12,919)	(9,547)
Total Retained Earnings	16,617	29,536
Total Equity	128,617	141,536

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.

112 ordinary shares have been issued at \$1,000 each and are fully paid up. (2020: 112 shares)

	2021	2020
6. Cash and Bank Balances		
Kiwibank 00 Business Edge	3,944	175,442
Kiwibank 04 Business Online Call	456,813	69,108
Kiwibank 05 GST Funding overdr	120,760	(526)
SBS 00 Cheque Account	2	8
SBS 01 I Save Account	26,471	46,454
Total Cash and Bank Balances	607,990	290,486
	2021	2020

7. Trade and Other Receivables

	2021	2020
Accounts Receivable (Xero)	100,826	-
Prepayments	53,542	-
Total Trade and Other Receivables	154,367	-
	2021	2020

8. Other Current Assets

	2021	2020
McMillan & Co Trust Account - Retentions	191,856	127,073
McMillan & Co Trust Account - Other Funds	136,188	136,028
Total Other Current Assets	328,044	263,101
	2021	2020

9. Current loans to secure place on waiting list

	2021	2020
CL427 Mike Hazel	5,000	5,000
CL429 MR Barker & RA Smith	5,000	5,000
CL440 Kevin Booth	-	5,000
CL441 Joe Booth	-	5,000
CL442 Ken J Pullar	-	5,000
CL444 A J Doesburg & A K Maxwell	5,000	5,000
CL445 F M Lyall-Lobb	-	5,000
CL446 Liz Wilson	5,000	5,000
Total Current loans to secure place on waiting list	20,000	40,000

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.

	2021	2020
10. Other Current Liabilities		
Retentions Withheld	191,106	126,495
Purchaser Deposits	135,000	135,000
Total Other Current Liabilities	326,106	261,495

	2021	2020
11. Secured Loans		
Kiwibank 06 Construction Term	4,301,807	2,793,385
Total Secured Loans	4,301,807	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 5.5% pa.

The construction loan was repaid on 26 May 2021 after final settlement from the sale of unit titles.

	2021	2020
12. 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
TL32 Michael Hazel	25,000	25,000
TL35 Maurice Barker & Rosemary Smith	5,000	5,000
TL38 Michael Hazel	12,000	12,000
TL51 Mathsjan Limited	120,000	-
Total Unsecured Loans - Friends of Project	627,010	507,010

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.

All unsecured loans from Friends of the Project were repaid after settlement and before 31 October 2021.

	2021	2020
13. Unsecured Loans - Unit Purchasers		
TL49 Pauline Taylor	70,000	70,000
TL01 Rachel Gibb	100,000	100,000
TL04 Alexander King	456,000	412,000
TL07 Kristin & Susan Jack	215,000	215,000
TL13 Elizabeth (Anne) & Ian Thomson	844,506	730,000
TL23 Alexander & Frances Ross	654,133	340,000

	2021	2020
TL25 Catherine Spencer (2A)	411,715	205,774
TL26 Patricia Gay Buckingham	410,000	170,000
TL27 Michael & Rosemary Wilson	155,000	155,000
TL29 Janice Burch	346,489	346,489
TL30 Timothy & Philippa Ross	222,656	172,656
TL31 Rainer Beneke & Marian Quinn	130,000	100,000
TL34 Juan Puricelli & Maria Callau	105,895	70,895
TL39 Claire Loftus	244,000	165,000
TL40 Warren Hurley	60,259	60,259
TL41 James & Jessica Ross	257,000	52,000
TL42 Sander Zwanenburg & Nga Fong Or	148,000	63,000
TL43 Dennis Chan	110,000	50,000
TL44 Yu-min Lee	455,000	180,000
TL45 Miriam Frances & Donald Shand	531,119	98,400
TL46 Geoffery & Anne King	94,560	94,560
TL47 Elizabeth (Anne) Thomson (Unit C3)	70,000	70,000
TL48 Sara Ferreira	41,000	19,000
TL50 A J Doesburg & A K Maxwell	435,000	100,000
Total Unsecured Loans - Unit Purchasers	6,567,332	4,040,033

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.

All non current loans provided by Unit Purchasers were paid after settlement but prior to 30 June 2021.

	2021	2020
14. Related Parties		
Long term loans from Directors or Director's spouse or parents		
TL04 Alexander King	456,000	412,000
TL07 Kristin & Susan Jack	215,000	215,000
TL13 Elizabeth (Anne) & Ian Thomson	844,506	730,000
TL25 Catherine Spencer (2A)	411,715	205,774
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	2,091,781	1,727,334
Total Related Parties	2,091,781	1,727,334

15. Going Concern

It is expected the company will be wound up soon after 31 March 2022, once obligations under the construction contract and tax liabilities are completed and amounts owing paid.

16. Events Subsequent to Balance Date

In June and July 2021, the co-housing development was completed and the sales to individual unit holders settled. Loans from Kiwibank, Unit Purchasers and Friends of the Project were repaid after this.