

WAIPU COVE RESERVE BOARD
STATEMENT OF RESPONSIBILITY
FOR THE YEAR ENDED 30 JUNE 2010

The Trustees accept responsibility for the preparation of these financial statements and the judgements used in them.

The Trustees accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Trustees, these financial statements for the year ended 30 June 2010 fairly reflect the financial position and operations of the Waipu Cove Reserve Board.

Chairperson

Board member

Name _____

Name _____

Date _____

Date _____

WAIPU COVE RESERVE BOARD

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2010

Reporting Entity

Waipu Cove Reserve Board is a Reserve Board established pursuant to the Reserves Act 1977 and is a Crown entity in terms of the Public Finance Act 1989. The Board is responsible for the control and management of the Waipu Cove Reserve. The Board is domiciled in New Zealand. The primary purpose of the Board is provide recreational facilities to appropriate standards. Accordingly, the Board has designated itself as a public benefit entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

Statement of Compliance

The financial statements have been prepared in accordance with the requirements of section 41 of the Public Finance Act 1989 which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

Measurement Base

The measurement base adopted is that of modified historical cost.

Functional and presentation currency

The financial statements are presented in New Zealand dollars.

WAIPU COVE RESERVE BOARD

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2010

Differential Reporting

Waipu Cove Reserve Board is a qualifying entity for differential reporting purposes. The grounds on which the Board qualifies are that it:

- is not publicly accountable within the meaning of the *Framework for Differential Reporting*; and
- is not a large entity as defined by the framework.

The financial statements have been prepared so as to take advantage of all available differential reporting concessions with the exception of the presentation of a Statement of Cash Flows.

Budget Figures

The budget figures are those approved by the Board at the beginning of the financial year.

Revenue

Revenue is measured at the fair value of consideration received or receivable. The Board's primary source of revenue is through site fees and cabin hire.

Interest

Interest income is recognised using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call and other short term, highly liquid investments with maturities of three months or less.

Debtors and other receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Impairment of a receivable is established when there is objective evidence that the CSE will not be able to collect amounts due according to the original terms of the receivable.

Investments

At each balance sheet date the Board assesses whether there is any objective evidence that an investment is impaired.

Bank Deposits

Investments in bank deposits are initially measured at fair values plus transaction costs. After initial recognition investments in bank deposits are measured at amortised cost using the effective interest method.

WAIPU COVE RESERVE BOARD

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2010

Financial instruments

The Trust is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, accounts receivable and accounts payable. All financial instruments are recognised in the Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance. All financial instruments are shown at their estimated fair value. Interest income and expense is shown on a time proportion basis using the effective interest method.

Property, plant and equipment

Property, plant and equipment classes consist of land, land improvements and buildings, reserves and plant and equipment (office equipment). Property, plant and equipment are shown at cost, less any accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Board and the cost of the item can be measured reliably. Where the asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

Disposals

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are included in the statement of financial performance.

Accounts Receivable

Accounts receivable are stated at their estimated realisable value after providing for doubtful and uncollectable debts.

Depreciation

Property, plant and equipment other than land are depreciated on a straight line basis at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates used in preparation of these financial statements are as follows:

<i>Asset Category</i>	<i>Useful Life (Years)</i>
Vehicles	5
Plant and Equipment	5 to 10 years
Land Improvements and Buildings	5 to 20 years

WAIPU COVE RESERVE BOARD

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2010

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using effective interest method.

Goods and Services Tax

These financial statements are prepared on a GST exclusive basis, with the exception of debtors and creditors.

Taxation

Waipu Cove Reserve Board is a public authority in terms of the Income Tax Act 1994 and is therefore exempt from paying income tax.

Changes in Accounting Policies

There have been no changes in accounting policies from those adopted in the last audited financial statements. All policies, other than as noted above, have been applied on a basis consistent with the previous period.

WAIPU COVE RESERVE BOARD

STATEMENT OF OBJECTIVES AND SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2010

Objectives	Performance
Annual site agreement review	
Review and amend content terms and conditions	Completed
Remove guest camper status in favour of families	Completed
Obligation on the siteholder to satisfy 30 days usage	Completed
Main entrance widening, drainage and sealing	Completed
Sealed accessway for motorhomes adjacent to Lot 16	Completed
Update signage throughout camp	Ongoing
Develop a closer working relationship with DOC in terms of the Boards objectives and the delivery of those objectives	In progress
Dune renourishment as per resource consent	In progress
Management Plan	Consultation completed
Employ assistant camp managers	Completed
Develop additional staff accommodation	In progress
Review budgeting and financial forecasting procedures	Completed

*This statement has not been audited and is indicative only.
The accompanying accounting policies and notes form an integral part of these financial statements.*

WAIPU COVE RESERVE BOARD

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2010

	Notes	Actual 2010	Budget 2010	Actual 2009
Long term site fees		405,074	366,772	254,038
Short term site fees		211,249	151,665	208,760
Extra camper fees		44,101	27,088	47,829
Cabins - kitchen		49,170	43,112	52,780
Cabins - ensuite		40,177	26,218	37,380
Meters		24,051	16,001	23,472
Interest income		11,152	-	13,475
Internet access		2,077	-	-
Power charges		7,303	-	-
Camp house rental		16,364	-	-
Other income	1	6,993	-	15,947
Gain on sale of fixed assets		-	-	444
Total operating revenue		817,711	630,856	654,124
ACC / Insurance		8,323	6,825	7,557
Advertising		13,754	8,004	7,556
Bank fees		918	600	535
Board administration		4,835	13,686	10,572
Casual staff wages		14,958	20,006	30,108
Commissions paid - bookings		332	360	363
Conferences		1,338	2,200	2,268
Consumables - cleaning		12,155	11,604	12,826
Depreciation	2	120,953	107,304	114,662
Electricity		38,903	50,000	48,607
Financial services		10,937	10,000	10,269
Fuel and oil		7,609	11,000	9,907
Gas purchases and bottle rental		6,638	6,000	6,117
Honorariums		3,780	7,080	7,960
Interest		14,289	14,402	18,456
Information technology , internet, webhosting		901	1,000	939
Legal fees		9,218	5,000	2,463
Permant staff salaries		237,716	210,000	169,129
Printing and stationery		3,732	3,000	3,923
Rentals – Airtowels		1,673	2,000	1,673
Rental – EFTPOS		767	700	787
Replaced cabin items		3,188	3,000	1,713
Repairs and Maintenance		89,984	77,434	68,028
Rubbish		5,806	7,500	5,880
Security		16,167	18,000	17,850
Sundry		14,856	3,406	10,174
Telephone		2,638	3,000	2,921
Water rates		20,954	15,996	23,383
WDC pan charge		11,185	15,000	12,115
Total operating expenses		678,506	634,107	608,743
Net surplus for the year		139,205	(3,251)	45,382

*This statement has not been audited and is indicative only.
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WAIPU COVE RESERVE BOARD

**STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	Actual 2010	Actual 2009
Community equity as at 1 July 2009		2,083,058	2,037,676
Net surplus for the year		139,205	45,382
Increase in asset revaluation		-	-
Total recognised revenues and expenses for the year		139,205	45,382
Community equity as at 30 June 2010		2,222,263	2,083,058

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The accompanying accounting policies and notes form an integral part of these financial statements.*

WAIPU COVE RESERVE BOARD
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010

	Notes	Actual 2010	Actual 2009
COMMUNITY EQUITY			
General funds		2,222,263	2,083,058
TOTAL COMMUNITY EQUITY		2,222,263	2,083,058
Represented by:			
ASSETS			
Current assets			
Cash and cash equivalents	3	75,110	59,456
Accounts receivable		-	-
Accrued receipts		-	-
Investments	3	276,463	178,863
Prepayments		5,763	-
Total current assets		357,336	238,320
Non-current assets			
Property, plant and equipment	4	2,082,193	2,074,689
Total non-current assets		2,082,193	2,074,689
TOTAL ASSETS		2,439,529	2,313,008
LIABILITIES			
Current liabilities			
Creditors and other payables		21,299	10,867
Employee entitlements		27,543	-
GST payable		10,474	6,754
Revenue received in advance		-	-
Accrued expenses		-	-
Current portion of WDC loan #2		32,366	30,193
Current portion of WDC loan #3		26,054	24,188
Total current liabilities		117,736	72,001
Non-current liabilities			
Loan - WDC #2		17,047	49,413
Loan - WDC #3		82,483	108,536
Total non-current liabilities		99,529	157,949
TOTAL LIABILITIES		217,266	229,951
NET ASSETS		2,222,263	2,083,058

Chairperson _____

Board Member _____

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WAIPU COVE RESERVE BOARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010

	Notes	Actual 2010	Actual 2009
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		806,559	640,205
Interest received		11,152	13,475
Payments to suppliers and employees		(507,330)	(469,062)
Interest paid		(14,289)	(18,456)
Net cash flows from operating activities	5	<u>296,092</u>	<u>166,161</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of property, plant and equipment		-	444
Acquisition of investments		(97,600)	(178,863)
Purchase of property, plant and equipment		(128,458)	(91,465)
Net cash flows from investing activities		<u>(226,057)</u>	<u>(269,884)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised		-	-
Repayment of loans		(54,380)	(50,620)
Net cash flows from financing activities		<u>(54,380)</u>	<u>(50,620)</u>
Net increase (decrease) in cash held		15,654	(154,343)
Plus opening cash		59,456	213,799
Closing cash balance		<u><u>75,110</u></u>	<u><u>59,456</u></u>

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WAIPU COVE RESERVE BOARD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2010

1 Other income

Boat ramp keys	449
Ice sales	2,040
Insurance claims	1,370
Reimbursements	3,133
	<u>6,993</u>

2 Depreciation

	<u>2010</u>	<u>2009</u>
Land improvements and buildings	91,582	86,232
Vehicles	2,670	2,670
Reserve	1,050	1,050
Plant and equipment	25,651	24,711
TOTAL	<u>120,953</u>	<u>114,662</u>

3 Cash and cash equivalents/investments

The carrying value of short term deposits with maturity dates of 3 months or less approximates their fair value.

The weighted average effective interest rate for term deposits is 4.52% (2009: 7.35%).

WAIPU COVE RESERVE BOARD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2010

4 Property, Plant and Equipment

	Balance at 30 June 2010		
	Cost	Accum depn	Book value
Land	590,000	-	590,000
Land improvements and buildings	1,945,280	511,597	1,433,683
Vehicles	23,650	17,197	6,453
Reserve	9,623	8,213	1,410
Plant and equipment	458,120	407,473	50,647
Total	3,026,674	944,481	2,082,193

	Balance at 30 June 2009		
	Cost	Accum depn	Book value
Land	590,000	-	590,000
Land improvements and buildings	1,829,447	419,253	1,410,195
Vehicles	23,650	14,527	9,123
Reserve	9,623	7,163	2,460
Plant and equipment	447,294	384,383	62,911
Total	2,900,014	825,326	2,074,688.60

	Balance at 1 July 2009		
	Cost	Accum depn	Book value
Land	590,000	-	590,000
Land improvements and buildings	1,741,010	333,021	1,407,989
Vehicles	34,806	23,013	11,793
Reserve	9,623	6,113	3,510
Plant and equipment	430,922	359,672	71,250
Total	2,806,361	721,819	2,084,542

The Waipu Cove Reserve Board does not have legal title to the Crown Land it occupies. However, the Board has recognised this land in its financial statements because it has assumed all the normal risks and rewards of ownership. The land is designated as a recreation reserve in terms of section 17 of the Reserves Act 1977 and is subject to the restrictions of the Act.

WAIPU COVE RESERVE BOARD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2010

5 Reconciliation of net surplus to operating cash flow	Actual	Actual
	2010	2009
Net surplus	139,205	45,382
<i>Add (deduct) non-cash items</i>		
Depreciation	120,953	114,662
Loss (gain) on sale of fixed assets	-	(444)
<i>Add (deduct) movements in working capital items</i>		
(Increase)/Decrease in accounts receivable	-	-
(Increase)/Decrease in accrued receipts	-	-
(Increase)/Decrease in prepayments	(5,763)	-
Increase/(Decrease) in GST	3,721	252
Increase/(Decrease) in accrued expenditure	-	-
Increase/(Decrease) in accounts payable	10,432	6,309
Increase/(Decrease) in revenue in advance	-	-
Increase/(Decrease) in employee entitlements	27,543	-
Net cash flows from operating activities	296,091	166,161

6 Statement of commitments

There were no commitments at balance date. (2009: \$nil)

7 Statement of contingent liabilities

There were no contingent liabilities at balance date (2009: \$nil).

8 Financial Instruments

The accounting policies for financial instruments have been applied to the line items below.

	2010	2009
<i>Financial assets at amortised cost</i>		
Cash and cash equivalents	75,110	59,456
Prepayments	5,763	-
Investments	276,463	178,863
	357,336	238,320
<i>Financial liabilities at amortised cost</i>		
Accounts payable	59,316	17,621
Loans	157,949	212,330
	217,266	229,951

*This statement has not been audited and is indicative only.
The accompanying accounting policies and notes form an integral part of these financial statements.*

WAIPU COVE RESERVE BOARD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2010

9 Related party transactions

There are 2 (2009: 2) Board members who are also long term site holders at the Reserve. The value of the long term site fees invoiced for the year totalled \$8,755 (2009: \$8,755). The amount invoiced is the market rate.

No provision has been required, nor any expense recognised for impairment of receivables from related parties (2009: \$nil)

10 Events after balance date

There were no significant events after balance sheet date.