

QUEENSTOWN LAKES COMMUNITY HOUSING TRUST

Consolidated Annual Report
For the year ended 31st March 2009

QUEENSTOWN LAKES COMMUNITY HOUSING TRUST

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QUEENSTOWN LAKES COMMUNITY HOUSING TRUST

TRUST DIRECTORY
FOR THE YEAR ENDED 31ST MARCH 2009

SETTLOR

Graeme Morris Todd

DATE SETTLED

15 January 2007

DATE OF INCORPORATION

12 July 2007

TRUSTEES

D A Cole
B J P Robertson
D L Pezaro
B Gould (Resigned 31 March 2009)
B P Donnelly
S Brent (Appointed 31 March 2009)

ACCOUNTANTS

McCulloch & Partners
P O Box 64
Queenstown

SOLICITORS

Anderson Lloyd Lawyers
Queenstown

BANKERS

ASB Bank
Queenstown

AUDITORS

Deloitte, Dunedin

IRD NUMBER

97-121-805

QUEENSTOWN LAKES COMMUNITY HOUSING TRUST

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST MARCH 2009

	Group 2009 \$	Group 2008 \$	Parent 2009 \$	Parent 2008 \$
<u>INCOME</u>				
Grants Received	50,000	50,000	50,000	50,000
HNZL Reimbursement Grants Received	31,533	-	31,533	-
Developer Contributions Received	3,555,000	2,208,544	3,555,000	2,208,544
Interest Received	152,780	49,318	152,780	49,318
	<hr/> 3,789,313	<hr/> 2,307,862	<hr/> 3,789,313	<hr/> 2,307,862
<u>LESS EXPENSES</u>				
Accountancy Fees	15,623	3,590	15,203	3,590
Accountancy Fees - Taxation Advisory	1,400	6,150	-	6,150
Administration Services	12,480	26,775	12,480	26,775
Audit Fees	7,000	4,000	7,000	4,000
Advertising	2,755	50	475	50
Bank Charges	72	21	69	21
Commission	631	-	631	-
Computer Expenses	967	-	967	-
Consultants Fees	50	-	50	-
Consultants Fees Reimbursed	31,533	-	31,533	-
General Expenses	467	498	467	498
Insurance	1,600	1,638	1,600	1,638
Interest	-	6	-	6
Legal Expenses	5,869	16,637	5,010	16,637
Meeting expenses	3,254	1,068	3,254	1,068
Mileage	1,899	1,038	1,899	1,038
Office Expenses	2,033	6,639	2,033	6,639
Rates	4,310	-	-	-
Repairs and Maintenance	136	-	-	-
Staff Training	564	-	564	-
Subscriptions	1,036	368	1,036	368
Telecommunications	432	145	432	145
Travelling Expenses	6,353	3,943	6,353	3,943
Valuation Fees	1,913	1,675	1,913	1,675
Trustee Fees	81,750	97,500	81,750	97,500
Wages	41,081	-	41,081	-
	<hr/> 225,208	<hr/> 171,741	<hr/> 215,800	<hr/> 171,741
<u>TOTAL CASH EXPENSES</u>				
	<hr/> 225,208	<hr/> 171,741	<hr/> 215,800	<hr/> 171,741
<u>TOTAL EXPENSES</u>				
<u>BALANCE ADDED TO TRUSTEES'</u>				
<u>ACCUMULATED INCOME ACCOUNT</u>	<hr/> 3,564,105	<hr/> 2,136,121	<hr/> 3,573,513	<hr/> 2,136,121

The accompanying notes form part of and are to be read in conjunction with these financial statements.

QUEENSTOWN LAKES COMMUNITY HOUSING TRUST

STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2009

	Group 2009 \$	Group 2008 \$	Parent 2009 \$	Parent 2008 \$
<u>TRUSTEES ACCUMULATED INCOME ACCOUNT</u>				
Opening Balance	2,136,121	-	2,136,121	-
<u>PLUS</u>				
Income Allocated	3,564,105	2,136,121	3,573,513	2,136,121
Balance at Year End	5,700,226	2,136,121	5,709,634	2,136,121

The accompanying notes form part of and are to be read in conjunction with these financial statements.

QUEENSTOWN LAKES COMMUNITY HOUSING TRUST

STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2009

	Group 2009 \$	Group 2008 \$	Parent 2009 \$	Parent 2008 \$
<u>EQUITY</u>				
Trustees' Accumulated Income Account	5,700,226	2,136,121	5,709,634	2,136,121
<u>TOTAL EQUITY</u>	5,700,226	2,136,121	5,709,634	2,136,121
<u>REPRESENTED BY -</u>				
<u>NON CURRENT ASSETS</u>				
<u>FIXED ASSETS AS PER SCHEDULE</u>				
Land and Buildings	2,789,755	164,300	2,789,755	164,300
<u>INVESTMENTS</u>				
ASB Term Deposit	-	900,290	-	900,290
SBS Term Deposit	522,941	1,009,565	522,941	1,009,565
	522,941	1,909,855	522,941	1,909,855
<u>CURRENT ASSETS</u>				
Development Property	3,028,267	-	-	-
ASB Bank Accounts	227,567	60,430	225,330	60,430
Deposit on Property Amber Close, Arthurs Pt	-	105,000	-	105,000
Accrued Interest	865	3,801	865	3,801
Anderson Lloyd Trust Account	283,308	-	283,308	-
Tax Paid	543	4,711	543	4,711
Advance QLCHT Developments Ltd	-	-	3,043,138	-
G S T	6,517	8,860	2,818	8,860
	3,547,067	182,802	3,556,002	182,802
<u>TOTAL ASSETS</u>	6,859,763	2,256,957	6,868,698	2,256,957
<u>LESS LIABILITIES</u>				
<u>NON CURRENT LIABILITIES</u>				
Housing Corp NZ Ltd (note 4)	1,136,710	79,500	1,136,710	79,500
<u>CURRENT LIABILITIES</u>				
Accounts Payable	22,569	41,336	22,096	41,336
PAYE Deductions Payable	258	-	258	-
	22,827	41,336	22,354	41,336
<u>TOTAL LIABILITIES</u>	1,159,537	120,836	1,159,064	120,836
<u>NET ASSETS AS PER TOTAL EQUITY</u>	5,700,226	2,136,121	5,709,634	2,136,121

Signed

Trustee

Date 26-05-09

Signed

Trustee

Date 26-05-09

The accompanying notes form part of and are to be read in conjunction with these financial statements.

QUEENSTOWN LAKES COMMUNITY HOUSING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2009

STATEMENT OF ACCOUNTING POLICIES REPORTING ENTITY

Queenstown Lakes Community Housing Trust is a Qualifying Trust operating in accordance with its Trust Deed and governed by the requirements of the Trustee Act 1956.

The Financial Statements of the entity have been prepared in accordance with generally accepted accounting practice as required by the New Zealand Institute of Chartered Accountants for general purpose financial reports.

The entity qualifies for differential reporting as it is not publicly accountable and the entity does not exceed the size criteria. All differential reporting exemptions have been taken advantage of.

MEASUREMENT BASE

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis are followed in the preparation of these accounts.

SPECIFIC ACCOUNTING POLICIES

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

Revenue Recognition

Grant and Developer Contribution revenue is recognized upon entitlement that is in accordance with the terms of the underlying agreements, interest revenue is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable.

Taxation

Taxation has not been provided for as the Queenstown Lakes Community Housing Trust is a registered charity and meets the criteria for exemption from income tax in terms of the Income Tax Act 2007.

Fixed Assets

All fixed assets are stated at cost. No depreciation is charged on land and the Trustees determined no depreciation is to be charged on buildings.

Investments

All investments are recorded at the lower of cost or net realisable value.

Accounts Receivable

Accounts receivable are stated at expected realisable value.

Goods and Services Tax

The accounts have been prepared on a GST exclusive basis with the exception of Accounts Payable and Accounts Receivable which are stated GST inclusive.

Development Properties

Development properties are stated at the lower of cost or net realisable value. Cost includes planning expenditure and any other expenditure to bring the Development property to its present condition.

Basis of consolidation

The Group financial statements are prepared by combining the financial statements of all the entities that comprise the Group, being Queenstown Lakes Community Housing Trust (the parent entity) and its subsidiary QLCHT Developments Limited. Subsidiaries are entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. Consistent accounting policies are employed in the preparation and presentation of the Group financial statements.

The Group financial statements include the information and results of each subsidiary from the date on which the Company obtains control and until such time as the Company ceases to control such entity.

In preparing the Groups financial statements, all intragroup balance and transactions, and unrealised profits arising within the Group are eliminated in full.

Investment in subsidiaries are measured at cost in the parent company's financial statements.

Impairment of assets

At each reporting date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those 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 the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase. An impairment of goodwill is not subsequently reversed.

Changes in Accounting Policies

There have been no changes in Accounting Policies. All policies have been applied on a basis consistent with those used in the last year.

QUEENSTOWN LAKES COMMUNITY HOUSING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2009

NOTES

1. Capital Expenditure

As at 31 March 2009 the Trust is committed to property purchases under the Shared Ownership Scheme totaling \$588,800 (excluding amounts to be funded by HNZA). (2008 \$251,800).

2. Contingent Liabilities

There were no known contingent liabilities at balance date this year, or last year.

3. Related Parties

Brett Gould (retired Trustee) was a partner in the firm Anderson Lloyd who provide legal services to the Trust. The aggregate of these payments totalled \$25,861. Of this amount, \$5,869 was on revenue account being 2.61% of the total expenses incurred by the Trust (2008 \$6,637 and 4.0%). The remaining \$19,992 related to property acquisitions, being 0.35% of current year acquisitions.

The Trust has advanced \$3,043,138 to its subsidiary QLCHT Developments Limited. The advance is interest free and repayable upon demand.

There were no other related party transactions.

4. Borrowings

On the 27th February 2008, the Trust entered into a suspensory loan agreement with Housing New Zealand Corporation. This loan has a facility limit of \$2,000,000. The Trust is able to draw ('drawings') against this facility up to 15% of the valuation of the relevant residential dwelling being purchased through a shared ownership agreement. The loan is secured over land owned by Queenstown Lakes District Council. The loan is interest free and will be forgiven after 10 years provided that the terms of the agreement are observed by the Trust.

5. Land and Buildings

	Group		Company	
	2009	2008	2009	2008
Freehold land at cost	1,545,235	86,800	1,545,235	86,800
Buildings at cost	1,244,520	77,500	1,244,520	77,500
Net book value of Land and Buildings	<u>\$2,789,755</u>	<u>\$164,300</u>	<u>\$2,789,755</u>	<u>\$164,300</u>

Estimated depreciation not charged in 2009 is \$18,571.

6. Subsidiaries

Name of entity	Balance Date	Country of Incorporation	Ownership interest	
			2009 %	2008 %
Subsidiary				
QLCHT Developments Limited	31-March	New Zealand	100%	-

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