

**QUEENSTOWN LAKES COMMUNITY
HOUSING TRUST**

*Annual Report
for the period ended 31st March 2008*

QUEENSTOWN LAKES COMMUNITY HOUSING TRUST

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FOR THE PERIOD ENDED 31ST MARCH 2008

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QUEENSTOWN LAKES COMMUNITY HOUSING TRUST

TRUST DIRECTORY
FOR THE PERIOD ENDED 31ST MARCH 2008

SETTLOR Graeme Morris Todd

DATE SETTLED 15 January 2007

DATE OF INCORPORATION 12 July 2007

TRUSTEES
D A Cole
J A Harrington
B J P Robertson
D L Pezaro
B Gould
B P Donnelly

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 PERIOD ENDED 31ST MARCH 2008

		<u>This Year</u>
		\$
<u>INCOME</u>		
Grants Received (note 4)		50,000
Developer Contributions Received (note 4)		2,208,544
		<hr/>
		2,258,544
<u>EXPENSES</u>		
Accountancy Fees	3,590	
Accountancy Fees - Taxation Advisory	6,150	
Administration Services	26,775	
Advertising	50	
Audit Fee	4,000	
Bank Charges	23	
General Expenses	496	
Insurance	1,638	
Interest	6	
Legal Expenses	16,637	
Meeting expenses	1,068	
Mileage	1,038	
Postages	120	
Printing & Stationery	6,519	
Subscriptions	368	
Telecommunications	145	
Travelling Expenses	3,943	
Valuation Fees	1,675	
Trustee Fees	97,500	
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<u>TOTAL EXPENSES</u>	171,741	
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<u>TOTAL EXPENSES</u>		171,741
		<hr/>
<u>NET OPERATING PROFIT</u>		2,086,803
<u>PLUS</u>		
Interest Received (note 4)	49,318	
	<hr/>	
		49,318
		<hr/>
<u>NET PROFIT</u>		\$2,136,121
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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 PERIOD ENDED 31ST MARCH 2008

		<u>This Year</u> \$
Opening Balance		-
<u>PLUS</u>		
Net Profit	2,136,121	
Total Recognised Revenue & Expense	<u>2,136,121</u>	<u>2,136,121</u>
Balance at Period End		<u><u>\$2,136,121</u></u>

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 2008

		<u>This Year</u>
		\$
<u>EQUITY</u>		
Retained Earnings		2,136,121
		<hr/>
<u>TOTAL EQUITY</u>		<u>\$2,136,121</u>
		<hr/>
<u>REPRESENTED BY -</u>		
<u>NON CURRENT ASSETS</u>		
<u>FIXED ASSETS AS PER SCHEDULE</u>		
Land and Buildings	164,300	
	<hr/>	
		164,300
<u>INVESTMENTS</u>		
ASB Term Deposit	900,290	
SBS Term Deposit	1,009,565	
	<hr/>	
		1,909,855
<u>CURRENT ASSETS</u>		
ASB Cheque Account	60,430	
Deposit on Property	105,000	
Accrued Interest	3,801	
Tax Paid	4,711	
G S T	8,860	
	<hr/>	
		182,802
<u>TOTAL ASSETS</u>		<u>2,256,957</u>
		<hr/>
<u>LESS LIABILITIES</u>		
<u>NON CURRENT LIABILITIES</u>		
Housing Corp NZ Ltd	79,500	
	<hr/>	
		79,500
<u>CURRENT LIABILITIES</u>		
Accounts Payable	41,336	
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		41,336
<u>TOTAL LIABILITIES</u>		<u>120,836</u>
		<hr/>
<u>NET ASSETS AS PER TOTAL EQUITY</u>		<u>\$2,136,121</u>
		<hr/>

Signed _____ Date _____
Trustee

Signed _____ Date _____
Trustee

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 PERIOD ENDED 31ST MARCH 2008

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

Initial recording – All fixed assets are initially recognized at cost in the statement of financial position. Cost includes the value of consideration exchanged, or fair value in the case of donated or subsidised assets, and those costs directly attributable to bringing the item to working condition for intended use.

Depreciation – All fixed assets other than land are depreciated on a straight line basis at rates which will write off their cost over their expected useful lives.

Disposal – On disposal of fixed assets the difference between the disposal proceeds, if any and the carrying amount is recognized in the statement of financial performance.

Investments

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

Changes in Accounting Policies

As this is the first set of financial statements prepared by the entity, there are no changes in Accounting policies.

Comparative Figures

As this is the first set of financial statements prepared by the entity, there are no comparative figures.

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 PERIOD ENDED 31ST MARCH 2008

NOTES

1. Capital Expenditure

The Trust entered into an agreement on 13 December 2007 to acquire property, being 16A and 16B Amber Close, Arthurs Point, Queenstown for a purchase price of \$1,050,000. The Trust has paid a 10% deposit of \$105,000 and the balance is due upon the issue of the new Certificate of Title or the issue of the Code Compliance Certificate for the dwelling, whichever is the later.

Further the Trust has entered into Shared Ownership Agreements in relation to the above mentioned Amber Close properties whereby the Trust will only acquire a percentage interest in each property. The Trust will acquire 38% of Lot 1, 16 Amber Close for \$198,550 and 30% of Lot 2, 16 Amber Close for \$158,250.

The Trust has a net capital commitment in relation to the above properties of \$251,800 being the Trust's share in each property less the deposit paid to date.

2. Contingent Liabilities

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

3. Related Parties

Brett Gould (Trustee) is a partner in the firm Anderson Lloyd who provide legal services to the Trust. The aggregate of these payments totalled \$6,637 being 4.0% of the total expenses incurred by the Trust.

There were no other related party transactions.

4. Total Operating Revenue

Total operating revenue for the period was \$2,307,862.

5. Borrowings

On the 27th February 2008, the Trust entered into a 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. This loan has been guaranteed by the Queenstown Lakes District Council. The loan is interest free until repayment of drawings are due. Repayments of related drawings are due if within 10 years of the date of settlement of the purchase of a residential dwelling the Trust sells its interest in the residential dwelling. If the Trust sells its interest in the residential dwelling after 10 years of the date of settlement of the purchase of a residential dwelling the related drawing is not repayable.