

Special Purpose Financial Statements

Omaha Beach Residents Society Incorporated
For the year ended 30 June 2024

Prepared by Sphere Chartered Accountants Limited

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Directory

Omaha Beach Residents Society Incorporated For the year ended 30 June 2024

Nature of Business

Representation of Omaha Beach Residents

Address

5 Lilburn St, Warkworth, New Zealand, 0910

Ph: 09, 4257719

info@obrs.co.nz

Date of Commencement of Business

Commenced 2001

Committee Members

Current Committee:

Tony Coupe (Chairman) | Derek Nolan (DCC Chairman) | Fiona Hyland | Daniel McCarthy | Faris Azimullah | Mayurie Goodwin | Phil Bougen

Committee Members Retired Since Last AGM

Bernard Duignan, Mark Bower

Bankers

ANZ Bank NZ Ltd, Warkworth, New Zealand

Accountants

Sphere Chartered Accountants Limited, Warkworth, New Zealand

Auditors

JSA Audit Ltd, Parnell, Auckland

Manager

Paul Macnicol

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INDEPENDENT AUDITOR'S REPORT

To the Members of Omaha Beach Residents Society Incorporated

Opinion

We have audited the special purpose financial statements of Omaha Beach Residents Society Incorporated (the Society) on pages 6 to 11, which comprise the statement of financial position as at 30 June 2024 and the statement of financial performance for the year then ended, and notes to the special purpose financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying special purpose financial statements of the Society for the year ended 30 June 2024 are prepared, in all material respects, in accordance with the stated accounting policies adopted by the committee members.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements* section of our report. We are independent of the Society in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, Omaha Beach Residents Society Incorporated.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution

We draw attention to Note 1 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared in accordance with the stated accounting policies and are intended for use by the members of the Society. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the Society's members, as a body and should not be distributed to parties other than the Society and its members. Our opinion is not modified in respect of this matter.

Other Matter

The special purpose financial statements of the Society for the year ended 30 June 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 21 May 2024.

Responsibilities of the Committee Members for the Special Purpose Financial Statements

The members of the committee are responsible on behalf of the Society for the preparation of the special purpose financial statements in accordance with the stated accounting policies and for such internal control as the members of the committee determine is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members of the committee are responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern

and using the going concern basis of accounting unless the members of the committee either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by those charged with governance and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

JSA AUDIT LTD

JSA Audit Limited
Parnell, Auckland
19 May 2025

Statement of Financial Performance

Omaha Beach Residents Society Incorporated

For the year ended 30 June 2024

	NOTES	2024	2023
Income			
Levies Received		149,874	150,288
Interest Received		34,592	19,182
Taumata Rates Reimbursement		759	1,767
Total Income		185,225	171,237
Operating Expenses			
Audit Fees		8,755	7,725
Bank Fees		350	274
General DCC Expenses		19,976	19,219
Debt Collection		8	-
Depreciation	8	953	953
Insurance		13,265	12,667
IT, Website Hosting, Xero Fees		2,478	2,913
Legal & Litigation Expenses		152	-
Light, Power, Heating		1,616	1,399
Maintenance - Tennis Courts		12,432	21,418
Accounting & Manager Expense		39,834	49,503
OBC - Membership Levy, Security		43,200	43,200
Printing, Stationery & Postage		-	478
Rates		1,104	902
Subscriptions		-	185
Taxation Expense	9	9,334	3,816
Total Operating Expenses		153,456	164,651
Operating Surplus/(Deficit)		31,769	6,586
Non Operating Expenses			
Plan Change Submission Costs		10,657	24,833
Total Non Operating Expenses		10,657	24,833
Net Surplus/(Deficit)		21,112	(18,247)

These financial statements must be read in conjunction with the Notes to the Financial Statements and the Independent Auditor's Report.

Statement of Financial Position

Omaha Beach Residents Society Incorporated

As at 30 June 2024

	NOTES	30 JUN 2024	30 JUN 2023
Assets			
Current Assets			
Cash and Bank		10,531	29,448
Trade and Other Receivables		12,306	8,224
ANZ Bank - Term Investments	4	608,522	594,185
GST Receivable		4,088	3,798
Interest Accrued		5,619	5,364
Total Current Assets		641,067	641,019
Non-Current Assets			
Fixed Assets	8	2,634	3,587
Total Assets		643,701	644,606
Liabilities			
Current Liabilities			
Accounts Payable		15,946	27,045
Income Tax Payable		9,337	4,324
Net Bonds Held			
Bonds Held	5	436,472	458,722
DCC Costs - To be deducted from Bonds	6	(105,184)	(113,774)
Total Net Bonds Held		331,288	344,948
Total Current Liabilities		356,571	376,318
Total Liabilities		356,571	376,318
Net Assets		287,130	268,288
Equity			
Retained Earnings		143,206	163,723
Reserves			
Grants/Donations Reserve		7,500	7,500
Litigation Reserve		18,887	18,887
Tennis Court Replacement Provision		96,425	96,425
Total Reserves		122,812	122,812
Current year earnings		21,112	(18,247)
Total Equity		287,130	268,288

For and on behalf of the committee

Chairman | Date:

15-5-25

Committee Member | Date:

16-5-25

These financial statements must be read in conjunction with the Notes to the Financial Statements and the Independent Auditor's Report.

Notes to the Financial Statements

Omaha Beach Residents Society Incorporated

For the year ended 30 June 2024

1. Statement of Accounting Policies

Reporting Entity

Omaha Beach Residents Society Incorporated is an Incorporated Society registered under the Incorporated Societies Act 1908.

The financial statements of the Society are special purpose financial statements prepared for and used to report to Members on the financial transactions and financial position of the Society, assist in reporting to members on the financial part of the Committees stewardship for the year under review, assist the Committee in the financial management of the Society and assist Members and potential Members to form a view about likely future levies. Accordingly, they may not be suitable for any other purpose. While the Society's constitution requires the adoption of general purpose financial statements, the board considers the special purpose framework these financial statements are prepared under provide members with sufficient information for the intended purpose.

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 by the Society.

2. SPECIFIC ACCOUNTING POLICIES

The following specific accounting policies which materially affect the measurement of financial performance and the financial position have been applied:

Accounts Receivable

Accounts Receivable are recorded at their expected realisable value. Unrecoverable levies are written off in the year in which they are identified. No amounts have been written off in the current year as the board believes that any outstanding amounts will either be paid or are collected on the sale of the property.

Revenue

Revenue comprises all levies raised for the purpose of the society, and is recognised when earned on an accrual basis. Interest is recognised using the effective interest method.

Provisions

The Society maintains provisions for potential litigation expenses, grants & donations. The Society's policy is intended to reflect a conservative approach of allocating funds towards potential litigation expenses and grants and donations to cater for any potential future outgoing without having any specific or contractual financial obligation at balance date to do so. In addition a provision is made for the anticipated costs for the repair and replacement of the tennis courts as disclosed in note 7.

Design Control Committee

Unallocated DCC expenses are included in General DCC Expenses account. These are those that can not be assigned to any particular owner. They include costs of administering the DCC, professional fees, and other costs incurred so informed consideration may be given to planning & design matters affecting the Society as a whole. Unallocated DCC expenses will be expensed against revenue in the year incurred.

Goods & Services Tax

The Statement of Financial Performance has been prepared so that all components are stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST, with the exception of account receivables and payables.

Income Tax

For income tax purposes the Society has been treated as a non-profit making entity as it deals only with its own members. Inland Revenue has issued an exemption to the Society which does not require the Society to pay income tax on interest earned.

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.

3. Interest Accrued

Being interest on deposits held with the ANZ Bank which had been earned by the Society at 30 June 2024 but were credited to the relevant deposit accounts after that date.

4. Bank Investments

		2024	2023
ANZ Money Market Call Acct	0.50%	\$121	\$117
ANZ 1006 Term Deposit	5.00%	\$85,692	\$100,000
ANZ 1007 Term Deposit	5.90%	\$522,710	\$494,068
Total		\$608,522	\$595,185

5. Members Bond Contributions Received

The sale and purchase agreement that each member entered into required a bond to be paid to the Society. The Bond is held within the Society on behalf of the Design Control Committee. The amount of that bond is in most instances \$5,000. The bond is released to each member upon completion of the design compliance process. The cost of compliance as described in Note 6 is deducted from the bond and the residual amount is repaid to the member.

Total Members Bonds Outstanding \$436,472 (Last Year \$458,772).

6. Deductions from Bonds Held

External consultants are engaged by the Design Control Committee to ensure each application for building consent complies with the guidelines stipulated by the developers. These costs are able to be deducted from members bonds prior to those bonds being repaid to members. The accumulated total of all costs relating to DCC compliance evaluation up to 30 June 2024 was \$105,184 (Last Year \$113,774).



7. Provision for Tennis Court Replacement

	Astrograss & Net Stands	Exterior Fencing	Structures	Nets	Signage	Total
Expected Life	10	15	20	3	5	
Replacement Cost (Today)	72,000	10,000	5,000	500	2,000	89,500
Replacement Cost (Future Value)	92,425	14,544	8,239	539	2,567	118,014
p.a. Replacement Provision	9,242	969	412	179	453	11,257

Based on the estimates received by the board during the 2016 financial year the amount set aside to provide for the replacement of the Tennis Courts is more than would be required to complete the upgrades at balance date. The Committee has decided to retain the higher provision due to uncertainty related to the actual costs that will be incurred at some future time when the replacement is completed. The committee will continue to monitor the amount of the provision and will assess transfers into the provision annually. Should the provision exceed the level of the committee's best estimate of future costs related to tennis court replacement, transfers into the provision will cease or be reduced. There were no transfers into, or use of, the provision in the 2024 financial year.

8. Property Plant and Equipment

At 30 June 2024

	Cost	Opening Book Value 1/7/23	Additions / (Disposals)	Depreciation Rate	Current Year Depreciation	Net Closing Book Value 30/6/24
Camera - Mangatawhiri Rd	7,057	3,587	-	13.5% Straight Line	953	2,634

At 30 June 2023

	Opening Cost	Opening Book Value 1/7/22	Additions/(Disposals)	Depreciation Rate	Current Year Depreciation	Net Closing Book Value 30/6/23
Camera - Mangatawhiri Rd	7,057	4,539	-	13.5%SL	953	3,587

9. Income Tax

	2024	2023
Net Profit Before Taxation	\$30,446	(\$14,431)
<i>Add back non-deductible expenses</i>		
- Plan Change Submission Costs	\$10,657	\$24,833
- All Operating Expenses (excl taxation)	\$144,122	\$160,835
Total Non-Deductible	\$154,779	\$185,668
<i>Less Non-Taxable Income</i>		
-Levies Received	\$149,874	\$150,288
-Taumata Rates Reimbursed	\$759	\$1,767
-Accrued Interest	\$255	\$2,747
-Tax Credit for Non-Profit Bodies	\$1,000	\$1,000
Total Non-Taxable Income	\$151,887	\$155,802
Taxable Income	\$33,337	\$15,435
Tax on Taxable Income	\$9,334	\$4,322
Under Provision or (Overprovision) Last Year	-	(\$506)
Adjusted Income Tax Expense	\$9,334	\$3,816

10. Contingent Liabilities

At balance date there are no known contingent liabilities. The Society has not granted any securities in respect of liabilities payable by any other party whatsoever (Last Year: nil).

11. Capital Commitments

There were no material commitments for capital expenditure outstanding at balance date (last year \$0).

12. Post Balance Date Events

There are no post balance date events to report.

13. Going Concern

These special purpose financial statements have been prepared on a going concern basis.

The Society has a net surplus of \$21,112 (Last Year: \$18,247) and net assets of \$287,130 (Last Year: \$268,288), the Committee believes the going concern assumption remains appropriate.

