

Electricity & Gas Complaints Commissioner Scheme

Financial Report

For the Year Ended
31 March 2012

Electricity & Gas Complaints Commissioner Scheme
for the year ended 31 March 2012

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**Electricity & Gas Complaints Commissioner Scheme
Statement of Financial Performance
for the year ended 31 March 2012**

	Notes	2012 \$	2011 \$
Levy income			
Market share based levy		2,326,448	1,170,036
Case based levy	10	-	787,102
Total Levy Income		<u>2,326,448</u>	<u>1,957,138</u>
Plus other income			
Expert advice cost recovery		2,867	1,536
Interest received		52,456	18,516
Sundry income		4,791	2,568
Transfer from Council Board	11	45,949	-
Total Other Income		<u>106,063</u>	<u>22,620</u>
Total Income		<u>2,432,511</u>	<u>1,979,758</u>
Less expenses			
ACC Levy		5,018	4,379
Accommodation and travel		18,757	15,026
Auditor's Fees		8,112	10,484
Bank Fees		1,013	1,068
Board Expenses		3,926	4,298
Board Member Fees		35,000	35,001
Case Expenses		44,610	41,707
Chair Fees		35,000	35,000
Communications		40,978	56,620
Computer Support		53,348	34,007
Constitutional Issues		12,511	112,870
Depreciation	2	106,983	63,766
Entertainment		504	1,097
Experts - cost recovery		2,867	1,536
General Expenses		6,270	8,080
Insurance		10,695	9,354
Library Expenses		10,241	6,498
Payroll Expenses		1,832	1,452
Premises Expenses		205,650	186,240
Printing postage and stationery		21,563	26,940
Professional Advice		76,291	54,211
Provision for levies in dispute		-	(23,478)
Recruitment		955	713
Salaries - Holiday Pay Accrual		(68)	3,860
Salaries and wages		1,455,101	1,138,273
Staff Expenses		2,791	1,810
Telecommunications		37,292	34,252
Training and Development		63,532	35,794
Total Expenses		<u>2,260,772</u>	<u>1,900,858</u>
Net Surplus For The Year		171,739	78,900

**Electricity & Gas Complaints Commissioner Scheme
Statement of Financial Performance
for the year ended 31 March 2012**

**Electricity & Gas Complaints Commissioner Scheme
Statement of Financial Performance
for the year ended 31 March 2012**

	Notes	2012 \$	2011 \$
Taxation provision	5	51,818	(97,067)
Net Surplus/(Deficit) After Tax		<u>223,557</u>	<u>(18,167)</u>

**Electricity & Gas Complaints Commissioner Scheme
Statement of Movements in Equity
for the year ended 31 March 2012**

	Notes	2012 \$	2011 \$
Accumulated Funds at Beginning of Year	4	329,339	347,506
Net Surplus / (Loss) for the Year		223,557	(18,167)
Accumulated Funds at End of Year		<u>552,896</u>	<u>329,339</u>

Electricity & Gas Complaints Commissioner Scheme
Statement of Financial Position
As at 31 March 2012

	Notes	2012 \$	2011 \$
Accumulated Funds			
Accumulated Funds	4	<u>552,896</u>	<u>329,339</u>
Total Accumulated Funds		<u>552,896</u>	<u>329,339</u>
Represented by:			
Current Assets			
National Bank Cheque		20,899	29,609
National Bank Savings		531,675	395,964
Prepayments		15,599	7,680
GST Refund Due		32,723	-
Income Tax Refund Due		527	-
Accounts Receivable		<u>69,000</u>	<u>18,981</u>
		670,423	452,234
Non-Current Assets			
Fixed Assets as per Schedule	2	197,968	126,168
Total Assets		<u>868,391</u>	<u>578,402</u>
Current Liabilities			
GST Due for payment		-	6,009
Income tax due for payment		-	97,067
Accounts Payable		215,231	41,545
Accruals		41,074	44,097
Provision for Annual Leave		59,190	59,258
Levies invoiced in Advance		<u>-</u>	<u>1,087</u>
		315,495	249,063
Total Liabilities		<u>315,495</u>	<u>249,063</u>
Net Assets		<u>552,896</u>	<u>329,339</u>

For and on behalf of the Board:

Richard Janes - Chair _____ Date _____

Judith Jones - Commissioner _____ Date _____

Electricity & Gas Complaints Commissioner Scheme
Notes to the Financial Statements
for the year ended 31 March 2012

1 Statement of accounting policies

Reporting entity

The Electricity and Gas Complaints Commissioner Scheme (the Scheme) is an unincorporated association.

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP).

Measurement base

Unless otherwise stated the accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been followed.

Specific accounting policies

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

Revenue recognition: levy income is recognised in the levy year to which it relates, even where levies are calculated by reference to cases in a different period (the reference period).

Levies receivable: levies receivable are stated at their estimated realisable value. A levies in dispute provision is made to reflect levies which are in dispute at balance date but are considered collectable by the Board. Debts considered uncollectable are written off.

Fixed assets: fixed assets are stated at cost less accumulated depreciation. Depreciation has been calculated using the maximum rates permitted by the Income Tax Act 2007. The principal rates in use are:

Office Equipment	9% - 80.4%	DV or SL
Leasehold improvements	10% - 33%	DV or SL
Computer Equipment	33% - 60%	DV or SL
Computer database	33% - 48%	DV or SL

An impairment loss is recognised to the extent that the recoverable amount of an asset is less than its carrying amount.

Taxation: the Scheme is an unincorporated association for income tax purposes.

Goods and services tax: the financial statements have been prepared on a GST exclusive basis except for accounts receivable and accounts payable which are stated inclusive of GST.

Differential reporting: the Scheme is a qualifying entity for Differential Reporting because it is not publicly accountable and is not large as defined in the Framework of Differential Reporting by the New Zealand Institute of Chartered Accountants. The Scheme has taken advantage of all differential reporting exemptions except that the financial statements have been prepared on a GST exclusive basis.

There have been no changes in the accounting policies which have been applied on bases consistent with those used in previous years.

**Electricity & Gas Complaints Commissioner Scheme
Notes to the Financial Statements
for the year ended 31 March 2012**

Electricity & Gas Complaints Commissioner Scheme
Notes to the Financial Statements
for the year ended 31 March 2012

2 Fixed assets	2012	2011
	\$	\$
<i>Leasehold improvements</i>		
At cost	108,425	94,249
Less accumulated depreciation	3,780	85,196
	<u>104,645</u>	<u>9,053</u>
<i>Office furniture and equipment</i>		
At cost	109,182	88,058
Less accumulated depreciation	61,373	51,169
	<u>47,809</u>	<u>36,889</u>
<i>Computer equipment</i>		
At cost	236,264	201,864
Less accumulated depreciation	190,750	177,203
	<u>45,514</u>	<u>24,661</u>
<i>Computer database</i>		
At cost	-	132,156
Less accumulated depreciation	-	76,591
	<u>-</u>	<u>55,565</u>
Total Fixed Assets	<u><u>197,968</u></u>	<u><u>126,168</u></u>
Depreciation includes the following amounts:		
Impairment of complaints database and other systems	41,994	-
Impairment of leasehold improvements on office move	5,309	-
Other depreciation	59,680	63,766
	<u>106,983</u>	<u>63,766</u>

3 Related parties	2012	2011
	\$	\$
Transfer from former Council Board (refer to note 11)	<u>45,949</u>	<u>-</u>

There have been no other material related party transactions during the year (2011: \$0).

4 Accumulated Funds	2012	2011
	\$	\$
The following movements in Accumulated Funds have occurred:		
Opening Balance	329,339	347,506
Net Surplus/(Deficit) For The Year	223,557	(18,167)
Closing Balance	<u>552,896</u>	<u>329,339</u>

Electricity & Gas Complaints Commissioner Scheme
Notes to the Financial Statements
for the year ended 31 March 2012

5 Taxation	2012	2011
	\$	\$
Income tax payable - prior periods	(30,451)	53,826
Income tax payable - current year	5,919	5,555
IRD - use of money interest	(6,832)	17,232
IRD - late payment penalties	(20,454)	20,454
	<u>(51,818)</u>	<u>97,067</u>

Prior to the year ended 31 March 2011 the Scheme had not recognised an income tax liability on interest income and under an agreement with the IRD had not submitted income tax returns.

Following an internal review of the Scheme's taxation status it appeared that the Scheme is in fact liable to tax on such income. A voluntary disclosure was made to IRD on 12 April 2011 in respect of interest for the years ended 31 March 2003 to 31 March 2010 inclusive. Agreement was reached with IRD in June 2011.

The financial statements for the year ended 31 March 2011 were finalised before the agreement with IRD was reached. They therefore included a provision for income tax on an estimated basis. Following agreement of the position with IRD the financial statements for the year ended 31 March 2012 reflect a reduction in the provision made in the previous year. Income tax for the current year has been provided based on the agreement with IRD.

6 Subsequent events

There were no events after balance date that require adjustment of or disclosure in the financial statements.

7 Capital commitments

Capital commitments at balance date amounted to \$5,650 (2011: \$0)

8 Lease commitments	Current	Term	Total
	\$	\$	\$
Ricoh Aficio MP C4500 Digital Copier Expiry: 10 April 2013 Term remaining: 13 months Annual rental: \$5,520	5,520	460	5,980
Premises and Carparks (2) Expiry date: 31 March 2018 Term remaining: 6 years Annual rental: \$170,610	170,610	853,050	1,023,660

A new lease was entered into with effect from 1 April 2012 following the office's move to larger premises. The rental is subject to review on 1 April 2015 based on the movement in the Consumer Price Index.

**Electricity & Gas Complaints Commissioner Scheme
Notes to the Financial Statements
for the year ended 31 March 2012**