

**Utilities Disputes Limited**  
**Financial Statements for the year ended 31 March 2021**  
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**Board**

Honourable Heather Roy (Chairperson)  
Dr Brian McCulloch  
Major Campbell Roberts  
Mark Gatland  
Kyle Christensen

**Registered office**

DLA Piper New Zealand  
50 Customhouse Quay  
Wellington Central  
Wellington 6011

**Nature of business**

Dispute Resolution and related services

**Independent auditor**

Moore Markhams  
Level 11, 34-42 Manners Street,  
Wellington 6142

**Utilities Disputes Limited**  
**Statement of Comprehensive Revenue and Expenses**  
**For the year ended 31 March 2021**

	Notes	2021 \$	2020 \$
<b>Revenue from non-exchange transactions</b>			
Market share based levy		4,160,050	3,932,454
Case based levy		398,717	374,596
		<u>4,558,767</u>	<u>4,307,050</u>
<b>Revenue from exchange transactions</b>			
Interest income		22,115	49,511
Sundry income		31,047	9,102
		<u>53,162</u>	<u>58,613</u>
<b>Total revenue</b>		<u>4,611,929</u>	<u>4,365,663</u>
<b>Expenses</b>			
ACC Levy		5,590	6,195
Accommodation and travel		12,361	38,244
Advisory Committee Fees and Expenses		1,200	-
Auditors Fees		9,327	7,500
Bad Debt Expense		25,000	-
Bank Fees		326	393
Board Expenses		20,016	32,277
Board member Fees		170,661	160,268
Case Expenses		9,128	7,653
Communications		72,490	201,942
Computer Support		148,419	137,594
Depreciation		102,690	123,237
Entertainment		6,545	11,597
General Expenses		9,538	9,244
Insurance		18,686	19,091
Library Expenses		9,517	4,240
Office Equipment		1,385	2,574
Payroll Expenses		2,458	2,305
Premises Expenses		262,167	268,927
Printing Postage and Stationery		12,962	23,838
Professional Advice		102,709	179,079
Recruitment		9,242	30,455
Salaries and wages		2,548,901	2,728,483
Staff Expenses		4,664	6,593
Telecommunications		108,736	49,786
Training and Development		79,535	128,112
<b>Total expenses</b>		<u>3,754,253</u>	<u>4,179,627</u>
<b>Total surplus/(deficit) for the period</b>		<u>857,676</u>	<u>186,036</u>

*These financial statements should be read in conjunction with the notes to the financial statements.*

Taxation Expense	16	5,883	13,170
<b>Total surplus/(deficit) for the period after tax</b>		<u>851,793</u>	<u>172,866</u>
<b>Other comprehensive revenue and expenses</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive revenue and expense</b>		<u>851,793</u>	<u>172,866</u>

*These financial statements should be read in conjunction with the notes to the financial statements.*

**Utilities Disputes Limited**  
**Statement of Changes in Net Assets**  
**For the year ended 31 March 2021**

	Notes	Retained Surplus \$	Total equity \$
Opening balance 1 April 2020		1,268,935	1,268,935
Surplus/(Deficit) for the year		851,793	851,793
Other comprehensive income			
Transfers			
<b>Closing equity 31 March 2021</b>	<b>17</b>	<b>2,120,728</b>	<b>2,120,728</b>
Opening balance 1 April 2019		1,096,069	1,096,069
Surplus/(Deficit) for the year		172,866	172,866
Other comprehensive income		-	-
<b>Closing equity 31 March 2020</b>	<b>17</b>	<b>1,268,935</b>	<b>1,268,935</b>

*These financial statements should be read in conjunction with the notes to the financial statements.*

**Utilities Disputes Limited**  
**Statement of Financial Position**  
**As at 31 March 2021**

	Notes	2021 \$	2020 \$
<b>Current assets</b>			
Cash and cash equivalents	8	2,252,820	1,293,477
Receivables from exchange transactions	9	15,863	69,011
Receivables from non-exchange transactions	9	37,247	12,432
Wages paid in advance		17,265	-
Prepayments		35,000	34,935
<b>Total current</b>		<b>2,358,195</b>	<b>1,409,855</b>
<b>Non-current assets</b>			
Property plant and equipment	10	125,840	130,210
Intangibles	11	6,605	54,177
<b>Total non-current</b>		<b>132,445</b>	<b>184,387</b>
<b>Total assets</b>		<b>2,490,640</b>	<b>1,594,242</b>
<b>Current liabilities</b>			
Trade and other creditors	12	235,711	156,773
Revenue in advance		-	80,000
Tax payable	16	-	7,257
Employee entitlements		134,201	81,277
<b>Total Current</b>		<b>369,912</b>	<b>325,307</b>
<b>Total net assets</b>		<b>2,120,728</b>	<b>1,268,935</b>
<b>Net assets</b>			
Retained surplus		2,120,728	1,268,935
<b>Total net assets</b>		<b>2,120,728</b>	<b>1,268,935</b>

Signed for and on behalf of the Board who authorised these financial statements for issue on 24 June 2021:

Chair



24/6/2021

Commissioner



24 June 2021

*These financial statements should be read in conjunction with the notes to the financial statements.*

**Utilities Disputes Limited**  
**Statement of Cash Flows**  
**As at 31 March 2021**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flow from operating activities</b>		
<u>Receipts</u>		
Receipts from non-exchange transactions	4,558,767	4,347,418
Receipts from exchange transactions	30,767	7,621
<u>Payments</u>		
Payments to suppliers	- 989,800	- 1,339,373
Payment to employees	- 2,574,083	- 2,746,865
Net GST	- 15,510	24,750
Taxation paid	- 22,165	- 17,910
<b>Net cash flows from operating activities</b>	<u>987,976</u>	<u>275,641</u>
<b>Cash flows from investing activities</b>		
<u>Receipts</u>		
Interest received	22,115	51,209
Withdrawal of short term investments	3,000,000	3,500,000
<u>Payments</u>		
Purchase of property, plant and equipment	- 50,748	- 49,611
Investments in short term deposits	- 3,000,000	- 3,000,000
Purchase of investments		
<b>Net cash flows from investing activities</b>	<u>- 28,633</u>	<u>501,598</u>
Net increase/(decrease) in cash and cash equivalents	959,343	777,239
Cash and cash equivalents at 1 April	<u>1,293,477</u>	<u>516,238</u>
<b>Cash and cash equivalents at 31 March</b>	<u>2,252,820</u>	<u>1,293,477</u>

*These financial statements should be read in conjunction with the notes to the financial statements.*

**Utilities Disputes Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2021**

**1. Reporting entity**

The reporting entity is Utilities Disputes Limited (the "Utilities Disputes"). Utilities Disputes is domiciled in New Zealand and is a not for profit limited liability company.

These financial statements comprise the financial statements of Utilities Disputes for the year ended 31 March 2021. The comparative period relates to the year ended 31 March 2020.

The financial statements were authorised for Issue by the Board on the 24 June 2021.

**2. Statement of compliance**

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. For the purposes of complying with NZ GAAP, Utilities Disputes is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large.

The Board has elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions. This decision results in Utilities Disputes not preparing a Statement of Service Performance for both reporting periods.

**3. Changes in accounting policy**

There have been no changes in accounting policy during the year ended 31 March 2021.

**4. Summary of accounting policies**

The significant accounting policies used in the preparation of these financial statements as set out below have been applied consistently to both years presented in these financial statements.

**4.1. Basis of measurement**

These financial statements have been prepared on the basis of historical cost.

**4.2. Functional and presentational currency**

The financial statements are presented in New Zealand dollars (\$), which is Utilities Disputes functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest dollar.

**4.3. Revenue**

Revenue is recognised to the extent that it is probable that the economic benefit will flow to Utilities Disputes and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

(1) Revenue from non-exchange transactions

Levy revenue



Levy revenue is recognised in the levy year in which it relates, even when levies are calculated by reference to cases in a different period.

(2) Revenue from exchange transactions

Interest revenue

Interest revenue is recognised as it accrues, using the effective interest method.

**4.4. Financial instruments**

Financial assets and financial liabilities are recognised when Utilities Disputes becomes a party to the contractual provisions of the financial instrument.

Utilities Disputes derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or Utilities Disputes has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

- Utilities Disputes has transferred substantially all the risks and rewards of the asset; or
- Utilities Disputes has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. Utilities Disputes cash and cash equivalents, receivables from exchange transactions and receivables from non-exchange transactions fall into this category of financial instruments.

Financial liabilities

Utilities Disputes financial liabilities include trade and other creditors, and employee entitlements. All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit.

**4.5. Cash and cash equivalents**

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**4.6. Short term investments**

Short term investments comprise term deposits which have a term of greater than three months and therefore do not fall into the category of cash and cash equivalents.

**4.7. Property, plant and equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Depreciation is charged on a straight line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

• Office Equipment	9% - 100%	DV & SL
• Leasehold improvements	10% - 33%	DV & SL
• Computer Equipment	33% - 60%	DV & SL
• Computer database	33% - 48%	SL

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset.

#### **4.8. Intangibles**

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date the asset is derecognised. The amortisation charge for each year is recognised in the surplus or deficit. The useful life and associated amortisation rate of intangible assets have been estimated at between 2.5 and 5 years (20% - 40%).

#### **4.9. Leases**

Payments on operating lease agreements, where the lessor retains substantially the risk and rewards of ownership of an asset, are recognised as an expense on a straight-line basis over the lease term.

#### **4.10 Significant judgements and estimates**

Utilities Disputes have not made any significant assumptions or estimates in preparing these financial statements.

### **5. Employee Entitlements**

#### **Short-term employee benefits**

Employee benefits, previously earned from past services, that the entity expect to be settled within 12 months of reporting date are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to the reporting date and annual leave earned, but not yet taken at the reporting date.

#### **Termination benefits**

Termination benefits are recognised as an expense when the entity is committed without realistic possibility of withdrawal, to terminate employment, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the entity has made a voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

### **6. Income tax**

Utilities Disputes is a Not for Profit company hence only taxed on income from outside the circle of membership. As such, Utilities Disputes is taxed only on interest received and deferred tax is not applicable.

### **7. Goods and Services Tax (GST)**

Utilities Disputes is registered for GST. Therefore all amounts in these financial statements are shown exclusive of GST, except for receivables and payables that are stated inclusive of GST.

### 8. Cash and cash equivalents

Cash and cash equivalents include the following components:

	2021	2020
	\$	\$
Cash at bank	2,252,820	1,293,477
Total cash and cash equivalents	<u>2,252,820</u>	<u>1,293,477</u>

### 9. Receivables

(1) Receivables from exchange transactions

	2021	2020
	\$	\$
Accounts Receivable	40,863	69,011
Provislon for Bad Debt	- 25,000	-
	<u>15,863</u>	<u>69,011</u>

(2) Receivables from non-exchange transactions

	2021	2020
	\$	\$
Accounts Receivable		
GST Refund Due	27,942	12,432
Income Tax Due for Refund/(Payment)	9,305	-
	<u>37,247</u>	<u>12,432</u>

### 10. Property plant and equipment

	Leasehold improvements	Office furniture and equipment	Computer equipment	Total
<b>2021</b>	\$	\$	\$	\$
Cost	71,582	137,637	151,921	361,140
Accumulated depreciation	59,297	80,789	95,214	235,300
Net book value	12,285	56,848	56,707	125,840

	Leasehold improvements	Office furniture and equipment	Computer equipment	Total
<b>2020</b>	\$	\$	\$	\$
Cost	71,582	136,707	102,103	310,392
Accumulated depreciation	46,947	60,176	73,059	180,182
Net book value	24,635	76,531	29,044	130,210

Reconciliation of the carrying amount at the beginning and end of the period:

	Leasehold improvements	Office furniture and equipment	Computer equipment	Total
<b>2021</b>	\$	\$	\$	\$
Opening balance	24,635	76,531	29,044	130,210
Additions		930	49,818	50,748
Disposals				-
Reclassifications				
Depreciation	12,350	20,613	22,155	55,118
	<u>12,285</u>	<u>56,848</u>	<u>56,707</u>	<u>125,840</u>

### 11. Intangibles

	Computer database
<b>2021</b>	\$
Cost	271,314
Accumulated depreciation	264,709
Net book value	6,605

	Computer database
<b>2020</b>	\$
Cost	271,314

Accumulated depreciation	217,137
Net book value	54,177

Reconciliation of the carrying amount at the beginning and end of the period:

2021	Computer database
	\$
Opening balance	54,177
Additions	-
Disposals	
Reclassifications	
Depreciation	47,572
	6,605

#### 12. Trade and other creditors

	2021	2020
	\$	\$
Accounts Payable	151,795	77,715
Accruals	83,916	79,058
	235,711	156,773

#### 13. Related party transactions

There have been no material related party transactions during the year. (2020: \$Nil)

##### 13.1 Key Management Personnel

The key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are the members of the governing body and the senior management team. The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration is as follows:

	2021	2020
	\$	\$
Total remuneration	704,496	688,830
Number of persons (FTE)	4	4

##### 13.2 Remuneration and compensation provided to close family members of key management personnel

There has been no remuneration and compensation provided to close family members of key management personnel during the year. (2020: \$Nil)

#### 14. Leases

As at the reporting date, the Board has entered into the following operating lease commitments:

	2021	2020
	\$	\$
No later than one year	223,060	239,814
Later than one year and no later than five years	16,666	232,547
Later than five years		
	239,726	472,361

Building rent and 2 carparks are leased from Stride Property. The lease expires on 31 March 2022.

Currently UDL is operating from temporary premises as earthquake strengthening work is being done on the premises it leases.

An Agreement to Lease has been signed to occupy the current leased premises for 6 years 4 months once the work has been completed. A new lease will be signed once the premises are available to be occupied. Once signed, this new lease will replace the current lease.

A lease for the photocopier is held with Canon. The lease expires in April 2022. At that stage there is the ability to replace the photocopier and start a new lease for the new replacement photocopier.

A Lease for a Telephony system is held with Telesmart. The Telesmart lease expires in September 2022. There is no renewal clause for this lease.

## 15. Categories of financial assets and liabilities

The carrying amounts of financial instruments presented in the statement of financial position relate to the following categories of assets and liabilities:

	2021	2020
	\$	\$
<b>Financial assets</b>		
<i>Loans and receivables</i>		
Cash and cash equivalents	2,252,820	1,293,477
Receivables from exchange transactions	15,863	69,011
Receivables from non-exchange transactions	37,247	12,432
	<u>2,305,930</u>	<u>1,374,920</u>

### Financial liabilities

#### At amortised cost

Trade and other creditors	235,711	156,773
Employee entitlements	134,201	81,277
	<u>369,912</u>	<u>238,050</u>

## 16. Tax Reconciliation

	2021	2020
	\$	\$
Taxable Income - Interest income	22,115	49,511
Less expenses	<u>1,105</u>	<u>2,476</u>
Taxable income	<u>21,010</u>	<u>47,035</u>
Income tax as per company rate of 28%	<b>5,883</b>	<b>13,170</b>
Withholding tax paid during 2019/20 year		-8
Withholding tax paid during 2020/21 year	-6,172	
Provisional tax paid for 2019/20 year		-8,732
Provisional tax paid for 2020/21 year	-9,016	
Income tax for 2018/19 year - paid In April 2020		<u>2,827</u>
	<u>-9,305</u>	<u>7,257</u>

## 17. Equity and Reserves

	2021	2020
	\$	\$
Capital Reserve	200,000	200,000
Legal and Insurance Reserve	250,000	150,000
Accumulated Surpluses	<u>1,670,728</u>	<u>918,935</u>
Closing Equity	<u>2,120,728</u>	<u>1,268,935</u>

A Capital Reserve has been created to ensure that all capital items can be replaced as required and any new approved capital items can be purchased immediately without having to raise any further levies.

The Legal and Insurance Reserve has been created to cover fees relating to matters such as legal advice required to operate our schemes, enforcing a determination and defending any legal challenge to a determination. The fund is also intended to cover costs associated with a cyber-attack on the organisations IT systems.

## 18. Capital commitments

Utilities Disputes Limited has made a commitment to sponsor an award at the Deloitte Energy Excellence Awards for the next 2 years. This sponsorship is at a cost of \$10,000 per year. As at 31 March 2021 we had paid the \$10,000 for the 2021 Energy Excellence Awards. Therefore there is a further commitment of \$10,000 within one year (2020: \$5,000)

## 19. Contingent assets and liabilities

There are no contingent assets or liabilities at the reporting date. (2020: \$Nil).

## 20. Events after the reporting date

The Board and management are not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in these financial statements that have significantly or may significantly affect the operations of Utilities Disputes Limited. (2020: \$Nil).

**21. COVID-19**

On 30 January 2020, the spread of novel Corona virus (COVID-19) was declared a public health emergency by the World Health Organisation. On 25 March 2020, New Zealand was placed into Alert Level 4 lockdown to combat the pandemic. In the months following, and up to the date the financial statements/performance report were authorised for issue by the Board / certified, the country has cycled in and out of various Alert Levels, some of which have included further lockdowns and restrictions on citizen movement and activities for extended periods.

The Board will continue to monitor the impact of COVID-19 on the Entity but at the date of signing this report the Board does not believe the entity has been or will be adversely financially affected by the pandemic.

The Board maintains the view that the Entity has sufficient resources that it will continue to operate as a going concern.

# Independent auditor's report

## To the Shareholders of Utilities Disputes Limited

### Opinion

We have audited the financial statements of Utilities Disputes Limited, which comprise the statement of financial position as at 31 March 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the statement of accounting policies and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Utilities Disputes Limited as at 31 March 2021, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR).

### 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 financial statements' section of our report.

We are independent of Utilities Disputes Limited in accordance with Professional and Ethical Standard 1 (Revised) 'Code of ethics for assurance practitioners' 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 our capacity as auditor we have no relationship with, or interests in, Utilities Disputes Limited

### Board's responsibilities for the financial statements

The Board are responsible on behalf of Utilities Disputes Limited for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR), and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board are responsible on behalf of Utilities Disputes Limited for assessing Utilities Disputes Limited'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 Board either intend to liquidate Utilities Disputes Limited or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-8/>

This report is made solely to the Shareholders of Utilities Disputes Limited. Our audit has been undertaken so that we might state to Shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Shareholders, for our audit work, for this report, or for the opinions we have formed.

Moore Markhams

**Moore Markhams Wellington Audit** | Qualified Auditors, Wellington, New Zealand  
24 June 2021