

The Dunedin Returned Services Association Inc.

Association Financial Statements

For Year Ended 31 December 2012

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The Dunedin Returned Services Association Inc
Statement of Accounting Policies
Year Ended 31 December 2012

Reporting Entity

The financial statements presented here are for the reporting entity, Dunedin Returned Services Association Inc. The Association is incorporated under the Incorporated Societies Act 1908. The Dunedin Returned Services Association Incorporated is principally involved in providing a service for its members.

Differential Reporting

The Association qualifies for differential reporting as it is not publicly accountable, and the entity is not large as defined by Paragraph 4.20 of the framework for differential reporting.

The Association has taken advantage of all differential reporting exemptions.

Measurement Base

The financial statements have been prepared on the basis of the historic cost modified for revaluation of certain assets.

Accounting Policies

Subscriptions

Subscriptions are included as income in the year to which they relate, except that subscriptions in arrears at balance date are not brought into account until received.

Fixed Assets and Depreciation

Fixed Assets have been included at cost or valuation. An allowance for depreciation has been made on the following basis:

Computer Equipment	20% diminishing value
Plant & Furniture	10% diminishing value

Gaming Machine Donations

Gaming Machine donations are accounted for on payment.

Goods and Services Tax

These financial statements have been prepared on a GST exclusive basis.

Investments have been recorded at cost.

Changes in Accounting Policies

There have been no changes in accounting policies during the financial year. All policies have been applied on a consistent basis with those used in the previous year.

The Dunedin Returned Services Association Inc
Statement of Financial Performance
For the Year ended 31 December 2012

	Notes	2012 \$	2011 \$
Income			
Subscriptions:			
Members Subscriptions	(8)	23,790	21,089
NZRSA Levy - Net	(8)	(7,040)	(2,439)
District Capitation Fees	(8)	(364)	(332)
	(8)	<u>16,386</u>	<u>18,319</u>
Other Income:			
Grants & Donations	(6)	7,052	8,482
Endowment Income	(1)	6,000	8,000
Interest		151	336
Sundry Income		744	64
Total Income		<u>30,333</u>	<u>35,200</u>
Less Expenses			
Administration Expenses	(2)	28,750	25,051
AGM expenses		265	541
Anzac Day expenses		4,644	5,508
Audit Fees		1,800	1,600
Conference expenses		520	1,032
Insurance		363	2,573
Depreciation/ Loss On Disposal	(4)	124	147
Functions & Socials		247	1,037
General Expenses		44	406
Forestry Consultants	(7)	-	1,125
Armistice Day Expenses		269	-
Repairs & Maintenance		-	105
Travel		96	96
Website expenses		284	426
Bank Fees		51	135
Provision for Doubtful Debts	(12)	<u>7,618</u>	<u>-</u>
Total Expenses		45,075	<u>39,782</u>
Net Operating Surplus/(Deficit) for Year	(3)	<u>(14,742)</u>	<u>(4,582)</u>
Sundry & Extraordinary items			
Equity in United Services Club - Written off		-	300,000
Net Surplus/(Deficit) for Year		<u><u>(14,742)</u></u>	<u><u>(304,582)</u></u>

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements.

The Dunedin Returned Services Association Inc

Statement of Movements in Equity

For the Year Ended 31 December 2012

	Notes	2012 \$	2011 \$
Equity at Start of Year		(68,541)	236,041
Association Surplus/(Deficit)		(14,742)	(304,582)
Equity at End of Year		<u>(83,283)</u>	<u>(68,541)</u>
 Equity consists of:			
Accumulated Funds	(3)	<u>(83,283)</u>	<u>(68,541)</u>

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements.

The Dunedin Returned Services Association Inc

Statement of Financial Position

As at 31st December 2012

	Note	2012 \$	2011 \$
Equity	(3)	<u>(83,283)</u>	<u>(68,541)</u>
Represented by:			
Current Assets			
ANZ Cheque Account		4,574	9,678
ANZ Call Account		1,545	9,960
Endowment fund		-	875
Sundry debtors	(8)	29,203	29,203
GST Refund Due		<u>17</u>	<u>856</u>
		35,339	50,572
Fixed Assets	(4)	5,794	5,918
Total Assets		<u>41,133</u>	<u>56,490</u>
Current Liabilities			
Income in advance		1,559	9,906
Loan from trust	(5)	89,724	92,724
Sundry creditors		15,158	13,187
Provision for Taxation		9,214	9,214
Provision for Doubtful Debts	(12)	<u>8,761</u>	<u>-</u>
		124,416	125,031
Net Assets/(Liabilities)		<u>(83,283)</u>	<u>(68,541)</u>

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements.

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The Dunedin Returned Services Association Inc.

Notes to the Financial Accounts for the Year Ended 31 December 2012

These notes form part of and are to be read in conjunction with the accompanying accounts.

1. Endowment Income –

In the 1997 year the Trust invested \$500,000 in an endowment fund of which \$300,000 has been transferred to equity in United Services Club. The net income earned on this investment (remaining balance \$200,000) is paid to the Association.

From December 2011 50% of the endowment income has been retained by the Dunedin RSA Welfare Trust to reduce the loan (Refer note 5).

2. Administration Expenditure

	2012 \$	2011 \$
Wages	23,885	22,052
Sundry expenses	4,865	2,999
	28,750	25,051

3. Equity

	Accum. Funds
Balance as at 31.12.11	(68,541)
Surplus/(Deficit)	(14,742)
Balance as at 31.12.12	(83,283) (a)

(a) The Association owes the Trust \$89,724 as at 31 December 2012. \$3,000 was repaid during the year by a 50% retention of endowment income. The Trustees have agreed not to call up this advance to the detriment of other creditors. (Refer note 5 & note 10).

4. Fixed Assets

	Cost/Valn \$	Depn	Accum Depn.	BV 31.12.12	BV 31.12.11
Computer Equipment	1,565	64	1,307	258	322
Plant & furniture	2,200	60	1,664	536	596
Afforestation	5,000	-	-	5,000	5,000
TOTALS	8,765	124	2,971	5,794	5,918

The Dunedin Returned Services Association Inc.

Notes to the Financial Accounts for the Year Ended 31 December 2012

Summary of movements during year:

Book value as at 31.12.11	5,918
Depreciation	124
Book value as at 31.12.12	<u>5,794</u>

5. Related Party Transactions

The Association received \$6,875 from the Trust from the "Endowment Fund" (refer Note 2).

	\$
Net income paid during year	6,875
Less owing at 31 December 2011	(875)
Plus owing at 31 December 2012	-
Endowment Income	<u>6,000</u>

The Association has received an interest free advance from the Trust. As at 31 December 2012 the Association owes the Trust \$89,724. This is as follows:

Balance 31 December 2011	92,724
Repaid from retention of half endowment income	3,000
Balance 31 December 2012	<u>89,724</u>

The Dunedin RSA Welfare Trust proposed in December 2011 that Dunedin RSA Inc start repaying this loan by means of retaining 50% of the endowment income paid from the Endowment fund. The Dunedin RSA Inc agreed to this.

6. Donations

We would like to thank all parties who kindly donated to our organisation:

	<u>This year</u>	<u>Last year</u>
Southern Victorian	2,953	1,117
St Kilda Community Trust	1,599	864
Bendigo	2,000	-
DCC	-	2,000
ACE Shacklock	500	1,000
Southern Trust	-	3,000
Other	-	500
Total	<u>7,052</u>	<u>8,481</u>

The Dunedin Returned Services Association Inc.

Notes to the Financial Accounts for the Year Ended 31 December 2012

7. Carbon Credits

In April 2012 additional carbon credits of 1,334 were allocated to the account held by the New Zealand Emission Unit Register (NZEUR) . The balance of carbon credits held by the Association at 31 Dec 2012 are therefore 4,814 credits. (3,480 allocated in 2011 year plus 1,334 credits this year) Another 2,146 carbon credits are due to allocated in March 2013. These carbon credits are not recognized in the statement of Financial Position as they were allocated without cost to the Dunedin RSA Association Inc. and there is no certainty of realization.

8. Sundry Debtors and Sundry Creditors

Members subscriptions, and the RNZRSA levy as shown in the Statement of Financial Performance includes unpaid subscriptions and capitation fees owed by the United Services and Community Club Trust of \$29,202. (See Provision for Doubtful debt note 13) Also included in the RNZRSA levy in the Financial Statements are capitation fees owed to the RNZRSA at 31 Dec 2012 of \$6,823.

9. Contingent Liabilities

Refer to note 1 and 9. During the 2011 year the United Services and Community Club went into liquidation. There is therefore no certainty that the unpaid subscriptions and capitation fees owed by the United Services and Community Club Trust of \$29,202 as identified in note 9 above will be collected.

10. Going Concern

These accounts have been prepared on the assumption that the entity is a going concern. The Association has net liabilities of \$84,426. Also as per note 9 above \$29,202 is owed to the Association by the United Services and Community Club. It is uncertain if this money will be able to be collected. (See Provision for doubtful debts note 13) The Association board should carefully consider going concern at each meeting in 2013 and consider at each meeting if its forecasted income is sufficient to cover its forecasted expenses for the next year.

The Dunedin Returned Services Association Inc.

Notes to the Financial Accounts for the Year Ended 31 December 2012

11. RNZRSA

Under the rules of the RNZRSA, voting rights may be removed from the Dunedin RSA Inc if capitation fees remain unpaid by the 30th June each year. However arrears of capitation fees are being paid off over time under an agreed arrangement with RNZRSA.

12. *Provision for doubtful debts*

Because the United Services and Community Club is in liquidation we have allowed a provision for doubtful debts as an estimate. The provision for doubtful debts is \$8,761.00. This is in anticipation the Dunedin RSA Association Inc will receive a prorata payment rather than the full amount owed to them.

**AUDIT REPORT TO MEMBERS OF
THE DUNEDIN RETURNED SERVICES ASSOCIATION INCORPORATED
FOR THE YEAR ENDED 31 DECEMBER 2012**

We have audited the financial report for the Association on pages 1 to 8. The financial report provides information about the past financial performance of the Association and its financial position as at 31 December 2012. This information is stated in accordance with the accounting policies set out on page 1.

EXECUTIVE COMMITTEE RESPONSIBILITIES

The Executive Committee is responsible for the preparation of a financial report that fairly reflects the financial position of the Association as at 31 December 2012 and of the results of operations for the year ended on that date.

AUDITOR'S RESPONSIBILITIES

It is our responsibility to express an independent opinion on the financial report presented by the Executive Committee and report our opinion to you.

BASIS OF OPINION

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial report. It also includes assessing:

- the significant estimates and judgments made by the Executive Committee in the preparation of the financial report, and
- whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards, except that our work was limited as explained below. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial report is free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial report.

In addition to our capacity as auditors we compiled the financial statements. Other than that we have no relationship or interest in the Association.

**AUDIT REPORT TO MEMBERS OF
THE DUNEDIN RETURNED SERVICES ASSOCIATION INCORPORATED**

QUALIFIED OPINION

Control over donations and bequests prior to being recorded is limited, and there are no practical audit procedures to determine the effect of this limited control.

In this respect alone we have not obtained all the information and explanations that we have required.

The validity of the going concern assumption on which the financial report is prepared depends on the successful outcome of the matters in note 9 and 11 to the accounts.

In our opinion, except for adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning donations and bequests, the financial report on pages 1 to 8 fairly reflects the results of operations for the year ended 31 December 2012.

In our opinion the financial report on pages 1 to 8 fairly reflects the financial position of the Association as at 31 December 2012.

Our audit was completed on 18 March 2013 and our qualified opinion is expressed as at that date.



J W Smeaton & Co.
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