

The Dunedin Returned Services Association Inc.

Association Financial Statements

For Year Ended 31 December 2013

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The Dunedin Returned Services Association Inc

Statement of Accounting Policies

Year Ended 31 December 2013

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 2013

	Notes	2013 \$	2012 \$
Income			
Subscriptions:			
Members Subscriptions	(8)	18,397	23,790
NZRSA Levy - Net	(8)	(4,678)	(7,040)
District Capitation Fees	(8)	(688)	(364)
	(8)	13,031	16,386
Other Income:			
Grants & Donations	(6)	4,735	7,052
Donations - Armistice Day		1,067	-
Endowment Income	(1)	9,200	6,000
Interest		236	151
Sundry Income		1,337	744
Total Income		29,606	30,333
Less Expenses			
Administration Expenses	(2)	25,297	28,750
AGM expenses		159	265
Anzac Day expenses		2,927	4,644
Audit Fees		1,800	1,800
Conference expenses		993	520
Insurance		2,081	363
Depreciation/ Loss On Disposal	(4)	106	124
Functions & Socials		184	247
General Expenses		94	44
Armistice Day Expenses		163	269
Repairs & Maintenance		461	-
Travel		-	96
Website expenses		237	284
Book purchases		897	-
Bank Fees		116	51
Provision for Doubtful Debts	(12)	(3,092)	7,618
Total Expenses		32,424	45,075
Net Surplus/(Deficit) for Year	(3)	(2,818)	(14,742)

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

(Handwritten initials)

The Dunedin Returned Services Association Inc

Statement of Movements in Equity

For the Year Ended 31 December 2013

	Notes	2013 \$	2012 \$
Equity at Start of Year		(83,283)	(68,541)
Association Surplus/(Deficit)		(2,818)	(14,742)
Equity at End of Year		<u>(86,101)</u>	<u>(83,283)</u>
Equity consists of:			
Accumulated Funds	(3)	<u>(86,101)</u>	<u>(83,283)</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 2013

	Note	2013 \$	2012 \$
Equity	(3)	<u>(86,101)</u>	<u>(83,283)</u>
Represented by:			
Current Assets			
ANZ Cheque Account		2,993	4,574
ANZ Call Account		8,642	1,545
Endowment fund		3,050	-
Sundry debtors	(8)	-	29,203
GST Refund Due		<u>587</u>	<u>17</u>
		15,272	35,339
Fixed Assets	(4)	5,688	5,794
Total Assets		<u>20,960</u>	<u>41,133</u>
Current Liabilities			
Income in advance		1,199	1,559
Loan from trust	(5)	85,124	89,724
Sundry creditors		11,523	15,158
Provision for Taxation		9,214	9,214
Provision for Doubtful Debts	(12)	<u>-</u>	<u>8,761</u>
		107,061	124,416
Net Assets/(Liabilities)		<u>(86,101)</u>	<u>(83,283)</u>

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

The Dunedin Returned Services Association Inc.

Notes to the Financial Accounts for the Year Ended 31 December 2013

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

	2013 \$	2012 \$
Wages	22,005	23,885
Sundry expenses	3,292	4,865
	25,297	28,750

3. Equity

	Accum. Funds
Balance as at 31.12.12	(83,283)
Surplus/(Deficit)	(2,818)
Balance as at 31.12.13	(86,101)

(a) The Association owes the Trust \$85,124 as at 31 December 2013. \$4,600 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 Deprn.	BV 31.12.13	BV 31.12.12
Computer Equipment	1,565	52	1,359	206	258
Plant & furniture	2,200	54	1,718	482	536
Afforestation	5,000	-	-	5,000	5,000
TOTALS	8,765	106	3,077	5,688	5,794

9/1/13

The Dunedin Returned Services Association Inc.

Notes to the Financial Accounts for the Year Ended 31 December 2013

Summary of movements during year:

Book value as at 31.12.12	5,794
Depreciation	106
Book value as at 31.12.13	<u>5,688</u>

5. Related Party Transactions

The Association received \$9,200 from the Trust from the "Endowment Fund" (refer Note 2).

	\$
Net income paid during year	6,150
Less owing at 31 December 2012	0
Plus owing at 31 December 2013	3,050
Endowment Income	<u>9,200</u>

The Association has received an interest free advance from the Trust. As at 31 December 2013 the Association owes the Trust \$85,124. This is as follows:

Balance 31 December 2012	89,724
Repaid from retention of half endowment income	(4,600)
Balance 31 December 2013	<u>85,124</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:

	2013	2012
	\$	\$
Southern Victorian	1,735	2,953
Bendigo	3,000	2,000
St Kilda Community Trust	-	1,599
ACE Shacklock	-	500
	<u>4,735</u>	<u>7,052</u>

The Dunedin Returned Services Association Inc.

Notes to the Financial Accounts for the Year Ended 31 December 2013

7. Carbon Credits

In March 2013 additional carbon credits of 2,146 were allocated under the name of the Dunedin RSA Association Incorporated in the account held by the New Zealand Emission Unit Register (NZEUR). The balance of carbon credits held by the Association as at 31 December 2013 are therefore 6,960 credits. (3,480 allocated in 2011 year plus 1,334 credits in 2012 and 2,146 this year) All carbon credits have now been allocated in full. 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

This year's note:

Included in the RNZRSA levy in the Financial Statements are capitation fees owed to the RNZRSA at 31 December 2013 of \$2,812.

Last years note:

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 12) 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

Note this year:

There are no contingent liabilities as at 31 December 2013.

Note last year:

Refer to note 1 and 8. 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.

The Dunedin Returned Services Association Inc.

Notes to the Financial Accounts for the Year Ended 31 December 2013

10. Going Concern

These accounts have been prepared on the assumption that the entity is a going concern. The Association has net liabilities of \$86,101. The Association board should carefully consider going concern at each meeting in 2014 and consider at each meeting if its forecasted income is sufficient to cover its forecasted expenses for the next year.

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. Arrears at 31 December 2013 were \$2,812, (2012 \$6,823).

12. Provision for doubtful debts

	2013	2012
	\$	\$
Debtor United Services Club	-	29,203
Provision for doubtful debts	-	(8,761)
	<u>-</u>	<u>20,442</u>
Amount owing 31 Dec 2012	29,203	
Amount Paid	<u>(23,997)</u>	
Provision utilised	<u>5,205</u>	
Provision 31 Dec 2012	8,761	
Amount utilised	<u>(5,205)</u>	
Provision written back	3,556	
GST content	<u>(464)</u>	
Per financial statements	<u>3,092</u>	

**AUDIT REPORT TO MEMBERS OF
THE DUNEDIN RETURNED SERVICES ASSOCIATION INCORPORATED
FOR THE YEAR ENDED 31 DECEMBER 2013**

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 2013. 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 2013 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.

QUALIFIED OPINION

Control over income 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.

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 2013.

In our opinion the financial report on pages 1 to 8 fairly reflects the financial position of the Association as at 31 December 2013.

Our audit was completed on 27 March 2014 and our qualified opinion is expressed as at that date.

J W Smeaton & Co.

J W Smeaton & Co.
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