Financial Statements

Lake Edge Resort Limited
For the year ended 31 December 2023

Prepared by Altitude Chartered Accountants Ltd

ALTITUDE
chartered accountants
expert advice

Altitude
Chartered Accountants Ltd

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12 April 2024

The Shareholders
Lake Edge Resort Limited
275 Lake Terrace
TAUPO 3330

Dear Shareholders

We confirm we have completed the financial statements for the company for the year ended 31 December 2023. The financial statements have at this stage not been audited. An application for an exemption from Part 7 of the FMC Act and its audit provisions is currently with the FMA.

The financial statements prepared by our practice are based on the monthly accounting and processing work of The Admin Angels. The Admin Angels provide administration and accounting support to a number of Taupo businesses.

We summitted to Inland Revenue a request for confirmation that Lake Edge Resort Limited is a not for profit organization. Inland Revenue were not prepared to give this and suggested that the company may consider getting a binding ruling which would confirm the tax status. This has not been done. That said, the principle of mutuality arises under common law. The Courts consider that a person cannot derive taxable income from mutual transactions, as a mutual transaction is of a similar nature to trading with oneself. We have therefore calculated the tax liability for the company on this basis including income from interest and transactions from outside parties less associated costs.

We confirm:

1. The ASB 00 account balance of $334,907 has been agreed to the ASB Bank statement.
2. The ASB 50 account balance of $ 57,580 has been agreed to the ASB Bank statement
3. The ASB Term deposits totaling $503,257 and ASB Body Corporate account balance of $25,552 have been agreed to the Xero ASB bank feeds

Yours faithfully
ALTITUDE CHARTERED ACCOUNTANTS LIMITED

DEAN ROE
Director

Contents

IMPORTANT NOTICE TO ALL SHAREHOLDERS

“You hold shares in Lake Edge Resort Limited (LER). The Financial Markets Authority has advised that it will not take any action against LER in respect of its non-compliance with the financial reporting and audit obligations under Part 7 of the Financial Markets Conduct Act 2013 for the year ended 31 December 2023. LER has provided unaudited financial statements to shareholders for the year ended 31 December 2023. Accordingly, the information provided in this document will not contain all the financial information usually required to be provided to shareholders for the year ended 31 December 2023."

Directory

Lake Edge Resort Limited
For the year ended 31 December 2023

Directors

DJ Boddie, C Green, W Keats, RA Martin, GM Symonds, JN Wilson

Company Number

8378735

Company Status

Widely Held Company

Tax Status

Ordinary Company

IRD Number

136-176-692

Address & Registered Office

275 Lake Terrace, Two Mile Bay, Taupo 3330

Nature of Business

Holiday Ownership and Rental Accommodation

Date of Formation

25 May 2022

Issued Capital

612 ordinary shares

Chartered Accountant

Altitude Chartered Accountants Limited
Taupo & Taihape

Bankers

ASB Bank Limited, West Auckland Commercial Branch, Auckland

Solicitors

Tompkins Wake
Auckland, Hamilton & Rotorua

MMC Law Limited
Taupō

ALTITUDE chartered accountants expert advice

Director's Annual Report

Lake Edge Resort Limited
For the year ended 31 December 2023

The Directors present here the Annual Report including financial statements of the company for the year ended 31 December 2023 .

The business of the Company is Holiday Ownership and Rental Accommodation . The nature of the company's business has not changed during the period.

Director's Disclosures

DJ Boddie, C Green, W Keats, RA Martin, GM Symonds, BM Whelan and JN Wilson held office as Directors during the reporting period. No other person was a director at any time.

Directors liability insurance cover is held with Gallagher Insurance NZ

There were no loans by the company to any of the directors.

The Board of Directors received no notices from the directors wishing to use company information received in their capacity as directors which would not have ordinarily been available.

Directors Shareholdings

G M Symonds	4 shares
C Green	3 shares
D J Boddie	1 share
W S Keats	2 shares
R A Martin	2 shares
J N Wilson	4 shares
B M Whelan	1 share

Donations

No donations were made by the Company during the reporting period.

Employee Remuneration

Pursuant to section 211(g) of the Companies Act 1993, no employee received remuneration and/or any other benefits exceeding $100,000 during the reporting period.

For and on behalf of the Board;

Date: 16 April 2024

Date: 16/4/24

Directors Responsibility Statement

Lake Edge Resort Limited
For the year ended 31 December 2023

The directors are responsible for ensuring that the financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP) and present fairly the financial position of the Company as at 31 December 2023 and its financial performance and cash flows for the year ended on that date.

The directors consider that the financial statements of the Company have been prepared using appropriate accounting principles, consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Company and facilitate compliance of the financial statements with the Financial Reporting Act 2013.

The directors consider they have taken adequate steps to safeguard the assets of the Company to prevent and detect fraud and other irregularities.

The directors have the pleasure in presenting the financial statements of Lake Edge Resort Limited, set up on pages 8 to 19 for the period ended 31 December 2023.

The Board of Directors of Lake Edge Resort Limited authorised these financial statements for issue on 04 April 2024.

For and on behalf of the Board;

Signature:

Director's name: Wayne Keats

Date 16 April 2024

Signature:

Director's name: Rick Martin

Date: 16/04/24

Statement of Financial Performance

Lake Edge Resort Limited
For the year ended 31 December 2023

	2023	2022
REVENUE		
Rental Income - External	46,307	-
Rental Income - Shareholders	40,073	-
Maintenance Levy	582,473	-
Bad Debts Recovered	7,826	-
Resale of Shares	7,206	-
Interest Income	13,011	-
Sundry Income	6,292	-
Total REVENUE	**703,188**	**-**
OPERATING EXPENSES		
Occupancy Expenses	145,837	-
Property Expenses	217,743	-
General & Administration Expenses	198,729	-
Total OPERATING EXPENSES	**562,309**	**-**
NET SURPLUS AFTER OPERATING EXPENSES	**140,879**	**-**
TOTAL INCOME	**140,879**	**-**
Non Operating Expenses		
Depreciation	144,953	-
Income Tax Expense	8,295	-
Legal Expenses	12,766	-
Total Non Operating Expenses	**166,014**	**-**
NET SURPLUS (LOSS) TRANSFERRED TO SHAREHOLDERS	**(25,135)**	**-**

The accompanying notes form part of these financial statements. The financial statements have not been subject to audit.

Schedule of Expenses

Lake Edge Resort Limited
For the year ended 31 December 2023

Schedule of Expenses

	2023	2022
Occupancy Expenses		
Cleaning & Laundry Products	8,393	-
Cleaning Wages	67,397	-
Guest Supplies & Hospitality	3,991	-
Laundry Wages	16,095	-
Light, Power, Heating	42,556	-
Rubbish Removal	4,429	-
Telephone & Internet	2,976	-
Total Occupancy Expenses	**145,837**	**-**
Property Expenses		
Grounds & Gardens Wages	9,208	-
Insurance	31,638	-
Maintenance Wages	33,150	-
Rates	41,373	-
R & M Buildings	54,664	-
R & M Plant	1,685	-
R & M Pools	8,328	-
R & M Whiteware	700	-
R & M Recreational Equipment	1,334	-
R & M Units and Replacement Stock	35,663	-
Total Property Expenses	**217,743**	**-**
General & Administration Expenses		
Travel - National	215	-
ACC Levies	761	-
Accounting & Audit Fees	1,758	-
Advertising	245	-
AGM Expenses	381	-
Assistant Manager Wages	44,719	-
Bank Fees	1,415	-
Board Expenses	14,465	-
Bookkeeping	5,759	-
Computer Expenses	13,297	-
Entertainment	817	-
Entertainment - Non deductible	940	-
Freight & Courier	(9)	-
General Expenses	4,341	-
Interest Expense	-	-

The accompanying notes form part of these financial statements. The financial statements have not been subject to audit.

	2023	2022
KiwiSaver Employer Contributions	4,959	-
Manager Salary	62,019	-
Motor Vehicle Expenses	1,235	-
Office Expenses	539	-
Printing, Postage & Stationery	1,681	-
Resort Administrator Wages	20,470	-
Secretarial Fees	6,574	-
Sky TV	11,772	-
Training	375	-
Total General & Administration Expenses	**198,729**	**-**
Capital Expenses		
Legal Expenses	12,766	-
Total Capital Expenses	**12,766**	**-**
Total Budget Expenses	575,075	-

The accompanying notes form part of these financial statements. The financial statements have not been subject to audit.

Statement of Changes in Equity

Lake Edge Resort Limited
For the year ended 31 December 2023

	2023
Equity	
Opening Balance	-
Increases	
Profit for the Period	(25,135)
Share Capital	618,121
Total Increases	**592,986**
Total Equity	**592,986**

The accompanying notes form part of these financial statements. The financial statements have not been subject to audit.

Statement of Financial Position

Lake Edge Resort Limited
As at 31 December 2023

	NOTES	31 DEC 2023
Assets		
Current Assets		
Cash and Bank		
ASB 00 Account		334,907
ASB 50 Account		57,580
ASB Term Deposits		503,257
ASB Body Corporate		25,552
Petty Cash		115
Total Cash and Bank		**921,410**
Prepaid 2024 Wage Costs		2,614
Provision for Settlement of Legal Fees		37,814
Timeshare Weeks Held in Trust		3,000
Total Current Assets		**964,839**
Non-Current Assets		
Property, Plant and Equipment		8,633,791
Total Non-Current Assets		**8,633,791**
Total Assets		**9,598,630**
Liabilities		
Current Liabilities		
Trade payables		43,398
GST Payable		54,506
Income Tax Payable	5	5,361
Provision for Holiday Pay		7,555
Wages Payable - Payroll		1,228
2024 Advance Levies		503,070
Rental Income In Advance		7,800
ASB Visa		3,338
Total Current Liabilities		**626,255**
Non-Current Liabilities		
2025 Advance Levies		9,068
Total Non-Current Liabilities		**9,068**
Total Liabilities		**635,324**
Net Assets		**8,963,306**

The accompanying notes form part of these financial statements. The financial statements have not been subject to audit.

ALTITUDE accountants

	NOTES	31 DEC 2023
Equity		
Share Capital		
612 Ordinary Shares		612
Total Share Capital		**612**
Retained Earnings		(25,135)
Capital Reserves		
Body Corporate Members Settlement		8,987,829
Total Capital Reserves		**8,987,829**
Total Equity		**8,963,306**

For and on Behalf of the Board;

Date: 16 April 2024.

Date: 16/4/24

The accompanying notes form part of these financial statements. The financial statements have not been subject to audit.

Notes to the Financial Statements

Lake Edge Resort Limited
For the year ended 31 December 2023

1. Statement of Accounting Policies

General Information

Lake Edge Resort Limited is engaged in the business of Holiday Ownership and Rental Accommodation. The company operates solely in New Zealand. The Company is a limited liability company incorporated and domiciled in New Zealand. It is registered under the Companies Act 1993 with its registered office at 275 Lake Terrace, Taupo. The financial statements have been approved for issue by the Board of Directors on 04 April 2024.

2. Summary of Significant Accounting Policies

Basis of Preparation

Statement of Compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS - RDR) and other applicable Financial Reporting Standards, as appropriate for profit-orientated entities.

The Company is a Tier 2 Not For Profit Entity and has elected to report in accordance with Tier 2 Not For Profit Accounting Standards as issued by the New Zealand External Reporting Board (XRB). The Company is eligible to report in accordance with Tier 2 Not For Profit Accounting Standards on the basis that it does not have public accountability and is not large.

Basis of Measurement

The financial statements have been prepared on a historical cost basis modified by the revaluation of certain assets (as described in the specific accounting policies section below).

The accrual basis of accounting has been used unless otherwise stated and the financial statements have been prepared on a going concern basis.

Presentation Currency

The information is presented in New Zealand dollars, which is the Company's functional currency. All amounts are rounded to the nearest dollar.

The accompanying notes form part of these financial statements. The financial statements have not been subject to audit.

Property, Plant and Equipment and Investment Property

a. Initial Reporting

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of purchased property, plant and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable costs, which have been incurred in bringing the assets to the location and condition necessary for their intended service. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

b. Subsequent costs

The entity recognises in the carrying amount of an item of property, plant or equipment the cost of replacing part of such an item when that cost is incurred only when it is probable that the future economic benefits embodied with the item will flow to the entity and the cost of the item can be measured reliably. All other costs are recognised in the statement of comprehensive income as an expense incurred.

c. Depreciation

Depreciation of property, plant and equipment is calculated on either a diminishing value or a straight line basis so as to expense the cost of the assets to their expected residual values over their useful lives as follows:

Land Improvements and Buildings	0-7.2% SL and 0-7.5% DV
Plant and Equipment	7-100% SL and 8-48% DV
Motor Vehicles	13.5% SL and 12-14.4% DV
Computer	40% SL

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gains/(losses) - net" in the statement of comprehensive income.

Impairment of non-financial assets

At each reporting date, the carrying amounts of the tangible assets are reviewed to determine whether there is any indication of impairment. If any such indication exists for an asset, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).
Recoverable amount is the highest of fair value less costs to sell and value in use. In assessing value in use, the estimated future pre-tax cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.
Impairment loss is expensed immediately in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

The accompanying notes form part of these financial statements. The financial statements have not been subject to audit.

Financial Instruments

Financial instruments comprise cash and cash equivalents, trade and other receivables, trade and other payables. Financial assets and financial liabilities are recognised on the Company's balance sheet when the company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

a. Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

b. Trade and other receivables

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss., The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Company’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price.

Financial asset at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company’s financial assets at amortised cost include trade receivables and a receivable from a related party.

Impairment

The Company applies a simplified approach in calculating expected credit losses (ECLs) for trade receivables. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

c. Trade and other payables
Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Inventories

Inventories are stated at the lower of cost (weighted average cost) or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Share Capital

Ordinary shares and redeemable ordinary shares are classified as equity.

Income Tax

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in other comprehensive income.
Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.
Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.
A deferred tax asset shall be recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods and services supplied, stated net of discounts, returns and value added taxes. Revenue is recognised when the performance obligations have been satisfied (i.e. Fuel sales, ramp fees and other revenue is recognised at a point in time and levies are recognised over the period to which the levies apply).

Interest Income

Interest income is recognised using the effective interest method.

Goods and Services Tax

All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, Inland Revenue is included as part of the receivables or payables balance in the statement of financial position.

Receivables

Receivables are stated at their estimated realisable value.

Bad debts are written off the year they are identified.

3. Audit

These financial statements have not been audited.

4. Contingent Liabilities

At balance date there are no known, quantifiable contingent liabilities. Lake Edge Resort Limited has not granted any securities in respect of liabilities payable by any other party.

5. Income Tax Expense

	2023	2022
Net Profit (Loss) Before Tax		
Income		
Interest Income	13,011	-
Rental Income - External	46,307	-
Total Income	**59,318**	**-**
Deductions from Taxable Profit		
Total Expenses	(720,028)	-
Apportionment @ 1/13th	(55,387)	-
External Rental 53.6%	(29,692)	-
Taxable Profit (Loss)	29,626	-
Tax Payable at 28%	8,295	-
Resident withholding tax paid	2,935	-
Total Income Tax Payable	5,361	-

The accompanying notes form part of these financial statements. The financial statements have not been subject to audit.