

Electricity & Gas Complaints Commissioner Scheme

Financial Report

For the Year Ended  
31 March 2013



**Electricity & Gas Complaints Commissioner Scheme  
Financial Report  
For the year ended 31 March 2013**

CONTENTS

	Page
Statement of Financial Performance	2
Statement of Movements in Equity	4
Statement of Financial Position	5
Notes to the Financial Statements	6
Independent Auditor's Report	10



**Electricity & Gas Complaints Commissioner Scheme**  
**Statement of Financial Performance**  
**For the year ended 31 March 2013**

	Notes	2013 \$	2012 \$
<b>Levy income</b>			
Market share based levy	11	2,998,597	2,326,448
Case based levy	11	276,500	-
<b>Total Levy Income</b>		<u>3,275,097</u>	<u>2,326,448</u>
<b>Plus other income</b>			
Interest received		67,462	52,456
Sundry income		14,050	4,791
Transfer from Council Board	10	-	45,949
<b>Total Other Income</b>		<u>81,512</u>	<u>103,196</u>
<b>Total Income</b>		<u>3,356,609</u>	<u>2,429,644</u>
<b>Less expenses</b>			
ACC Levy		4,015	5,018
Accommodation and travel		24,375	18,757
Auditor's Fees		8,200	8,112
Bank Fees		865	1,013
Board Expenses		1,934	3,926
Board Member Fees		36,050	35,000
Case Expenses		7,833	44,610
Chair Fees		36,501	35,000
Communications		78,614	40,978
Computer Support		63,268	53,348
Constitutional Issues		9,517	12,511
Depreciation	2	62,856	106,983
Entertainment		1,133	504
General Expenses		16,431	6,270
Insurance		13,190	10,695
Library Expenses		15,151	10,241
Loss on Disposal of fixed Assets		9,572	-
Payroll Expenses		2,223	1,832
Premises Expenses		261,057	205,650
Printing postage and stationery		17,701	21,563
Professional Advice		38,081	76,291
Recruitment		20,933	955
Salaries - Holiday Pay Accrual		14,091	(68)
Salaries and wages		1,932,387	1,455,101
Staff Expenses		7,067	2,791
Telecommunications		41,974	37,292
Training and Development		52,200	63,532
<b>Total Expenses</b>		<u>2,777,219</u>	<u>2,257,905</u>
<b>Net Surplus For The Year</b>		579,390	171,739





**Electricity & Gas Complaints Commissioner Scheme  
Statement of Financial Performance  
For the year ended 31 March 2013**

	<b>Notes</b>	<b>2013</b> <b>\$</b>	<b>2012</b> <b>\$</b>
Taxation provision	5	12,247	(51,818)
<b>Net Surplus/(Deficit) After Tax</b>		<u>567,143</u>	<u>223,557</u>







**Electricity & Gas Complaints Commissioner Scheme  
Statement of Movements in Equity  
For the year ended 31 March 2013**

	Notes	2013 \$	2012 \$
<b>Accumulated Funds at Beginning of Year</b>	4	552,896	329,339
Net Surplus / (Loss) for the Year		567,143	223,557
<b>Accumulated Funds at End of Year</b>		<u>1,120,039</u>	<u>552,896</u>





**Electricity & Gas Complaints Commissioner Scheme  
Statement of Financial Position  
As at 31 March 2013**

	Notes	2013 \$	2012 \$
<b>Accumulated Funds</b>			
Accumulated Funds	4	1,120,039	552,896
<b>Total Accumulated Funds</b>		<u>1,120,039</u>	<u>552,896</u>
Represented by:			
<b>Current Assets</b>			
Bank Account		381,209	552,574
Term Deposit		666,666	-
Prepayments		18,996	15,599
GST Refund Due		19,117	32,723
Accrued Receivables		3,731	-
Accounts Receivable		2,383	69,000
		<u>1,092,102</u>	<u>669,896</u>
<b>Non-Current Assets</b>			
Fixed Assets	2	175,834	197,968
<b>Total Assets</b>		<u>1,267,936</u>	<u>867,864</u>
<b>Current Liabilities</b>			
Income tax due for payment/(refund)		2,988	(527)
Accounts Payable		27,797	215,231
Accruals		43,831	41,074
Provision for Annual Leave		73,281	59,190
		<u>147,897</u>	<u>314,968</u>
<b>Total Liabilities</b>		<u>147,897</u>	<u>314,968</u>
<b>Net Assets</b>		<u>1,120,039</u>	<u>552,896</u>

For and on behalf of the Board:

Richard Janes - Chair  Date 14.5.13

Judith Jones - Commissioner  Date 14.5.13



**Electricity & Gas Complaints Commissioner Scheme**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2013**

**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

Differential reporting: the Scheme qualifies for Differential Reporting Concessions identified in accounting standards established in XRB A1, as it is not publically accountable and it is not large as identified in XRB A1. All differential reporting concessions have been applied.

Changes in Accounting Policies: 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 2013**

<b>2 Fixed assets</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b><i>Leasehold improvements</i></b>		
At cost	108,839	108,425
Less accumulated depreciation	18,901	3,780
	<u>89,938</u>	<u>104,645</u>
<b><i>Office furniture and equipment</i></b>		
At cost	74,483	109,182
Less accumulated depreciation	39,317	61,373
	<u>35,166</u>	<u>47,809</u>
<b><i>Computer equipment</i></b>		
At cost	122,469	236,264
Less accumulated depreciation	71,739	190,750
	<u>50,730</u>	<u>45,514</u>
<b>Total Fixed Assets</b>	<u><u>175,834</u></u>	<u><u>197,968</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	62,856	59,680
	<u>62,856</u>	<u>106,983</u>

<b>3 Related parties</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Transfer from former Council Board (refer to note 10)	<u>-</u>	<u>45,949</u>

There have been no material related party transactions during the year (2012: \$0).

**4 Accumulated Funds**

The following movements in Accumulated Funds have occurred:

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Opening Balance	552,896	329,339
Net Surplus/(Deficit) For The Year	567,143	223,557
<b>Closing Balance</b>	<u><u>1,120,039</u></u>	<u><u>552,896</u></u>







**Electricity & Gas Complaints Commissioner Scheme**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2013**

<b>5 Taxation</b>	<b>2013</b>	<b>2012</b>
	\$	\$
Income tax payable - prior periods	-	(30,451)
Income tax payable - current year	12,247	5,919
IRD - use of money interest	-	(6,832)
IRD - late payment penalties	-	(20,454)
	<u>12,247</u>	<u>(51,818)</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 Nil (2012: \$5,650)

<b>8 Lease commitments</b>	<b>Current</b>	<b>Term</b>	<b>2013</b>	<b>2012</b>
	\$	\$	Total	Total
	\$	\$	\$	\$
Ricoh Aficio MP C4500 Digital Copier				
Expiry: 10 April 2013				
Term remaining: 1 months				
Annual rental: \$5,520	460	-	460	5,980
Premises and Car parks (2)				
Expiry date: 31 March 2018				
Term remaining: 5 years				
Annual rental: \$179,369	179,369	717,476	896,845	1,076,215

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 2013**

**9 Contingent liabilities**

A member has advised it intends asking the High Court to judicially review the Commissioner's decision to accept a complaint for consideration. The Commissioner and the member are engaged in discussions to resolve the matter, but litigation remains a possibility. The Commissioner has taken legal advice and the litigation would be strongly defended. The parties have agreed each will bear their own costs should litigation take place. At this stage, it is not possible to predict whether litigation will proceed and the costs likely to be incurred (2012: \$0).

**10 Transfer from the former Council Board**

On 1 April 2011 a revised Scheme Document came into effect. The former Commission became the sole governance body for the Scheme and was renamed the Board of the Electricity and Gas Complaints Commissioner Scheme.

The Electricity and Gas Complaints Council (comprising all members of the Scheme) and its separate Board were disestablished on 31 March 2011. The funds held by the former Board were transferred to the Scheme during the year.

	<b>2013</b>	<b>2012</b>
	\$	\$
Transfer on disestablishment of former EGC Council Board	<u>          </u>	<u>45,949</u>

**11 Change in levy system**

2011-12 was a transition year to a new levy system, and levies were on a market share only. From 1 April 2012, the levies were comprised of market share and case based levies.



