

THE  
**LAKESIDE VILLAS**

LAKE TAUPŌ, NEW ZEALAND

TIMESHARE RESORT



BODY CORPORATE S36074

*Annual Report*

2018

# INDEX

**Page**

<b>1</b>	<b>Notice of Annual General Meeting</b>
<b>2</b>	<b>Directory</b>
<b>3</b>	<b>Chairman's Report</b>
<b>5</b>	<b>Statement of Financial Performance</b>
<b>6</b>	<b>Schedule of Expenses</b>
<b>7</b>	<b>Statement of Financial Position</b>
<b>8</b>	<b>Statement of Accounting Policies</b>
<b>10</b>	<b>Notes to Financial Statements</b>
<b>14</b>	<b>Independent Auditor's Report</b>
<b>16</b>	<b>Capital Improvement Schedule</b>
<b>IBC</b>	<b>Certificate of Insurance</b>

# LAKESIDE VILLAS BODY CORPORATE NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of The Lakeside Villas Body Corporate S36074 will be held on Saturday 5th May 2018 in the Resort Library, Lakeside Villas, Taupo.

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Time: 1.30pm

A luncheon will be served at 12.30 prior to the meeting to enable owners to meet and join with the committee in discussing topics of mutual interest.

## AGENDA

1. Welcome
2. Apologies
3. Matters Arising from the Minutes of 2017 AGM
4. Adoption of the Annual Accounts  
To receive and consider the Chairman's report, financial statements and auditors report for the year ended 31 December 2017, as contained in Lakeside Villas Annual Report.
5. Election of Chairperson of the Body Corporate
6. Announcement of Body Corporate Committee Members
7. Other General Business

## Procedure Notes

1. The Resolutions in Agenda item 4 – 6 are ordinary resolutions and therefore are required to be passed by a simple majority of the votes of those Owners entitled to vote in person or by proxy.
2. The persons who are entitled to vote on the resolutions at this Annual General Meeting are those persons who will be the Owners at Lakeside Villas on Saturday 5th May 2018.
3. You can participate by casting your vote in person or by proxy at the Annual General Meeting.
4. All owners entitled to vote at the Annual General Meeting may appoint a proxy to vote on their behalf. If you wish, you may appoint as your proxy "The Chairman of the Meeting". A proxy and voting form is enclosed and, if used, must be received at the Resort office by 1pm Friday 4<sup>th</sup> May 2018.

# **LAKESIDE VILLAS TIMESHARE RESORT**

**96 Lake Terrace, Taupo 3330  
Body Corporate S36074**

## **MANAGEMENT COMMITTEE**

BW McCulloch	Wellington	Chairman
D Meredith	Waipukurau	
GJ Shearman	Auckland	
GD Tohill	Auckland	
BA Train	Wanganui	
WG Whittaker	Omokoroa	

## **SECRETARY**

**Denise P Chisholm**

## **RESORT MANAGER**

**Julie O'Connor**

## **AUDITORS**

**Dixon & Co Limited Taupo**

## **INSURANCE BROKERS**

**MATTJENSEN INSURANCE BROKERS**

## **ADDRESS**

**P O Box 1196**

**TAUPO 3351**

**Web: [www.lakesidevillas.co.nz](http://www.lakesidevillas.co.nz)**

**Phone: 07 378 6706**

**Fax: 07 377 0652**

**Email: [info@lakesidevillas.co.nz](mailto:info@lakesidevillas.co.nz)**

# Chairperson's Report

For the year ended December 31 2017

To the owners of the Lakeside Villas Resort, it is my privilege to present this report on the affairs of the Resort for the 12 months to December 2017 on behalf of your Body Corporate Committee. This is my second annual report as Chairperson of The Lakeside Villas Body Corporate.

## Our Year's Activities

### Refurbishing and financial forecast

Following the practice established two years ago, the 10-year maintenance plan has been included in this Annual Report for your information. As with any long-term planning, the timing and extent of unit refurbishments and common property upgrades inevitably will need to be reviewed as time goes on and as new issues come to light. We also need to keep in mind that property maintenance requirements can happen on a cycle longer than ten years and so are not necessarily fully reflected in this plan.

The planned maintenance for 2018 includes refurbishing a studio unit, commencing the exterior repaint of the resort, which will be done over two years, reinstatement of the third communal spa pool, installation of a DVS system in the studio/2-bedroom block to alleviate condensation issues, refurbishing the recreation centre, upgrading our communication services to fibre, and some outdoor furniture replacement and replanting.

In addition, the Management Committee has identified that some significant work will very soon be required on the villa units outside the planned maintenance cycle, including replacing the remaining wooden window joinery in the villas and replacing the spa pools in each villa unit. Given its significant nature, the Management Committee has decided to fund this through a small additional charge to villa owners outside the annual levy process.

### Other Matters

The upgrade to a fibre connection for our communications has enabled us to provide better wireless internet access, and owners now receive a free 5GB allowance when they check-in (was 100MB). Exchanges continue to receive a free 100MB voucher. Additional 5GB vouchers can be purchased for a nominal charge. Along with this change, we have discontinued complementary newspapers for owners because we now have to pay the full retail price of each paper (not just a reader subscription rate) plus a delivery charge, so all guests are now charged at cost if they would like to have a paper delivered to their unit during their stay.

The Resort is continually seeking to increase its environmental sustainability, with cardboard, glass and plastic recycling, compost bins, and environmentally-friendly cleaning and guest supplies. We are also looking at ways of reducing use of paper and plastic.

The Resort's Facebook page ([www.facebook.com/LakesideVillasResort](http://www.facebook.com/LakesideVillasResort)) has continued to be popular with frequent updates from Julie and the team. This includes posts about last-minute availability that you can either book using your entitlement, or rent for a great price. The Resort's website ([www.lakesidevillas.co.nz](http://www.lakesidevillas.co.nz)) is also maintained on an ongoing basis. It is a good source of information for potential purchasers so please refer it to your friends and colleagues who might like to become owners.

## Annual Accounts

The annual accounts for the year ended December 31 2017 are presented with this report and form part of it.

Reserves have increased over the year to \$32,595, which gets us back toward the planned reserves of \$40,000. However, we are continually being challenged by rising costs in the property sector and unexpected issues that defy budgeting. I noted last year that one of the villa apartments had had a latent plumbing issue that required modifying the ensuite bathroom and replacing some floor and ceiling linings. We have had similar issue with another villa unit in 2017.

A review of the financial statements has been completed by our auditor, Kirsten Dixon of Dixon & Co, Taupo.

I mentioned last year that the Government was reviewing the Unit Titles Act and that this might have implications for compliance costs at the Resort. Other upcoming regulatory changes might also affect the Resort, including further restrictions on foreign purchasers of residential property, and the application of the anti-money laundering legislation to conveyancing.

## General

Your Management Committee has again worked effectively throughout the year and, once again, we have been very fortunate to have a Committee enthusiastic and committed to achieving the very best results for our owners.

The Resort continues to be in the lucky position of enjoying the very competent efforts of our Body Corporate Secretary, Denise Chisholm, and Resort Manager, Julie O'Connor, along with their enthusiastic team of about 20 staff. Their endeavours have again been recognised with the Resort receiving an award for its 25-year association with the RCI timeshare exchange network.

For and on behalf of the Management Committee



Dr Brian W McCulloch, Chairperson  
Lakeside Villas Body Corporate

THE LAKESIDE VILLAS BODY CORPORATE S36074

STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31ST DECEMBER 2017

	2017	2016
	\$	\$
REVENUE		
Interest Received	8,608	9,832
Maintenance Fees Received	768,252	758,412
Maintenance Levies Week 53		14,815
Administration fee for Rental Service	9,951	18,000
Revenue generated from sale of Internet & Phone Cards	1,990	3,295
Rental Income from Staff Accommodation (Note 8)	12,782	14,087
Income Generated from Resort Activity (Note 2)	7,541	7,642
TOTAL REVENUE	<u>809,124</u>	<u>826,083</u>
OPERATING EXPENSES		
Occupancy Expenses	214,765	210,513
Ownership Expenses	367,992	388,108
General & Administration Expenses	80,441	86,595
TOTAL OPERATING EXPENSES	<u>663,198</u>	<u>685,216</u>
NET SURPLUS AFTER OPERATING EXPENSES	145,926	140,867
Taxation Expense (Note 1)	<u>2,130</u>	<u>2,473</u>
SURPLUS BEFORE RESORT IMPROVEMENTS & REFURBISHMENT	143,796	138,394
Less Cost of Resort Improvements (Note 7)	122,557	169,757
	<u>21,239</u>	<u>(31,363)</u>
NET SURPLUS TRANSFERRED TO UNIT HOLDERS FUNDS	<u>21,239</u>	<u>(31,363)</u>

STATEMENT OF MOVEMENTS IN UNIT HOLDERS FUNDS  
FOR THE YEAR ENDED 31ST DECEMBER 2017

	2017	2016
	\$	\$
Unit holders Funds at start of the Year	11,356	42,719
Less Net surplus for year	<u>21,239</u>	<u>(31,363)</u>
TOTAL UNIT HOLDERS FUNDS	32,595	11,356
UNIT HOLDER FUNDS AT THE END OF YEAR	<u>32,595</u>	<u>11,356</u>

These Financial Statements should be read in conjunction with the notes to the Financial Statements and the Audit Review.

# THE LAKESIDE VILLAS BODY CORPORATE S36074

## SCHEDULE OF EXPENSES FOR THE YEAR ENDED 31ST DECEMBER 2017

	2017	2016
	\$	\$
<u>Occupancy Expenses</u>		
Electricity	60,222	52,508
Unit Complimentaries	13,068	12,709
Laundry Supplies and Wages	17,096	20,015
Cleaning Costs	107,598	111,888
Waste Disposal	3,847	2,713
Newspapers	6,886	6,480
Hospitality	3,811	3,143
Staff Training	1,000	246
Armourguard	1,237	811
	<u>214,765</u>	<u>210,513</u>
<u>Ownership Expenses</u>		
R & M Buildings - Replacement Whiteware	8,320	5,568
R & M Buildings - Interior & Exterior Including Heatpump Replacement	48,743	53,515
Grounds and Gardens	9,710	19,791
Spa Pools and Swimming Pool	7,364	9,772
Recreation	2,178	1,536
Television	23,965	21,617
Resort Salaries	120,636	126,868
Stock Replacement	19,849	19,939
Telephone & Tolls	8,425	5,864
Rates	64,520	62,636
Insurance	15,648	19,400
Wages - General Hand	38,634	41,602
	<u>367,992</u>	<u>388,108</u>
<u>General &amp; Administration Expenses</u>		
Accident Compensation Levy	890	912
Audit Fees	5,703	9,629
Bank Charges	2,211	1,689
Non-recoverable Bad Debts	4,327	4,566
General Expenses	2,220	3,947
Secretarial Fees	26,694	25,953
AGM Expenses	6,775	5,790
Meeting Expenses	12,899	13,658
Computer Costs	5,184	5,059
Motor Vehicle Expenses	2,816	1,958
Postage, Printing & Stationery	9,702	8,775
Subscriptions (EMA)	550	550
Office Expenses	470	4,109
	<u>80,441</u>	<u>86,595</u>
<u>Refurbishing and Upgrading Expenses</u>		
Common Property & Resort Improvements	83,184	55,686
Refurbishing Units	39,373	114,071
	<u>122,557</u>	<u>169,757</u>

These Financial Statements should be read in conjunction with the notes to the financial statements and the Audit Review



THE LAKESIDE VILLAS BODY CORPORATE S36074

STATEMENT OF FINANCIAL POSITION  
AS AT 31ST DECEMBER 2017

	2017	2016
	\$	\$
<u>UNIT HOLDERS' FUNDS</u>		
Accumulated Unit holders' Funds	32,595	11,356
<b>TOTAL UNIT HOLDERS' FUNDS</b>	<u><u>32,595</u></u>	<u><u>11,356</u></u>
Represented by:		
<b>CURRENT ASSETS</b>		
Cash at Bank	85,618	148,678
Short Term Investments (Note 4)	470,398	402,378
Accrued Interest	307	297
Prepayments	23,281	
Stock on Hand	7,394	9,175
Sundry Debtors		1,000
Tax Refund Due (Note 1)		1,154
<b>TOTAL CURRENT ASSETS</b>	<u><u>586,998</u></u>	<u><u>562,682</u></u>
<b>TOTAL ASSETS</b>	<u><u>586,998</u></u>	<u><u>562,682</u></u>
<b>LESS CURRENT LIABILITIES</b>		
Accounts Payable	14,845	14,699
GST Payable	51,070	57,100
Withholding Tax Payable	404	
Employee Entitlements	3,627	3,627
Accrued Expenses	4,500	6,728
Maintenance Fees Received in Advance 2018	478,213	467,433
<b>TOTAL CURRENT LIABILITIES</b>	<u><u>552,659</u></u>	<u><u>549,587</u></u>
<b>NON-CURRENT LIABILITIES</b>		
Maintenance Fees Received in Advance	1,744	1,739
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u><u>1,744</u></u>	<u><u>1,739</u></u>
<b>TOTAL LIABILITIES</b>	<u><u>554,403</u></u>	<u><u>551,326</u></u>
<b>NET ASSETS</b>	<u><u>32,595</u></u>	<u><u>11,356</u></u>

  
\_\_\_\_\_  
CHAIRPERSON

  
\_\_\_\_\_  
SECRETARY

17-2-18  
\_\_\_\_\_  
DATE

These financial statements should be read in conjunction with the notes to the financial statements and the Audit Review

# THE LAKESIDE VILLAS BODY CORPORATE S36074

## STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

### REPORTING ENTITY

The Lakeside Villas Body Corporate DPS S36074 is a body corporate registered under the Unit Titles Act (2010). Lakeside Villas is a Timeshare Resort with 28 apartments representing 1428 unit/weeks.

### STATEMENT OF COMPLIANCE

These financial statements are special purpose and have been prepared for taxation purposes and for internal management purposes. The financial statements are presented in accordance with the Unit Titles Act 2010, the Unit Titles Regulations 2011, the Tax Administration (Financial Statements) Order 2014 and principals contained in the Income Tax Act 2007. The accounting policies adopted are not in conformity with generally accepted accounting practice. Accordingly, these financial statements should only be relied on for the expressly stated purpose.

### MEASUREMENT BASE

The measurement base adopted is that of historical cost. Reliance is placed on the fact that the Body Corporate is a going concern. The special purpose financial statements have been prepared on an accrual basis.

### SPECIFIC ACCOUNTING POLICIES

The following specific accounting policies which materially affect the measurement of financial performance and financial position have been applied.

#### Revenue policies

Maintenance levies are recognised on an accruals basis. Levies received from members prior to the reporting date are recorded as Maintenance Fee Received in advance and are classified as a current or non-current liability according to the period that the levy relates to.

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

Rental income is recognised on an accruals basis.

Net proceeds from resales are recognised as received.

#### Goods and Services Tax

All amounts are shown exclusive of Goods and Services Taxes (GST), except for receivables and payables which are shown inclusive of GST.

#### Fixed Assets

Assets purchased are not capitalised but are expensed in the year of purchase.

**Debtors**

Debtors are stated at estimated realisable value after providing against debts where collection is doubtful. Bad debts are written off during the period in which they are identified.

**Taxation**

Income Tax is accounted for using the taxes payable method.

**Short-term Investments**

Investments (Term Deposits) are shown at initial investment value.

**Stock on hand**

Stock on hand is recognised at the lower of cost or net realisable value.

**Changes in Accounting Policies**

The Body Corporate transitioned on 1 January 2014 from preparation of general purpose financial information in accordance with generally accepted accounting practice in New Zealand ("NZGAAP") to special purpose financial reporting. The transition had minimal impact on the accounting policies of the Body Corporate.

**THE LAKESIDE VILLAS BODY CORPORATE S36074**

**Notes to the Financial Statements  
for the year ended 31 December 2017**

**1. Taxation**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Investment Income Received	8,607	9,832
Adjustment for permanent differences	( 1,000)	( 1,000)
	<u>7,607</u>	<u>8,832</u>
Taxation @ 28%	<u>2,130</u>	<u>2,473</u>
Taxation Expense	2,130	2,473
Resident Withholding Tax Paid	<u>1,726</u>	<u>3,627</u>
Withholding Tax Payable	<u>( 404)</u>	<u>1,154</u>

**2. Income Generated from Resort Activity Generated**

	<b>2017</b>	<b>2016</b>
		<b>\$</b>
Commission Received	1,551	1,167
Net Proceeds from Resales	21,784	
Less Land Information NZ Fees	7,883	
Less Administration Fees	<u>10,700</u>	5,538
Sundry Income	1,228	105
Previous Year Maintenance Levies	518	832
Surplus Bonus Weeks	<u>1,043</u>	
Total of Income Generated	<u>7,541</u>	<u>7,642</u>

**3. Bad Debts**

Bad debts to the value of \$4,327 incurred in the 2017 year have been written off (2016: \$4,566)

**THE LAKESIDE VILLAS BODY CORPORATE S36074**

**Notes to the Financial Statements  
for the year ended 31 December 2017**

**4. Short Term Investments**

			<b>2017</b>	<b>2016</b>
			<b>\$</b>	<b>\$</b>
	Rate	Maturity	Amount	Amount
ANZ Bank Serious Saver			161,269	
ANZ Direct On Line			52	
ANZ Bank	3.1	11.04.18	50,000	
ANZ Bank	3.35	11.06.18	50,000	
RaboBank Savings			130	
ASB Savings Plus			4,084	
ASB Bank	3.35	15.06.18	104,863	
ASB Bank	3.35	27.06.18	<u>100,000</u>	
			470,398	
ANZ Bank	3.6	27.06.17		100,000
RaboDirect	3.5	14.06.17		100,000
RaboDirect	3.5	23.06.17		100,000
ASB Bank	3.2	15.06.17		<u>102,378</u>
				402,378

**5. Lakeside Villas Rating Valuation**

The 2017/18 rates have been set in accordance with the Local Government (Rating) Act 2002 and Taupo Districts Councils rating policy as set out in the Long term Plan.

Taupo District Council rates each unit according to individual valuation.

The current valuation was issued as a result of General Revaluation.

Valuation Number 7311 1300 A - 073110300AB

	\$
Land Value	3,707,000
Improvement Value	<u>4,707,000</u>
Capital Value	8,414,000

This Rating Valuation is dated as at the 1st July 2017.

**THE LAKESIDE VILLAS BODY CORPORATE S36074**

**Notes to the Financial Statements  
for the year ended 31 December 2017**

**6. Related Party Transactions**

**2017 Schedule of Ownership at Lakeside Villas by  
Current Committee Members:**

Committee Member	Unit	Week
-----		
BW McCulloch	14	16
	21	18
D Meredith	4	1
	1	2
	7	49
	6	20
GJ Shearman	6	17
GD Tohill	8	32
	15	24
BA Train	9	11
WG Whittaker	25	1
	25	2
	25	52
	28	3

**7. Refurbishment & Common Property Expenses**

	<b>2017</b>
	<b>\$</b>
Refurbishing 1 Villa Apartment	39,373
Expenses Aluminium Joinery 3 Villa apartments	62,882
Upgrading TV Satelites etc	4,302
Refurbishing Villa 8 Upstairs Bathrooms	16,000
	<u>122,557</u>

	<b>2016</b>
	<b>\$</b>
	78,071
Refurbishing 4 x 1 Bedroom Units	36,000
Refurbishing 1 Villa Apartment	40,550
Aluminium Joinery 3 Villa apartments	8,665
Paint repairs/Curtains etc for above windows	4,840
Spray treatment for all Resort Roofs	1,632
Misc	<u>169,758</u>

## THE LAKESIDE VILLAS BODY CORPORATE S36074

### Notes to the Financial Statements for the year ended 31 December 2017

#### 8. Rental Income from Staff Accommodation

	2017	2016
	\$	\$
Rental income	12,782	14,087

On-site accommodation is provided for the Resort Managers. The value of rent is accounted for in their remuneration and taxed in accordance with IRD requirements.

#### 9. Long Term Plan

Under sections 116 and 117 of the Unit Titles Act 2010 the Body Corporate is required to establish and maintain a long-term maintenance plan and a separate fund to service this plan.

The Lakeside Villas Body Corporate maintains a Long Term Plan to 2024 includes a schedule and funding plan for the required maintenance.

#### 10. Capital Commitments and Contingent Liabilities

As at the reporting date the Body Corporate does not have any capital commitments or Contingent Liabilities (2016 None).

#### 11. Subsequent Events

The Body Corporate does not have any subsequent events that require disclosure (2016: Nil)

**INDEPENDENT ASSURANCE PRACTITIONER'S REPORT  
To the Unit Holders of The Lakeside Villas Body Corporate**

We have reviewed the accompanying special purpose financial statements of The Lakeside Villas Body Corporate, which comprise the statement of financial position as at 31 December 2017, and the statement of financial performance and statement of movements in unitholders' funds for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management Committee's responsibility for the financial statements**

The Management Committee is responsible for the preparation and fair presentation of these special purpose financial statements in accordance with the Statement of Accounting Policies as presented on pages 8 and 9 of the financial statements, and for such internal control as the Management Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Assurance practitioner's responsibility**

Our responsibility is to express a conclusion on the accompanying special purpose financial statements. We conducted our review in accordance with International Standard on Review Engagements (New Zealand) (ISRE (NZ)) 2400, *Review of Historical Financial Statements Performed by an Assurance Practitioner who is not the Auditor of the Entity*. ISRE (NZ) 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE (NZ) 2400 is a limited assurance engagement. The assurance practitioner performs procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly, we do not express an audit opinion on these financial statements.

Other than in our capacity as assurance practitioner we have no relationship with, or interests in, The Lakeside Villas Body Corporate.

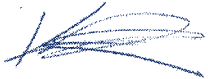
**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that these special purpose financial statements do not present fairly, in all material respects, the financial position of The Lakeside Villas Body Corporate as at 31 December 2017, and its financial performance for the year then ended, in accordance with the Statement of Accounting Policies.



**Emphasis of matter – basis of accounting and restriction on distribution of use**

We draw attention to the statement of accounting policies, which describes the basis of accounting. The financial statements are prepared to assist the Body Corporate in fulfilling its financial reporting responsibilities in accordance with the Unit Titles Act 2010, Unit Titles Regulations 2011, Taxation Administration (Financial Statements Order) 2014, the principals contained in the Income Tax Act 2007 and the Body Corporate's Operational Rules. The financial statements have been prepared for the Management Committee, Unit Holders and Inland Revenue. As a result, the financial statements may not be suitable for another purpose and our report should not be distributed to any other parties.



Kirsten Dixon  
DIXON&CO Limited  
Taupo

17<sup>th</sup> February 2018

**THE LAKESIDE VILLAS REVISED REFURB CAPITAL IMPROVEMENTS SCHEDULE FROM 2016 - 2028**  
The long-term maintenance plan must cover a period of at least 10 years from the date of the last review of the plan  
Version 1

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Current Refurbishing schedule commenced April 2010												
Villas	13											
1 Bed	4		2		4	3		2	2		2	
2 Bed	3		3							4		
Studio	8	1					7				1	
<b>TOTAL UNITS</b>	<b>28</b>	<b>4</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>7</b>	<b>2</b>	<b>2</b>	<b>5</b>	<b>2</b>	<b>Ext Paint</b>

**New Refurbishing Schedule commencing 2018**

Current Villa Costs	40,000											
Refurb costs 2019		40,000										
Refurb costs 2021			80,000									
1 Bed (4)										140,000		
Full refurb												20,000
Current Refurb Costs	30,000											
2 Bed (3)												
Full refurb 2019			105,000									
Refurb incl replacing kitchen benches												
Studio (8)												
Full refurb							180,000					
<b>TOTAL REFURB</b>	<b>40,000</b>	<b>20,000</b>	<b>185,000 Nil</b>	<b>180,000</b>	<b>160,000</b>	<b>135,000</b>	<b>180,000</b>	<b>90,000</b>	<b>90,000</b>	<b>140,000</b>	<b>110,000</b>	<b>Ext Paint</b>
Annual surplus	150,000	163,500	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000
Opening reserves	-28,644	-7,405	155,095	18,095	53,095	13,095	18,095	-21,905	28,095	78,095	78,095	108,095
Net Levy from Villa Owners												
Week 53		189,000										
Additional Income Generated	2,200											
Funds available	123,556	345,095	315,095	178,095	213,095	173,095	178,095	138,095	188,095	238,095	238,095	268,095
Overruns Operating expenses	14,961											
Proposed Refurb expend	35,000											
Villa Courtyard Gates		20,000	160,000	NIL	180,000	135,000	180,000	90,000	90,000	140,000	110,000	Ext Painting
Villa Spa Pool Replacement		13,000										
Villa Aluminium Joinery		15,000	25,000	25,000								155,000
Start Exterior Painting of Resort		32,000	40,000	40,000								
Aluminium Joinery (Written Quote)		50,000	60,000									
Communal Spa Pools (30+ years old)				40,000								
Capital & Common Property expenses Incl DVS		21,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Closing available reserves		-7,405	18,095	53,095	13,095	18,095	-21,905	28,095	78,095	78,095	108,095	98,095
Add back minimum reserve		40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Closing total reserves		32,595	195,095	58,095	53,095	58,095	18,095	68,095	118,095	118,095	148,095	138,095

**Points to Note:**

- 2010 Commencement of current Refurbishing Round. This round will be completed in 2019 (10 years since commencement)
- 2019 Commencement of the next Refurbishing Round (3.2x Bedroom units)
- The Villa Aluminium Joinery to be completed over 3 years in blocks Average cost per unit is \$8,500
- Common Property Schedule is shown as an ongoing expense on the schedule. This varies greatly from year to year but we allow \$20,000 pa as an average
- The Exterior Painting to be completed in 2 years
- There is no allowance in the budget for re-roofing or spouting. Historically all spouting maintenance or replacement has been expensed against R & M.
- Replacement of Villa Spa Pools to commence 2018 - two spa are leaking badly and many of the lids need replacing.
- To replace a lid is \$800.00
- The Villa Courtyard gates replaced 2018
- No refurbishing planned for 2020 and 2028



## Certificate of Insurance

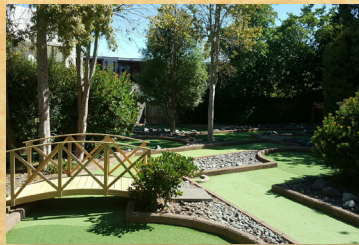
The following insurance policies have been arranged on behalf of the mentioned Insured and are subject to the Policy wordings and endorsements issued on the Insured's behalf.

Date:	16 <sup>th</sup> January 2018
Insured:	<b>The Lakeside Villas Timeshare Resort Body Corporate S36074</b>
Period of Insurance:	4pm on 31st December 2017 to 4pm on 31st December 2018
Policy Number:	BG02212
Situation of Risk:	96 Lake Terrace, Taupo
Occupation:	Time Share
Insurance Policies and Sum insured:	<p>→Material Damage Insurance Policy:</p> <ul style="list-style-type: none"><li>• Buildings \$8,928,000 Replacement Value, and</li><li>• Contents &amp; Plant \$950,000 Replacement Value.</li></ul> <p>→Business Interruption Insurance Policy:</p> <ul style="list-style-type: none"><li>• Maintenance Levy Reimbursement \$785,000</li><li>• Additional Costs of Working \$100,000</li><li>• Claim Preparation Costs \$50,000</li><li>• Indemnity Period 12 months.</li></ul> <p>→Liabilities:</p> <ul style="list-style-type: none"><li>• Public Liability \$2 million,</li><li>• Statutory Liability \$1 million, and</li><li>• Employers Liability \$500,000.</li></ul> <p>→(Also with:</p> <ul style="list-style-type: none"><li>• Zurich Auto Insurance is Commercial Motor Vehicle Insurance on your 1994 Toyota Ute EYZ886 with Sum Insured being the current market value up to \$7,000+GST <u>and</u> your 1983 Trailer Rego 7239F with Sum Insured being the current market value up to \$2,000+GST, and</li><li>• Rosser Underwriting through AIG Insurance is Advanced Association Liability Insurance \$500,000).</li></ul>
Insurer:	AIG Insurance New Zealand Limited unless stated differently.
Deductible/Excess:	Agreed as per the policy Schedules.
Interested Parties:	None.
Coverage:	All other terms & conditions as per the agreed Policy Wordings.

**Signed on behalf of the Insurer**

**AIG Insurance New Zealand Limited**

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