UPL DEVELOPMENTS LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

Parkview – Avalon Park Development (Location: Avalon Park Drive & Jessie Donald Way)

CHAIRMAN'S REPORT

I am pleased to report on the performance of UPL Developments Limited (UPLDL) for the 2019/2020 year.

UPLDL continued to act as the General Partner providing property development management services for UPL Limited Partnership (UPLLP).

During 2019/2020, UPLDL as General Partner, supported the Limited Partnership in the completion of the significant residential development at "Parkview "in Avalon with the settlement of the remaining 18 houses.

The third and fourth large scale development projects for "Central Park on Copeland" and "The Lane "saw completion of the civils, roading, and infrastructure components during the year. Construction of the dwellings was progressed during the year, but completion was delayed due to timing and the impact of the COVID-19 shutdown. As a result, the financial settlements upon completion and title will fall into the 2020/2021 income year.

Sales of both projects were extremely positive with 100% unconditionally sold prior to construction commencing (34 townhouses at Central Park and 27 townhouses at The Lane).

The Board and Management of UPLDL successfully fulfilled their General Partner obligations during the year providing the following management services:

1.1 Keeping proper books of account and records for UPLDL and UPLLP in accordance with Accounting Standards.
1.2 Tendering, negotiating and executing on behalf of the Partnership, contracts for the Central Park and The Lane developments, along with employing subcontractors to assist with construction.
1.3 Implementation of all systems and processes relating to COVID-19 for on-site management to ensure safety and wellbeing of all ,along with adherence in respect to all matters pertaining to Health and Safety Regulations.
1.4 Facilitating the payment of contract progress claims, and payments to other suppliers engaged to provide services or goods to Central Park and The Lane developments.
1.5 Organising UPLDL and UPLLP monthly board meetings, including preparation of agendas and management reports, and recording of meeting minutes.

Financial Performance

In accordance with budget UPLDL reflected a nil result for the 2019/2020 financial year on revenues of $180,766 and expenses of $180,766.

Brian Walshe
Chairman

INTEREST REGISTER

UPL Developments Limited	Interests
Directors	
Brian Joseph Walshe (Chair)	Azure Developments Limited (Trustee in sons Trust) Chan Fung Buildings Limited City Stay Apartments, Advisory Board Domet Investments Limited Gary Baker Trustees Limited, Director Kensway Property Consultants, Advisory Board Laura Fergusson New Zealand Limited Laura Fergusson Trust Pointhree Limited Scratch Design (NZ) Limited Seaview Marina Limited Te Omanga Hospice Trust The Integral Group Limited, Advisory Board The Settlement Limited (Trustee in sons Trust) UPL Developments Limited, Director UPL Limited Partnership, Director Urban Plus Limited, Director
Hugh Nicholas Mackenzie	Dunedin Hospital for the Ministry of Health, Disputes Advisory Board Member HMAC Consulting Limited, Director Kensway Property Group, Advisory Board Medallion Trading Limited St Pauls Apartments Body Corporate, Advisory Board UPL Developments Limited, Director UPL Limited Partnership, Director Urban Plus Limited, Director Christchurch Justice & Emergency Services Precinct's Disputes, Advisory Board (ceased 28 February 2020)
Cr Keri-anne Pania Brown	Hutt Valley DHB Board Arakura School Board Wainuiomata Community Board Logistics Manager, Fulton Hogan / John Holland (Partner) Urban Plus (Mother is a tenant in Bell Road) Shea Pita Associates Limited, Associate Hutt City Councillor – Wainuiomata Ward UPL Developments Limited, Director UPL Limited Partnership, Director Urban Plus Limited, Director
Cr David Bassett (Directorship ceased January 2020)	BJB Forestry Partnership Guildford Pastoral Limited, Director H_20 New Zealand Limited, Director Hutt City Auto Services Limited Hutt City Council, Councillor The Terrace - Martinborough Limited, Director UPL Developments Limited, Director UPL Limited Partnership, Director Urban Plus Limited, Director Wellington Water Governance Committee, Chair
Peter Edwin Glensor (from October 2020)	Common Life Limited, Director & Shareholder Hutt City District Licencing Committee, Member Lifewise Trust Board, Trustee Palmerston North Methodist Social Services, Board Member Problem Gambling Foundation, Board Member Shetland Society of Wellington, President Te Reo o Nga Tangata/The People Speak, Member UPL Developments Limited, Director UPL Limited Partnership, Director Urban Plus Limited, Director

	Wesley Community Action, Chairman
Pamela June Bell (from October 2020)	Brosnan Group*, Director *Brosnan Group is made up of the below commercial construction companies: -Brosnan Limited -Brosnan Construction Limited -Brosnan Construction Canterbury -Brosnan Holdings Limited -Bettabuilt NI Limited ConCOVE, Board Member Kainga Ora Home and Communities' Construction and Innovation Group – Construction Plan Strategy Opoly.app – Governance Advisor Pamela Bell Innovation Consultant – Sole-trader Project Bellbird Limited, Director & Shareholder UPL Developments Limited, Director UPL Limited Partnership, Director Urban Plus Limited, Director Victoria University of Wellington – Professor at School of Architecture

STATEMENT OF SERVICE PERFORMANCE

Target 2020		Achievement 2020	Achievement 2019
Act as General Partner to UPLLP and provide management services.	Undertake, negotiate and execute tender processes for and on behalf of the Partnership and 'parent' company as required.	**Achieved** Central Park & The Lane: Contracts negotiated and executed in 2018/19, continued to be managed during 2019/20. 132A Molesworth St & 17 Britannia St: Contracts for civil engineering and surveying were negotiated in 2019/20. Contracts for other suppliers are being negotiated and executed as and when required.	**Achieved** Parkview: Contracts negotiated and executed in 2017/18, continued to be managed during 2018/19. Contracts for other suppliers are being negotiated and executed as and when required.
	Facilitate civil and construction contracts for and on behalf of the Partnership and 'parent' company as required.	**Achieved** Central Park & The Lane: The contracts for civil works negotiated in 2018/19 were completed in 2019/20.	**Achieved** Central Park & The Lane: The contracts for civil works were tendered and negotiated in 2018/19.
	Facilitate the payment of contract progress claims for Board approved contracts and payments to other suppliers engaged to provide services or goods to defined development projects.	**Achieved** Facilitated the payment of contract progress claims for Parkview, Central Park and The Lane developments, as well as payments to other suppliers engaged to provide services or goods on these property development projects.	**Achieved** Facilitated the payment of contract progress claims for Parkview, Central Park and The Lane developments, as well as payments to other suppliers engaged to provide services or goods on these property development projects.
	Should UPL DL be used for future developments, the same performance measures apply as for Property Development.	**N/A** UPL DL was not used for development projects in 2019/20	**N/A** UPL DL was not used for development projects in 2018/19
	Act as general partner when a Limited Partnership structure is utilised for development projects.	**Achieved**	**Achieved**

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Independent Auditor's Report

To the readers of UPL Developments Limited's financial statements and performance information for the year ended 30 June 2020

The Auditor-General is the auditor of UPL Developments Limited (the company). The Auditor-General has appointed me, Stephen Usher, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the company on his behalf.

Opinion

We have audited:

- the financial statements of the company on pages 11 to 19, that comprise the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the company on page 5.

In our opinion:

- the financial statements of the company on pages 11 to 19:
    - present fairly, in all material respects:
        - its financial position as at 30 June 2020; and
        - its financial performance and cash flows for the year then ended; and
    - comply with generally accepted accounting practice in New Zealand in accordance with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime; and
- the performance information of the company on page 5 presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2020.

Our audit was completed on 01 December 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw attention to the impact of Covid-19 on the company. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Emphasis of matter – Impact of Covid-19

Without further modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the company as set out in Note 10 on page 19 financial statements.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the financial statements and the performance information

The Board of Directors is responsible on behalf of the company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the performance information for the company.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the company for assessing the company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the company's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- We evaluate the appropriateness of the reported performance information within the company's framework for reporting its performance.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are

inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 2 to 4, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the company.

S. Usher

Stephen Usher
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

FINANCIAL STATEMENTS

Statement of Compliance and Responsibility

The Board and management of UPL Developments Limited (the Company) confirm that all statutory requirements in relation to the annual report, as outlined in the Local Government Act 2002, have been complied with.

Responsibility

The Directors and management of the Company accept responsibility for the preparation of the annual Financial Statements and the Statement of Service Performance and the judgements used in them.

The Directors have authority to sign these financial statements.

The Directors and management of the Company accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Directors and management of the Company, the annual Financial Statements and the Statement of Service Performance for the year ended 30 June 2020 fairly reflect the financial position and operations of the Company.

Brian Walshe
Chairman

30 November 2020

Hugh Mackenzie
Director

30 November 2020

Statement of Comprehensive Income for the Year Ended 30 June 2020

	Notes	Actual 2020	Budget 2020	Actual 2019
Revenue				
Interest revenue		1	-	3
Other revenue		-	-	-
Recovery of management fees	4	180,765	249,060	200,172
Total revenue		**180,766**	**249,060**	**200,175**
Expenses				
Fees for the audit of the financial statements		4,608	9,000	4,544
Other specialist services		3,250	-	2,917
Payment of management fees	4	172,862	240,000	192,680
Finance expenses	4	46	60	34
Total expenses		**180,766**	**249,060**	**200,175**
Profit / (Loss) before tax		**-**	**-**	**-**
Income tax expense / (benefit)	2	-	-	-
Profit / (Loss) after tax		**-**	**-**	**-**
Total comprehensive income		**-**	**-**	**-**

Explanations of the major variances against budget are provided in note 8. The accompanying notes form part of these statements.

Statement of Changes in Equity for the Year Ended 30 June 2020

	Actual 2020	Budget 2020	Actual 2019
Balance at 1 July	**-**	**-**	**-**
Total comprehensive income for the year	-	-	-
Balance at 30 June	**-**	**-**	**-**

Explanations of the major variances against budget are provided in note 8. The accompanying notes form part of these statements.

Statement of Financial Position as at 30 June 2020

	Notes	Actual 2020	Budget 2020	Actual 2019
Current assets				
Cash & cash equivalents	5	470	-	2,015
Debtors and other receivables	5	4,138	29,000	27,537
Total current assets		**4,608**	**29,000**	**29,552**
Total Assets		**4,608**	**29,000**	**29,552**
Current liabilities				
Trade & other payables	5	4,608	29,000	4,544
Other liabilities	5	-	-	25,008
Total current liabilities		**4,608**	**29,000**	**29,552**
Total liabilities		**4,608**	**29,000**	**29,552**
Net assets		**-**	**-**	**-**
Equity				
Accumulated funds		-	-	-
Total equity		**-**	**-**	**-**

Explanations of the major variances against budget are provided in note 8. The accompanying notes form part of these statements.

Statement of Cash Flows for the Year Ended 30 June 2020

	Actual 2020	Budget 2020	Actual 2019
Cash flows from operating activities			
Cash was provided from:			
Management fees	201,112	245,227	190,506
	201,112	**245,227**	**190,506**
Cash was applied to:			
Management fees	(194,818)	(236,667)	(192,680)
Payments to suppliers	(7,794)	(8,500)	(11,151)
Interest paid	(45)	(60)	(31)
	(202,657)	**(245,227)**	**(203,862)**
Net cash flows from operating activities	**(1,545)**	**-**	**(13,356)**
Cash flows from financing activities			
Cash was provided from:			
Advance from Urban Plus Limited	-	-	11,508
	-	**-**	**11,508**
Cash was applied to:			
Advance to Urban Plus Limited Partnership	-	-	-
	-	-	-
Net cash flows from financing activities	**-**	**-**	**11,508**
Net increase / (decrease) in cash & cash equivalents	**(1,545)**	**-**	**(1,848)**
Cash & cash equivalents at the beginning of the year	2,015	-	3,863
Cash & cash equivalents at the end of the year	**470**	**-**	**2,015**
Cash balance at end of the year comprises:			
Cash & on call deposits	470	-	2,015
Cash & cash equivalents at the end of the year	**470**	**-**	**2,015**

Explanations of the major variances against budget are provided in note 8. The accompanying notes form part of these statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of Accounting Policies

REPORTING ENTITY

UPL Developments Limited (the "Company") is a 100 percent owned council controlled organisation of Urban Plus Limited (UPL). The Company was incorporated on 19 December 2016 as Fairfield Waters Limited and changed its name to UPL Developments Limited on 20 April 2018.

The primary objective of the Company is to act as General Partner for UPL Limited Partnership (formally Fairfield Limited Partnership) through managing the day to day business activities of UPL Limited Partnership.

The Company has designated itself a for profit entity for financial reporting purposes.

The financial statements of the Company are for the year ended 30 June 2020. The financial statements were authorised for issue by the Board of Directors on 30 November 2020.

BASIS OF PREPARATION

Statement of compliance

The financial statements have been prepared on a going concern basis.

The accounting policies have been applied consistently throughout the period.

These financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). They comply with NZ International Financial Reporting Standards Reduced Disclosure Regime, as appropriate for a profit oriented entity. The Company is not considered large for the purposes of determining the appropriate reporting tier and has opted to report as a Tier 2 entity applying NZIFRS with Reduced Disclosure Requirements.

Measurement base

The financial statements have been prepared on a historical cost basis.

The financial statements are presented in New Zealand dollars. The functional currency is New Zealand dollars. The Company has not entered into any foreign currency transactions.

NEW ACCOUNTING STANDARDS

NZ IFRS 16

UPL Developments Limited has adopted new NZ IFRS 16 Leases accounting standard during the period, which has no material impact on the accounting or disclosures of the Company.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Debtors and other receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Revenue

Revenue is measured at the fair value of consideration received.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Interest income is recognised using the effective interest method.

Goods and services tax
All items in the financial statements are stated exclusive of GST, except for receivables and payables. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

Commitments and contingencies are disclosed exclusive of GST.

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

Budget figures
The budget figures are those approved by the Board at the beginning of the year. The budget figures have been prepared in accordance with Tier 2 standards, using accounting policies that are consistent with those adopted by the Board for the preparation of the financial statements.

Critical accounting estimates and assumptions
In preparing these financial statements, the Company has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the reporting period in which the revision is made and in any future periods that will be affected by those provisions. There have been no critical judgements made.

2. Taxation

Accounting policy
Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, and any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised. Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the profit or loss for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive income or directly in equity.

	2020	2019
Net surplus / (deficit) before tax	-	-
Tax at 28%	-	-
Tax expense	-	-
Current tax	-	-
Deferred tax	-	-

Deferred tax asset (liability)

	Property, plant & equipment	Employee entitlements	Other provision	Tax losses	Total
Balance at 30 June 2018	-	-	-	-	-
Charged to surplus / (deficit)	-	-	-	-	-
Charged to other comprehensive income	-	-	-	-	-
Balance at 30 June 2019	-	-	-	-	-
Charged to surplus / (deficit)	-	-	-	-	-
Charged to other comprehensive income	-	-	-	-	-
Balance at 30 June 2020	-	-	-	-	-

3. Remuneration

Key management personnel consist of the Board members. Board members receive no remuneration.

Due to the difficulty in determining the full-time equivalent for Board members, the full-time equivalent figure is taken as the number of Board members.

Board Members	2020	2019
B Walshe, Chair	1.00	1.00
D Bassett	-	1.00
H Mackenzie	1.00	1.00
K Brown	1.00	-
	3.00	**3.00**

4. Related Party Disclosures

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

	2020	2019
Sales and purchases of goods and services		
Recovery of management fee from the Limited Partnership	180,765	200,172
Payment of management fee to parent	172,862	192,680
Payment of interest to parent	46	34

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	2020	2019
Current payables (purchase of goods and services)		
Hutt City Council	-	25,008
Current receivables		
UPL Limited Partnership	4,138	27,537

5. Categories of financial instruments

Accounting Policy
UPL Developments Limited is party to financial instrument arrangements as part of its normal operations. Revenue and expenses in relation to all financial instruments are recognised in the Statement of Comprehensive Income.

All financial instruments are recognised in the Statement of Financial Position on the basis of UPL's accounting policies. All financial instruments disclosed on the Statement of Financial Position are recorded at amortised cost.

	2020	2019
Financial assets		
Financial assets at amortised cost		
Cash & cash equivalents	470	2,015
Debtors and other receivables	4,138	27,537
Total financial assets	**4,608**	**29,552**
Financial liabilities		
Financial liabilities at amortised cost		
Other liabilities	-	25,008
Trade and other payables	4,608	4,544
Total financial liabilities	**4,608**	**29,552**

6. Capital commitments

CAPITAL COMMITMENTS
The Company had no capital commitments as at 30 June 2020 (2019: nil).

7. Contingent liabilities and assets

CONTINGENT ASSETS
As at 30 June 2020 the Company had no contingent assets (2019: nil).

CONTINGENT LIABILITIES
As at 30 June 2020 the Company had no contingent liabilities (2019: nil).

8. Explanation of major variances against budget

Revenue of $180,766 comprised the recovery of management fees from the Limited Partnership. Expenses of $180,766 relate to the payment of management fees to UPL (parent) and professional fees for audit services and tax support. Both were below budget by $68,294 due to the costs requiring recovery from the Limited Partnership being less than anticipated.

The cash balance at year end is sufficient given the nature of the entity, which is to manage the day to day activities of UPL and the Limited Partnership.

9. Events after balance date

There have been no significant events since balance date.

10. Impact of COVID-19

The COVID-19 emergency and subsequent lockdown had no impact on the operations of UPL DL. UPL DL operations are minimal and predominantly involve other members of the UPL Group so are considered to be unaffected.