

New Zealand Mountain Safety Council

Financial Report

For the Year Ended
30 June 2009

Deloitte

NEW ZEALAND MOUNTAIN SAFETY COUNCIL

Financial Report

For the Year Ended 30 June 2009

CONTENTS

	Page
Title Page	1
Contents	2
Statement of Financial Performance	3
Statement of Movements in Equity	4
Statement of Financial Position	5
Notes to the Financial Statements	6
Audit Report	9

NEW ZEALAND MOUNTAIN SAFETY COUNCIL

Statement of Financial Performance For the Year ended 30 June 2009

	Note	2009	2008
		\$	\$
Income			
Publication Sales Profit	73,598		79,172
Lotteries Grant	1,057,305		1,872,771
NZ Police	263,000		187,400
Other Trusts	5,827		14,500
Whitireia Contract	190,846		158,794
Grants Carried Forward (Recognised)	79,308		26,169
Bequests	-		640
Interest	48,297		71,029
Net Branch Income	28,102		50,311
Other Income and Adjustments	73,830		3,718
Total Income		1,820,113	2,464,504
Less Expenses			
Head Office	574,004		644,606
Council & Executive	25,043		21,677
Regional Networks	323,340		348,887
Other Organisations	2,227		25,544
IT Servicing	111,038		52,718
Publicity	53,287		72,400
Research	81,653		34,016
Operations General	29,601		66,471
Bush	7,814		98,658
Alpine	34,760		59,076
Abseiling	1,428		26,313
Outdoor First Aid	74,391		94,592
Risk Management	34,990		38,961
Outdoor Leader	67,517		99,945
Qualif	41,290		56,358
Hunts	60,595		8,409
Firearms	155,940		205,169
Avalanche	175,573		211,795
Total Expenses	8	1,854,491	2,165,595
Operating (Loss)/Profit		(34,378)	298,909
Other Expenses			
Stock and Work In Progress Write-down		65,236	-
Operating Leases		3,776	-
Depreciation		74,975	49,770
Depreciation - Loss on Sale		2,622	47,330
Depreciation Recovered		(3,663)	-
Total Other Expenses		142,946	97,100
Net (Loss)/Profit For The Year		(177,324)	201,809

The Statement of Accounting Policies and the accompanying notes form part of the Financial Statements.

NEW ZEALAND MOUNTAIN SAFETY COUNCIL

Statement of Movements in Equity For the Year ended 30 June 2009

	<i>2009</i> \$	<i>2008</i> \$
Opening Equity	1,213,856	1,012,047
Net (Loss)/Profit for the Year	<u>(177,324)</u>	<u>201,809</u>
Total Recognised Revenues & Expenses	<u>(177,324)</u>	<u>201,809</u>
Equity at End of the Year	<u><u>1,036,532</u></u>	<u><u>1,213,856</u></u>

The Statement of Accounting Policies and the accompanying notes form part of the Financial Statements.

NEW ZEALAND MOUNTAIN SAFETY COUNCIL

Statement of Financial Position As at 30 June 2009

	Note	2009 \$	2008 \$
Equity			
Retained Earnings	3	<u>1,036,532</u>	<u>1,213,856</u>
Total Equity		<u><u>1,036,532</u></u>	<u><u>1,213,856</u></u>
Represented by;			
Current Assets			
National Bank - Current Account		49,574	(13,789)
National Bank - Online Account		20,280	293,581
National Bank - Branch Accounts		220,930	191,854
Term Deposits - National Bank		600,000	600,000
Petty Cash		200	200
GST Refund Due		14,277	37,112
Accounts Receivable		55,131	104,276
Stock on Hand		63,410	138,046
Work In Progress		<u>3,178</u>	<u>3,177</u>
Total Current Assets		1,026,980	1,354,457
Non-Current Assets			
Fixed Assets	2	263,645	330,111
Total Assets		<u><u>1,290,625</u></u>	<u><u>1,684,568</u></u>
Current Liabilities			
Accounts Payable		22,788	255,913
Sundry Creditors		120,683	-
PAYE		21,567	-
Deferred Income		89,055	192,773
Current Portion Term Liabilities		<u>-</u>	<u>22,026</u>
Total Current Liabilities		254,093	470,712
Net Assets		<u><u>1,036,532</u></u>	<u><u>1,213,856</u></u>

For and on behalf of the Board;

Executive Director



Date

9/09/09

Council Chairman



Date

09.09.09

The Statement of Accounting Policies and the accompanying notes form part of the Financial Statements.

NEW ZEALAND MOUNTAIN SAFETY COUNCIL

Notes to the Financial Statements For the Year ended 30 June 2009

1. Statement of Accounting Policies

Reporting Entity

The financial statements presented are for New Zealand Mountain Safety Council. The financial statements have been prepared in accordance with the requirements of the Incorporated Societies Act 1908 and the Financial Reporting Act 1993.

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:

Accounts Receivable are stated at their estimated realisable value after making due allowance for doubtful debts. Debts considered uncollectable are written off.

Stock on Hand has been valued at the lower of cost or net realisable value where cost is determined on a first in, first out basis, after making due allowance for damaged and obsolete stock.

Work in Progress comprises the cost of direct material and direct labour together with an appropriate portion of fixed and variable production overheads.

Fixed Assets and Intellectual Property are stated at cost less accumulated depreciation. Depreciation has been calculated using the maximum rates permitted by the Income Tax Act 2007. The following diminishing value depreciation rates have been used:

Furniture and Fittings	9.6% - 30.0%
Intellectual Property	10.0%
Office Equipment	10.0% - 80.4%
Branch Equipment	10.0 %- 48.0%

Income tax: New Zealand Mountain Safety Council Inc, as a charitable trust, is not liable to pay Income Tax.

Goods and Services Tax: The financial statements have been prepared on an exclusive basis.

Finance leases, which effectively transfer to the entity substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the present value of the minimum lease value. The leased assets and corresponding liabilities are disclosed and the leased assets are depreciated using the maximum rates permitted by the Income Tax Act 2007. Lease payments are apportioned between the finance charge and the capital repayment in a manner calculated to reflect a constant periodic charge based on the liability outstanding.

Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased items, are expensed in equal instalments over the term of the lease.

Branch Income: The branch income displayed in the Statement of Financial Performance is the net movement in the Branch's cash balances. This is based on information provided from the Branches.

Deferred Income: Grants received that have not been fully expended for the purpose they were given, are carried forward as a current liability.

NEW ZEALAND MOUNTAIN SAFETY COUNCIL

Notes to the Financial Statements For the Year ended 30 June 2009

Differential Reporting: The entity qualifies for differential reporting as it is not publicly accountable and it is not large. The entity has therefore taken advantage of all applicable differential reporting exemptions.

Changes in Accounting Policies

There have been no changes in accounting policies which have been applied on bases consistent with those used in previous years.

2. Fixed Assets

	<i>2009</i>	<i>2008</i>
	\$	\$
Furniture and Fittings		
At cost	291,540	271,458
Less Accumulated Depreciation	<u>181,526</u>	<u>168,226</u>
	<u>110,014</u>	<u>103,232</u>
Office Equipment		
At cost	155,811	149,858
Less Accumulated Depreciation	<u>81,666</u>	<u>40,320</u>
	<u>74,145</u>	<u>109,538</u>
Branch Equipment		
At cost	122,651	118,827
Less Accumulated Depreciation	<u>71,423</u>	<u>48,784</u>
	<u>51,228</u>	<u>70,043</u>
Intellectual Property		
At cost	34,887	34,887
Less Accumulated Depreciation	<u>6,629</u>	<u>3,489</u>
	<u>28,258</u>	<u>31,398</u>
Leased Copier		
At cost	-	42,959
Less Accumulated Depreciation	<u>-</u>	<u>27,059</u>
	<u>-</u>	<u>15,900</u>
Total Fixed Assets	<u><u>263,645</u></u>	<u><u>330,111</u></u>

3. Retained Earnings

The following movements in Retained Earnings have occurred:

	<i>2009</i>	<i>2008</i>
	\$	\$
Opening Balance	1,213,856	1,012,047
Net (Loss)/Profit for the Year	<u>(177,324)</u>	<u>201,809</u>
Closing Balance	<u><u>1,036,532</u></u>	<u><u>1,213,856</u></u>

4. Related Parties

There were no related party transactions during the year under review.

NEW ZEALAND MOUNTAIN SAFETY COUNCIL

Notes to the Financial Statements For the Year ended 30 June 2009

4. Related Parties

There were no related party transactions during the year under review.

5. Capital Commitments

There are no capital commitments at balance date (2008:\$0).

6. Contingent Liabilities

There are no contingent liabilities at balance date (2008:\$0).

7. Lease Commitments

		Current \$	Term \$	Total \$
Leased Asset:	Canon Digital Copier			
Expiry Date:	26 March 2012			
Term Remaining:	33 months			
Annual Rental:	\$13,731	\$13,731	\$24,030	\$37,761
Leased Asset:	Premises - 19 Tory Street			
Expiry Date:	31 January 2011			
Term Remaining:	19 months			
Annual Rental:	\$103,315	\$103,315	\$60,267	\$163,882

8. Expenditure

	2009 \$	2008 \$
Expenses include:		
Auditor's Remuneration	7,000	7,000
Bad Debts	-	1,582
Rental Expense	110,659	98,986
<u>Depreciation:</u>		
Furniture and Fittings	13,300	13,503
Office Equipment	35,896	14,847
Branch Equipment	22,639	10,100
Intellectual Property	3,140	3,489
Leased Copier	-	7,831

9. Subsequent Events

No significant events have occurred after balance date.

AUDIT REPORT

TO THE MEMBERS OF THE NEW ZEALAND MOUNTAIN SAFETY COUNCIL

We have audited the financial statements on pages 3 to 8. The financial statements provide information about the past financial performance of the New Zealand Mountain Safety Council (the "Council") and its financial position as at 30 June 2009. This information is stated in accordance with the accounting policies set out on pages 6 and 7.

This report is provided solely for your exclusive use and solely for the purpose of issuing an audit opinion. Our report is not to be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any other person without our prior written express consent. We accept or assume no duty, responsibility or liability to any other party in connection with the report or this engagement, including without limitation, liability for negligence.

Executive Committee's Responsibilities

The Executive Committee is responsible for the preparation, in accordance with New Zealand law and generally accepted accounting practice, of financial statements which fairly reflect the financial position of the council as at 30 June 2009 and the results of its operations for the year ended on that date.

Auditor's Responsibilities

It is our responsibility to express to you an independent opinion on the financial statements presented by the Executive Committee.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Executive Committee in the preparation of the financial statements, and
- whether the accounting policies are appropriate to the Council's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards except that our work was limited as explained below. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor, we have no relationship with or interests in the Council.

Qualified Opinion

As stated the accounting policies the Branches' net income is determined based on the income and expenditure as reflected in the Branches' bank statements for the year ended 30 June 2009.

In this respect alone we have not obtained all the information and explanations that we have required.

In our opinion, except for adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning branch income, expenditure, assets and liabilities, the financial statements on pages 3 to 8 fairly reflect the results of operations for the year ended 30 June 2009.

Our audit was completed on 9 September 2009 and our qualified opinion is expressed as at that date.



Chartered Accountants
WELLINGTON, NEW ZEALAND