

**New Zealand Mountain Safety Council**

**Financial Report**

**For the Year Ended  
30 June 2010**



# NEW ZEALAND MOUNTAIN SAFETY COUNCIL

## Financial Report For the Year Ended 30 June 2010

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# NEW ZEALAND MOUNTAIN SAFETY COUNCIL

## Statement of Financial Performance For the Year ended 30 June 2010

	Note	2010	2009
		\$	\$
<b>Income</b>			
Publication Sales Profit	78,238		73,597
Lotteries Grant	1,056,999		1,057,305
NZ Police	355,865		342,308
Other Trusts	4,500		5,827
Whitireia Contract	127,140		190,846
Interest	25,089		48,298
Net Branch Income	37,019		28,102
Special Projects	155,301		-
Other Income	78,896		73,830
<b>Total Income</b>		1,919,047	1,820,113
<b>Less Expenses</b>			
Head Office	532,188		577,780
Council & Executive	18,202		25,043
Regional Networks	338,532		323,340
Other Organisations	-		2,227
IT Servicing	129,154		111,038
Publicity	86,597		53,287
Research	75,721		81,653
Special Projects	155,301		-
Operations General	12,800		29,601
Bush	23,920		7,814
Alpine	22,841		34,760
Abseiling	5,258		1,428
Outdoor First Aid	58,269		74,391
Risk Management	24,023		34,990
Outdoor Leader	87,762		67,517
Qualif	14,224		41,290
Hunts	70,275		60,595
Firearms	207,699		155,940
Avalanche	127,344		175,573
<b>Total Expenses</b>	10	1,990,110	1,858,267
<b>Operating Loss</b>		(71,063)	(38,154)
<b>Other Expenses</b>			
Stock and Work In Progress Write-down		-	65,236
Depreciation		77,131	74,975
Depreciation - Loss on Sale		-	2,622
Depreciation Recovered		-	(3,663)
<b>Total Other Expenses</b>		77,131	139,170
<b>Net Loss For The Year</b>		(148,194)	(177,324)

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 2010

	2010 \$	2009 \$
Opening Equity	1,036,532	1,213,856
Net Loss for the Year	<u>(148,194)</u>	<u>(177,324)</u>
Total Recognised Revenues & Expenses	(148,194)	(177,324)
Equity at End of the Year	<u>888,338</u>	<u>1,036,532</u>



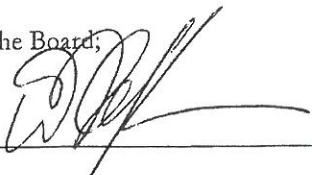
# NEW ZEALAND MOUNTAIN SAFETY COUNCIL

## Statement of Financial Position As at 30 June 2010

	Note	2010	2009
		\$	\$
<b>Equity</b>			
Retained Earnings	4	888,338	1,036,532
<b>Total Equity</b>		<u>888,338</u>	<u>1,036,532</u>
Represented by;			
<b>Current Assets</b>			
National Bank - Current Account		35,329	49,574
National Bank - Online Account		100,427	20,280
National Bank - Branch Accounts		257,950	220,930
Term Deposits - National Bank		529,000	600,000
Petty Cash		251	200
GST Refund Due		15,227	14,277
Accounts Receivable		77,688	55,130
Stock on Hand		77,161	63,410
Work In Progress		-	3,178
<b>Total Current Assets</b>		<u>1,093,033</u>	<u>1,026,979</u>
<b>Non-Current Assets</b>			
Fixed Assets	2	229,218	263,645
<b>Total Assets</b>		<u>1,322,251</u>	<u>1,290,624</u>
<b>Current Liabilities</b>			
Accounts Payable		55,831	22,789
Accruals		101,425	120,682
PAYE		38,368	21,566
Grants Received in Advance	9	217,050	89,055
Current Portion of Hire Purchases	3	<u>12,744</u>	-
<b>Total Current Liabilities</b>		<u>425,418</u>	<u>254,092</u>
<b>Non-Current Liabilities</b>			
Hire Purchases	3	<u>8,495</u>	-
<b>Total Non-Current Liabilities</b>		<u>8,495</u>	-
<b>Total Liabilities</b>		<u>433,913</u>	<u>254,092</u>
<b>Net Assets</b>		<u>888,338</u>	<u>1,036,532</u>

For and on behalf of the Board;

Executive Director



Date

31/08/2010

Council Chairman



Date

31/08/2010

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 2010

### 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.



# NEW ZEALAND MOUNTAIN SAFETY COUNCIL

## Notes to the Financial Statements For the Year ended 30 June 2010

Grants Received in Advance: Grant income is recognised as income when it becomes receivable unless the Council has a liability to repay the grant if the requirements of the grant are not fulfilled. A liability is recognised to the extent that such conditions are unfulfilled at the end of the reporting period.

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

	2010 \$	2009 \$
<b>Furniture and Fittings</b>		
At cost	291,763	291,540
Less Accumulated Depreciation	<u>195,871</u>	<u>181,526</u>
	95,892	110,014
<b>Office Equipment</b>		
At cost	164,308	155,811
Less Accumulated Depreciation	<u>109,266</u>	<u>81,666</u>
	55,042	74,145
<b>Branch Equipment</b>		
At cost	122,651	122,651
Less Accumulated Depreciation	<u>87,471</u>	<u>71,423</u>
	35,180	51,228
<b>Intellectual Property</b>		
At cost	34,887	34,887
Less Accumulated Depreciation	<u>9,455</u>	<u>6,629</u>
	25,432	28,258
<b>Leased Copier</b>		
At cost	33,984	-
Less Accumulated Depreciation	<u>16,312</u>	<u>-</u>
	17,672	-
<b>Total Fixed Assets</b>	<u><u>229,218</u></u>	<u><u>263,645</u></u>



# NEW ZEALAND MOUNTAIN SAFETY COUNCIL

## Notes to the Financial Statements For the Year ended 30 June 2010

### 3. Hire Purchase Agreements

Hire purchases are secured over the assets to which they pertain. Interest rates which are fixed for the term of the agreement are detailed below along with the original term.

	2010 \$	2009 \$
<b>Canon Finance New Zealand Limited - Expiry 26 March 2012</b>		
Canon Photocopier	25,245	-
	<u>25,245</u>	<u>-</u>
Less: Future Interest	4,006	-
Total Hire Purchase Liability	<u>21,239</u>	<u>-</u>
<b>Current Portion</b>		
Canon Photocopier	12,744	-
Current portion of Hire Purchase	<u>12,744</u>	<u>-</u>
Canon Finance New Zealand Limited		
Cost: \$38,232.70		
Term: 36 months		
Installments: \$1,262.26 per month		
Interest Rate: 11.58% p.a.		

### 4. Retained Earnings

The following movements in Retained Earnings have occurred:

	2010 \$	2009 \$
Opening Balance	1,036,532	1,213,856
Net (Loss)/Profit for the Year	<u>(148,194)</u>	<u>(177,324)</u>
<b>Closing Balance</b>	<u>888,338</u>	<u>1,036,532</u>

### 5. Related Parties

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

### 6. Capital Commitments

There are no capital commitments at balance date (2009:\$0).

### 7. Contingent Liabilities

There are no contingent liabilities at balance date (2009:\$0).



# NEW ZEALAND MOUNTAIN SAFETY COUNCIL

## Notes to the Financial Statements For the Year ended 30 June 2010

### 8. Lease Commitments

		Current \$	Term \$	Total \$
Leased Asset:	Premises - 19 Tory Street			
Expiry Date:	31 January 2015			
Term Remaining:	55 months			
Annual Rental:	\$82,995	\$82,995	\$297,399	\$380,394

### 9. Grants Received in Advance

	2010 \$	2009 \$
Whakatupato (Safety Program)	129,000	-
Special Projects	21,848	29,988
NZ Police	66,202	59,067
	<u>217,050</u>	<u>89,055</u>

Grants received in advance of \$217,050 (2009:\$89,055, allocated in 2010) are expected to be allocated in the 2011 financial year, with the exception of Whakatupato (Safety Program), which is expected to be allocated as \$75,000 in the 2011 financial year and \$54,000 in the 2012 financial year.

### 10. Expenditure

	2010 \$	2009 \$
Expenses include:		
Auditor's Remuneration	7,300	7,000
Rental Expense	95,201	110,659
Interest Expense	2,403	-
<u>Depreciation:</u>		
Furniture and Fittings	14,345	13,300
Office Equipment	27,600	35,896
Branch Equipment	16,048	22,639
Intellectual Property	2,826	3,140
Leased Assets	16,312	-

### 11. Subsequent Events

No significant events have occurred after balance date.

