

New Zealand Mountain Safety Council

Financial Report

**For the Year Ended
30 June 2011**



NEW ZEALAND MOUNTAIN SAFETY COUNCIL

Financial Report
For the Year Ended 30 June 2011

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Statement of Financial Performance
For the Year ended 30 June 2011

	<i>Note</i>	<i>2011</i>	<i>2010</i>
		\$	\$
Income			
Publication Sales Profit		79,838	78,238
Lotteries Grant		1,031,000	1,056,999
NZ Police		407,202	355,865
Other Trusts		-	4,500
Whitireia Contract		74,792	127,140
Bequests		1,000	-
Interest		31,191	25,089
Net Branch Income		1,823	37,019
Special Projects		82,436	155,301
Other Income		<u>39,812</u>	<u>78,896</u>
Total Income		1,749,094	1,919,047
Less Expenses			
Head Office		494,883	532,188
Council & Executive		24,814	18,202
Regional Networks		205,238	338,532
IT Servicing		46,683	129,154
Publicity		89,806	86,597
Research		71,871	75,721
Special Projects		82,436	155,301
Operations General		14,500	12,800
Bush		123,859	111,682
Alpine		29,446	22,841
Abseiling		6,034	5,258
Outdoor First Aid		45,571	58,269
Risk Management		33,591	24,023
Qualif		36,586	14,224
Hunts		92,779	70,275
Firearms		233,972	207,699
Avalanche		<u>114,956</u>	<u>127,344</u>
Total Expenses	10	1,747,025	1,990,110
Operating Profit / (Loss)		<u>2,069</u>	<u>(71,063)</u>
Other Expenses			
Stock Written-off		15,559	-
Depreciation		<u>55,615</u>	<u>77,131</u>
Total Other Expenses		71,174	77,131
Net Loss For The Year		<u>(69,105)</u>	<u>(148,194)</u>



Statement of Movements in Equity
For the Year ended 30 June 2011

	<i>2011</i>	<i>2010</i>
	\$	\$
Opening Equity	888,338	1,036,532
Net Loss for the Year	<u>(69,105)</u>	<u>(148,194)</u>
Total Recognised Revenues & Expenses	(69,105)	(148,194)
Equity at End of the Year	<u>819,233</u>	<u>888,338</u>





Statement of Financial Position
As at 30 June 2011

	Note	2011	2010
		\$	\$
Equity			
Retained Earnings	4	<u>819,233</u>	<u>888,338</u>
Total Equity		<u><u>819,233</u></u>	<u><u>888,338</u></u>
Represented by;			
Current Assets			
National Bank - Current Account		51,721	35,329
National Bank - Online Account		90,986	100,427
National Bank - Branch Accounts		259,773	257,950
Term Deposits		256,017	529,000
Term Deposits - Grants in Advance		272,983	-
Petty Cash		186	251
GST Refund Due		-	15,227
Accounts Receivable		154,597	77,688
Stock on Hand		<u>46,178</u>	<u>77,161</u>
Total Current Assets		1,132,441	1,093,034
Non-Current Assets			
Fixed Assets	2	186,288	229,218
Total Assets		<u><u>1,318,729</u></u>	<u><u>1,322,252</u></u>
Current Liabilities			
Accounts Payable		36,478	55,831
Accruals		123,484	101,425
PAYE		31,526	38,368
GST Due for Payment		26,529	-
Grants Received in Advance	9	272,983	217,050
Current Portion of Hire Purchases	3	<u>8,496</u>	<u>12,744</u>
Total Current Liabilities		499,495	425,418
Non-Current Liabilities			
Hire Purchases	3	<u>-</u>	<u>8,496</u>
Total Non-Current Liabilities		-	8,496
Total Liabilities		<u><u>499,495</u></u>	<u><u>433,914</u></u>
Net Assets		<u><u>819,233</u></u>	<u><u>888,338</u></u>

For and on behalf of the Board;

Executive Director

Date

26/10/2011

Council Chairman

Date

26/10/2011

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





**Notes to the Financial Statements
For the Year ended 30 June 2011**

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.





**Notes to the Financial Statements
For the Year ended 30 June 2011**

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

	<i>2011</i>	<i>2010</i>
	\$	\$
Furniture and Fittings		
At cost	291,763	291,763
Less Accumulated Depreciation	<u>207,961</u>	<u>195,871</u>
	<u>83,802</u>	<u>95,892</u>
Office Equipment		
At cost	176,993	164,308
Less Accumulated Depreciation	<u>130,992</u>	<u>109,266</u>
	<u>46,001</u>	<u>55,042</u>
Branch Equipment		
At cost	122,651	122,651
Less Accumulated Depreciation	<u>98,244</u>	<u>87,471</u>
	<u>24,407</u>	<u>35,180</u>
Intellectual Property		
At cost	34,887	34,887
Less Accumulated Depreciation	<u>11,998</u>	<u>9,455</u>
	<u>22,889</u>	<u>25,432</u>
Leased Copier		
At cost	33,984	33,984
Less Accumulated Depreciation	<u>24,795</u>	<u>16,312</u>
	<u>9,189</u>	<u>17,672</u>
Total Fixed Assets	<u>186,288</u>	<u>229,218</u>



**Notes to the Financial Statements
For the Year ended 30 June 2011**
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.

	<i>2011</i>	<i>2010</i>
	\$	\$
Canon Finance New Zealand Limited - Expiry 26 March 2012		
Canon Photocopier	10,098	25,245
	<u>10,098</u>	<u>25,245</u>
Less: Future Interest	1,602	4,006
Total Hire Purchase Liability	<u>8,496</u>	<u>21,239</u>
Current Portion		
Canon Photocopier	8,496	12,744
Current portion of Hire Purchase	<u>8,496</u>	<u>12,744</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:

	<i>2011</i>	<i>2010</i>
	\$	\$
Opening Balance	888,338	1,036,532
Net (Loss)/Profit for the Year	<u>(69,105)</u>	<u>(148,194)</u>
Closing Balance	<u>819,233</u>	<u>888,338</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 (2010:\$0).

7. Contingent Liabilities

There are no contingent liabilities at balance date (2010:\$0).





**Notes to the Financial Statements
For the Year ended 30 June 2011**

8. Lease Commitments

		Current \$	Term \$	Total \$
Leased Asset:	Premises - 19 Tory Street			
Expiry Date:	31 January 2015			
Term Remaining:	43 months			
Annual Rental:	\$103,232	\$103,232	\$266,683	\$369,915

9. Grants Received in Advance

	<i>2011</i> \$	<i>2010</i> \$
Whakatupato (Safety Program)	51,000	129,000
Special Projects	-	21,848
NZ Police	90,000	66,202
D.O.C	89,469	-
SPARC	26,514	-
SAR Council	16,000	-
	<u>272,983</u>	<u>217,050</u>

Grants received in advance of \$272,983 (2010:\$217,050, allocated in 2011) are expected to be allocated in the 2012 financial year.

10. Expenditure

	<i>2011</i> \$	<i>2010</i> \$
Expenses include:		
Auditor's Remuneration	8,000	7,300
Rental Expense	93,834	95,201
Interest Expense	2,403	2,403
<u>Depreciation:</u>		
Furniture and Fittings	12,090	14,345
Office Equipment	21,726	27,600
Branch Equipment	10,773	16,048
Intellectual Property	2,543	2,826
Leased Assets	8,483	16,312

11. Subsequent Events

No significant events have occurred after balance date.



Audit Report

Audit report to be inserted here.

Jun 2011

Jun 2010



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE NEW ZEALAND MOUNTAIN SAFETY COUNCIL**

Report on the Financial Statements

We have audited the financial statements of the New Zealand Mountain Safety Council (the "Council") on pages 3 to 9, which comprise the statement of financial position as at 30 June 2011, the statement of financial performance and the statement of movements in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Members. Our audit has been undertaken so that we might state to the Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members, as a body, for our audit work, for this report, or for the opinions we have formed.

Executive Committee's Responsibility for the Financial Statements

The Executive Committee is responsible for the preparation and fair presentation of financial statements, in accordance with generally accepted accounting practice in New Zealand, and for such internal control as the Executive Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates, as well as the overall presentation of the financial statements.

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

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

Basis for Qualified Opinion on Financial Performance and Financial Position

As stated in note 1, the branch income recognised in the Statement of Financial Performance is the net movement in the branches' cash balances. As the transactions of the branches have not been fully incorporated into the financial statements of the Council and our access to the underlying branch records is limited, the scope of our audit has been restricted in relation to branch transactions. Therefore we were unable to determine whether any adjustments to branch income, expenditure or related assets and liabilities were necessary.

Qualified Opinion on Financial Performance and Financial Position

In our opinion, except for the adjustments that might have been found necessary had we been able to obtain sufficient evidence concerning the Branches' income, expenditure, assets and liabilities, the financial statements on pages 3 to 9 present fairly, in all material respects, the financial position of the Council as at 30 June 2011 and the results of the Council's operations for the year then ended in accordance with generally accepted accounting practice in New Zealand.

Chartered Accountants
26 October 2011
Wellington, New Zealand

