

New Zealand Mountain Safety Council

Financial Report

**For the Year Ended
30 June 2012**



NEW ZEALAND MOUNTAIN SAFETY COUNCIL

Financial Report For the Year Ended 30 June 2012

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NEW ZEALAND MOUNTAIN SAFETY COUNCIL

Statement of Financial Performance For the Year ended 30 June 2012

	Note	2012	2011
		\$	\$
Income			
Lotteries Grant		1,399,200	1,031,000
NZ Police		404,000	407,202
Whitireia Contract		-	74,792
Bequests		-	1,000
Interest		34,624	31,191
Special Projects		157,295	82,436
Avalanche Income		22,807	-
Publication Sales Profit		68,665	79,838
Other Income		46,460	39,812
Total Income		<u>2,133,051</u>	<u>1,747,271</u>
Less Expenses			
Head Office		495,887	494,883
Council & Executive		38,377	24,814
Regional Networks		209,390	205,238
IT Servicing		41,328	46,683
Publicity		153,138	89,806
Research		71,067	71,871
Special Projects		157,623	82,436
Member-Database transferred to assets	9	(49,000)	-
Operations General		-	14,500
Bush		89,659	157,450
Abseiling		6,473	6,034
Outdoor First Aid		125,561	45,571
Qualif		140,475	36,586
Hunts & Firearms		313,704	326,751
Avalanche		289,654	144,402
Total Expenses	11	<u>2,083,336</u>	<u>1,747,025</u>
Operating Profit		<u>49,715</u>	<u>246</u>
Other Income & Expenses			
Branch Income		(264,134)	(265,820)
Branch Expenses		265,040	263,997
Stock Written-off		3,112	15,559
Bad Debts Expenses		1,528	-
Low Value Assets Written Off		12,732	-
Depreciation		38,530	55,615
Total Other Expenses		<u>56,808</u>	<u>69,351</u>
Net (Loss) For The Year		<u><u>(7,093)</u></u>	<u><u>(69,105)</u></u>

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 2012

	<i>2012</i>	<i>2011</i>
	\$	\$
Opening Equity	819,233	888,338
Net (Loss) for the Year	<u>(7,093)</u>	<u>(69,105)</u>
Total Recognised Revenues & Expenses	<u>(7,093)</u>	<u>(69,105)</u>
Equity at End of the Year	<u><u>812,140</u></u>	<u><u>819,233</u></u>

NEW ZEALAND MOUNTAIN SAFETY COUNCIL

Statement of Financial Position
As at 30 June 2012

	Note	2012	2011
		\$	\$
Equity			
Retained Earnings	4	812,140	819,233
Total Equity		<u>812,140</u>	<u>819,233</u>
Represented by:			
Current Assets			
National Bank - Current Account		22,081	51,721
National Bank - Online Account		265,795	90,986
National Bank - Branch Accounts		276,437	259,773
Term Deposits		211,060	256,017
Term Deposits - Grants in Advance		317,940	272,983
Petty Cash		4	186
GST Refund Due		21,339	-
Accounts Receivable		116,758	154,597
Stock on Hand		40,850	46,178
Total Current Assets		1,272,264	1,132,441
Non-Current Assets			
Fixed Assets	2	153,637	186,288
Member - Database	9	49,000	-
Total Non-Current Assets		202,637	186,288
Total Assets		<u>1,474,901</u>	<u>1,318,729</u>
Current Liabilities			
Accounts Payable		180,365	36,478
Accruals		124,534	123,484
PAYE		22,352	31,526
Course fees Received in Advance		17,570	-
GST Due for Payment		-	26,529
Grants Received in Advance	10	317,940	272,983
Current Portion of Hire Purchases	3	-	8,496
Total Current Liabilities		662,761	499,495
Total Liabilities		<u>662,761</u>	<u>499,495</u>
Net Assets		<u>812,140</u>	<u>819,233</u>

For and on behalf of the Board:

Executive Director



Date

3 Sept 2012

Council Chairman



Date

3 SEPTEMBER 2012

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 2012

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% - 40.0%
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, except for Accounts Payable & Accounts Receivable which are on an inclusive 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.

NEW ZEALAND MOUNTAIN SAFETY COUNCIL

Notes to the Financial Statements For the Year ended 30 June 2012

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

In the years 2010 and earlier, Branch income has been shown "Net" in the Statement of Financial Performance, that is Branch income less Branch expenses. In the 2012 and 2011 year, the Branch Income and Branch expenses have been shown separately in the Statement of Financial Performance. This is a change in accounting policy in order to show additional details around the branch operations.

2. Fixed Assets

	2012	2011
	\$	\$
Furniture and Fittings		
At cost	292,128	291,763
Less Accumulated Depreciation	<u>218,045</u>	<u>207,961</u>
	<u>74,083</u>	<u>83,802</u>
Office Equipment		
At cost	180,038	176,993
Less Accumulated Depreciation	<u>139,074</u>	<u>130,992</u>
	<u>40,964</u>	<u>46,001</u>
Branch Equipment		
At cost	121,940	122,651
Less Accumulated Depreciation	<u>103,950</u>	<u>98,244</u>
	<u>17,990</u>	<u>24,407</u>
Intellectual Property		
At cost	34,887	34,887
Less Accumulated Depreciation	<u>14,287</u>	<u>11,998</u>
	<u>20,600</u>	<u>22,889</u>
Leased Copier		
At cost	-	33,984
Less Accumulated Depreciation	<u>-</u>	<u>24,795</u>
	<u>-</u>	<u>9,189</u>
Total Fixed Assets	<u>153,637</u>	<u>186,288</u>

Written Off Assets

During the year assets that were deemed to be low value were written off. The result of this was an expense in the Statement of Financial Performance called "Low value assets written off" of \$12,732.



NEW ZEALAND MOUNTAIN SAFETY COUNCIL

Notes to the Financial Statements For the Year ended 30 June 2012

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.

	2012 \$	2011 \$
Canon Finance New Zealand Limited - Expiry 26 March 2012		
Canon Photocopier	-	10,098
	-	10,098
Less: Future Interest	-	1,602
Total Hire Purchase Liability	<u>-</u>	<u>8,496</u>
Current Portion		
Canon Photocopier	-	8,496
Current portion of Hire Purchase	<u>-</u>	<u>8,496</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:

	2012 \$	2011 \$
Opening Balance	819,233	888,338
Net (Loss) for the Year	(7,093)	(69,105)
Closing Balance	<u>812,140</u>	<u>819,233</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 (2011:\$0).

7. Contingent Liabilities

There are no contingent liabilities at balance date (2011:\$0).

NEW ZEALAND MOUNTAIN SAFETY COUNCIL

Notes to the Financial Statements For the Year ended 30 June 2012

8. Lease Commitments

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

Canon Finance Rental Agreement

The new agreement between Cannon Finance and New Zealand Mountain Safety Council dated 26th of September 2011 is a Rental Agreement. As a result of this all expenses relating to this agreement are reflected in the Statement of Financial Performance.

The rental agreement details are as follows:

Total Rental Cost:	\$33,833.88
Term	36 Months
Installments	\$1,080.80

9. Member - Database

For this financial year there is a partially completed intangible asset called Member - Database in the Balance sheet. The Database is expected to be completed in the 2013 financial year and is being funded by special projects income.

10. Grants Received in Advance

	2012 \$	2011 \$
Whakatupato (Safety Program)	-	51,000
NZ Police	-	90,000
D.O.C	100,000	89,469
Sport NZ	41,572	26,514
SAR Council	5,250	16,000
Lions Foundation & MSD	47,828	-
Members Database - (NZ Police)	123,290	-
	<u>317,940</u>	<u>272,983</u>

Grants received in advance of \$317,940 (2011:\$272,983, allocated in 2012) are expected to be allocated in the 2013 financial year.



NEW ZEALAND MOUNTAIN SAFETY COUNCIL

Notes to the Financial Statements
For the Year ended 30 June 2012

11. Expenditure

	<i>2012</i>	<i>2011</i>
	\$	\$
Expenses include:		
Auditor's Remuneration	13,664	8,000
Rental Expense	103,232	93,834
Interest Expense	3,417	2,403
<u>Depreciation:</u>		
Furniture and Fittings	10,295	12,090
Office Equipment	18,401	21,726
Branch Equipment	7,545	10,773
Intellectual Property	2,289	2,543
Leased Assets	-	8,483

12. Subsequent Events

No significant events have occurred after balance date.



Audit Report

Audit report to be inserted here.

Jun 2012

Jun 2011

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

Report on the Financial Statements

We have audited the financial statements of the New Zealand Mountain Safety Council Incorporated (the "Council") on pages 3 to 10, which comprise the statement of financial position as at 30 June 2012, 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 audit opinion.

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

Opinion

In our opinion, the financial statements on pages 3 to 10 present fairly, in all material respects, the financial position of the New Zealand Mountain Safety Council Incorporated 3 to 10 as at 30 June 2012, and its financial performance for the year ended on that date in accordance with generally accepted accounting practice in New Zealand.



Chartered Accountants
3 September 2012
Wellington, New Zealand