

**New Zealand Mountain Safety Council**

**Financial Report**

**For the Year Ended  
30 June 2014**



# **NEW ZEALAND MOUNTAIN SAFETY COUNCIL**

## **Financial Report For the Year Ended 30 June 2014**

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# NEW ZEALAND MOUNTAIN SAFETY COUNCIL

## Statement of Financial Performance For the Year ended 30 June 2014

	Note	2014	2013
		\$	\$
<b>Income</b>			
Lotteries Grant	1,351,143		1,305,900
NZ Police	316,000		316,000
Community Trust			5,000
Other Trusts	30,000		-
Grants Carried Forward (Recognised)	12,046		-
ACC (National Incident Database)	-		47,850
Branch Income	643		-
Financial Services	-		32,627
Bequests	850		-
Interest	21,992		23,664
Special Projects	-		257,498
D.O.C. - Sponsorship	104,650		100,000
Avalanche Income	33,741		25,404
Sport NZ	157,906		-
Research Income	78,100		-
Publication Sales Profit	57,970		69,364
Other Income	87,619		91,667
<b>Total Income</b>		2,252,660	2,274,974
<b>Less Expenses</b>			
Head Office	145,827		582,576
Council & Executive	65,330		38,151
Regional Networks	40,393		216,870
IT Servicing	115,468		50,761
Shop	18,550		-
Marketing/Communications	46,451		164,959
Research	36,587		115,924
Special Projects	17,272		237,284
Member-Database transferred to assets	-		(75,339)
Operations General	6,714		-
Bush	14,714		99,613
Abseiling	-		1,729
Outdoor First Aid	19,411		91,894
Outdoor Leader	140,535		-
Qualif	-		178,536
Hunts & Firearms	157,174		326,312
Personnel	1,204,093		-
OSC - Recreation Partnership	14,348		-
Outdoors Intentions	1,050		-
OFA Instructions Guide	3,114		-
Avalanche	148,755		217,120
<b>Total Expenses</b>	10	2,195,786	2,246,390
<b>Operating Profit</b>		56,874	28,584

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



## NEW ZEALAND MOUNTAIN SAFETY COUNCIL

### Statement of Financial Performance For the Year ended 30 June 2014

	<i>Note</i>	<i>2014</i>	<i>2013</i>
		\$	\$
<b>Other Income &amp; Expenses</b>			
Branch Income		(241,417)	(243,427)
Branch Expenses		252,130	250,213
Stock Written-off		1,250	1,127
Bad Debts Expenses		-	1,261
Low Value Assets Written Off		5,134	123
Loss on Sale of Fixed Assets		430	-
Depreciation		<u>103,149</u>	<u>69,990</u>
<b>Total Other Expenses</b>		<u>120,676</u>	<u>79,287</u>
<b>Net (Loss) Before Tax</b>		<u>(63,802)</u>	<u>(50,703)</u>
<b>Net (Loss) For The Year</b>		<u><u>(63,802)</u></u>	<u><u>(50,703)</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 2014

	<i>2014</i>	<i>2013</i>
	\$	\$
Opening Equity	761,437	812,140
Net (Loss) for the Year	<u>(63,802)</u>	<u>(50,703)</u>
<b>Total Recognised Revenues &amp; Expenses</b>	<b>(63,802)</b>	<b>(50,703)</b>
<b>Equity at End of the Year</b>	<b><u>697,635</u></b>	<b><u>761,437</u></b>

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 2014

	Note		2014	2013
		\$	\$	\$
<b>Equity</b>				
Retained Earnings	4	697,635		761,437
<b>Total Equity</b>			<u>697,635</u>	<u>761,437</u>
Represented by;				
<b>Current Assets</b>				
National Bank - Current Account		26,074		20,842
National Bank - Online Account	1	200,991		30,179
National Bank - Branch Accounts		251,455		262,168
Term Deposits		329,000		28,663
Term Deposits - Grants in Advance		-		300,338
Petty Cash		631		52
GST Refund Due		-		28,430
Accounts Receivable	1	81,882		159,203
Stock on Hand		67,841		54,499
<b>Total Current Assets</b>			<u>957,874</u>	<u>884,374</u>
<b>Non-Current Assets</b>				
Fixed Assets- Tangibles	2	124,827		176,901
Fixed Assets- Intangibles	3	112,140		157,089
<b>Total Non-Current Assets</b>			<u>236,967</u>	<u>333,990</u>
<b>Total Assets</b>			<u>1,194,841</u>	<u>1,218,364</u>
<b>Current Liabilities</b>				
Accounts Payable		106,633		180,984
Accruals		82,345		139,943
PAYE		25,164		25,575
Course Fees Received in Advance		7,064		10,087
GST Due for Payment		46,118		-
Grants Received in Advance	9	229,882		100,338
<b>Total Current Liabilities</b>			<u>497,206</u>	<u>456,927</u>
<b>Total Liabilities</b>			<u>497,206</u>	<u>456,927</u>
<b>Net Assets</b>			<u>697,635</u>	<u>761,437</u>

For and on behalf of the Board;

Executive Director

Date

17-Oct-2014

Council Chairman

Date

23-10-2014

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 2014

#### 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 2013.

##### 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 Intangibles are stated at cost less accumulated depreciation. Depreciation has been calculated using the maximum rates permitted by the Income Tax Act 2007. The following depreciation rates have been used:

Furniture and Fittings	9.6% - 30.0%
Office Equipment	10.0% - 80.4%
Branch Equipment	10.0 % - 67.0%
Intellectual Property	10.0% & 2 year SL
Member- Database	5 year SL

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 Recievable which are on a inclusive basis.

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 2014

**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.

#### 2. Fixed Assets

	2014 \$	2013 \$
<b>Furniture and Fittings</b>		
At cost	289,191	296,641
Less Accumulated Depreciation	<u>227,397</u>	<u>227,149</u>
	<u>61,794</u>	<u>69,492</u>
<b>Office Equipment</b>		
At cost	201,091	229,662
Less Accumulated Depreciation	<u>164,827</u>	<u>167,669</u>
	<u>36,264</u>	<u>61,993</u>
<b>Branch Equipment</b>		
At cost	151,973	157,354
Less Accumulated Depreciation	<u>125,204</u>	<u>111,938</u>
	<u>26,769</u>	<u>45,416</u>
<b>Total Fixed Assets</b>	<u>124,827</u>	<u>176,901</u>

#### 3. Intangible Assets

	2014 \$	2013 \$
<b>Intellectual Property</b>		
At cost	71,340	71,340
Less Accumulated Depreciation	<u>37,947</u>	<u>17,866</u>
	<u>33,393</u>	<u>53,474</u>
<b>Member- Database</b>		
At cost	124,339	124,339
Less Accumulated Depreciation	<u>45,592</u>	<u>20,724</u>
	<u>78,747</u>	<u>103,615</u>
<b>Total Intangible Assets</b>	<u>112,140</u>	<u>157,089</u>



# NEW ZEALAND MOUNTAIN SAFETY COUNCIL

## Notes to the Financial Statements For the Year ended 30 June 2014

### 4. Retained Earnings

The following movements in Retained Earnings have occurred:

	2014 \$	2013 \$
Opening Balance	761,437	812,140
Net (Loss) for the Year	(63,802)	(50,703)
<b>Closing Balance</b>	<b>697,635</b>	<b>761,437</b>

### 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 (2013:\$0).

### 7. Contingent Liabilities

There are no contingent liabilities at balance date (2013:\$0).

### 8. Lease Commitments

		Current \$	Term \$	Total \$
Leased Asset:	Premises - 19 Tory Street			
Expiry Date:	31 January 2015			
Term Remaining:	7 months			
Annual Rental:	\$103,232	\$60,219	\$0	\$60,219

The current lease expires on 31 January 2015. As at balance date, a new premise and lease agreement has not been secured, and therefore, the long term lease commitment figure is undeterminable.

#### Canon Finance Rental Agreement

The new agreement between Canon Finance and New Zealand Mountain Safety Council dated 12th of October 2013 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:	\$13,704.51
Term	19 Months
Installments	\$721.29



## NEW ZEALAND MOUNTAIN SAFETY COUNCIL

### Notes to the Financial Statements For the Year ended 30 June 2014

#### 9. Grants Received in Advance

	2014 \$	2013 \$
D.O.C (Avalanche)	95,000	
Lottery Grants (Alpine Manual)	-	50,000
Christian Camps (Leader Development)	45,048	45,000
Ski Areas Association of NZ (Avalanche)	-	5,338
Lottery Grants (Transformation Project)	41,985	
Lottery Grants (First Aid Instructors Guide)	14,122	-
Outdoor First Aid (OFA)	33,727	-
	<u>229,882</u>	<u>100,338</u>

Grants received in advance of \$229,882 (2013: \$100,338, allocated in 2014) are expected to be allocated in the 2015 financial year.

#### 10. Expenditure

	2014 \$	2013 \$
Expenses include:		
Auditor's Remuneration	11,600	16,930
Rental Expense	103,232	103,232
Interest Expense	1,393	2,356
<u>Depreciation:</u>		
Furniture and Fittings	8,174	9,104
Office Equipment	28,972	28,595
Branch Equipment	21,054	7,988
Intellectual Property	20,081	3,579
Member- Database	24,868	20,724
<b>Total Depreciation</b>	<u>103,149</u>	<u>69,990</u>

These are no further disclosures required under accounting standards.

#### 11. Subsequent Events

##### New Financial Reporting Framework

On 1 April 2014, the new Financial Reporting Act 2013 (FRA 2013) and the Financial Reporting (Amendments to Other Enactments) Act 2013 came into force. The FRA 2013 prescribes who has to report, and what types of entities are required to prepare general purpose financial reports (GPFR).

The new Accounting Standards Framework consists of a two-sector, multi-tier structure with different accounting standards applying to each tier. The two sectors are the For-Profit sector



## NEW ZEALAND MOUNTAIN SAFETY COUNCIL

### Notes to the Financial Statements For the Year ended 30 June 2014

and the Public Benefit Entity (PBE) sector, the latter of which includes public sector entities, not-for-profit entities, and the subset of those; registered charities.

The new framework will result in PBE's shifting from NZ IFRS (or old GAAP where this was used) to the new PBE IPSAS regime (or simple format reporting where applicable). Recognition and disclosure differences between the two frameworks will likely be significant.

For accounting periods that commence on or after 1 April 2015, financial statements need to be prepared in accordance with the new financial reporting framework.

This entity is commencing a review to determine which of the frameworks or tiers will affect it and any impacts of that change.

## **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 11, which comprise the statement of financial position as at 30 June 2014, 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 11 present fairly, in all material respects, the financial position of the New Zealand Mountain Safety Council Incorporated as at 30 June 2014, and its financial performance for the year ended on that date in accordance with generally accepted accounting practice in New Zealand.



**Chartered Accountants**  
23 October 2014  
Wellington, New Zealand