



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

Report on the Performance Report

We have audited the accompanying performance report of the New Zealand Mountain Safety Council Incorporated ('the Council') on pages 1 to 7, which comprise the statement of financial position as at 30 June 2016, and the entity information, statement of service performance, statement of financial performance and statement of cash flows for the year then ended, and the statement of 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 Performance Report

The Executive Committee is responsible on behalf of the Council for:

- a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- b) The preparation and fair presentation of the performance report, which comprises the entity information, the statement of service performance, the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report, in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-for-Profit) issued in New Zealand by the New Zealand Accounting Standards Board; and
- c) For such internal control as the Executive Committee determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on the performance report based on our audit. We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand), and the audit of the entity information and statement of service performance in accordance with International Standard on Assurance Engagements (New Zealand) 3000 (Revised). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the performance report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance report, including performing procedures to obtain evidence about evaluating whether the reported outcomes and outputs and quantification of the outputs to the extent practicable, are relevant, reliable, comparable, and understandable. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the performance report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the performance report 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 Council'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 performance report.

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

Deloitte.

Opinion

In our opinion:

- a) The reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b) The performance report on pages 1 to 7 presents fairly, in all material respects, the financial position of the New Zealand Mountain Safety Council as at 30 June 2016, and its financial performance and cash flows, the entity information and the service performance for the year then ended in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-for-Profit).

Deloitte Limited

Chartered Accountants
4 October 2016
Wellington, New Zealand

New Zealand Mountain Safety Council Incorporated
Performance Report for the year ended 30 June 2016

Entity Information

Legal Name and Status

New Zealand Mountain Safety Council Incorporated (MSC) is an Incorporated Society (registration number 217085). It is a Registered Charity (registration number CC40852)

Purpose

Enabling people to enjoy their outdoors recreation safely.

Structure

MSC has 25 Council Member and Associate Member Organisations who all have a vested interest in safety in the outdoors. MSC is governed by an Executive Committee (Board) appointed by the Council of 25 Members.

The Executive Committee appoints the CEO, who then employs Council staff. The senior leadership team consists of the CEO and two other staff members; Partnerships Manager and Communications Manager.

Main sources of income

MSC's main source of income is the New Zealand Lottery Grants Board. It also receives funding from the NZ Police, Sport NZ, NZ Search and Rescue Council (NZSAR) and the Accident Compensation Commission (ACC). In addition it has an online shop selling various outdoor safety resources, of which profits are used to fund the organisations core work.

Reliance on Volunteers

MSC has an extensive partner network (involving both Council Member and non-Council Member organisations). The MSC often utilises its partners and their networks (often volunteers) for collaborative work aiming to reduce injuries, search and rescues and fatalities in the outdoors. Additionally, the MSC currently has a network of approximately 400 volunteer firearms safety instructors who deliver firearms safety education and testing as part of the wider NZ firearms licence process.

**New Zealand Mountain Safety Council Incorporated
Performance Report for the year ended 30 June 2016**

Statement of Service Performance

Outcomes

An increasing number of people are aware of, and are connecting with, the MSC.
People, especially those who most need it, are more aware of how to stay safe in the outdoors.
MSC's organisational partners are reporting better safety behaviour among their networks.
MSC developed clear evidence that shows who is recreating and most importantly what is going wrong.

Outputs

The number of action-orientated partnerships that deliver shared value and prevention focused outcomes, involving both Council Member and partner organisations, remains consistent at current levels.	50+ Partners
We foster partnerships that provide relevant data. This information is collated and analysed resulting in the development of insights. These insights allow the MSC to continue to understand 'what's going wrong' in the outdoors. These insights will inform targeted MSC safety messaging and be shared with the outdoor sector.	There and Back publication (see MSC website)
There will continue to be a growth in the number of people who are aware of the MSC, the tools, resources and information available to them, and how they can stay safe in the outdoors. This growth will be primarily focused around engagement with MSC digital channels, either direct with the organisation or through material promoted by its partners.	Combined FB reach: 15, 516 Total website visits: 83,987
The New Zealand Avalanche Advisory (NZAA) continues to maintain its position as New Zealand's leading public advisory and user engagement with this tool continues to remain strong.	Total website visits: 118,510
MSC delivered firearms safety education and testing continues to equip firearms users and hunters with crucial safety knowledge, enabling them to plan, prepare and hunt safely.	Total courses delivered: 642 People trained: 9,293

New Zealand Mountain Safety Council Incorporated
Performance Report for the year ended 30 June 2016

Statement of Financial Position

As at 30 June 2016

	Note	
Assets		
Property, plant and equipment	2	15,120
Term deposits		100,000
Non-current Assets		115,120
Inventory		67,727
Debtors		11,362
Term deposits		100,000
Bank accounts		231,550
Current Assets		410,639
Total Assets		\$ 525,759
Liabilities		
Creditors and accrued expenses		202,187
Employee costs payable		61,467
Current Liabilities		263,654
Accumulated funds		
Retained earnings	3	262,105
Total Accumulated Funds		262,105
Total Accumulated Funds and Liabilities		\$ 525,759

For and on behalf of the Board:

Chairman
4 October 2016

Chief Executive Officer

New Zealand Mountain Safety Council Incorporated
Performance Report for the year ended 30 June 2016

Statement of Financial Performance

For the year ended 30 June 2016

Revenue	
<i>Providing goods or services</i>	
New Zealand Lottery Grants Board	1,049,000
New Zealand Police	278,880
Sport New Zealand	203,000
New Zealand Search and Rescue Council	170,000
Accident Compensation Corporation	15,000
Event and web registrations	13,166
Online shop	91,876
	1,820,922
<i>Other revenue</i>	
Interest	5,059
Sundry	1,356
Total Revenue	1,827,337
Expenditure	
Employee related costs	836,987
<i>Providing goods or services</i>	
Governance	68,237
Insight	16,111
Messaging	277,442
Partnership	273,639
Administration	206,366
Cost of online shop goods sold	59,242
Total Expenditure	1,738,024
Surplus	89,313

New Zealand Mountain Safety Council Incorporated
Performance Report for the year ended 30 June 2016

Cash Flow Statement

For the year ended 30 June 2016

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<i>Cash was received from:</i>	
Providing goods or services	1,733,301
Interest	7,575
Sundry	1,356
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	1,742,232
<i>Cash was applied to:</i>	
Payments to suppliers and employees	1,754,058
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Cash Flows from Operating Activities	(11,826)
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Net Decrease In Cash	(11,826)
Opening cash balance	443,376
Closing Cash Balance	431,550
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This is represented by:	
Term deposits	200,000
Bank accounts	231,550
Closing Cash Balance	431,550
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New Zealand Mountain Safety Council Incorporated
Performance Report for the year ended 30 June 2016

Statement of Accounting Policies

For the year ended 30 June 2016

Basis of preparation

MSC has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not for Profit) as it does not have public accountability and has total annual expenses of less than \$2.0m. All transactions in the Performance Report are based on accrual accounting. The Performance Report assumes that NZMSC will continue to operate in the foreseeable future.

Goods and Services Tax

MSC is GST registered. The Performance Report is GST-exclusive.

Income Tax

MSC is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

Cash and cash equivalents

Cash in the Statement of Cash Flows comprise bank accounts and term deposits.

Receivables

Receivables are recognised at cost initially and then adjusted if subsequently impaired.

Revenue

Grants are recognised on invoice or receipt. If grants have use or return requirements they are initially recognised as a liability and revenue is recognised as conditions are fulfilled. Registrations and shop sales are recognised on invoice or receipt. Interest on term deposits is recognised throughout the term of the investment using the effective interest rate method.

Changes in accounting policies

As this is the first year NZMSC is reporting under PBE SFR-A (NFP) no changes are reportable.

New Zealand Mountain Safety Council Incorporated
Performance Report for the year ended 30 June 2016

Notes to the Performance Report

For the year ended 30 June 2016

1) Grant revenue

All grants have been recognised as revenue. All their conditions have been met at balance date.

2) Property, plant and equipment

Office equipment

Carrying amount at 1 July	22,159
Depreciation for year	9,112
Carrying amount at 30 June	13,047

Furniture and fittings

Carrying amount at 1 July	2,307
Depreciation for year	234
Carrying amount at 30 June	2,073

Intellectual property

Carrying amount at 1 July	-
Depreciation for year	-
Carrying amount at 30 June	-

3) Changes in accumulated funds

Retained Earnings

Opening balance at 1 July	172,792
Surplus for the year	89,313
Closing balance at 30 June	262,105

4) Commitments

There are no capital commitments at balance date. MSC leases its premises. The lease extends for 20 months from balance date at \$2,813 per month.

5) Contingencies

There were no contingencies at balance date.

6) Related party transactions

MSC conducts all its business at arms length. It receives revenue from NZ Police and the Accident Compensation Commission, both of whom are members of MSC. At balance date no amounts are due from either party.

7) Events after balance date

There have been no material events subsequent to balance date that would result in either adjustment to or disclosure in the Performance Report.