

EST. 1972



HILLARY

OUTDOORS

EDUCATION CENTRES

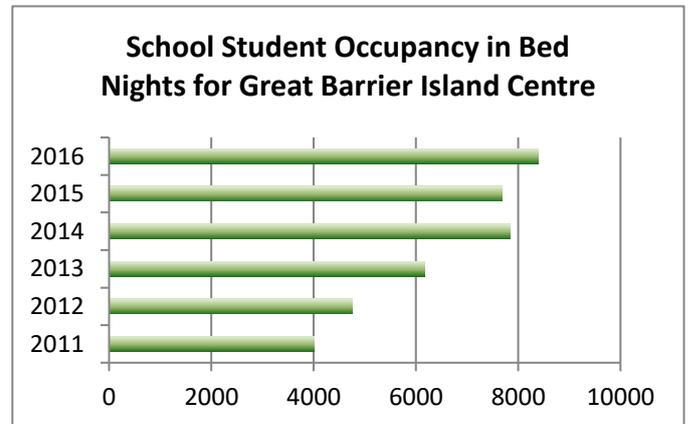
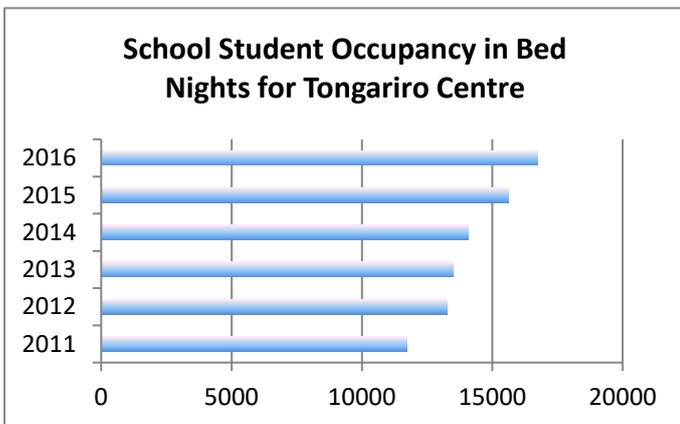
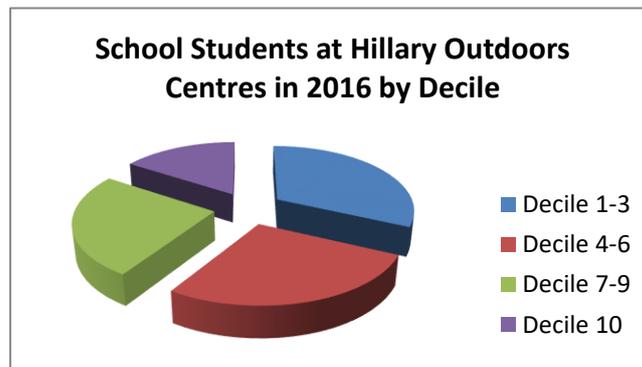
CENTRE REPORTS AND FINANCIAL STATEMENTS 2016

Sir Edmund Hillary Outdoors Education Trust

Sir Edmund Hillary Outdoors Education Trust

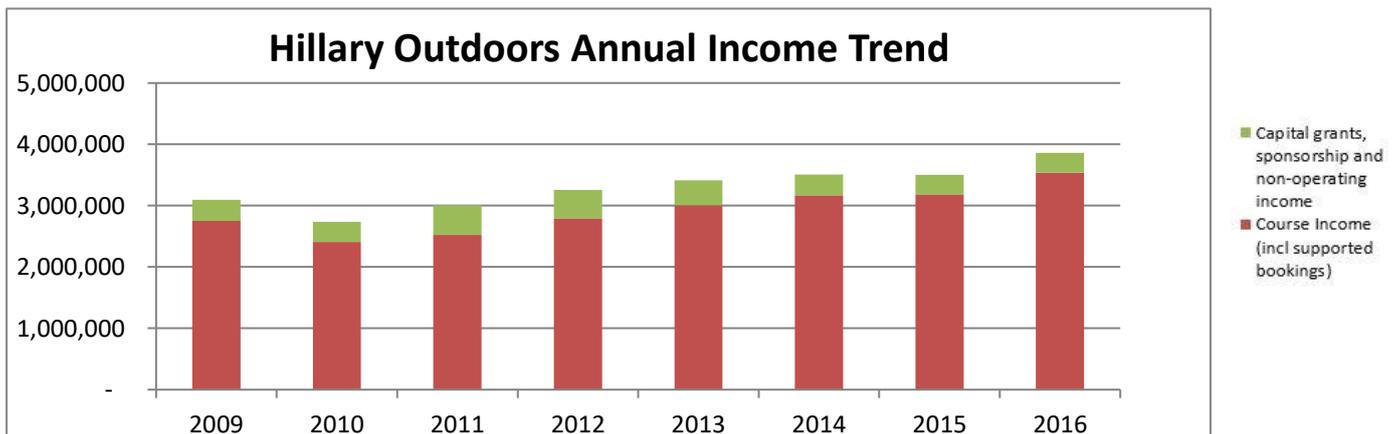
Centre Reports

Programme Attendance	2016	2015	
School students attending 5 days programmes	4,001	3,674	+8.9%
School students attending long programmes	170	261	-34.8%
School students participating in events	2,304	2,300	+0.2%
TOTALS	6,475	6,235	+3.8%



Tongariro	
Bed Nights 2016	16,753
Bed Nights 2015	15,606

Great Barrier	
Bed Nights 2016	8,394
Bed Nights 2015	7,677



Sir Edmund Hillary Outdoors Education Trust

Financial Statements

For the Year Ended 31 December 2016

The trustees have approved the financial statements of the Sir Edmund Hillary Outdoors Education Trust for the year ended 31 December 2016.

Approved for and on behalf of the Board of Trustees this 22nd day of May 2017.



Chair of the Board of Trustees



Trustee

Contents

Trust Directory.....	4
Independent Auditor's Report.....	5
Statement of Comprehensive Revenue and Expense.....	7
Statement of Changes in Net Assets.....	8
Statement of Financial Position.....	9
Statement of Cash flows.....	10
Notes to and forming part of the Financial Statements.....	11

Sir Edmund Hillary Outdoors Education Trust

Trust Directory

As at 31 December 2016

Charities Commission Registration	CC26731
Date of Formation	6 August 1973
Nature of Trust	To provide education in all its forms in outdoor pursuits
Registered Office	Suite D, Level 1 31D Bartley Terrace Devonport Auckland
Patron	Rt Hon Dame Jenny Shipley
Trustees	Mark Copeland - Chair Clive Tilby Thea Depetris Rachel Dunne Tony Gault Iain Morrison Bonny Lawrence
Independent Auditor	BDO Auckland Level 4 4 Graham Street Auckland
Bankers	Bank of New Zealand Limited – Taupo Branch
Solicitors	Chapman Tripp

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF SIR EDMUND HILLARY OUTDOORS EDUCATION CENTRES**

Opinion

We have audited the financial statements of Sir Edmund Hillary Outdoors Education Centres ("the Trust"), which comprise the statement of financial position as at 31 December 2016, and the statement of comprehensive revenue and expense, statement of changes in net assets/equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Trust in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Other Information

The Trustees are responsible for the other information. The other information obtained at the date of this auditor's report is information contained in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Trustees' Responsibilities for the Financial Statements

The Trustees are responsible on behalf of the Trust for the preparation and fair presentation of the financial statements in accordance with PBE Standards RDR, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Who we Report to

This report is made solely to the Trustees, as a body in accordance with the Trust Deed of the Trust. Our audit work has been undertaken so that we might state those matters which 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 Trust and the Trustees, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Auckland

**BDO Auckland
Auckland
New Zealand**

22 May 2017

Sir Edmund Hillary Outdoors Education Trust
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2016

	Note	2016 \$
Revenue		
<u>Revenue from exchange transactions</u>		
Course fee income		2,916,884
<u>Revenue from non-exchange transactions</u>		
Grants, donations and other similar income	2	<u>946,901</u>
Total revenue		3,863,785
Expenses		
Course disbursements and related costs		832,838
Employee costs		2,237,705
Rent and rates		54,810
Depreciation		260,191
Other expenses		<u>610,607</u>
Total expenses		3,996,151
Deficit for the year		<u>(132,366)</u>
Total comprehensive revenue and expenses for the year		<u>(132,366)</u>

The above statement should be read in conjunction with the notes to and forming part of the financial statements.

Sir Edmund Hillary Outdoors Education Trust
Statement of Changes in Net Assets
For the year ended 31 December 2016

	2016
	\$
Opening net assets at the beginning of the year	2,433,767
Total comprehensive revenue and expense for the year	(132,366)
Closing net assets at the end of the year	<u>2,301,401</u>

The above statement should be read in conjunction with the notes to and forming part of the financial statements.

Sir Edmund Hillary Outdoors Education Trust

Statement of Financial Position

As at 31 December 2016

	Note	2016 \$
CURRENT ASSETS		
Cash at bank	3	330,935
Accounts receivable		20,445
Prepayments		4,324
Inventories		18,145
Total current assets		<u>373,849</u>
CURRENT LIABILITIES		
Accounts payable	4	115,188
Employee-related accruals	5	74,803
Other creditors and accruals	6	46,899
Finance lease – current portion	8	8,898
Grants and donations received in advance	7	295,960
Course prepayments		393,787
Total current liabilities		<u>935,535</u>
Working capital (deficit)		<u>(561,686)</u>
NON – CURRENT ASSETS		
Property plant and equipment	9	2,863,087
Total non-current assets		<u>2,863,087</u>
NET ASSETS		<u>2,301,401</u>
REPRESENTED BY:		
Trust Capital		
Trust capital		<u>2,301,401</u>

Approved for and on behalf of the Board of Trustees this 22nd day of May 2017.



Chair- Board of Trustees



Trustee

The above statement should be read in conjunction with the notes to and forming part of the financial statements

Sir Edmund Hillary Outdoors Education Trust

Statement of Cash flows

For the year ended 31 December 2016

	Note	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from:-		
Course fees		3,030,727
Grants, donations and bequests		978,540
Rental income from staff village		50,293
Insurance claims received		835
Dividend received		3,738
Payments to suppliers and employees		(3,825,423)
Net GST received		7,328
Net cash inflow from operating activities		246,038
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received		1,787
Proceeds from disposal of property plant and equipment		175
Payments for purchase of property plant and equipment		(139,171)
Net cash outflow from investing activities		(137,209)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid		(6,252)
Payments for finance lease principal		(6,692)
Net cash outflow from financing activities		(12,944)
Net increase in cash and cash equivalents		95,885
Cash and cash equivalents at beginning of the year		235,050
Cash and cash equivalents at the end of the year	3	330,935

Sir Edmund Hillary Outdoors Education Trust

Notes to and forming part of the Financial Statements

For the year ended 31 December 2016

1. STATEMENT OF ACCOUNTING POLICIES

Reporting entity

These are the financial statements of the Sir Edmund Hillary Outdoors Education Trust ('the Trust'). The Trust is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act (2013). The Trust is a charitable trust registered in New Zealand with the Charities Commission. The Trust is engaged in the business of providing all aspects of outdoor education.

The Trust was registered on the 6 August 1973, and commenced trading at that time.

Basis of Reporting

These financial statements of the Trust have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with the Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") as appropriate for Tier 2 not-for-profit public benefit entities, and disclosure concessions have been applied.

This is the Trust's first set of financial statements presented in accordance with PBE Standards RDR. Upon transition to PBE Standards RDR the Trust has applied the transitional provision afforded in FRS-47.RDR 27.2 of not providing comparative figures for the 2015 year.

The financial statements of the Trust have been prepared on an historical cost basis. The information is presented in New Zealand dollars, rounded to the nearest dollar.

Use of judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate are revised and in any future periods affected.

- Revenue recognition for non-exchange revenue

Grants and donations are received from various charities and some have restrictions and conditions attached. All revenue has been recognised, both this and in previous years, in strict terms with any grant conditions and restrictions. Where there are no conditions or restrictions attached to the revenue, or the revenue is not required to be returned if the conditions/restrictions are not fulfilled, the recognition will occur in the month of receipt.

Changes in Accounting Policies

Further to the transition of PBE Standards RDR there has been no impact or changes to accounting policies.

Sir Edmund Hillary Outdoors Education Trust

Notes to and forming part of the Financial Statements (Cont'd)

For the year ended 31 December 2016

Significant Accounting Policies

In the preparation of these financial statements, the specific accounting policies are as follows:

a) Property Plant and Equipment - Valuation

Items of property, plant and equipment are initially measured at cost, except those acquired through non exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

Heritage assets with no future economic benefit or service potential other than their heritage value are not recognised in the statement of financial position.

Items of property, plant and equipment are subsequently measured at cost (or fair value for items acquired through non-exchange transactions) less accumulated depreciation and impairment.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- The cost of materials and direct labour
- Costs directly attributed to bringing the assets to a working condition for their intended use
- When the Trust has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the surplus or deficit.

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Trust. Ongoing repairs and maintenance is expensed as incurred.

b) Property Plant and Equipment - Depreciation

The Trust has the following classes of Property, Plant & Equipment and depreciation has been calculated to allocate the cost or valuation of the assets over their estimated useful lives, at the following rates:

Motor vehicles	20-26%	Diminishing Value
Office equipment	31.2%	Straight-line
Buildings	2.5-6%	Straight-line
Centre equipment	33%	Diminishing Value
Support craft	26%	Diminishing Value
Plant and equipment	20-26%	Diminishing Value

Sir Edmund Hillary Outdoors Education Trust

Notes to and forming part of the Financial Statements (Cont'd)

For the year ended 31 December 2016

c) Goods & Services Tax

These financial statements have been prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable, which are shown inclusive of GST.

d) Taxation

No provision for income tax been made, as the Trust is exempt from Income Tax under the provisions of the Income Tax Act 2007.

e) Revenue

Course Fees

Course Fees are recognised in the month of attendance at one of the Trust's outdoor education centres.

Grants and Donations

Grants and donations are recognised in operating revenue, unless specific conditions are attached and repayment of the amount is required where these conditions are not met. In these cases, the grant or donation is treated as a liability until such conditions are met.

Interest Income

Interest income is recognised using the effective interest method.

2. OTHER INCOME

Sponsorship	10,000
Dividends received	3,739
Donations for course revenue/costs support	871,129
Funding and grants for assets	61,610
Insurance claims	835
Loss on sale of assets	(412)
	<hr/>
	946,901

Sir Edmund Hillary Outdoors Education Trust

Notes to and forming part of the Financial Statements (Cont'd)

For the year ended 31 December 2016

The Sir Edmund Hillary Outdoors Education Trust gratefully acknowledges the donations, grants and sponsorship from the following entities:

- Chapman Tripp
- Genesis Energy Limited
- Foundation North
- Pub Charity
- New Zealand Community Trust
- North and South Trust
- Four Winds Foundation
- Trust Waikato
- The Trusts Community Foundation
- The Douglas Charitable Trust
- Grassroots Trust
- Pegasus Sports Foundation
- Lottery Community Fund
- Blue Waters Trust
- Blue Sky Community Trust
- Apex Insurance
- The Southern Trust
- Mount Wellington Foundation
- TG Macarthy Trust
- Dragon Community Trust
- Constellation Community Trust
- Trillian Trust
- Wellington Community Trust
- Sir John Logan Campbell Charitable Trust
- Infinity Foundation Limited
- First Sovereign Trust
- Torpedo7
- Youthtown

Sir Edmund Hillary Outdoors Education Trust

Notes to and forming part of the Financial Statements (Cont'd)

For the year ended 31 December 2016

3. CASH AT BANK

	2016
	\$
BNZ Cheque Account	8,493
BNZ Autocall Account	16,264
BNZ Events Account	30,018
BNZ Term Account	275,860
Office Float	300
	<hr/>
	330,935

4. ACCOUNTS PAYABLE

Accounts payable	110,597
BNZ VISA credit card	4,591
	<hr/>
	115,188

5. EMPLOYEE-RELATED ACCRUALS

PAYE due	48,219
Holiday pay accrual	26,584
	<hr/>
	74,803

6. OTHER CREDITORS AND ACCRUALS

Sundry creditors and other accruals	22,527
Staff association funds	1,773
GST payable	22,599
	<hr/>
	46,899

Sir Edmund Hillary Outdoors Education Trust

Notes to and forming part of the Financial Statements (Cont'd)

For the year ended 31 December 2016

7. GRANTS AND DONATIONS RECEIVED IN ADVANCE

	2016
	\$
Foundation North	16,375
Dragon Community Trust	5,469
Genesis Energy Limited	20,000
The Trusts Community Foundation	35,609
Infinity Foundation	10,000
New Zealand Community Trust	21,453
Southern Trust	25,000
T G Macarthy	8,000
Youthtown	5,000
Pub Charity	113,570
Sir John Logan Campbell Charitable Trust	780
Torpedo7	13,920
Lotteries Grant Board	4,460
Genesis Education Fund	16,324
	<u>295,960</u>

8. FINANCE LEASE

- Current portion	8,898
- Non-current portion	-
	<u>8,898</u>

Sir Edmund Hillary Outdoors Education Trust

Notes to and forming part of the Financial Statements (Cont'd)

For the year ended 31 December 2016

9. PROPERTY, PLANT AND EQUIPMENT

2016	Opening Cost	Additions	Disposals	Closing Cost	Opening Accumulated Depreciation	Current Year Depreciation	Disposal	Closing Accumulated Depreciation	Net Closing Book Value
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land	30,000	-	-	30,000	-	-	-	-	30,000
Buildings	4,936,389	28,205	-	4,964,594	2,366,201	162,961	-	2,529,162	2,435,432
Motor Vehicles	532,290	47,009	(12,444)	566,855	408,936	36,561	(11,858)	433,639	133,216
Support Craft	71,619	2,973	-	74,592	47,263	6,848	-	54,111	20,481
Plant and Equipment	388,555	40,336	(25,230)	403,661	218,473	34,111	(25,238)	227,346	176,315
Centre Equipment	579,592	19,145	-	598,737	519,273	15,768	-	535,041	63,696
Office Equipment	76,920	1,503	(48,757)	29,666	70,529	3,942	(48,752)	25,719	3,947
Total	6,615,365	139,171	(86,431)	6,668,105	3,630,675	260,191	(85,848)	3,805,018	2,863,087

Sir Edmund Hillary Outdoors Education Trust

Notes to and forming part of the Financial Statements (Cont'd)

For the year ended 31 December 2016

10. SIR EDMUND HILLARY OUTDOORS EDUCATION FOUNDATION

The Sir Edmund Hillary Outdoors Education Foundation (formerly known as The Sir Edmund Hillary Foundation for Young New Zealanders) is a separate private charitable trust which prepares its own financial accounts. Its purpose is to remove the financial barriers for young people to attend a course at the Hillary Outdoors Education Centres and to promote Sir Edmunds Hillary's legacy in the outdoors. The Sir Edmund Hillary Outdoors Education Trust acts as custodian for the trust and is entitled to receive interest income. The Foundation has not sponsored any students to come to a centre in this financial year, however it has provided short-term funding of \$47,000 to the trust for a short period during the year in lieu of transferring interest across. There was an amount owing to the Foundation of \$2,000 at year-end.

11. CONTINGENT LIABILITIES

At balance date there are no known contingent liabilities. The Trust has not granted any securities in respect of liabilities payable by any other party whatsoever (2015: \$Nil)

12. COMMITMENTS

As at 31 December 2016, the Trust had an operating lease in place with Ellerslie Investments Limited – rental agreement for premises in Devonport, Auckland for a term of 2 years from 1 September 2015 to 31 August 2017, with a right of renewal for a further 2 years. In addition, an operating lease with Fuji Xerox commenced on 23 July 2015, for a term of four years ending July 2019 for two printer copiers in Auckland and Tongariro.

	2016
	\$
No longer than one year	30,088
Between one and five years	22,634
	<u>52,722</u>

13. GOING CONCERN

The financial statements show a net loss of \$132,366 for the year and negative working capital of \$561,686 as at 31 December 2016. The Trust has Trust Capital of \$2,301,401 with external borrowings of \$8,898. The financial statements have been prepared on a going concern basis, which assumes that the Trust will continue in operational existence for the foreseeable future. The Trustees, who continually review the funding needs of the business, consider that in preparing the financial statements, they have taken into account all information that could reasonably be expected to be available, including the budgets and cashflow forecast for the 2017 financial year. The key assumptions of these documents are:

- Retaining the 2016 course attendance levels for students at Great Barrier furnished in part by Pub Charity 2016 and Foundation North grants. The Foundation North grant has already been approved to 2018 at \$150,000 per year and the Pub Charity grant of \$285,000 was also approved and received on 28 April 2017;

Sir Edmund Hillary Outdoors Education Trust

Notes to and forming part of the Financial Statements (Cont'd)

For the year ended 31 December 2016

- Grant/donation income achieving 95% of 2016 levels by a combination of the sufficient continued financial support of the key donors and the ability of the Trust to be successful with future funding requests and other philanthropic organisations;
- And the ability of the Trust to continue to control its costs such that an operating surplus before depreciation is achieved; and
- The forecast capital expenditure is sufficient to maintain the operational capacity of the Trust, and capital grants will be continued to be applied to assist purchases of new assets.

14. EVENTS AFTER REPORTING PERIOD

There were no events subsequent to balance date (2015: \$Nil).

15. RELATED PARTY TRANSACTIONS

There were no related party transactions (2015:\$Nil).



SPECIAL THANKS TO OUR SUPPORTERS



Bluewaters Community Trust | Dragon Community Trust | True North | North & South Trust | Trillian Trust
Mt Wellington Foundation | Constellation Communities Trust | Wellington Community Trust | Pegasus Sports Foundation
Blue Sky Community Trust | Brian Carran | Youhtown | Sir John Logan Campbell Residuary Estate

AND THE FOLLOWING EVENT SPONSORS

Sealink | Cactus Outdoor | Lactic Turkey Events | Buff NZ | Kathmandu Coast to Coast | Torpedo7 Spring Challenge
Whangamata Adventure Race | Adventure Race Coromandel | Chateau Tongariro | SPOT NZ

Registered office

Suite D | Level 1 | 31D Bartley Terrace | Devonport | Auckland 0624

Charities Commission Registration, CC26731