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Sir Edmund Hillary Outdoors Education Trust

Financial Statements

For the Year Ended 31 December 2015

Sir Edmund Hillary Outdoors Education Trust

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For the year ended 31 December 2015

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Sir Edmund Hillary Outdoors Education Trust

Trust Directory

As at 31 December 2015

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	Clive Tilby - Chairman David Beeche Mark Copeland Thea Depetris Rachel Dunne Mervyn English Tony Gault Iain Morrison Rupert Wilson
Independent Auditor	BDO Auckland Level 8, BDO Tower 120 Albert Street Auckland
Bankers	Bank of New Zealand Limited – Taupo Branch
Solicitors	Chapman Tripp

Sir Edmund Hillary Outdoors Education Trust
Annual Report
For the year ended 31 December 2015

The trustees have approved the financial statements of the Sir Edmund Hillary Outdoors Education Trust for the year ended 31 December 2015.

Approved for and on behalf of the Board of Trustees this 7th day of June 2016.



Chairman of the Board of Trustees



Trustee

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

Report on the Financial Statements

We have audited the accompanying financial statements of Sir Edmund Hillary Outdoors Education Trust which comprise the statement of financial position as at 31 December 2015 and the statement of financial performance and statement of movements in trust capital for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Trustees, as a body, in accordance with Trust Deed of Sir Edmund Hillary Outdoor Education Trust. Our audit has been undertaken so that we might state to the Trustee 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 Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Board of Trustees' Responsibility for the Financial Statements

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

Auditor's Responsibility

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 (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 judgment, 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 accounting policies used and the reasonableness of accounting estimates made by Board of Trustees, as well as evaluating 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, Sir Edmund Hillary Outdoors Education Trust.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sir Edmund Hillary Outdoors Education Trust as at 31 December 2015, and its financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.

BDO Auckland

BDO AUCKLAND
7 June 2016
Auckland
New Zealand

Sir Edmund Hillary Outdoors Education Trust
Statement of Financial Performance
For the year ended 31 December 2015

	Note	2015 \$	2014 \$
Course Fee Income		2,639,125	2,668,569
Less Operating Expenditure excluding depreciation	2	3,419,187	3,427,359
Operating Loss before depreciation and other income		(780,062)	(758,790)
Add Other income	3	865,040	837,935
Operating Surplus/(Loss) for the year before depreciation		84,978	79,145
Less Depreciation	14	(268,951)	(293,896)
Net Loss for the year		(183,973)	(214,751)

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 Movements in Trust Capital
For the year ended 31 December 2015

	2015	2014
	\$	\$
Trust Capital at the beginning of the year	2,617,740	2,832,491
Net Loss for the year	(183,973)	(214,751)
Trust Capital at the end of the year	<u>2,433,767</u>	<u>2,617,740</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 2015

	Note	2015 \$	2014 \$
CURRENT ASSETS			
Cash at bank	4	235,048	47,640
Accounts receivable	6	28,302	30,773
Other receivables	7	5,004	2,095
Term deposits	5	-	202,318
Inventories	8	17,591	16,555
Total Current Assets		285,945	299,381
CURRENT LIABILITIES			
Accounts payable	9	200,936	120,757
Other creditors and accruals	10	121,956	139,667
Finance lease – current portion	13	9,419	3,173
Grants and Donations received in advance	11	250,159	238,522
Course Prepayments	12	245,500	273,543
Total Current Liabilities		827,970	775,662
Working Capital (Deficit)		(542,025)	(476,281)
NON – CURRENT ASSETS			
Property, Plant and Equipment	14	2,984,690	3,098,609
Total Non–Current Assets		2,984,690	3,098,609
NON-CURRENT LIABILITIES			
Finance Lease – non-current portion	13	8,898	4,588
Total Non-Current Liabilities		8,898	4,588
NET ASSETS		2,433,767	2,617,740
REPRESENTED BY:			
Trust Capital			
Trust Capital		2,433,767	2,832,491

Approved for and on behalf of the Board of Trustees this 7th day of June 2016.



Chairman of the 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

Notes to and forming part of the Financial Statements

For the year ended 31 December 2015

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 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 generally accepted accounting practice in New Zealand being Financial Reporting Standards and Statements of Standard Accounting Practice.

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

Changes in Accounting Policies

There have been no changes in accounting policies during the year.

Specific Accounting Policies

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

a) 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	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 2015

1. STATEMENT OF ACCOUNTING POLICIES (CONT'D)

b) 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.

c) 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.

d) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method.

e) Revenue

Course Fees

Course Fees are recognised in the month of attendance at one of the Trust's outdoor education centres. Interest income is recognised using the effective interest method.

Grants and Donations

Grants and donations are recognised when received, 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.

f) Receivables

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

g) Leases

Leases where the Trust assumes substantially all the risks and rewards of ownership are classified as finance leases. The Trust has acquired a motor vehicle by way of finance lease and it is stated at the lower of fair value and present value of the future minimum lease payments, and is depreciated using the same rates for its other vehicles. Minimum lease payments are apportioned between interest expense and reduction of the outstanding liability. The interest expense component of the finance lease payments is recognised in the statement of financial performance using the effective interest rate method.

Other leases are classified as operating leases. Payments made under the operating leases are recognised in the Statement of Financial Performance on a straight-line basis over the term of the lease.

The Sir Edmund Hillary Outdoor Pursuits Centre of New Zealand
Notes to and forming part of the Financial Statements (Cont'd)
For the year ended 31 December 2015

2. OPERATING EXPENDITURE

Expenses are made up of:

	2015	2014
	\$	\$
Direct Course Expenses		
Course Disbursements	727,551	708,076
Wages and Salaries	2,053,245	2,040,053
Other Direct Course Expenses	15,070	30,137
Total Direct Course Expenses	2,795,866	2,778,266

Other Expenditure

Audit Fees	15,600	18,668
Interest Paid	4,468	1,176
Rates and Rent	51,528	52,635
Centre Indirect Expenses	513,471	540,492
Administration Expenses	15,300	12,716
Marketing Expenses	7,881	8,996
Other Expenses	15,072	14,410
TOTAL OPERATING EXPENDITURE	3,419,187	3,427,359

3. OTHER INCOME

Sponsorship	10,000	8,000
Dividends Received	1,712	2,084
Donations for Course Revenue/Costs Support	730,433	712,777
Funding and Grants for Assets	100,532	65,956
Interest Income	7,517	8,780
Insurance Claims	3,350	35,314
Gain/Loss on Sale of Assets	11,496	5,024
	865,040	837,935

Sir Edmund Hillary Outdoors Education Trust

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

For the year ended 31 December 2015

The Sir Edmund Hillary Outdoor Pursuits Centre of New Zealand acknowledges the donations, grants and sponsorship from the following entities:

- Chapman Tripp
- Genesis Energy Ltd
- Foundation North
- Pub Charity
- New Zealand Community Trust
- Ed Hillary Charitable Trust
- North and South Trust
- Four Winds Foundation
- Trust Waikato
- The Trusts Community Foundation
- The Douglas Charitable Trust
- Grassroots Trust
- Pegasus Sports Foundation Limited
- Endeavour Community Foundation
- Blue Waters Trust
- Blue Sky Community Trust
- Keen Footwear
- The Southern Trust
- Mount Wellington Foundation
- TG Macarthy Trust
- Dragon Community Trust
- Constellation Community Trust
- Trillian Trust
- Wellington Community Trust
- First Light Community Foundation
- Infinity Foundation Limited
- First Sovereign Trust
- Bivouac Outdoors
- Eastern and Central Community Trust

4. CASH AT BANK

	2015	2014
	\$	\$
BNZ Cheque Account	3,184	177
BNZ Autocall Account	30,446	47,203
BNZ Events Account	5	60
Office Float	300	200
	33,935	47,640

5. TERM DEPOSITS

BNZ Term Account – On Call as at Balance Date	201,113	202,318
	201,113	202,318

6. ACCOUNTS RECEIVABLE

Accounts Receivable	28,302	30,773
	28,302	30,773

Sir Edmund Hillary Outdoors Education Trust

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

For the year ended 31 December 2015

7. OTHER RECEIVABLES

	2015	2014
	\$	\$
Prepayments	5,004	2,095
	5,004	2,095

8. INVENTORIES

Stock on Hand	17,591	16,555
	17,591	16,555

9. ACCOUNTS PAYABLE

Accounts Payable	199,736	117,325
BNZ VISA Credit Card	1,200	3,432
	200,936	120,757

10. OTHER CREDITORS AND ACCRUALS

PAYE Due	43,700	43,043
Holiday Pay Accrual	39,721	40,299
Sundry Creditors and other Accruals	20,039	22,103
Staff Association Funds	3,225	2,518
GST Payable	15,271	31,704
	121,956	139,667

11. GRANTS AND DONATIONS RECEIVED IN ADVANCE

Foundation North	38,761	29,809
Grassroots Trust	-	10,000
First Light Foundation	-	6,000
Constellation Community Trust	4,500	-
The Trusts Community Foundation	20,000	-
New Zealand Community Trust	36,142	-
Southern Trust	-	20,000
Trillian Trust	4,556	-
Mana Trust	-	5,000
Nikau Trust	-	3,695
Pub Charity	129,214	141,877
Genesis Education Fund	16,821	13,741
The Lines Company	165	8,400
	250,159	238,522

Sir Edmund Hillary Outdoors Education Trust

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

For the year ended 31 December 2015

12. COURSE PREPAYMENTS

	2015	2014
	\$	\$
Course Fees received in advance	245,500	273,543
	245,500	273,543

13. FINANCE LEASE

Toyota Finance Ltd

- Current Portion	9,419	3,173
- Non –Current portion	8,898	4,588
	18,317	7,761

14. PROPERTY, PLANT AND EQUIPMENT

2015	Cost	Current Year Depreciation	Accumulated Depreciation	Carrying Value
	\$	\$	\$	\$
Land	30,000	-	-	30,000
Buildings	4,936,389	163,322	2,366,201	2,570,188
Motor Vehicles	532,290	38,033	408,936	123,354
Support Craft	71,619	8,557	47,263	24,356
Plant and Equipment	388,555	39,729	218,473	170,082
Centre Equipment	579,592	14,090	519,273	60,319
Office Equipment	76,920	5,220	70,529	6,391
Total	6,615,365	268,951	3,630,675	2,984,690

2014	Cost	Current Year Depreciation	Accumulated Depreciation	Carrying Value
	\$	\$	\$	\$
Land	30,000	-	-	30,000
Buildings	4,925,592	162,543	2,202,879	2,722,713
Motor Vehicles	563,362	38,579	442,907	120,455
Support Craft	71,619	11,564	38,706	32,913
Plant and Equipment	320,810	30,691	178,744	142,066
Centre Equipment	548,277	17,066	505,183	43,094
Office Equipment	133,697	33,453	126,329	7,368
Total	6,593,357	293,896	3,494,748	3,098,609

Sir Edmund Hillary Outdoors Education Trust
Notes to and forming part of the Financial Statements (Cont'd)
For the year ended 31 December 2015

15. 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 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 \$60,000 to the trust for a short period during the year in lieu of transferring interest across. This amount was repaid by financial year end.

16. 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 (2014: \$Nil)

17. COMMITMENTS

As at 31 December 2015 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 2016, with a right of renewal for a further 2 years. In addition, an operating lease with Fuji Xerox was commenced 23rd July 2015 for a term of four years ending July 2019 for two printer copiers in Auckland and Tongariro.

	2015	2014
	\$	\$
No longer than one year	34,740	27,400
Between one and five years	52,374	10,350
	87,114	37,750

Sir Edmund Hillary Outdoors Education Trust

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

For the year ended 31 December 2015

18. GOING CONCERN

The financial statements show a net loss of \$183,973 for the year and negative working capital of \$542,025 as at 31 December 2015. The Trust has Trust Capital of \$2,433,767 with external borrowings of \$18,318. 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 2016 financial year. The key assumptions of these documents are:

- Retaining the 2015 course attendance levels for students at Great Barrier furnished in part by Pub Charity 2015 grant and Foundation North Trust grant ;
- Grant/donation income achieving 95% of 2015 levels;
- The Trust controlling its costs such that an operating surplus before depreciation is achieved; and
- Forecast capital expenditure is sufficient to maintain the operational capacity of the Trust.

19. EVENTS AFTER REPORTING PERIOD

There were no events subsequent to balance date (2014: \$Nil).

20. RELATED PARTY TRANSACTIONS

There were no related party transactions (2014:\$Nil).