

Edward Juchnowicz  
Chartered Accountant  
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Wellington

# **AUDIT REPORT**

## **WELLINGTON TRAMPING & MOUNTAINEERING CLUB INCORPORATED**

To the readers of the financial report of the Wellington Tramping & Mountaineering Club Incorporated.

I have audited the attached financial report. The financial report provides information about the past financial performance and financial position of the Wellington Tramping & Mountaineering Club Incorporated as at 31 January 2015. This information is stated in accordance with the accounting policies as attached.

### **MANAGEMENT RESPONSIBILITIES**

The management is responsible for the preparation of a financial report which gives a true and fair view of the financial position of the Wellington Tramping & Mountaineering Club Incorporated as at 31 January 2015, and the results of its operations for the year ended 31 January 2015.

### **AUDITOR'S RESPONSIBILITIES**

It is my responsibility to express an independent opinion on the financial report presented by the management and report my opinion to you.

### **BASIS OF OPINION**

An audit includes examining, on a test basis, evidence relevant to the accounts and disclosures in the financial report. It also includes assessing:

- the significant estimates and judgements made by the management in the preparation of the financial report; and
- whether the accounting policies are appropriate to the Wellington Tramping & Mountaineering Club Incorporated's circumstances, consistently applied and adequately disclosed.

I conducted the audit in accordance with generally accepted auditing standards in New Zealand. I planned and performed the audit so as to obtain all the information and explanations which I considered necessary. I obtained sufficient evidence to give reasonable assurance that the financial report is free from material misstatements, whether caused by fraud or error. In forming my opinion, I also evaluated the overall adequacy of the presentation of information in the financial report.

Other than in my capacity as auditor, and as a member of the Club, I have no relationship with or interests in the Wellington Tramping & Mountaineering Club Incorporated.

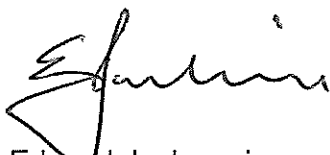
### **UNQUALIFIED OPINION**

I have obtained all the information and explanations I have required.

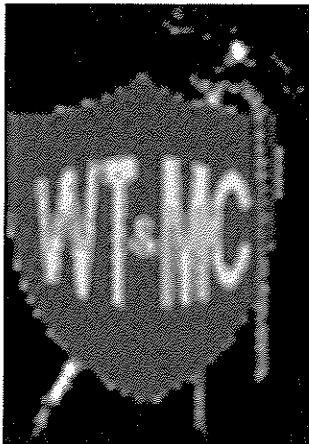
In my opinion:

- proper accounting records have been kept by the Wellington Tramping & Mountaineering Club Incorporated as far as appears from my examination of those records; and
- the financial report as attached:
  - complies with generally accepted accounting practice;
  - gives a true and fair view of the financial position of the Wellington Tramping & Mountaineering Club Incorporated as at 31 January 2015, and the results of its operations for the year ended on that date.

The audit was completed on 7 April 2015 and my unqualified opinion is expressed as at that date.



Edward Juchnowicz  
Chartered Accountant  
Wellington



Wellington Tramping  
and Mountaineering Club Inc.

Financial Report

for the year ended 31 January 2015

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## Wellington Tramping & Mountaineering Club Inc.

### Statement of Financial Performance

for year ended 31 January 2015

		2014/15	2013/14
		\$	\$
The Club received its income from:			
Membership subscriptions and sundry income	Note 2	20,119	18,623
Social activities and door money	Note 3	1,222	2,873
Transport and other fares	Note 4	38,016	32,381
Ruapehu Lodge income	Note 5	71,073	73,677
Interest		7,994	7,505
Total Income		<u>138,425</u>	<u>135,059</u>
The Club's expenses were:			
Social activities and club room rental	Note 3	2,476	2,143
Transport and vehicle expenses	Note 4	41,995	37,060
Ruapehu Lodge expenses	Note 5	68,823	77,130
Club operating costs	Note 6	17,688	19,206
Total expenses		<u>130,983</u>	<u>135,539</u>
Net surplus / loss - transferred to General equity		7,442	(480)

### Statement of Movements in Equity

for year ended 31 January 2015

		2014/15	2013/14
		\$	\$
General Equity			
Balance at beginning of year		304,493	304,973
Surplus / (Loss) from Statement of Performance		7,442	(480)
Transport and other fares	Note 7	<u>311,935</u>	<u>304,493</u>



Wellington Tramping & Mountaineering Club Inc.

Statement of Financial Position

for year ended 31 January 2015

		2014/15	2013/14
		\$	\$
The Club owned:			
Current assets			
Cash at bank		17,305	9,389
Deposits at call		82,262	28,172
Prepaid expenses		6,294	7,183
GST		-	-
Interest accrued		244	558
Total Income		<u>106,104</u>	<u>45,302</u>
Non-Current assets			
Term deposits	Note 8	140,000	170,000
Ruapehu Lodge (DOC) Prepayments	Note 12	26,585	29,099
King Country Energy Ltd shares	Note 14	7,169	6,903
		<u>173,753</u>	<u>206,002</u>
Fixed assets at cost less accumulated depreciation	Note 9	53,577	72,377
<b>TOTAL ASSETS</b>		<u><u>333,435</u></u>	<u><u>323,681</u></u>
The Club owed			
Current Liabilities			
Accrued expenses		4,140	2,092
Income Received in Advance		10,034	9,762
GST		157	431
Total Liabilities		<u>14,331</u>	<u>12,285</u>
Leaving equity of			
Unrecognised capital gain	Note 14	7,169	6,903
General Equity	Note 7	311,935	304,493
Total Equity		<u>319,104</u>	<u>311,396</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>333,435</u></u>	<u><u>323,681</u></u>

**Wellington Tramping & Mountaineering Club Inc.**

**Notes to the Financial Statements**

**for year ended 31 January 2015**

**Note 1**

**Statement of accounting policies**

**Basis of preparation**

The financial statements have been prepared in accordance with generally accepted accounting practice and on the basis of historical cost. There have been no changes in accounting policy during the current year, and the accounting policies adopted are consistent with those of the previous year.

**Differential reporting**

Under the Framework for Differential Reporting, an entity is exempt from certain requirements of Financial Reporting Standards if it satisfies criteria laid down in the framework. Such an entity is called a qualifying entity

The Club is a qualifying entity for differential reporting by virtue of the fact that it has no public accountability and it is not large (as defined in the framework)

Accordingly, differential reporting exemptions have been applied in relation to:

- FRS-10 Statement of cash flows
- FRS-31 Disclosure of information about financial instruments

**Goods and Services Tax**

The financial statements were prepared on a GST exclusive basis

**Depreciation of Club assets**

Club assets are depreciated on a straight-line basis at rates which will write off the cost of those assets over their estimated economic life. The principle annual rates in use are:

Motor Vehicles	12.5%	8 years
Tramping and climbing equipment	25%	4 years
Other equipment	15-25%	4 to 6 years
Office equipment	25-33%	3 to 4 years
Ruapehu assets	25%	4 years
Ruapehu curtains	12.5%	8 years
Ruapehu alterations	10%	10 years

**Accounts receivable**

Accounts receivable are stated at their expected realisable value

Wellington Tramping & Mountaineering Club Inc.

Notes to the Financial Statements

for year ended 31 January 2015

	2014/15	2013/14
	\$	\$
<b>Note 2</b>		
<i>Membership subscriptions and sundry income</i>		
Gear Hire & equipment sales	522	332
Hut tickets sold	235	200
Membership subscriptions and joining fees	13,670	16,198
Members' training income	4,605	602
Sundry Income	250	53
Non-member levy	-	857
Paua Hut fees	837	382
Total Income	<u>20,119</u>	<u>18,624</u>
<b>Note 3</b>		
<i>Social activities operating account</i>		
Income:		
Door Money	1,222	2,873
Less expenses;		
Club room rental - 50% of total cost	1,519	1,758
Club night supplies	957	385
	<u>2,476</u>	<u>2,143</u>
Net profit / (loss) on social activities	<u>(1,254)</u>	<u>730</u>
<b>Note 4</b>		
<i>Transport and tramping activities operating account</i>		
Income:		
Trip fares - North Island	19,587	15,825
Trip fares - South Island	18,429	16,556
	<u>38,016</u>	<u>32,381</u>
Less expenses:		
Diesel & oil	7,715	4,450
Insurance	1,927	1,891
Registration & WOF fees	619	874
Road user charges	1,737	443
Garaging	1,377	1,269
Depreciation	9,167	9,167
Repairs and maintenance	1,537	3,906
Van hire - North Island	3,497	934
Accommodation / Equipment hire	1,130	3,850
Ferries & van hire/shuttles - South Island	13,289	10,276
	<u>41,995</u>	<u>37,060</u>
Net profit / (loss) on transport and tramping activities	<u>(3,979)</u>	<u>(4,679)</u>

Wellington Tramping & Mountaineering Club Inc.

Notes to the Financial Statements

for year ended 31 January 2015

	2014/15	2013/14
	\$	\$
<b>Note 5</b>		
Ruapehu Lodge operating account		
Income:		
Lodge fees	70,674	15,712
Lodge fess - non-members	-	36,634
Food supplies income	-	20,573
Dividends	399	758
	<u>71,073</u>	<u>73,677</u>
Less expenses		
Depreciation	9,656	10,443
DOC bunk levy	4,006	3,219
DOC project levy & amortisation	2,514	2,760
Electricity	11,147	10,691
Insurance	14,502	14,991
Food supplies purchased	17,332	18,174
Paypal deposit fee	804	1,167
Rates	4,692	8,264
Repairs and maintenance	1,085	2,827
Telephone & tolls and internet fees	1,896	2,739
IQP lodge inspections	1,079	1,496
Sundry	110	359
	<u>68,823</u>	<u>77,130</u>
Net profit / (loss) for WTMC Ruapehu Lodge	<u>2,251</u>	<u>(3,453)</u>
<b>Note 6</b>		
Club operating costs		
Advertising & promotion	-	527
Affiliation fees	2,983	3,701
Bank charges	137	105
Club room rental - 50% of total cost	3,038	1,758
Depreciation - gear and equipment	567	617
Insurance	741	741
Journal	2,964	6,798
Leadership & members' training	716	504
Newsletter printing costs	1,068	803
Hut tickets / computer supplies	363	373
Paua Hut / Tararua Hut Maintenance & Licence	962	484
Postage, printing & stationery	2,699	1,509
Gear maintenance	63	714
Donation	744	500
Sundry	643	72
Total operating costs	<u>17,688</u>	<u>19,206</u>



Wellington Tramping & Mountaineering Club Inc.

Notes to the Financial Statements

for year ended 31 January 2015

	2014/15	2013/14
	\$	\$
<b>Note 7</b>		
Reservation of General funds		
Reservation of funds as part of the General Equity of the Club are as follows;		
Ruapehu lodge reserve		
Funds previously reserved	34,098	37,551
Reservation of General funds from this year	2,251	(3,453)
	<u>36,349</u>	<u>34,098</u>
Transport/vehicle replacement reserve		
Funds previously reserved	-	-
Reservation of General funds from this year	(3,979)	(4,679)
Transfer from General Funds	3,979	4,679
	<u>-</u>	<u>-</u>
Celebrations reserve		
Funds previously reserved	6,845	6,845
	<u>6,845</u>	<u>6,845</u>
Total funds reserved	<u>43,194</u>	<u>40,943</u>
Total funds not reserved	268,741	263,550
Total General Equity	311,935	304,493

**Note 8**

Term deposits

The Club has invested funds in term deposits with the ANZ Bank. These funds do not represent any particular allocation of the General funds owned by the Club

**Note 9**

Fixed assets at cost less accumulated depreciation

	Cost	Depreciation current year	Accumulated depreciation	Net book Value this year	Net book value last year
	\$	\$	\$	\$	\$
Climbing gear	13,495	-	13,495	-	-
Equipment	30,178	276	29,085	1,093	939
Tents and flies	13,030	-	13,030	-	-
Tramping gear	2,215	-	2,215	-	-
Trophies	20	-	20	-	-
Vehicles	73,333	9,167	56,291	17,042	26,208
Paua Hut modifications	80,384	292	79,043	1,341	1,473
Ruapehu assets	3,054	1,598	2,947	107	1,706
Ruapehu alterations	111,086	8,058	77,092	33,994	42,052
Work in Progress	-	-	-	-	-
	<u>326,796</u>	<u>19,391</u>	<u>273,219</u>	<u>53,577</u>	<u>72,377</u>

**Note 10**

Assets purchased during the year

	2014/15	2013/14
	\$	\$
Equipment:		
Personal locator beacon (x2)		939
Ruapehu alterations:		
Upgrade nine lodge windows		2,540

**Note 11**

Stock

As at 31 January 2015, an estimated \$1,250 worth of stock, comprising items such as tinned food and cleaning fluids, was held at Ruapehu Lodge (2014, \$1,250)



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**Wellington Tramping & Mountaineering Club Inc.**

**Notes to the Financial Statements**

**for year ended 31 January 2015**

**Note 12**

**Lodge Sewerage System**

The Department of Conservation has completed the construction of the sewerage system at Iwikau Village at a total cost of \$50,281. The Committee has treated this contribution as a prepayment and amortises it over a period of 20 years. The current year's amortisation charge is reflected in the expenses of the Ruapehu Lodge operating account.

**Iwikau Village recycling centre upgrade & waste water upgrade**

The Department of Conservation has completed the waste water & recycling centre upgrades at Iwikau Village at a total cost of \$2,992. The Committee has treated this contribution as a prepayment and amortises it over a period of 10 years. The current year's amortisation charge is reflected in the expenses of the Ruapehu Lodge operating account.

**Note 13**

**Huts and lodges**

The Club has exclusive use of Paua Hut in the Orongorongo Valley and a Lodge at Iwikau Village on Mount Ruapehu. The Club does not have the right of sale or transfer for either of these facilities. The valuation for insurance purposes of the Lodge at Iwikau Village was independently updated in April 2013 and stands at \$1,270,000 (Previous valuation was \$1,163,000 as at April 2010)

**Note 14**

**Shares**

King Country Energy became a limited liability company on 1 April 1999 subsequent to the passing of the Electricity Industry Reform Act 1998. As a result, the Club was allocated 1,770 fully paid ordinary shares in June 1999, the number of shares being based on the amount of electricity used at the Ruapehu Lodge

Over the year, the price of King Country Energy Ltd shares increased 4% to \$4.05 as at 31 January 2015 (2014, \$3.90) The value of this shareholding reflected in the Club's accounts is \$7,169 (2014, \$6,903). Dividends received in the financial year ended 31 January 2014 were credited to the Ruapehu Lodge operating account.

**Note 15**

**Commitments and Contingencies**

Other than as disclosed in the financial statements or notes thereto, the Club has no contingent liabilities or future commitments at 31 January 2015 (2014, nil)