



**SNOW SPORTS NEW ZEALAND
INCORPORATED**

**ANNUAL REPORT FOR
12 MONTHS ENDED 30 JUNE 2016**



Duncan Campbell – Junior World Champs 2016



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DIRECTORY

Nature of Business	National Sporting Organisation
Registered Office	78 Anderson Road, Wanaka
Incorporation Number	216247
IRD Number	42-198-749
Auditors	Crowe Horwath 173 Spey St Invercargill
Bankers	Bank of New Zealand 11 Rees St, Queenstown
Board Members	David Wallace (Chair) Des Brennan Hetty Van Hale Michelle Trapski Richard Leggat Tony Hannon James Hadley (resigned Nov 2015)

LAAX

CHAIRMAN'S REPORT

For the 12 months ended 30 June 2016

The 2016 year has thrown a number of organisational challenges at Snow Sports NZ, the outcomes of which we are still working through. The organisation has been challenged by a significant decrease in Sport NZ Community Sport funding however the staff has continued to focus on supporting the competitive pathways and delivering events. CEO Marty Toomey has led a snow sports industry review and the recommendations, if adopted will assist us to address the funding gap. The Board believes that this approach will result in a stronger organisation with more diverse revenue streams.

Notwithstanding the off-snow challenges, athletes across the codes and age groups are delivering outstanding results and improving their rankings. We have seen a number of firsts from Finn Bilous winning New Zealand's first ever medals at the Winter Youth Olympic Games and Jossi Wells winning New Zealand's first ever X-Games gold medal to Willis Feasey scoring 10 points in Australia and other alpine athletes capturing new low levels of FIS points. We're also seeing snow sports athletes and events regularly making prime time TV sports news.

For those currently at the top, and those aspiring to get there, the road to the Pyeongchang Winter Olympic Games and Winter Paralympic Games is well and truly underway and finding that edge remains absolutely key. The Board and wider snow sports community will support you all the way.



The Board has had a few changes in the last year with Tony Hannon stepping down as Chair in November and James Hadley resigning. Des Brennan and Tony Hannon have determined not to seek reappointment at the 2016 AGM so we will be welcoming at least three new Board members. The Board thanks Tony for his significant input over the past six years. The Board also thanks Des and James for their time and energy. We also thank all of those who give their time to our various committees outside of the Board.

The Board is happy with the financial result for the year despite posting a loss. The loss was primarily driven by changes in the accounting standards that we now report under [PBE : IPSAS, Tier 2]. Like for like our financial results were on par with 2015.

We thank the ski areas and snow sports industry for their on-going support and the hundreds of volunteers who work tirelessly to deliver world-class events. We wish all of our athletes all the best for their northern hemisphere campaigns and look forward to seeing the results of their performances on the world stage.



David Wallace
Chairman



Chief Executive's Report

Not only did we enjoy great snow conditions throughout most of the country in 2015 but we also saw just shy of 13,000 entries in competitive snow sports events throughout the domestic season.

Congratulations to the athletes representing New Zealand on the world stage. The form of our 2015 award winners and their team mates carried through to the northern hemisphere winter with New Zealand athletes winning more medals at AFP, FIS, FWT, IPC and WST events (junior and senior) than ever before. The results started coming in thick and fast in November 2015 and were still coming in April 2016. It felt like the northern hemisphere winter that kept on giving.

While it is always dangerous singling out individuals the efforts of Christy Prior (X-Games Silver medal), Craig Murray (Overall Junior Freeride World Tour Champion), Finn Bilous (Silver and Bronze medals at the Winter Youth Olympic Games) and Jossi Wells (X-Games Gold Medal) deserve a mention.

In addition, it was great to see alpine national team athletes Adam Barwood, Piera Hudson and Willis Feasey lowering their points and up and coming alpine athletes like Alice Robinson winning multiple medals at the USSA Junior Nationals. These athletes represent themselves, their clubs and New Zealand with pride. The breadth of events in which New Zealand athletes performed well keeps growing and I'm sure anyone that followed the 2015/16 season results on our website and social media platforms would have been impressed.



Funding

The strong results of our carded athletes resulted in a modest increase in HPSNZ investment to support the delivery of medals at the 2018 Pyeongchang Winter Olympic and Winter Paralympic Games. The Snow Sports NZ HP team remains focused on ensuring 2018 delivers success for New Zealand athletes.

Despite great on-snow results Snow Sports NZ received a 75% decrease in community sport funding based on Sport NZ's new community sport strategy. The strategy targets inactive Asian, Maori and Pacific people and low socio-economic communities. While the funding cuts were softened by transitional funding support from Sport NZ they have put pressure on the Board and Management to find alternative funding sources or reshape the organization.

On behalf of the Ski Areas Association of NZ (SAANZ) and Snow Sports NZ (SSNZ) I undertook a review of the snow sports industry (NZSIA¹, NZSIF², SAANZ, SSNZ). The aim of the review was to explore how the industry can increase snow sports participation and support Snow Sports NZ to keep the competitive pathway alive. It was heartening to see the willingness of the major commercial ski areas to collaborate on initiatives to grow snow sports participation and to consider a number of initiatives that could assist Snow Sports NZ to resolve its funding difficulties.

A huge thank you to our funding partners (e.g. HPSNZ, Sport NZ, Community, Gaming and Charitable Trusts), resort partners and sponsors as the funding and in-kind funds you provide enables Snow Sports NZ to support athlete pathways from entry level through to high performance.

Summary

The past year has been tough but the challenges have been offset by the excellent results of New Zealand athletes domestically and on the world stage.

On a personal note I would like to thank the Board, Sport Committees and Snow Sports NZ staff for their time, knowledge, input, support and enthusiasm.

Thanks also to the event organisers, clubs, officials, coaches, volunteers and ski areas that run training and snow sports events throughout the season. Without your ongoing effort and enthusiasm the pathway for athletes would be less cohesive than it is today.



Martin Toomey

¹ NZSIA - NZ Snowsports Instructors Alliance

² NZSIF - NZ Snow Industries Federation

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENDITURE

For the 12 months ended 30 June 2016

	Notes	2016 \$	2015 \$
Revenue			
Exchange	6	250,951	216,405
Non exchange	7	3,210,814	3,369,738
Total revenue		3,461,765	3,586,143
Expenses			
Administration		396,000	276,089
Events		212,553	175,302
Non-cash items		145,548	122,263
Operations		2,362,198	2,197,742
Scholarships		428,451	521,404
Total expenses	8	3,544,750	3,292,800
Total surplus (deficit) for the year		(82,985)	293,343
Other comprehensive revenue and expenses		-	-
Total surplus (deficit) for the year		(82,985)	293,343

Snow Sports New Zealand, Inc.

STATEMENT OF CHANGES IN NET ASSETS

For the 12 months ended 30 June 2016

	Notes	2016 \$	2015 \$
Opening balance		889,562	596,219
Surplus (deficit) for the year		(82,985)	293,343
Other comprehensive income		-	-
Closing equity		806,577	889,562

STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Notes	2016 \$	2015 \$
Equity			
Accumulated comprehensive revenue and expenses		806,577	889,562
Total net assets		806,577	889,562
Current assets			
Cash and cash equivalents	10	208,897	399,153
Investments	11	317,798	306,066
Prepayments		12,731	-
Receivables from exchange transactions		38,706	18,820
Receivables from non exchange transactions		6,505	26,366
Total current assets		584,637	750,405
Non-current assets			
Property, plant and equipment	12	353,045	344,558
Intangible assets	13	64,002	69,704
Total non-current assets		417,047	414,262
Total assets		1,001,684	1,164,667
Current liabilities			
Trade and other creditors	14	91,755	203,779
Employee entitlements		38,218	34,559
GST payable		4,713	19,924
Grants in advance	15	60,421	16,843
Total current liabilities		195,107	275,105
Net assets		806,577	889,562

Signed for and on behalf of the Board Members who have authorised these financial statements for issue on 19 September 2016.



Chairman

19 September 2016



Board Member

19 September 2016

CASH FLOW STATEMENT

For the 12 months ended 30 June 2016

	Notes	2016	2015
		\$	\$
Cash flows from operating activities			
<i>Receipts</i>			
Receipts from HPSNZ grants		1,897,500	1,846,328
Receipts from Sport NZ grants		375,000	465,000
Receipts from International Ski Federation (FIS)		115,003	150,266
Receipts from Trust grants		145,798	148,982
Receipts from Winter Games NZ		12,995	-
Receipts from donations		-	13,977
Receipts from scholarships		513,351	561,428
Receipts from membership fees		44,704	39,756
Receipts from events		71,804	52,326
Receipts from other exchange transactions		173,375	189,384
Receipts from other non exchange transactions		34,473	16,667
Interest received		20,116	25,612
		3,404,119	3,509,726
<i>Net movement in GST</i>		(15,211)	(1,070)
<i>Payments</i>			
Payments to suppliers		1,845,926	1,515,631
Payments to employees		1,129,650	952,532
Grants and scholarships paid		428,451	521,404
Interest paid		42	124
		3,404,069	2,989,691
Net cash flows from operating activities		(15,161)	518,965
Cash flows from investing activities			
<i>Receipts</i>		-	-
<i>Payments</i>			
Purchase of property, plant and equipment		130,303	151,593
Purchase of intangible assets		33,060	32,935
Investments in short term deposits		11,732	306,066
		175,095	490,594
Net cash flows from investing activities		(175,095)	(490,594)
Net cash flows from financing activities		-	-
Net increase (decrease) in cash equivalents		(190,256)	28,371
Cash and cash equivalents at 1 July		399,153	370,782
Cash and cash equivalents at 30 June		208,897	399,153

NOTES TO THE FINANCIAL STATEMENTS

For the 12 months ended 30 June 2016

1 Reporting entity

The reporting entity is Snow Sports NZ which is domiciled in New Zealand and is a charitable organisation registered under the Incorporated Societies Act 1908.

The financial statements comprising of Snow Sports NZ are presented for the year ended 30 June 2016.

These financial statements and the accompanying notes summarise the financial results of activities carried out by Snow Sports NZ. Snow Sports NZ provides sporting services to people living in the wider New Zealand area.

These financial statements have been approved and were authorised for issue by the Board Members on 19 September 2016.

2 Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standard) as appropriate for Tier 2 Not For Profit (NFP) Public Benefit Entities, for which all disclosure exemptions have been adopted.

The Society is eligible to report in accordance with Tier 2 PBE (NFP) Standards on the basis that it does not have public accountability and annual expenditure does not exceed \$30 million.

The Society is deemed a public benefit entity for financial reporting purposes, as its primary objective is to provide services to the community for social benefit and has been established with a view to supporting that primary objective rather than a financial return.

3 Effect of first-time adoption of PBE standards on accounting policies and disclosures

Snow Sports NZ transitioned to PBE (NFP) Standards on 1 July 2015.

This is the first set of financial statements of Snow Sports NZ that is presented in accordance with PBE standards. Snow Sports NZ has previously reported in accordance with NZ GAAP as defined by the Financial Reporting Act 1993 ("NZ FRS").

The accounting policies adopted in these financial statements are consistent with those of the previous financial year, except for instances when the accounting or reporting requirements of a PBE standard are different to requirements under NZ FRS as outlined below. The changes to accounting policies and disclosures caused by first time application of PBE accounting standards are as follows:

PBE IPSAS 1: Presentation of Financial Statements

There are minor differences between PBE IPSAS 1 and the equivalent NZ FRS standard. These differences have an effect on disclosure only. The main changes in disclosure resulting from the application of PBE IPSAS 1 are the following:

NOTES TO THE FINANCIAL STATEMENTS

For the 12 months ended 30 June 2016

Receivables from exchange and non-exchange transactions:

In the financial statements of the previous financial year, receivables were presented as a single total in the statement of financial position. However, PBE IPSAS 1 requires receivables from non-exchange transactions and receivables from exchange transactions to be presented separately in the statement of financial position. This requirement affected the presentation of both current and comparative receivables figures.

PBE IPSAS 23: Revenue from Non Exchange Transactions

PBE IPSAS 23 prescribes the financial reporting requirements for revenue arising from non-exchange transactions. There is no equivalent financial reporting standard under NZ FRS. The application of this standard affected Snow Sports NZ's accounting for donations, grants and merchandise sales revenues.

In the previous financial year, grants received in relation to the provision of a service were recognised as revenue on a percentage of completion basis. However, PBE IPSAS 23 requires revenue from non-exchange transactions, such as grants, to be recognised as revenue as it is received, unless the grant meets the definition of and recognition criteria for a liability.

Non-exchange revenue from grants can only be deferred and recognised as a liability if there is a condition attached to the grant that requires an entity to use the grant as specified or return the grant if the entity does not perform as specified.

In the 2015 financial year, \$60,000 cash was received from Sport New Zealand for the upgrade of the Snow Sports NZ website. \$60,335 was received from High Performance Sport NZ for the development of a Wi-Fi network at Cardrona Alpine Resort.

These amounts were recognised as deferred revenue to the extent that this project had not yet commenced. However, while the grants stipulated a specific upgrade programme, these stipulations did not include a return obligation. Therefore, there is no specific condition attached to the grant, and as a result, on initial application of PBE IPSAS 23, the entire amount of cash received in connection with these grants must be recognised as revenue.

The comparative figures in the statement of financial performance and statement of financial position for 2014 and 2015 have been amended accordingly, as shown below:

Impact on statement of financial performance	2015
	\$
Increase in Sport NZ grants revenue	60,000
Increase in HPSNZ grants revenue	96,327
Increase in donations received	1,711
Increase in merchandise sales	35
Net impact on net surplus (deficit)	158,073

NOTES TO THE FINANCIAL STATEMENTS

For the 12 months ended 30 June 2016

Impact on assets/equity	2015
	\$
Increase in opening accumulated comprehensive revenue and expense (as at 1 July 2014)	17,953
Increase in net surplus (as at 30 June 2015)	140,120
Total impact on net assets/equity	158,073

Impact on financial position	2015
	\$
Increase in fixed assets	35,992
Decrease in grants in advance	122,081
Total impact on liabilities	158,073

4 Summary of accounting policies

The significant accounting policies used in the preparation of these financial statements as set out below have been applied consistently to both years presented in these financial statements.

4.1 Basis of measurement

The financial statements have been prepared on the basis of historical cost, as modified by the fair value measurement of non-derivative financial instruments and land and buildings which are measured at fair value.

4.2 Functional and presentational currency

The financial statements are presented in New Zealand dollars (\$), which is the functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest dollar.

4.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to Snow Sports NZ and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

NOTES TO THE FINANCIAL STATEMENTS

For the 12 months ended 30 June 2016

Revenue from non exchange transactions

Donations

Donations are recognised as revenue upon receipt and include donations from the general public, donations received for specific programmes and services.

In kind income

In kind income includes income received for goods, services, and volunteer time and is recognised in revenue and expense when the service or good is received. Donations in-kind are measured at their fair value as at the date of acquisition, ascertained by reference to the expected cost that would be otherwise incurred by Snow Sports NZ.

Grant Revenue

Grant revenue includes grants given by other charitable organisations, philanthropic organisations and businesses. Grant revenue is recognised when the conditions attached to the grant have been complied with. Where there are unfulfilled conditions attached to the grant, the amount relating to the unfulfilled condition is recognised as a liability and released to revenue as the conditions are fulfilled.

Revenue from exchange transactions

Membership fees

Fees and subscriptions received in exchange for annual access to member services are initially recorded as income in advance and recognised in revenue over the membership period.

Registration fees

Registration fees for functions and events are recorded as revenue when received.

Athlete contributions

Athlete contributions to development camps are recorded as revenue when received.

Interest income

Interest revenue is recognised as it accrues, using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the 12 months ended 30 June 2016

4.5 Financial instruments

Financial assets and financial liabilities are recognised when Snow Sports NZ becomes a party to the contractual provisions of the financial instrument.

Snow Sports NZ derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or Snow Sports NZ has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

- Snow Sports NZ has transferred substantially all the risks and rewards of the asset; or
- Snow Sports NZ has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial assets

Financial assets within the scope of NFP PBE IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

The categorisation determines subsequent measurement and whether any resulting income and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses. Snow Sports NZ's financial assets are classified as either financial assets at fair value through surplus or deficit, or loans and receivables. Snow Sports NZ's financial assets include: cash and cash equivalents, short-term investments, receivables from non-exchange transactions, receivables from exchange transactions and investments.

All financial assets except for those at fair value through surplus or deficit are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Financial assets at fair value through surplus or deficit.

Financial assets at fair value through surplus or deficit include items that are either classified as held for trading or that meet certain conditions and are designated at fair value through surplus or deficit upon initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

For the 12 months ended 30 June 2016

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. Snow Sports NZ's cash and cash equivalents, short-term investments, receivables from non-exchange transactions, receivables from exchange transactions and non-equity investments fall into this category of financial instruments.

For financial assets carried at amortised cost, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the surplus or deficit for the reporting period.

In determining whether there is any objective evidence of impairment, Snow Sports NZ first assesses whether there are objective evidence of impairment for financial assets that are individually significant, and individually or collectively significant for financial assets that are not individually significant. If Snow Sports NZ determines that there is no objective evidence of impairment for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment for impairment.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. If the reversal results in the carrying amount exceeding its amortised cost, the amount of the reversal is recognised in surplus or deficit.

Financial Liabilities

Snow Sports NZ's financial liabilities include trade and other creditors (excluding GST and PAYE), employee entitlements, loans and borrowings and deferred income (in respect to grants whose conditions are yet to be complied with).

All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit.

4.6 Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

For the 12 months ended 30 June 2016

4.7 Short term investments

Short term investments comprise term deposits which have a term of greater than three months and therefore do not fall into the category of cash and cash equivalents.

4.8 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Depreciation is charged on a straight line and diminishing value basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

- Event equipment: 10% – 67% DV
- Motor vehicles 33% – 67% DV
- Office equipment 10% – 67% DV
- Leasehold improvements 10% – 30% DV and straight line over lease term

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset.

4.9 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits or service potential embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

NOTES TO THE FINANCIAL STATEMENTS

For the 12 months ended 30 June 2016

The amortisation expense on intangible assets with finite lives is recognised in surplus or deficit as the expense category that is consistent with the function of the intangible assets.

Snow Sports NZ does not hold any intangible assets that have an indefinite life.

The amortisation periods for Snow Sports NZ's assets are as follows:

- Website 20% - 25% SL
- App 25% SL

4.10 Leases

Payments on operating lease agreements, where the lessor retains substantially the risk and rewards of ownership of an asset, are recognised as an expense on a straight-line basis over the lease term.

4.11 Employee benefits

Liabilities for wages and salaries and annual leave are recognised in surplus or deficit during the period in which the employee provided the related services. Liabilities for the associated benefits are measured at the amounts expected to be paid when the liabilities are settled.

4.12 Income tax

Snow Sports NZ is exempt from income tax.

4.13 Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except for receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to Inland Revenue is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to Inland Revenue is classified as part of operating cash flows.

4.14 Equity

Equity is the community's interest in Snow Sports NZ, measured as the difference between total assets and total liabilities. Equity is made up of Accumulated comprehensive revenue and expenses since the formation of Snow Sports NZ.

NOTES TO THE FINANCIAL STATEMENTS

For the 12 months ended 30 June 2016

5 Significant accounting judgements, estimates and assumptions

The preparation of Snow Sports NZ's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying Snow Sports NZ's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments

Vehicle, premise and photocopier leases

Snow Sports NZ has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the leased assets, that it does not retain all the significant risks and rewards of ownership of these assets and accounts for the contracts as operating leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are described below. Snow Sports NZ based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of Snow Sports NZ. Such changes are reflected in the assumptions when they occur.

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to determine potential future use and value from disposal:

- The condition of the asset
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

The estimated useful lives of the asset classes held by Snow Sports NZ are listed in Notes 4.8 and 4.9

NOTES TO THE FINANCIAL STATEMENTS

For the 12 months ended 30 June 2016

6 Revenue from exchange transactions

Revenue from exchange transactions received during each reporting period are made up of the following:

	2016	2015
	\$	\$
Athlete contributions	47,260	26,550
Interest received	20,116	25,613
Membership income	44,704	39,756
Insurance proceeds	25,053	-
Merchandise sales	109	2,652
Other income	15,003	20,324
Other non operating income	2,391	15,016
Registration fees	96,315	86,494
	250,951	216,405

NOTES TO THE FINANCIAL STATEMENTS

For the 12 months ended 30 June 2016

7 Revenue from non exchange transactions

Revenue from non exchange transactions received during each reporting period are made up of the following:

	2016	2015
	\$	\$
HPSNZ grants	1,890,500	1,750,000
Sport NZ grants	375,000	405,000
HPSNZ Wi-Fi project	7,000	96,327
Sport NZ website grant	-	60,000
HPSNZ Performance Enhancement Grants (PEGs)	405,948	425,833
HPSNZ Prime Minister's Scholarships	103,008	88,828
International Olympic Committee (IOC) scholarships	-	46,767
Federation of International Ski (FIS) financial support	115,003	150,266
Winter Games NZ income	12,995	-
Agitos grant	1,476	18,428
Christchurch City Council grant	-	1,500
Community Trust of Southland grant	5,000	5,000
Halberg Disability Foundation grant	7,500	11,500
Lion Foundation grant	10,000	12,000
NZ Community Trust grant	29,744	50,000
Otago Community Trust grant	38,500	35,000
Pub Charity grant	10,000	10,000
RS Duncan Trust grant	-	3,254
Sky City Queenstown Community Trust grant	-	2,000
Southern Trust grant	-	3,383
Donations received	7,393	13,977
Event sponsorship	71,804	52,326
Other income	27,080	16,667
Other scholarships received	4,395	-
In kind income	88,468	111,682
	3,210,814	3,369,738

NOTES TO THE FINANCIAL STATEMENTS

For the 12 months ended 30 June 2016

8 Components of total expenses

Surplus before tax includes the following specific expenses:

	2016	2015
	\$	\$
Administration		
ACC levies	17,716	24,231
Audit fees	8,563	5,428
Bad debts written off	87	-
Bank and credit fees	24,366	10,450
Computer, communications and IT	41,120	38,634
Insurance	24,831	24,804
Legal	974	-
Marketing	17,345	4,713
Occupancy	78,887	79,930
Office costs	25,019	29,191
Other	2,866	2,439
Recruitment and staff costs	98,336	17,003
Vehicle expenses	55,890	39,266
	396,000	276,089
Events		
Alpine events	11,981	15,263
Freeski Open of NZ	64,997	63,747
Freeski and Snowboard Continental Cup	21,988	-
Junior Nationals	51,072	42,417
Snow Sports NZ annual awards	8,353	9,212
Registration fees paid	54,162	44,663
	212,553	175,302
Non cash items		
Amortisation	23,732	8,035
Depreciation	121,816	111,694
Loss on disposal of fixed assets	-	2,534
	145,548	122,263

NOTES TO THE FINANCIAL STATEMENTS

For the 12 months ended 30 June 2016

Operations		
Contractors	255,453	315,785
Facility access	127,823	136,724
FIS and international federation fees	16,928	18,466
Salaries	1,133,309	940,078
Science and medical	23,930	19,570
Technology and equipment	30,495	25,844
Travel	774,260	741,275
	2,362,198	2,197,742
Scholarships		
International Olympic Committee (IOC) scholarships	-	19,674
Other scholarships	4,395	-
Performance Enhancement Grants (PEGs)	411,061	463,221
Prime Minister's scholarships	-	38,509
Winter Games NZ grant	12,995	-
	428,451	521,404
Total expenses	3,544,750	3,292,800

9 Auditor's remuneration

Crowe Horwath New Zealand Audit Partnership provides audit services to Snow Sports NZ. The total amount recognised as an audit fees expense is \$8,563 (2015: \$5,428).

No non-audit services are provided by Crowe Horwath New Zealand Audit Partnership.

10 Cash and cash equivalents

Cash and cash equivalents include the following components:

	2016	2015
	\$	\$
BNZ deposits	213,923	388,196
BNZ credit cards	(8,242)	(9,910)
FIS current account (2,244 Swiss Francs)	3,216	20,867
	208,897	399,153

NOTES TO THE FINANCIAL STATEMENTS

For the 12 months ended 30 June 2016

11 Investments

	2016 \$	2015 \$
Term deposits – maturing within 12 months of balance date	317,798	306,066

12 Property, plant and equipment

2016	Event Equipment \$	Lease Improvement \$	Motor Vehicles \$	Office Equipment \$	Total \$
Cost / valuation	397,613	271,349	24,757	62,264	755,983
Accumulated depreciation	(173,503)	(164,056)	(17,093)	(48,286)	(402,938)
Net book value	224,110	107,293	7,664	13,978	353,045

2015	Event Equipment \$	Lease Improvement \$	Motor Vehicles \$	Office Equipment \$	Total \$
Cost / valuation	270,637	271,348	23,631	60,063	625,679
Accumulated depreciation	(118,263)	(111,944)	(13,359)	(37,555)	(281,121)
Net book value	152,374	159,404	10,272	22,508	344,558

Reconciliation of the carrying amount at the beginning and end of the period:

2016	Event Equipment \$	Lease Improvement \$	Motor Vehicles \$	Office Equipment \$	Total \$
Opening balance	152,374	159,404	10,272	22,508	344,558
Additions	126,975	-	1,127	2,201	130,303
Disposals	-	-	-	-	-
Depreciation	(55,239)	(52,111)	(3,735)	(10,731)	(121,816)
Net book value	224,110	107,293	7,664	13,978	353,045

NOTES TO THE FINANCIAL STATEMENTS

For the 12 months ended 30 June 2016

2015	Event Equipment \$	Lease Improvement \$	Motor Vehicles \$	Office Equipment \$	Total \$
Opening balance	73,628	205,007	9,317	16,706	304,658
Additions	124,583	7,592	6,169	16,175	154,519
Disposals	(567)	-	(1,950)	(408)	(2,925)
Depreciation	(45,270)	(53,195)	(3,264)	(9,965)	(111,694)
Net book value	152,374	159,404	10,272	22,508	344,558

13 Intangible assets

	2016 \$	2015 \$
Cost (website and app)	104,489	86,459
Accumulated amortisation	(40,487)	(16,755)
Net book value	64,002	69,704

Reconciliation of the carrying amount at the beginning and end of the period:

	2016 \$	2015 \$
Opening balance	69,704	29,774
Additions (website and app)	18,030	47,965
Disposals	-	-
Amortisation	(23,732)	(8,035)
Net book value	64,002	69,704

NOTES TO THE FINANCIAL STATEMENTS

For the 12 months ended 30 June 2016

14 Trade and other creditors

	2016	2015
	\$	\$
Trade creditors	44,847	139,929
Inland Revenue PAYE	-	350
Scholarships	46,908	63,500
Net book value	91,755	203,779

15 Grants in advance

	2016	2015
	\$	\$
Membership fees	18,291	16,843
Trust grants	42,130	-
Net book value	60,421	16,843

16 Related party transactions

There were no related party transactions during the period.

Key Management Personnel

The key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are the members of the governing body which is comprised of the Board Members, Chief Executive and Key Management Personnel, which constitutes the governing body of Snow Sports NZ. No remuneration is paid to Board Members. The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration is as follows:

	2016	2015
	\$	\$
Total remuneration	420,998	416,250
Number of persons	4	4

NOTES TO THE FINANCIAL STATEMENTS

For the 12 months ended 30 June 2016

17 Leases

As at the reporting date, the Board Members have entered into the following non-cancellable operating leases:

	2016	2015
	\$	\$
Not later than one year	88,523	83,532
Later than one and no later than five years	39,157	79,108
Later than five years	-	-
	127,680	162,640

18 Categories of financial assets and liabilities

The carrying amounts of financial instruments presented in the statement of financial position relate to the following categories of assets and liabilities:

	2016	2015
	\$	\$
Financial assets		
<i>Financial assets at fair value through surplus or deficit</i>		
Deposits	317,798	306,066
<i>Loans and receivables</i>		
Cash and cash equivalents	208,897	399,153
Receivables from exchange transactions	38,706	18,820
Receivables from non exchange transactions	6,505	26,366
	638,387	750,405
Financial liabilities		
<i>At amortised cost</i>		
Trade and other creditors	91,755	203,799
Employee entitlements	38,218	34,559
	129,973	238,358

NOTES TO THE FINANCIAL STATEMENTS

For the 12 months ended 30 June 2016

19 Capital commitments

The following capital commitments have been committed to at balance date:

	2016	2015
	\$	\$
Snow Sports NZ website	-	60,000

20 Contingent assets and liabilities

There are no contingent assets at the reporting date (2015: \$Nil).

Snow Sports NZ has a credit card facility with a maximum value of \$48,500 (2015: \$48,500).

21 Events after the reporting date

The Board Members and management are not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in these financial statements that have significantly, or may significantly, affect the operations of Snow Sports NZ, other than the following:

\$450,000 grant received from HPSNZ (2015: \$400,000 grant received from HPSNZ).

22 Going Concern

The ability of Snow Sports New Zealand to continue as a going concern is dependent on significant funding being received, and the continued support of key partners including High Performance Sport New Zealand and Sport New Zealand, as well as revenue from a number of other organisations.

Snow Sports NZ has a 2017 budget with an expected cash loss. However, the society has excess cash assets (cash and investment balances less current liabilities) as at 30 June 2016, and the society has forecast that these cash assets should fund its predicted losses in the 2017 financial year.

Whereas anticipated future events do not always occur as forecast; some uncertainty exists with smaller income streams, as formal confirmation is not able to be made prior to audit sign off. This is due to the nature of the funding application process. Should these income streams not eventuate, the society may need to significantly review its structure to be able to discharge its liabilities in the normal course of business.

These financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

BREAKDOWN BY DEPARTMENT

For the 12 months ended 30 June 2016

	Corporate	High Performance	Sport Development	Total
	\$	\$	\$	\$
Income				
Athlete contributions	-	-	47,260	47,260
Donations received	250	-	7,143	7,393
Event sponsorship	4,304	-	67,500	71,804
FIS financial support	104,127	-	10,876	115,003
Grants and scholarships	12,995	513,351	-	526,346
Grants received - HPSNZ	125,000	1,772,500	-	1,897,500
Grants received - Sport NZ	195,000	-	180,000	375,000
Grants received - Trusts	10,000	-	92,220	102,220
In kind income	1,100	56,181	31,187	88,468
Insurance proceeds	-	25,053	-	25,053
Interest received	20,116	-	-	20,116
Membership income	-	-	44,704	44,704
Merchandise sales	-	-	109	109
Other income	21,630	2,391	20,453	44,474
Registration fees	1,565	-	94,750	96,315
Total income	496,087	2,369,476	596,202	3,461,765
Administration expenses				
ACC levies paid	4,564	9,193	3,959	17,716
Audit fees	8,563	-	-	8,563
Bad debts written off	-	-	86	86
Bank and credit fees	3,187	16,587	4,592	24,366
Computer, communications and IT	25,899	9,894	5,327	41,120
Insurance	22,590	1,614	627	24,831
Legal fees	973	-	-	973
Marketing	15,130	-	2,215	17,345
Occupancy	77,344	1,477	67	78,887
Office costs	7,653	6,037	11,329	25,019
Recruitment and staff costs	11,541	82,295	4,500	98,336
Subscriptions	2,468	218	180	2,866
Vehicle expenses	10,268	37,321	8,301	55,890
Events expenses	8,353	-	204,200	212,553
Grants and scholarships	12,995	415,456	-	428,451
Non-cash expenses				
Amortisation	23,732	-	-	23,732
Depreciation	51,948	45,210	24,658	121,816
Operations expenses				
Contractors	-	214,681	40,772	255,453
Facility access	-	111,114	16,710	127,823
FIS expenses	3,104	2,170	11,655	16,928
Salaries	247,854	650,863	234,592	1,133,309
Science and medical	-	23,326	603	23,930
Technology and equipment	996	27,910	1,589	30,495
Travel	31,189	687,891	55,180	774,259
Total expenses	570,351	2,343,257	631,142	3,544,750
Surplus (deficit)	(74,264)	26,219	(34,940)	(82,985)

INDEPENDENT AUDITOR'S REPORT

To the Board of Snow Sports New Zealand Incorporated

Report on the Financial Statements

We have audited the financial statements of Snow Sports New Zealand Incorporated on pages 8 to 29, which comprise the statement of financial position as at 30 June 2016, the statement of comprehensive revenue and expense, statement of changes in net assets, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board's Responsibility for the Financial Statements

The Board are responsible on behalf of the entity for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards with Reduced Disclosure Regime and for such internal control as the Board determine 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 the 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 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 accounting policies used and the reasonableness of accounting estimates made by management, 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, the Society.

Opinion

In our opinion, the financial statements on pages 8 to 29 present fairly, in all material respects, the financial position of Snow Sports New Zealand Incorporated as at 30 June 2016, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards with Reduced Disclosure Regime.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 22 to the financial statements, that indicates the existence of a material uncertainty that may cast doubt about the Society's ability to continue as a going concern and therefore, the Society may be unable to realise its assets and discharge its liabilities in the normal course of business.



Crowe Horwath New Zealand Audit Partnership
CHARTERED ACCOUNTANTS
19th September 2016