



SNOW SPORTS NEW ZEALAND INCORPORATED

**ANNUAL REPORT FOR THE
12 MONTHS ENDED 30 JUNE 2017**



Adam Barwood - 46th World Ranking in GS (Base list 2018)



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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 (resigned Oct 2016) Hetty Van Hale (appointed Oct 2016) Jan Shearer (elected Oct 2016) Mat Woods (elected Oct 2016) Michelle Trapski Richard Leggat Richard Thomas (appointed Oct 2016) Tony Hannon (resigned Oct 2016) |

CHAIRMAN'S REPORT

For the 12 months ended 30 June 2017

By the time this report is presented the PyeongChang Winter Olympic Games and Winter Paralympic Games will be just over four months away. Further most of the NZ season and events, particularly the Audi quattro Winter Games, will be complete with a number of new champions crowned and a number of rising stars will have been identified.

The 2017 year has seen the organisation focus on supporting the competitive pathways and its High Performance deliverables. This has included the development of a new strategic plan which is focused on those two areas of operation where we can deliver the most support with the limited funding we have available.

The Board and management team have been working to reshape the organisation and are encouraged by the progress to date. Particularly pleasing has been the engagement initiated last year by the Alpine community and the forming of a working group to define and clarify the roles and operational responsibilities of Snow Sports NZ, the Alpine Sport Committee and the Alpine Club Presidents. While not yet executed this model and the proposed changes to the Constitution are all part of bringing this to life. It is our intention to replicate this with the other sport disciplines.

Athletes across the codes and age groups have been delivering outstanding results and improving their rankings. We have also seen snow sports athletes and events regularly making prime time TV sports news and being featured in other mainstream media.

I would like to personally thank the Board for its time and energy. The Board thanks all of those who give their time to our various committees outside of the Board and to those volunteers who give their time so willingly so that the events for our athletes run professionally, smoothly and to a world class standard. We also thank the ski areas and wider snow sports industry for their ongoing support.

The Board are happy with the financial result for the year despite posting a small loss. The loss is primarily driven by depreciation and our decision to bring forward some of the High Performance commitments to ensure our athletes secured nation spots for the Olympic Winter Games and Paralympic Winter Games well in advance of the event.

We are looking forward to seeing our team at the PyeongChang Olympic Winter Games and Paralympic Winter Games and know for those athletes representing New Zealand finding the winning edge remains absolutely key. The Board and wider snow sports community are behind you all the way.

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

For the 12 months ended 30 June 2017

Snow Sports NZ staff and Board have had a productive year working with the alpine community on a new engagement model and with Treble Cone on the establishment of a Freeride national team programme and structure.

The results of New Zealand athletes on the world stage during the 2016/17 northern hemisphere season were outstanding. Adam Hall (IPCAS World Championship Bronze), Corey Peters (2 x IPCAS World Championship Silver), Jackson Wells (Euro-X Bronze FS Big Air), Jamie Prebble (World Championship Silver Skicross), Miguel Porteous (X-Games Silver FS Halfpipe), Sam Lee (2 x podium finishes in Freeride World Tour 4* events) and Zoi Sadowski-Synnott (World Cup Gold and World Championship Silver SB Slopestyle) deserve special mention as do alpine national team athletes Adam Barwood and Willis Feasey who again significantly lowered their points and FIS rankings and Alice Robinson (Gold and Silver medals at Pokal Loka FIS Children's race). The breadth of events in which New Zealand athletes performed well continued to grow and impress.

Congratulations to Arthur Klap (CEO) and Sir Eion Edgar (Chair) and the Winter Games NZ team and sponsors for delivering an incredible event in 2017. The event has gone from strength to strength and has done wonders for growing the profile of competitive snow sports in New Zealand.

PyeongChang

As I write this report it is less than four months until the 2018 PyeongChang Olympic Winter Games and less than five months until the 2018 PyeongChang Paralympic Winter Games get underway. It looks like New Zealand will have its largest ever snow sports team at an Olympic Winter Games and we will head into both the Olympic Winter Games and Paralympic Winter Games with multiple medal potential athletes.

To those athletes still chasing their PyeongChang dreams best of luck. To those athletes who get selected, be proud of your achievements in getting selected onto the Games team but make yourself even prouder by delivering to your potential in PyeongChang. New Zealand will stand strong behind you and will be cheering you on as you compete. To those athletes forced to sit out some or all of the northern hemisphere winter as a result of injury we trust you have healed or are healing well, and that you will be back on snow in time to turn your dreams into a reality.



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.

As we adjust to our 2022 strategy which focuses on high performance outcomes and competitive pathways we will work with the individual disciplines and sport committees to develop strategies that grow participation and deliver meaningful events. We will also continue to work with our ski area partners to ensure that competitive snow sports are seen as an important part of life on the mountain.

A huge thank you to our funding partners (FIS, HPSNZ, Sport NZ) our Gaming, Community, and Charitable Trust supporters (Community Trust of Southland, Otago Community Trust, NZ Community Trust, Pub Charity, Lion Foundation, Foundation North), our resort partners (Cardrona, Coronet Peak, Mt Hutt, Treble Cone) and sponsors (Cooke Howlison Holden) and our apparel suppliers (Mons Royale, North Face, One Studio) as the funding and in-kind support you provide enables Snow Sports NZ to support our athlete pathways from entry level through to high performance.

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 competitive snow sports events throughout the season. Your collective efforts and enthusiasm ensure our emerging talent and high performance athletes are supported in their athlete pathway.

Martin Toomey
Chief Executive



Corey Peters - 2nd in Downhill and 2017 IPCAS Alpine GS World Championships

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENDITURE

For the 12 months ended 30 June 2017

| | Notes | 2017 \$ | 2016 \$ |
|---|-------|-----------------|-----------------|
| Revenue | | | |
| Exchange | 6 | 267,033 | 250,951 |
| Non exchange | 7 | 3,699,232 | 3,210,814 |
| Total revenue | | 3,966,265 | 3,461,765 |
| Expenses | | | |
| Administration | | 298,402 | 396,000 |
| Events | | 234,298 | 212,553 |
| Non-cash items | | 160,062 | 145,548 |
| Operations | | 2,819,074 | 2,362,198 |
| Scholarships | | 528,217 | 428,451 |
| Total expenses | 8 | 4,040,063 | 3,544,750 |
| Total surplus (deficit) for the year | | (73,798) | (82,985) |
| Other comprehensive revenue and expenses | | - | - |
| Total surplus (deficit) for the year | | (73,798) | (82,985) |

STATEMENT OF CHANGES IN NET ASSETS

For the 12 months ended 30 June 2017

| | Notes | 2017 \$ | 2016 \$ |
|--------------------------------|-------|----------------|----------------|
| Opening balance | | 806,577 | 889,562 |
| Surplus (deficit) for the year | | (73,798) | (82,985) |
| Other comprehensive income | | - | - |
| Closing equity | | 732,780 | 806,577 |

STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

| | Notes | 2017 \$ | 2016 \$ |
|--|-------|----------------|------------------|
| Equity | | | |
| Accumulated comprehensive revenue and expenses | | 732,780 | 806,577 |
| Total net assets | | 732,780 | 806,577 |
| Current assets | | | |
| Cash and cash equivalents | 10 | 220,068 | 208,897 |
| Investments | 11 | 329,771 | 317,798 |
| Prepayments | | 44,929 | 12,731 |
| Receivables from exchange transactions | | 41,590 | 38,706 |
| Receivables from non exchange transactions | | 139 | 6,505 |
| Total current assets | | 636,497 | 584,637 |
| Non-current assets | | | |
| Property, plant and equipment | 12 | 283,075 | 353,045 |
| Intangible assets | 13 | 40,058 | 64,002 |
| Total non-current assets | | 323,133 | 417,047 |
| Total assets | | 959,630 | 1,001,684 |
| Current liabilities | | | |
| Trade and other creditors | 14 | 69,370 | 91,755 |
| Employee entitlements | | 44,493 | 38,218 |
| GST payable | | 28,291 | 4,713 |
| Grants in advance | 15 | 84,696 | 60,421 |
| Total current liabilities | | 226,850 | 195,107 |
| Net assets | | 732,780 | 806,577 |

Signed for and on behalf of the Board Members who have authorised these financial statements for issue on 12 September 2017.



Chairman

12 September 2017



Board Member

12 September 2017



CASH FLOW STATEMENT

For the 12 months ended 30 June 2017

| | Notes | 2017 | 2016 |
|--|-------|-----------------|------------------|
| | | \$ | \$ |
| Cash flows from operating activities | | | |
| <i>Receipts</i> | | | |
| Receipts from HPSNZ grants | | 2,065,000 | 1,897,500 |
| Receipts from Sport NZ grants | | 327,500 | 375,000 |
| Receipts from International Ski Federation (FIS) | | 264,127 | 115,003 |
| Receipts from Trust grants | | 118,085 | 145,798 |
| Receipts from Winter Games NZ | | - | 12,995 |
| Receipts from donations | | 642 | |
| Receipts from scholarships | | 561,775 | 513,351 |
| Receipts from membership fees | | 43,834 | 44,704 |
| Receipts from events | | 71,297 | 71,804 |
| Receipts from other exchange transactions | | 215,147 | 173,375 |
| Receipts from other non exchange transactions | | 1,384 | 34,473 |
| Interest received | | 14,199 | 20,116 |
| | | 3,682,989 | 3,404,119 |
| | | (22,148) | (15,211) |
| <i>Net movement in GST</i> | | | |
| <i>Payments</i> | | | |
| Payments to suppliers | | 1,960,358 | 1,845,926 |
| Payments to employees | | 1,151,775 | 1,129,650 |
| Grants and scholarships paid | | 500,137 | 428,451 |
| Interest paid | | 64 | 42 |
| | | 3,590,186 | 3,404,069 |
| Net cash flows from operating activities | | 92,803 | (15,161) |
| Cash flows from investing activities | | - | - |
| <i>Receipts</i> | | | |
| <i>Payments</i> | | | |
| Purchase of property, plant and equipment | | 69,659 | 130,303 |
| Purchase of intangible assets | | - | 33,060 |
| Investments in short term deposits | | 11,973 | 11,732 |
| | | 81,632 | 175,095 |
| | | (81,632) | (175,095) |
| Net cash flows from investing activities | | - | - |
| Net cash flows from financing activities | | | |
| | | 11,171 | (190,256) |
| Net increase (decrease) in cash equivalents | | 208,897 | 399,153 |
| Cash and cash equivalents at 1 July | | 220,068 | 208,897 |
| Cash and cash equivalents at 30 June | | | |

NOTES TO THE FINANCIAL STATEMENTS

For the 12 months ended 30 June 2017

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 2017.

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 12 September 2017.

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 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

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.



NOTES TO THE FINANCIAL STATEMENTS

For the 12 months ended 30 June 2017

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.

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.



NOTES TO THE FINANCIAL STATEMENTS

For the 12 months ended 30 June 2017

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.

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 2017

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 is 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 2017

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 | 25% – 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 2017

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 2017

4.15 New standards adopted and interpretations not yet adopted

All mandatory, new or amended accounting standards and interpretations were adopted in the current year. Snow Sports New Zealand Inc has not yet assessed the impact of the following new standards and interpretations on issues which have yet to be adopted:

- 2016 omnibus amendments to PBE (NFP) standards
- PBE IFRS 9: Financial Instruments

The Board expects to adopt the above standards in the period in which they become mandatory. The Board anticipate that the above standards are not expected to have a material impact on the financial statements in the period of initial application, however a detailed assessment of the impact is yet to be performed.

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.



NOTES TO THE FINANCIAL STATEMENTS

For the 12 months ended 30 June 2017

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

6 Revenue from exchange transactions

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

| | 2017 | 2016 |
|----------------------------------|----------------|----------------|
| | \$ | \$ |
| Athlete contributions | 30,844 | 47,260 |
| Exchange gain | 276 | - |
| Gain on disposal of fixed assets | 223 | - |
| Insurance proceeds | 8,022 | 25,053 |
| Interest received | 12,543 | 20,116 |
| Membership income | 43,835 | 44,704 |
| Merchandise sales | 2,717 | 109 |
| Other income | 39,589 | 15,003 |
| Other non operating income | 14,546 | 2,391 |
| Registration fees | 114,438 | 96,315 |
| | 267,033 | 250,951 |

NOTES TO THE FINANCIAL STATEMENTS

For the 12 months ended 30 June 2017

7 Revenue from non exchange transactions

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

| | 2017 | 2016 |
|---|------------------|------------------|
| | \$ | \$ |
| HPSNZ grants | 2,065,000 | 1,890,500 |
| Sport NZ grants | 372,500 | 375,000 |
| HPSNZ Wi-Fi project | - | 7,000 |
| HPSNZ Performance Enhancement Grants (PEGs) | 313,254 | 405,948 |
| HPSNZ Prime Minister's Scholarships | 136,163 | 103,008 |
| Paralympics NZ Performance Enhancement Grants (PEGs) | 120,000 | - |
| Federation of International Ski (FIS) financial support | 264,127 | 115,003 |
| Winter Games NZ income | - | 12,995 |
| Agitos grant | - | 1,476 |
| Community Trust of Southland grant | 5,000 | 5,000 |
| Foundation North | 8,400 | 12,995 |
| Halberg Disability Foundation grant | 14,500 | 7,500 |
| Lion Foundation grant | 15,000 | 10,000 |
| Lotteries | 1,000 | - |
| NZ Community Trust grant | 20,256 | 29,744 |
| Otago Community Trust grant | 38,500 | 38,500 |
| Pub Charity grant | 9,990 | 10,000 |
| Rehabilitation Welfare Trust | 1,000 | |
| Southern Trust grant | 2,939 | |
| Trust Waikato | 500 | |
| Whanganui Trust | 1,000 | |
| Donations received | 4,401 | 7,393 |
| Event sponsorship | 71,297 | 71,804 |
| Other income | 1,398 | 27,080 |
| Other scholarships received | 16,733 | 4,395 |
| In kind income | 216,274 | 88,468 |
| | 3,699,232 | 3,210,814 |

NOTES TO THE FINANCIAL STATEMENTS

For the 12 months ended 30 June 2017

8 Components of total expenses

Surplus before tax includes the following specific expenses:

| | 2017 \$ | 2016 \$ |
|---|----------------|----------------|
| Administration | | |
| ACC levies | 28,808 | 17,716 |
| Audit fees | 10,062 | 8,563 |
| Bad debts written off | 2,727 | 87 |
| Bank and credit fees | 14,468 | 24,366 |
| Computer, communications and IT | 44,136 | 41,120 |
| Insurance | 27,683 | 24,831 |
| Legal | - | 974 |
| Marketing | 6,373 | 17,345 |
| Occupancy | 81,904 | 78,887 |
| Office costs | 12,373 | 25,019 |
| Other | 2,777 | 2,866 |
| Recruitment and staff costs | 16,806 | 98,336 |
| Vehicle expenses | 50,285 | 55,890 |
| | 298,402 | 396,000 |
| Events | | |
| Alpine events | 17,593 | 11,981 |
| Cross Country events | 4,657 | - |
| Freeski and Snowboard Continental Cup | 19,573 | 21,988 |
| Junior Nationals | 50,700 | 51,072 |
| North Face Frontier (previously Freeski Open of NZ) | 76,193 | 64,997 |
| Snow Sports NZ annual awards | 8,358 | 8,353 |
| Registration fees paid | 57,224 | 54,162 |
| | 234,298 | 212,553 |
| Non cash items | | |
| Amortisation | 23,945 | 23,732 |
| Depreciation | 135,153 | 121,816 |
| Loss on disposal of fixed assets | 974 | |
| | 160,072 | 145,548 |

NOTES TO THE FINANCIAL STATEMENTS

For the 12 months ended 30 June 2017

Operations

| | | |
|---------------------------------------|------------------|------------------|
| Contractors | 261,812 | 255,453 |
| Facility access | 284,891 | 127,823 |
| FIS and international federation fees | 20,506 | 16,928 |
| Salaries | 1,124,904 | 1,133,309 |
| Science and medical | 20,816 | 23,930 |
| Technology and equipment | 19,039 | 30,495 |
| Travel | 1,087,106 | 774,260 |
| | 2,819,074 | 2,362,198 |

Scholarships

| | | |
|---------------------------------------|----------------|----------------|
| Other scholarships | 18,277 | 4,395 |
| Performance Enhancement Grants (PEGs) | 448,253 | 411,061 |
| Prime Minister's scholarships | 61,687 | |
| Winter Games NZ grant | - | 12,995 |
| | 528,217 | 428,451 |

Total expenses

| | |
|------------------|------------------|
| 4,040,063 | 3,544,750 |
|------------------|------------------|

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 \$10,062 (2016: \$8,563).

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:

| | 2017 | 2016 |
|--|----------------|----------------|
| | \$ | \$ |
| BNZ deposits | 189,251 | 213,923 |
| BNZ credit cards | 18,026 | (8,242) |
| FIS current account (8,950 Swiss Francs) | 12,791 | 3,216 |
| | 220,068 | 208,897 |

NOTES TO THE FINANCIAL STATEMENTS

For the 12 months ended 30 June 2017

11 Investments

Term deposits – maturing within 12 months of balance date

| 2017 | 2016 |
|---------|---------|
| \$ | \$ |
| 329,771 | 317,798 |

12 Property, plant and equipment

| 2017 | Event Equipment \$ | Lease Improvement \$ | Motor Vehicles \$ | Office Equipment \$ | Total \$ |
|--------------------------|--------------------------|----------------------------|-------------------------|---------------------------|----------------|
| Cost / valuation | 454,534 | 271,349 | 25,257 | 61,041 | 812,181 |
| Accumulated depreciation | (243,841) | (214,817) | (20,237) | (50,211) | (529,106) |
| Net book value | 210,693 | 56,532 | 5,020 | 10,830 | 283,075 |

| 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 |

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

| 2017 | Event Equipment \$ | Lease Improvement \$ | Motor Vehicles \$ | Office Equipment \$ | Total \$ |
|-----------------------|--------------------------|----------------------------|-------------------------|---------------------------|----------------|
| Opening balance | 224,110 | 107,293 | 7,664 | 13,978 | 353,045 |
| Additions | 62,139 | - | 500 | 4,074 | 66,713 |
| Disposals | (1,127) | - | - | (402) | (1,529) |
| Depreciation | (74,429) | (50,761) | (3,144) | (6,820) | (135,154) |
| Net book value | 210,693 | 56,532 | 5,020 | 10,830 | 283,075 |

NOTES TO THE FINANCIAL STATEMENTS

For the 12 months ended 30 June 2017

| 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 |

13 Intangible assets

| | 2017 \$ | 2016 \$ |
|--------------------------|---------------|---------------|
| Cost (website and app) | 104,489 | 104,489 |
| Accumulated amortisation | (64,431) | (40,487) |
| Net book value | 40,058 | 64,002 |

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

| | 2017 \$ | 2016 \$ |
|-----------------------------|---------------|---------------|
| Opening balance | 64,002 | 69,704 |
| Additions (website and app) | - | 18,030 |
| Disposals | - | - |
| Amortisation | (23,944) | (23,732) |
| Net book value | 40,058 | 64,002 |

NOTES TO THE FINANCIAL STATEMENTS

For the 12 months ended 30 June 2017

14 Trade and other creditors

| | 2017 \$ | 2016 \$ |
|-----------------------|---------------|---------------|
| Trade creditors | 40,193 | 44,847 |
| Scholarships | 29,177 | 46,908 |
| Net book value | 69,370 | 91,755 |

15 Grants in advance

| | 2017 \$ | 2016 \$ |
|-----------------------|---------------|---------------|
| Membership fees | 12,504 | 18,291 |
| Trust grants | 72,192 | 42,130 |
| Net book value | 84,696 | 60,421 |

16 Related party transactions

Hetty van Hale (Board Member) and Richard Leggat (Board Member) are trustees of Winter Games NZ Trust. Snow Sports NZ Inc has a close business relationship with Winter Games NZ Trust due to both entities operating in the same industry. There was numerous transactions between the two entities during the year relating to events and fees payable to overseas bodies. All transactions occurred on an arm's length basis.

Mat Woods (Board Member) is the Head of Sales at Cardrona Alpine Resort. Snow Sports NZ Inc has a close business relationship with Cardrona Alpine Resort due to both entities operating within the same industry. There were numerous transactions between the two entities during the year relating to facility hire and ski passes, as well as general transactions occurred in the normal course of business. Cardrona also provided in-kind support for facility hire for the Junior Nationals competition and access to the 2016 Spring Camp.

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:



NOTES TO THE FINANCIAL STATEMENTS

For the 12 months ended 30 June 2017

| | 2017 | 2016 |
|----------------------------|-------------|---------|
| | \$ | \$ |
| Total remuneration | 354,200 | 420,998 |
| Full Time Equivalent (FTE) | 3.1 | 4 |

17 Leases

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

| | 2017 | 2016 |
|---|---------------|----------------|
| | \$ | \$ |
| Not later than one year | 59,687 | 88,523 |
| Later than one and no later than five years | 8,116 | 39,157 |
| Later than five years | - | - |
| | 67,803 | 127,680 |

18 Categories of financial assets and liabilities

Classification of financial instruments:

All financial assets held by the entity are classified as “loans and receivables” and are carried at cost less accumulated impairment losses.

All financial liabilities held by the organisation are carried at amortised cost.

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

NOTES TO THE FINANCIAL STATEMENTS

For the 12 months ended 30 June 2017

| | 2017 \$ | 2016 \$ |
|--|----------------|----------------|
| Financial assets | | |
| <i>Financial assets</i> | | |
| Deposits | 329,771 | 317,798 |
| <i>Loans and receivables</i> | | |
| Cash and cash equivalents | 220,068 | 208,897 |
| Receivables from exchange transactions | 41,590 | 38,706 |
| Receivables from non exchange transactions | 139 | 6,505 |
| | 591,568 | 638,387 |
| Financial liabilities | | |
| Trade and other creditors | 69,370 | 91,755 |
| Employee entitlements | 44,493 | 38,218 |
| | 113,863 | 129,973 |

19 Capital commitments

A grant from Sport NZ of up to \$500,000 has been approved for capital expenditure in 2018. The funding is for the purchase and installation of an inflatable slopestyle landing bag and dry slope (2016: \$Nil).

20 Contingent assets and liabilities

There are no contingent assets at the reporting date (2016: \$Nil).

Snow Sports NZ has a credit card facility with a maximum value of \$48,500 (2016: \$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:

\$500,000 grant received from HPSNZ (2016: \$450,000 grant received from HPSNZ).



NOTES TO THE FINANCIAL STATEMENTS

For the 12 months ended 30 June 2017

22 Going Concern

In order to continue operations in their current format, Snow Sports New Zealand is reliant on funding from their main supporters, High Performance Sport New Zealand, Sport New Zealand and the International Ski Federation, as well as receiving funds and in-kind support from other organisations. If these funds were unable to be obtained, the organisation may need to review its structure in order to continue as a going concern.

BREAKDOWN BY DEPARTMENT

For the 12 months ended 30 June 2017

| | Corporate | High Performance | Sport Development | Total |
|----------------------------------|----------------|------------------|-------------------|------------------|
| Income | \$ | \$ | \$ | \$ |
| Athlete contributions | - | - | 30,844 | 30,844 |
| Donations received | - | - | 4,401 | 4,401 |
| Event sponsorship | 5,304 | - | 65,993 | 71,297 |
| FIS financial support | 203,934 | - | 60,193 | 264,127 |
| Grants received - HPSNZ | 50,000 | 2,015,000 | - | 2,065,000 |
| Grants received - Sport NZ | 178,750 | - | 193,750 | 372,500 |
| Grants received - Trusts | 12,000 | - | 106,085 | 118,085 |
| In kind income | 10,918 | 63,375 | 114,381 | 188,674 |
| Insurance proceeds | - | 8,021 | - | 8,021 |
| Interest received | 12,542 | - | - | 12,542 |
| Membership income | - | - | 43,842 | 43,842 |
| Merchandise sales | - | - | 2,717 | 2,717 |
| Other income | 4,108 | 26,389 | 25,535 | 56,032 |
| Registration fees | 891 | - | 113,544 | 114,435 |
| Scholarships | 1,500 | 573,520 | 11,128 | 586,148 |
| Total income | 479,947 | 2,686,305 | 772,413 | 3,938,665 |
| Administration expenses | | | | |
| ACC levies paid | 6,164 | 16,653 | 5,991 | 28,808 |
| Audit fees | 10,062 | - | - | 10,062 |
| Bad debts written off | - | - | 2,727 | 2,727 |
| Bank and credit fees | 5,623 | 3,619 | 5,227 | 14,469 |
| Computer, communications and IT | 27,618 | 11,681 | 4,836 | 44,135 |
| Insurance | 23,603 | 4,081 | - | 27,684 |
| Marketing | 6,255 | - | 118 | 6,373 |
| Occupancy | 76,710 | 1,869 | 3,326 | 81,905 |
| Office costs | 6,706 | 2,077 | 3,589 | 12,372 |
| Recruitment and staff costs | 2,696 | 6,280 | 7,829 | 16,805 |
| Subscriptions | 2,754 | - | 23 | 2,777 |
| Vehicle expenses | 13,745 | 31,193 | 5,347 | 50,285 |
| Events expenses | 8,358 | - | 225,940 | 234,298 |
| Non-cash expenses | | | | |
| Amortisation | 23,945 | - | - | 23,945 |
| Depreciation | 50,747 | 41,791 | 42,614 | 135,152 |
| Loss on disposal of fixed assets | 85 | 627 | 262 | 974 |
| Operations expenses | | | | |
| Contractors | 3,750 | 233,734 | 24,328 | 261,812 |
| Facility access | 2,173 | 162,130 | 92,988 | 257,291 |
| FIS expenses | 1,898 | 10,004 | 8,604 | 20,506 |
| Salaries | 181,459 | 734,728 | 208,717 | 1,124,904 |
| Science and medical | - | 20,816 | - | 20,816 |
| Technology and equipment | - | 18,629 | 410 | 19,039 |
| Travel | 24,912 | 985,307 | 76,887 | 1,087,106 |
| Scholarships | - | 513,544 | 14,674 | 528,218 |
| Total expenses | 479,263 | 2,798,763 | 734,437 | 4,012,463 |
| Surplus (deficit) | 684 | (112,458) | 37,976 | (73,798) |

INDEPENDENT AUDITOR'S REPORT

To the Board of Snow Sports New Zealand Incorporated

Opinion

We have audited the financial statements of Snow Sports New Zealand Incorporated (the "Society") on pages 7 to 27, which comprise the statement of financial position as at 30 June 2017, and the statement of comprehensive revenue and expense, statement of changes in net assets and statement of cash flows 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 Society as at 30 June 2017, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards 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 Society 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 Society.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Annual report on pages 3 to 6 and page 28, 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, 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.

Responsibilities of Those Charged with Governance for the Financial Statements

Those charged with governance are responsible on behalf of the Snow Sports New Zealand Inc for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards issued by the New Zealand Accounting Standards Board, and for such internal control as those charged with governance 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, those charged with governance are responsible for assessing the Society'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 those charged with governance either intend to liquidate the Society 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.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board website at:

https://www.xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page8.aspx. This description forms part of our auditor's report.



Crowe Horwath New Zealand Audit Partnership

CHARTERED ACCOUNTANTS

Dated at Invercargill this 12th day of September 2017