

# THE GIRL GUIDES ASSOCIATION NEW ZEALAND INCORPORATED



## FINANCIAL STATEMENTS

For Year Ended 31 December 2018



**Girl Guiding  
New Zealand**  
Ngā Kōhine Whakamahiri o Aotearoa

Charity Number CC22069

**Girl Guides Association New Zealand Incorporated**  
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**31 December 2018**

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**Girl Guides Association New Zealand Incorporated**  
**Directory**  
**31 December 2018**

<b>Board of Trustees:</b>	Fiona Harnett - National President and Board Member Susan Coleman – Chief Executive and Board Member (non-voting) Vhari McWha – Chair of Audit and Finance and Board Member (term ended 25 June 2018) Jessica Gilmour – Chair of Audit and Finance Committee and Board Member (appointed 25 June 2018) Judith Bright – Chair of Guiding Development Committee and Board Member Fiona Bradley – Board Member (term ended 7 May 2018) Hannah Doney – Board Member Rebecca Kendrick – Board Member Lynley Lee – Board Member Hayley Smith – Board Member (appointed 12 May 2018) Elizabeth Stockley – Board Member
<b>Registered Office:</b>	5 Sir William Pickering Drive Burnside Christchurch 8053
<b>Nature of Business:</b>	We are a not-for-profit organisation that offers a diverse range of programmes and activities for girls and young women aged 5-18. Our amazing volunteers inspire girls to find their voice and be their best, giving them a space where they can be themselves, have fun, build friendships, gain valuable life skills and make a positive difference to their lives and their communities.
<b>Charities Commission Registration Number:</b> CC22069 CC46160	The Girl Guides Association New Zealand Incorporated Girl Guiding New Zealand Foundation
<b>Independent Auditor:</b>	BDO Christchurch



Thank you to all donors and grant organisations for supporting for GirlGuiding NZ during the 2018 financial year. Some of the organisations who have supported us in 2018 include the following:

 <a href="http://www.aucklandcouncil.govt.nz">www.aucklandcouncil.govt.nz</a>	 <a href="http://www.aucklandcouncil.govt.nz">www.aucklandcouncil.govt.nz</a>	 <i>Your local Gaming Trust committed to 100% local funding</i> <a href="http://www.cert.net.nz">www.cert.net.nz</a>
 <a href="http://www.cogs.org.nz">www.cogs.org.nz</a>	 TE POU ARATAKI POUNAMU O MURIHIKU <a href="http://www.ctos.org.nz">www.ctos.org.nz</a>	 <a href="http://www.dunedin.govt.nz">www.dunedin.govt.nz</a>
 <a href="http://www.fonterra.com">www.fonterra.com</a>	 GirlGuiding New Zealand Foundation	Graham & Olive West Charitable Trust
 <a href="http://johnsonvilletrust.org.nz">johnsonvilletrust.org.nz</a>	 <a href="http://www.kaikoura.govt.nz">www.kaikoura.govt.nz</a>	 Lottery Grants Board Te Puna Tahua LOTTO FUNDS FOR YOUR COMMUNITY <a href="http://www.communitymatters.govt.nz/lottery-grants-board">www.communitymatters.govt.nz/lottery-grants-board</a>
 <a href="http://www.netsafe.org.nz">www.netsafe.org.nz</a>	 North & South Trust <a href="http://www.nstl.co.nz">www.nstl.co.nz</a>	 <a href="http://onefoundation.nz">onefoundation.nz</a>
 <a href="http://www.perpetualguardian.co.nz">www.perpetualguardian.co.nz</a>	 <a href="http://www.ratafoundation.org.nz">www.ratafoundation.org.nz</a>	 <a href="http://www.redwoodtrust.org">www.redwoodtrust.org</a>
 <a href="http://www.southtaranaki.com">www.southtaranaki.com</a>	 <a href="http://www.sportnz.org.nz">www.sportnz.org.nz</a>	The Carterton & Wairarapa South County Trust
 <a href="http://www.publictrust.co.nz">www.publictrust.co.nz</a>	 <a href="http://trustaoraki.co.nz">trustaoraki.co.nz</a>	 <a href="http://www.trustwaikato.co.nz">www.trustwaikato.co.nz</a>
TSB COMMUNITY TRUST <a href="http://www.tsbtrust.org.nz">www.tsbtrust.org.nz</a>	 <a href="http://www.waipadc.govt.nz">www.waipadc.govt.nz</a>	 <a href="http://wct.org.nz">wct.org.nz</a>
 <a href="http://www.wccomtrust.org.nz">www.wccomtrust.org.nz</a>		

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF GIRL GUIDES ASSOCIATION NEW ZEALAND INCORPORATED**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the consolidated financial statements of Girl Guides Association New Zealand Incorporated ("the Association") and its subsidiary (together, "the Group"), which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in net assets/equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2018, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") issued by the New Zealand Accounting Standards Board.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group 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 Association or its subsidiary.

**The National Board's Responsibilities for the Consolidated Financial Statements**

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

In preparing the consolidated financial statements, the Board is responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

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

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

#### Who we Report to

This report is made solely to the Association's members, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members, as a body, for our audit work, for this report or for the opinions we have formed.



BDO Christchurch  
Christchurch  
New Zealand  
7 April 2019

**Girl Guides Association New Zealand Incorporated**  
**Consolidated Statement of Comprehensive Revenue and Expenses**  
**For the Year Ended 31 December 2018**

	Note	2018 \$	2017 \$ <i>Restated</i> <i>(Note 22)</i>
Revenue from Non-Exchange Transactions	2	279,789	131,865
Revenue from Exchange Transactions	2	5,452,906	5,855,203
<b>Total Operating Revenue</b>		<b>5,732,695</b>	<b>5,987,068</b>
Girl Programme		1,307,953	1,241,318
Volunteer Leadership and Training		114,870	254,073
Employee Entitlements	4	2,408,953	2,552,549
Property Expenses		933,708	868,930
Information Technology and Communications		314,756	223,580
Cost of Goods Sold		1,021,183	1,543,577
Write-down of Inventory to Net Realisable Value		88,417	342,473
Amortisation	14	78,373	75,190
Depreciation	12	207,110	210,633
Other Expenses	3	1,132,590	865,281
<b>Total Operating Expenses</b>		<b>7,607,913</b>	<b>8,177,604</b>
<b>Operating Surplus/(Deficit) Before Net Financing Costs</b>		<b>(1,875,218)</b>	<b>(2,190,536)</b>
Finance Income	5	185,917	298,430
<b>Net Finance Costs</b>		<b>185,917</b>	<b>298,430</b>
<b>Operating Surplus/(Deficit) For The Year</b>		<b>(1,689,301)</b>	<b>(1,892,106)</b>
Non-operating Income	6	750,737	1,259,277
Non-operating Expenditure		(266,630)	-
Impairment of Assets	12	-	(817,700)
		484,107	441,577
<b>Net Operating Surplus/(Deficit) For The Year</b>		<b>(1,205,194)</b>	<b>(1,450,529)</b>
Other Comprehensive Revenue and Expenses		(120,700)	185,161
<b>Total Comprehensive Revenue and Expense For The Year</b>		<b>(1,325,894)</b>	<b>(1,265,368)</b>

**Girl Guides Association New Zealand Incorporated**  
**Consolidated Statement of Changes in Net Assets**  
**For the Year Ended 31 December 2018**

	Note	Restricted Funds \$	Available for Sale Investments Revaluation Reserve \$	Accumulated Funds \$	Total Equity \$
<b>Balance at 1 January 2018</b>		<b>259,929</b>	<b>170,689</b>	<b>23,411,636</b>	<b>23,842,254</b>
Movement in Restricted Funds		(3,670)			(3,670)
Prior Period Adjustment Total Comprehensive Revenue and Expenses for the Year			(120,700)	(1,205,194)	(1,325,894)
<b>Balance at 31 December 2018</b>		<b>256,259</b>	<b>49,989</b>	<b>22,206,442</b>	<b>22,512,690</b>

	Note	Restricted Funds \$	Available for Sale Investments Revaluation Reserve \$	Accumulated Funds \$	Total Equity \$
<b>Balance at 1 January 2017</b>		<b>346,592</b>	<b>(14,472)</b>	<b>24,397,959</b>	<b>24,730,079</b>
Movement in Restricted Funds		(86,663)		86,663	
Prior Period Adjustment Total Comprehensive Revenue and Expenses for the Year			185,161	(1,450,529)	(1,265,368)
<b>Balance at 31 December 2017</b>		<b>259,929</b>	<b>170,689</b>	<b>23,411,636</b>	<b>23,842,254</b>



**Girl Guides Association New Zealand Incorporated**  
**Consolidated Statement of Financial Position**  
**As at 31 December 2018**

	Note	2018 \$	2017 \$ Restated (Note 22)
<b>Current Assets</b>			
Cash and Cash Equivalents	7	4,116,375	4,232,505
Receivables from Exchange Transactions	8	74,516	177,572
GST Receivable		138,657	141,568
Prepayments		70,068	46,865
Properties Available For Sale	13	-	1,280,500
Financial Instruments-Available for Sale	19	1,783,576	2,192,402
Inventory	9	567,630	509,767
<b>Total Current Assets</b>		<b>6,750,822</b>	<b>8,581,179</b>
<b>Non-Current Assets</b>			
Fixed Interest Investments	19	1,706,981	1,430,685
Property, Plant and Equipment	12	14,589,228	14,782,767
Property, Plant and Equipment (Work in Progress)		24,918	3,940
Intangible Assets	14	80,333	88,656
<b>Total Non-Current Assets</b>		<b>16,401,460</b>	<b>16,306,048</b>
<b>TOTAL ASSETS</b>		<b>23,152,282</b>	<b>24,887,227</b>
<b>Current Liabilities</b>			
Payables from Exchange Transactions	10	277,641	269,836
Non-exchange Liabilities	11	73,519	134,739
Income in Advance		130,259	438,157
Employee Entitlements		155,759	194,909
Finance Lease		2,414	5,202
<b>Total Current Liabilities</b>		<b>639,592</b>	<b>1,042,843</b>
<b>Non-Current Liabilities</b>			
Finance Lease		-	2,129
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>2,129</b>
<b>TOTAL LIABILITIES</b>		<b>639,592</b>	<b>1,044,972</b>
<b>NET ASSETS</b>		<b>22,512,690</b>	<b>23,842,255</b>
<b>MEMBERS FUNDS</b>			
Accumulated Funds		22,206,442	23,411,636
Restricted Funds	15	256,259	259,929
Available for Sale Investments Revaluation Reserve		49,989	170,689
<b>Total Equity</b>		<b>22,512,690</b>	<b>23,842,255</b>
<b>TOTAL MEMBERS FUNDS</b>		<b>22,512,690</b>	<b>23,842,255</b>

For and on behalf of The Girl Guides Association New Zealand Incorporated National Board

  
National President

  
Chief Executive

Date 7/4/19

**Girl Guides Association New Zealand Incorporated**  
**Consolidated Statement of Cash Flows**  
**As at 31 December 2018**

	Note	2018 \$	2017 \$
<b>Cash Flows from Operating Activities</b>			
Proceeds from Exchange Transactions		5,145,378	6,622,593
Proceeds from Insurance Claims		750,737	1,259,277
Proceeds from Non- Exchange Transactions		218,569	131,865
Proceeds from Financing Activities		201,891	207,953
Proceeds from Goods and Services Tax (GST)		2,911	(141,266)
Payments to Suppliers		(5,179,669)	(5,114,378)
Payments to Employees		(2,448,103)	(2,556,642)
<b>Net Cash inflow/(outflow) from Operating Activities</b>		<b>(1,308,286)</b>	<b>409,402</b>
<b>Cash Flows from Investing Activities</b>			
Proceeds from the sale of Property, Plant & Equipment		1,280,500	390,673
Proceeds from the sale of investments		489,176	458,269
Payments for the purchase of Property, Plant & Equipment		(13,571)	(60,633)
Payments for the purchase of Work in Progress		(20,978)	-
Payments for the purchase of Intangible Assets		(70,050)	(49,348)
Payments for the purchase of Investments		(755,617)	(313,495)
<b>Net Cash inflow/(outflow) from Investing Activities</b>		<b>909,460</b>	<b>425,466</b>
<b>Cash Flows from Financing Activities</b>			
Payments for Finance Lease		(4,917)	(4,038)
<b>Net Cash inflow/(outflow) from Financing Activities</b>		<b>(4,917)</b>	<b>(4,038)</b>
Net increase/(decrease) in cash and cash equivalents		(403,743)	830,830
Cash on hand at bank at the beginning of the year	7	1,388,844	558,014
<b>Cash on hand at bank at the end of year</b>	<b>7</b>	<b>985,101</b>	<b>1,388,844</b>

**Girl Guides Association New Zealand Incorporated**  
**Notes to and forming part of the Consolidated Financial Statements**  
**For the Year ended 31 December 2018**

**1. Statement of Accounting Policies**

The accounting policies below have been applied by the Group consistently to all periods presented in these financial statements.

**1.1 Reporting Entity**

Girl Guides Association New Zealand Incorporated (the Association) was incorporated under the Incorporated Societies Act 1908 on 26 August 1971. It is also a registered charity under the Charities Act 2005.

The Association is the controlling entity of GirlGuiding New Zealand Foundation (the Foundation) which is a charitable trust, established by a Deed of Charitable Trust dated 12 June 2010 (amended in May 2014), and registered under the Charitable Trusts Act 1957 on 19 January 2011.

These consolidated financial statements include the Association and its controlled entity, the GirlGuiding New Zealand Foundation (together referred to as the Group).

**1.2 Statement of Compliance**

For financial reporting purposes the Group is a specified not-for-profit entity and is required to report in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). These financial statements comply with NZ GAAP.

Under NZ GAAP the Group is a public benefit entity. These financial statements comply with the Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR) as appropriate for Tier 2 not-for-profit public benefit entities. The Group is eligible to use Tier 2 not-for-profit PBE Standards RDR because it does not have public accountability and is not defined as large (operating expenditure has been between \$2 million and \$30 million in the current and prior period). The Group has utilised the RDR disclosure exemptions.

The consolidated financial statements were approved and authorised for issue by the National Board on 7 April 2019.

**1.3 Measurement Basis**

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- Available for sale financial assets are measured at fair value
- Held to maturity financial assets are measured at amortised cost.

**1.4 Functional and Presentation Currency**

The financial statements are presented in New Zealand dollars which is the Group's functional currency and the Group's presentation currency, rounded to the nearest dollar.

**1.5 Estimates and Judgements**

The preparation of financial statements requires the use of judgements, assumptions and estimates when applying accounting policies that affect the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from those estimates. Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.



**Girl Guides Association New Zealand Incorporated**  
**Notes to and forming part of the Consolidated Financial Statements**  
**For the Year ended 31 December 2018**

***Judgements***

Judgements that have had the most significant effect on the amounts recognised in the financial statements are:

- Revenue recognition – distinguishing between conditions and restrictions which affect the timing of recognition of non-exchange revenue

***Assumptions and estimation uncertainties***

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2018 include the following:

<b>Area of Estimate or Judgement</b>	<b>Note</b>
Receivables – Exchange Transactions	Note 8
Inventory impairment	Note 9
Useful lives of Property, Plant and Equipment	Note 12
Fair value of available for sale property	Note 13

**1.6 *Significant Accounting Policies***

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been consistently applied by the Group.

Accounting policies are disclosed within each of the applicable notes to the financial statements.

**1.7 *Other Significant Accounting Policies***

***Impairment of non-financial assets***

The carrying amounts of the Group's non-financial assets, other than inventories and investment property, are reviewed at each reporting date. If there is any indication of impairment, the asset's recoverable amount is estimated. If recoverable amount is less than the asset's carrying amount, the asset is written down to recoverable amount. The impairment loss is recognised in surplus or deficit.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flow (for cash-generating assets) or future remaining service potential (for non-cash-generating assets) is discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

***Taxation***

As registered charities, and having complied with the statutory conditions, the Association and the Foundation are exempt from New Zealand income tax.

The Association is registered for Goods and Services Tax. The Group financial statements are prepared exclusive of GST, except for Accounts Receivable and Accounts Payable which are stated inclusive of GST.

**Girl Guides Association New Zealand Incorporated**  
**Notes to and forming part of the Consolidated Financial Statements**  
**For the Year ended 31 December 2018**

**1.8 Changes in Accounting Policies**

The adoption of standards, interpretations and amendments that have become effective in the current reporting period have not had any significant impact on the Group's accounting policies with respect to measurement or recognition.

The amendments to PBE IPSAS 1 Presentation of Financial Statements in relation to the disclosure initiative have not had an impact on the accounting policies of the Group. Disclosures have been amended where considered appropriate and changes in comparatives have been made where reclassification is deemed appropriate. The most significant reclassification is detailed below:

Property rental costs have been reclassified in respect of office accommodation from operational costs to property costs.

**2. Revenue**

Revenue is recognised when it is probable that economic benefit will flow to the Group, and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. The following specific recognition criteria in relation to the Group's revenue streams must also be met before revenue is recognised:

**Revenue from exchange transactions**

- **Membership fees**  
Revenue is recognised over the period of the membership (usually 12 months). Amounts received in advance for membership relating to future periods are recognised as a liability until such time that period covering the membership occurs.
- **Sale of Goods**  
Revenue from the sale of biscuits, uniforms, badges and other goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable.

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable. The associated costs and possible return of goods can be estimated reliably, there is no continuing management involved with the goods and the amount of revenue can be measured reliably.

- **Events revenue**  
Revenue is recognised when the event occurs. When revenue is received for events being held in a subsequent reporting period and there are conditions attached to the revenue received, the revenue is recognised as income in advance in the Statement of Financial Position. Non-refundable deposits are recorded in the Statement of Revenue and Expenditure when received.
- **Rental income**  
Rental income received from the hire of property owned by the Association is recognised in the period the activity occurs.



**Girl Guides Association New Zealand Incorporated**  
**Notes to and forming part of the Consolidated Financial Statements**  
**For the Year ended 31 December 2018**

**2. Revenue continued**

**Revenue from non-exchange transactions**

Non-exchange transactions are those where the Group receives an inflow of resources (cash or other assets), but provides no, or nominal, direct consideration in return. The following specific recognition criteria in relation to the Group's non-exchange transaction revenue streams must also be met before revenue is recognised:

- **Grants and Donations**

The recognition of non-exchange revenue from Grants and Donations depends on the nature of any stipulations attached to the inflow of resources received, and whether this creates a liability (i.e. present obligation) rather than a recognition of revenue.

Stipulations that are 'conditions' specifically require the Group to return the funds received if they are not utilised in the way stipulated. This results in the recognition of a non-exchange liability that is subsequently recognised as non-exchange revenue as an when the 'conditions' are satisfied.

Grants with no stipulations, and grants with restrictions, but not a condition to return the funds received, are recognised as revenue when received.

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue from Exchange Transactions</b>		
Membership Fees	2,010,686	1,907,291
Biscuit Revenue	2,024,314	2,950,112
Jamboree/Ranger Event Revenue	278,157	50,609
Events Revenue	528,344	432,342
Rental Revenue	384,144	363,149
E-Shop Revenue	111,662	138,325
Sundry Income	115,599	13,375
<b>Total Revenue from Exchange Transactions</b>	<b>5,452,906</b>	<b>5,855,203</b>
<b>Revenue from Non-Exchange Transactions</b>		
Donations and Grants	279,789	131,865
<b>Total Revenue from Non-Exchange Transactions</b>	<b>279,789</b>	<b>131,865</b>
<b>Total Revenue from Exchange &amp; Non-Exchange Transactions</b>	<b>5,732,695</b>	<b>5,987,068</b>



**Girl Guides Association New Zealand Incorporated**  
**Notes to and forming part of the Consolidated Financial Statements**  
**For the Year ended 31 December 2018**

	2018 \$	2017 \$
<b>3. Other Expenses</b>		
Selling expenses	111,183	41,642
Jamboree/Ranger Event	147,093	69,239
International Events and Membership Fees	30,733	42,190
Audit Fees	36,694	38,046
Human Resource Support	161,296	133,310
Branding Refresh and Marketing	85,726	51,893
International Guiding Events	79,793	15,994
Other Operational Expenses	480,072	472,967
<b>Total Other Expenses</b>	<b>1,132,590</b>	<b>865,281</b>

**4. Employee Entitlements**

Employee benefit entitlements for annual leave, sick leave and similar items are recognised as liabilities when the Group has a legal or constructive obligation to remunerate employees for services provided. The short-term liability is measured on an undiscounted basis and expensed in the period in which services were provided.

The Group is required to make Kiwisaver contributions on behalf of employees. Kiwisaver is a defined contribution plan, and the Group has no legal or constructive obligation to pay any additional amounts beyond its defined contribution. The obligation for Kiwisaver contributions is recognised as an employee benefit expense in the period in which services are rendered by employees.

	2018 \$	2017 \$
Employee Remuneration	2,345,655	2,485,311
Kiwisaver contribution	63,298	67,238
<b>Total employee remuneration</b>	<b>2,408,953</b>	<b>2,552,549</b>

**5. Finance Income**

Finance income comprises interest income on financial assets, dividends, gains on the disposal of available for sale financial assets. Interest income is recognised as it accrues, using the effective interest rate method. Dividend income is recognised when the Group's right to receive payment is established.

Finance costs comprise interest expense on financial liabilities and losses on disposal of available for sale financial assets. All borrowing costs are expensed in the period they are incurred.

	2018 \$	2017 \$
Interest income		
- Loans and receivables	40,735	49,012
- Available for sale financial assets	91,543	74,915
Dividends	69,613	84,026
Gain/(Loss) on Investments- Held to Maturity	(15,974)	12,763
Gain/(Loss) on Sale of Fixed Assets	-	77,714
<b>Total Finance Income</b>	<b>185,917</b>	<b>298,430</b>

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**6. Non-Operating Income**

Non-operating income comprises income that doesn't relate to the day to day activities of the Group and comprises the following:

*Insurance proceeds*

Income from insurance proceeds is recognised when the Group's right to receive payment is established, and the amount can be reliably measured.

	2018	2017
	\$	\$
Proceeds from Insurance Claims	750,737	1,259,277
<b>Total non-operating income</b>	<b>750,737</b>	<b>1,259,277</b>

**7. Cash and cash equivalents**

	2018	2017
	\$	\$
Cash on Hand at Bank	985,101	1,388,844
Term Deposits	3,131,274	2,843,661
<b>Total Cash and Cash Equivalents</b>	<b>4,116,375</b>	<b>4,232,505</b>

The Group operates a purchasing card facility through Westpac New Zealand Limited. As at 31 December 2018, the Group held 548 (2017:576) purchasing cards with a combined credit limit of \$33,500 (2017: \$31,000).

The Group permanently holds \$250,000 in term deposits with Westpac that provide security for the Association's purchasing card facility by way of a specific security agreement.

**8. Receivables from Exchange Transactions**

Trade and other receivables are recognised initially at fair value plus directly attributable transaction costs and subsequent at amortised cost less impairment losses. Bad debts are written off when they are considered to have become uncollectable.

	2018	2017
	\$	\$
Receivables from Exchange Transactions	189,773	225,553
Less: Allowance for Impairment	(146,517)	(70,127)
<b>Sub Total</b>	<b>43,256</b>	<b>155,426</b>
Sundry receivables	31,260	22,146
<b>Total Receivables from Exchange Transactions</b>	<b>74,516</b>	<b>177,572</b>

**9. Inventory**

Inventory is initially measured at cost. Inventory is subsequently measured at the lower of cost and net realisable value. The cost of inventory is based on weighted average cost of acquiring the inventory and other costs incurred in bringing inventory to its current location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling expenses

	2018	2017
	\$	\$
Finished Goods	610,972	571,210
Less: Provision for Obsolete stock	(43,342)	(61,443)
<b>Total Inventory</b>	<b>567,630</b>	<b>509,767</b>



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**10. Payables from Exchange Transactions**

	2018	2017
	\$	\$
Accounts Payable	80,357	123,681
Accruals	197,284	146,155
<b>Total Payables from Exchange Transactions</b>	<b>277,641</b>	<b>269,836</b>

**11. Non-exchange liabilities**

*Deferred non-exchange revenue*

Deferred non-exchange revenue relates to grants received to which there are stipulated conditions attached. Non-exchange revenue in relation to this balance is recognised at the point in time as each stipulated condition is satisfied.

	2018	2017
	\$	\$
Deferred non-exchange revenue	73,519	134,739
	<b>73,519</b>	<b>134,739</b>

**12. Property, Plant and Equipment**

**Recognition and Measurement**

Property, plant and equipment are assets that will provide benefits to the Group over more than one year. Items with a cost of less than \$500 are expensed.

Items of property, plant and equipment are initially measured at cost, except those acquired through non-exchange transactions (donated assets) which are instead measured at fair value as their deemed cost on initial recognition. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of an item of equipment is capitalised as part of that equipment.

Property, plant and equipment is subsequently measured in accordance with the cost model, being cost less accumulated depreciation and impairment. Land is not depreciated.

Properties previously managed by local teams are not included in these financial statements, within property held by the Group, as they hold a low nominal value. In the event that these properties are sold, proceeds from the sale will be recognised as revenue when funds are received.

Subsequent expenditure on an item of property, plant and equipment is capitalised only when it is probable that future economic benefits from the asset will increase. Ongoing repairs and maintenance are expensed as incurred.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount for the item) is recognised in surplus or deficit.

**Depreciation**

With the exception of Land, all items of property, plant and equipment are depreciated. Depreciation is based on the cost of an asset less its estimated residual value.

Depreciation is recognised in surplus or deficit on either a straight-line basis, or a diminishing value basis over the estimated useful life of each item of property, plant and equipment.



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**12. Property, Plant and Equipment (continued)**

Depreciation methods, useful lives, and residual values are reviewed at reporting date and adjusted if appropriate. Depreciation rates are:

	<b>Straight line</b>	<b>Diminishing value</b>
Buildings	1 – 4%	4 – 4.8%
Plant & equipment	7.2 – 33%	11.4 – 60%
Furniture & fittings	7.2 – 33%	11.4 – 60%
Computer hardware	20%	N/A
Motor vehicles	7.2 – 33%	11.4 – 60%

<i>Cost</i>	<i>Land &amp; Buildings</i>	<i>Plant &amp; Equipment</i>	<i>Furniture &amp; Fittings</i>	<i>Computer Hardware</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance at 1 Jan 17	16,777,741	491,119	182,063	78,215	27,434	17,556,572
Additions	29,173		9,050	22,410		60,633
Reclassified to Held for Sale	(1,312,500)					(1,312,500)
Impairment	(829,674)					(829,674)
Prior period adjustment	396,087					396,087
<b>Balance at 31 Dec 2017</b>	<b>15,060,827</b>	<b>491,119</b>	<b>191,113</b>	<b>100,625</b>	<b>27,434</b>	<b>15,871,119</b>

Balance at 1 Jan 18	15,060,827	491,119	191,113	100,625	27,434	15,871,119
Additions			2,040	11,531		13,571
Reclassified to Held for Sale						
Disposals						
<b>Balance at 31 Dec 2018</b>	<b>15,060,827</b>	<b>491,119</b>	<b>193,153</b>	<b>112,156</b>	<b>27,434</b>	<b>15,884,689</b>

<i>Accumulated Depreciation</i>	<i>Land &amp; Buildings</i>	<i>Plant &amp; Equipment</i>	<i>Furniture &amp; Fittings</i>	<i>Computer Hardware</i>	<i>Motor Vehicles</i>	<i>Total</i>
Balance at 1 Jan 2017	332,097	364,419	126,619	58,837	14,987	896,959
Depreciation	163,390	24,365	5,011	15,040	2,826	210,632
Impairment	(11,974)					(11,974)
Disposals	(7,266)					(7,266)
<b>Balance at 31 Dec 2017</b>	<b>476,247</b>	<b>388,784</b>	<b>131,630</b>	<b>73,877</b>	<b>17,813</b>	<b>1,088,353</b>

Balance at 1 Jan 2018	476,247	388,784	131,630	73,877	17,813	1,088,353
Depreciation	164,189	21,503	4,455	14,172	2,791	207,110
<b>Balance at 31 Dec 2018</b>	<b>640,436</b>	<b>410,287</b>	<b>136,085</b>	<b>88,049</b>	<b>20,604</b>	<b>1,295,463</b>
<b>Net Book Value:</b>						
<b>At 1 January 2017</b>	<b>16,445,645</b>	<b>126,700</b>	<b>55,443</b>	<b>19,377</b>	<b>12,477</b>	<b>16,656,612</b>
<b>At 31 December 2017</b>	<b>14,584,580</b>	<b>102,335</b>	<b>59,483</b>	<b>26,748</b>	<b>9,621</b>	<b>14,782,767</b>
<b>At 31 December 2018</b>	<b>14,420,391</b>	<b>80,832</b>	<b>57,068</b>	<b>24,107</b>	<b>6,830</b>	<b>14,589,228</b>



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**13. Properties Available for Sale**

**Non-current assets held for sale**

Non-current assets that are expected to be recovered primarily through sale, rather than through continuing use, are classified as 'held for sale'. The criteria for 'held for sale' classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. The Group must be committed to the sale and expect it to be completed within one year.

On classification as 'held for sale' the assets, or components of a disposal group, are remeasured to the lower of their carrying amount and fair value less cost to sell. This measurement basis continues until the sale occurs. Once classified as 'held for sale' property, plant and equipment are no longer depreciated.

Impairment losses on initial classification as 'held for sale', and subsequent gains or losses on remeasurement are recognised in surplus or deficit. Gains are not recognised in excess of any prior cumulative impairment loss.

	2018	2017
	\$	\$
Cost	-	1,452,174
Less: Impairment	-	(139,674)
Less: Cost to sell	-	(32,000)
<b>Total Properties Available for Sale</b>	<b>-</b>	<b>1,280,500</b>

**14. Intangible Assets**

**Recognition and Measurement**

Intangible assets are non-physical assets that will provide benefits to the Group over more than one year. Items with a cost of less than \$500 are expensed.

Intangible assets are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. Intangible assets are subsequently measured in accordance with the cost model, being cost less accumulated amortisation and impairment. The Group has no intangible assets with indefinite useful lives.

Subsequent expenditure on an intangible asset is capitalised only when it increases the future economic benefits from the asset. All other expenditure is expensed as incurred.

Any gain or loss on disposal of an intangible asset (calculated as the difference between the net proceeds from disposal and the carrying amount for the item) is recognised in surplus or deficit.

**Amortisation**

The Group has no intangible assets with indefinite useful lives. All intangible assets are amortised. Amortisation is based on the cost of an asset less its estimated residual value.

Amortisation is recognised on a straight-line basis over the estimated useful life of each intangible asset. Amortisation methods, useful lives, and residual values are reviewed at reporting date and adjusted if appropriate. The straight-line amortisation rate is:

Software	33%
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*Intangible Assets (continued)*

<i>Cost</i>	<i>Software</i>	<i>Total</i>
<b>Balance at 1 Jan 17</b>	196,190	196,190
Additions	49,348	49,348
<b>Balance at 31 Dec 17</b>	<b>245,538</b>	<b>245,538</b>
<b>Balance at 1 Jan 18</b>	245,538	245,538
Additions	70,050	70,050
<b>Balance at 31 Dec 18</b>	<b>315,588</b>	<b>315,588</b>
Accumulated Amortisation		
<b>Balance at 1 Jan 17</b>	81,692	81,692
Amortisation	75,190	75,190
<b>Balance at 31 Dec 17</b>	<b>156,882</b>	<b>156,882</b>
<b>Balance at 1 Jan 18</b>	156,882	156,882
Amortisation	78,373	78,373
<b>Balance at 31 Dec 18</b>	<b>235,255</b>	<b>235,255</b>
<b>Net book value</b>		
<b>At 1 January 2017</b>	<b>114,498</b>	<b>114,498</b>
<b>At 31 December 2017</b>	<b>88,656</b>	<b>88,656</b>
<b>At 31 December 2018</b>	<b>80,333</b>	<b>80,333</b>

**15. Restricted Funds**

As part of the Girl Programme, fundraising for third party charities is encouraged. When this occurs, funds are held in Restricted Reserves until they can be passed on to the relevant third-party charity. Restricted funds include bequests received for specific purposes for GirlGuiding NZ.

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Mutual Aid, Emergency Relief and other special projects	14,844	18,514
Estate Bequests	241,415	241,415
<b>Total Restricted Funds</b>	<b>256,259</b>	<b>259,929</b>

**16. Group Entities**

**Basis of Consolidation**

Controlled entities are those entities over which the Association has the power to govern financial and operating policies so as to obtain benefits from that entities activities.

The consolidated financial statements comprise the financial statements of the Association and its controlled entity, the GirlGuiding New Zealand Foundation ("the Foundation").

The Foundation is a controlled entity because the Association has the power to appoint a majority of the Trustees of the Foundation, and the Foundation's purpose is to promote and assist in the objects of the Association by providing financial assistance to the Association and its members.



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***Basis of Consolidation (continued)***

The financial statements of controlled entities are included in the consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of controlled entities are prepared for the same reporting period as the Association, using consistent accounting policies.

***Transactions eliminated on consolidation***

Transactions and balances between Group entities, and any unrealised gains arising from intra-Group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses arising from intra-Group transactions are eliminated only to the extent that there is no evidence of impairment.

	Country of Incorporation	Ownership Interest 2018	2017
GirlGuiding New Zealand Foundation	NZ	100%	100%

**17. Related Party Transactions**

**i. Controlled Entities**

The Association controls the Foundation on the basis that the Association has control over the appointment of the majority of the Trustees of the Foundation. There were two transactions with the Foundation during the reporting period (2017: 3).

	2018 \$	2017 \$
Administration Fee charged by the Association	5,000	5,000
Grant received by the Association in 2017- Canterbury Project Revitalisation Role	-	28,000
Grant due to Association in 2018- Canterbury Project Revitalisation Role	-	37,000
Donations received by the Association- Queens Guide Retreat	13,950	8,775
<b>Total Related Party Transactions with controlled entities</b>	<b>18,950</b>	<b>78,775</b>

**ii. Key Management Personnel**

The Key Management Personnel, as defined by PBE IPSAS 20: *Related Party Disclosures* are Members of the governing body, Chief Executive and managers of each operation. The aggregate remuneration of key management personnel, and the number of individuals determined on a full-time equivalent basis, receiving remuneration is as follows:

	2018 Remuneration \$	2017 Remuneration \$
Number of Governing Body Members	1	1
Number of Management Personnel	8 FTEs	7.96 FTEs
Total Remuneration	852,297	880,890

Information Technology consulting fees totalling \$33,608 (2017: \$20,453) were paid at market rates to a company of whom a member of the governing body is the Director for the provision of expert Information Technology advice outside the scope of their normal duties.



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**18. Operating Leases**  
**Leases**

Each lease is classified as a 'finance lease' or an 'operating lease'. The classification of leases is based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or lessee. A finance lease transfers substantially all the risks and rewards to the lessee. All other leases are operating leases.

Operating leases are not recognised in the statement of financial position. Payments made for operating leases are recognised as rental expense in surplus or deficit on a straight-line basis over the lease term.

**Operating leases**

The Group has operating lease commitments in relation to office equipment, motor vehicles and office rent. Future operating lease payments commitments are as follows:

	2018	2017
	\$	\$
Payments due within one year	197,457	207,841
Payments due between one and two years	390,584	224,910
Payments due between three and five years	86,683	446,175
<b>Total Future Operating Lease Payments Due</b>	<b>674,724</b>	<b>878,926</b>

**19. Financial Instruments**

Financial instruments are cash on hand and at bank, investments, accounts receivable, available for sale financial assets, held to maturity financial assets and accounts payable.

**Description and classification of financial instruments**

Financial reporting standards require financial instruments to be classified by their characteristics:

- **Loans and receivables**  
 These are any cash on hand, bank accounts, term deposits and receivables. They are financial assets of fixed or determinable amounts that are not quoted in an active market. Bank accounts, term deposits and cash are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.
- **Financial assets "held to maturity"**  
 These are fixed interest securities that the Group intends to hold until their maturity date.
- **Financial assets "available for sale"**  
 These are equity investments (shares).
- **Financial liabilities**  
 These are payables and finance lease payable. They are fixed in amount.

**Recognition of financial instruments**

The Group recognises financial instruments when it enters the contract that establishes the financial asset or liability. The Group derecognises financial assets when the contractual rights to cash flows from the asset expire (the asset matures) or are transferred to someone else (the asset is sold). It derecognises financial liabilities when they are paid. No financial liabilities have been offset against financial assets.

**Measurement of financial instruments**

When they are first recognised, financial instruments are measured at fair value, including any directly attributable transaction costs. That is, the market value paid for an investment plus costs such as brokerage.



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**19. Financial Instruments continued**

Subsequently the value of a financial instrument is adjusted. The subsequent measurement differs for each class of financial instrument.

- Financial assets "available for sale" are measured at fair value. The fair value is determined at 31 December each year by reference to quoted market prices, without any deduction for transaction costs. Changes in fair value are recognised in other comprehensive revenue and expenses and presented in the Investment revaluation reserve. Any accumulated balance in the reserve is transferred to surplus or deficit when the financial asset is derecognised.
- "Held to maturity" financial assets are measured at amortised cost using the effective interest rate method, less any impairment losses.
- Loans and receivables are also measured at amortised cost using the effective interest rate method, less any impairment losses.
- Financial liabilities are measured at amortised cost using the effective interest rate method.

Financial assets that are not measured at fair value are assessed for impairment in accordance with financial reporting standards, by considering whether the expected future cash flows will be received. Evidence of impairment includes failure by the debtor to comply with the terms of the financial arrangement. Impairment is assessed by individual debtors and at a collective level by grouping together financial assets with similar risk characteristics. Individual receivables known to be uncollectible are written off.

An impairment loss is calculated as the difference between carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognised in surplus or deficit. When an event occurring after the impairment was recognised causes the amount of the impairment loss to decrease, the decrease in impairment loss is reversed through surplus or deficit.

Financial assets and liabilities fall into the following categories:

	2018 \$	2017 \$
<b>Financial Assets</b>		
<b><i>Loans and Receivables</i></b>		
Cash on Hand and at Bank	985,101	1,388,844
Short Term Investments – term deposits	3,131,274	2,483,661
Receivables from Exchange Transactions	74,516	177,572
<b>Total Loans and Receivables</b>	<b>4,190,891</b>	<b>4,050,077</b>
<b><i>Held to Maturity</i></b>		
Fixed Interest Investments	1,706,981	1,430,685
<b><i>Available for Sale</i></b>		
Shares in publicly listed companies	1,783,576	2,192,402
<b>Total Financial Assets</b>	<b>7,681,448</b>	<b>7,673,164</b>
<b>Financial Liabilities</b>		
<b><i>At amortised cost</i></b>		
Payables from Exchange Transactions	277,641	269,836
Employee Entitlements	155,759	194,909
Finance Lease Liability	2,414	7,331
<b>Total Financial Liabilities</b>	<b>435,814</b>	<b>472,076</b>

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**20. Commitments**

As at 31 December 2018 there were no material commitments entered into by the Group (2017: nil)

**21. Contingent Assets and Liabilities**

As at 31 December 2018, there were no known material contingent liabilities or assets (2017: Pending earthquake claims).

**22. Prior Period Adjustment**

During the current period it was identified that the biscuit revenue and cost of sales recorded for the year ending 31 December 2017 had been incorrectly reflected in the financial statements of the Association. As a result, Revenue, and Cost of Sales were overstated and GST Receivables understated in the 2017 reporting period.

The error was corrected in the current year's financial statements by restating the 2017 comparatives. The below table summarises the changes made to the statement of financial position, statement of changes in net assets and statement of comprehensive revenue and expense for the 2017 reporting period.

Biscuit Correction	GST	Revenue	Cost of Sales	Accumulated Funds
	\$	\$	\$	\$
Balance reported at 31 December 2017	109,221	3,085,085	1,710,897	23,379,289
Effect of the prior period error (31 December 2017)	32,347	(134,973)	(167,320)	32,347
<b>Restated balance at 31 December 2017</b>	<b>141,568</b>	<b>2,950,112</b>	<b>1,543,577</b>	<b>23,411,636</b>

(2017: \$377,543 for land and buildings not previously recorded).

**23. Events Subsequent to Reporting Date**

There have been no significant events subsequent to reporting date (2017: Board resolved to stop using its girl members to sell biscuits).