Girl Guides Association New Zealand Incorporated
Table of Contents
31 December 2019

TABLE OF CONTENTS	**Page**

Girl Guides Association New Zealand Incorporated
Directory
31 December 2019

Board of Trustees:

Fiona Harnett – Board Chair
Susan Coleman – Chief Executive and Board Member (non-voting)
Jessica Gilmour-Chair of Audit and Finance and Board Member
Elizabeth Stockley – Board Member
Hannah Doney – Board Member (term ended 1 February 2020)
Hayley Coyne – Board Member
Judith Bright – Chair of GDC and Board Member (term ended 26 April 2019)
Lynley Lee – Board Member
Rebecca Kendrick - Board Member (term ended 8 May 2019)
Ruby Sands- Board Member (appointed 18 May 2019)

Registered Office:

5 Sir William Pickering Drive
Burnside
Christchurch 8053

Nature of Business:

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.

Charities Commission Registration Number:

CC22069 The Girl Guides Association New Zealand Incorporated
CC46160 GirlGuiding New Zealand Foundation

Independent Auditor: BDO Christchurch

Thank you to all organisations and trusts for supporting GirlGuiding NZ during the 2019 financial year. Some organisations who have supported us include the following:

Asia Pacific Region World Association of Girl Guides and Girl Scouts	Albert-Eden Local Board Auckland Council	Auckland Airport	Auckland Council Te Kaunihera o Tāmaki Makaurau
Blue Sky Community Trust	COGS Community Organisation Grants Scheme	Community Trust Mid & South Canterbury	Community Trust South Te Pou Arataki Pounamu o Murihiku
countdown	Dunedin City Council Kaunihera-a-rohe o Otepoti	Eastern & Central Community Trust	Four Winds Foundation
GirlGuiding New Zealand Foundation Investing in Tomorrow's Leaders...Today!	GLENICE & JOHN GALLAGHER FOUNDATION	Griffin's	Hutt Mana Charitable Trust
Johnsonville Charitable Trust	Lottery Grants Board Te Puna Tahua Lotto funds for your community	Lottery Minister's Discretionary Fund	NZCT NZ Community Trust
Public Trust	Rātā Foundation	sport canterbury	Sport New Zealand
the Southern trust	The Trusts Community Foundation	Thomas George Macarthy Trust Managed by Public Trust Established 1912	Trustees Executors Winton and Margaret Bear Charitable Trust
Trust House Community Enterprise	Trust Waikato Te Puna o Waikato	World Association of Girl Guides and Girl Scouts	

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 ("the association") and its subsidiary (together, "the Group"), which comprise the consolidated statement of financial position as at 31 December 2019, 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 2019 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.

Emphasis of Matter – Subsequent event

We draw attention to note 21 of the consolidated financial statements, which describes the non-adjusting subsequent event of the impact of the COIVD-19 outbreak on the Group. Our opinion is not modified with respect to this matter.

Other Information

The national board is responsible for the other information. The other information obtained at the date of this auditor's report is information contained in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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.

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 determine 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 intend/ 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 abbreviation and the association's members, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Christchurch

BDO Christchurch
Christchurch
New Zealand
5 April 2020

Girl Guides Association New Zealand Incorporated
Consolidated Statement of Comprehensive Revenue and Expenses
For the Year Ended 31 December 2019

	Note	2019 $	2018 $ (Restated Note 22)
Revenue from Non-Exchange Transactions	2	478,623	279,789
Revenue from Exchange Transactions	2	4,364,716	5,452,906
Total Operating Revenue		4,843,339	5,732,695
Girl Programme		1,300,240	1,307,953
Volunteer Leadership and Training		100,143	114,870
Employee Entitlements	4	2,738,112	2,408,953
Property Expenses		1,011,324	933,708
Information Technology and Communications		363,676	314,756
Cost of Goods Sold		516,450	1,021,183
Write-down of Inventory to Net Realisable Value		9,929	88,417
Amortisation	13	37,197	78,373
Depreciation	12	272,374	207,110
Other Expenses	3	537,990	992,916
Total Operating Expenses		6,887,434	7,468,239
Operating Surplus/(Deficit) Before Net Financing Costs		(2,044,095)	(1,735,544)
Finance Income	5	197,535	185,917
Net Finance Costs		197,535	185,917
Operating Surplus/(Deficit) For The Year		(1,846,561)	(1,549,627)
Non-operating Income	6	(92,321)	750,737
Non-operating Expenditure		0	(266,630)
		(92,321)	484,107
Net Operating Surplus/(Deficit) For The Year		(1,938,881)	(1,065,520)
Gain/(Loss) on revaluation of available-for-sale financial assets		302,522	(120,700)
Total Comprehensive Revenue and Expense For The Year		(1,636,359)	(1,186,220)

BDO Christchurch

Girl Guides Association New Zealand Incorporated
Consolidated Statement of Changes in Net Assets
For the Year Ended 31 December 2019

	Note	Restricted Funds	Available for Sale Investments Revaluation Reserve	Accumulated Funds	Total Equity
		$	$	$	$
Balance at 1 January 2018		**259,929**	**170,689**	**23,411,636**	**23,842,254**
Movement in Restricted Funds		(3,670)			(3,670)
Total Comprehensive Revenue and Expenses for the Year			(120,700)	(1,065,520)	(1,186,220)
Balance at 31 December 2018		**256,259**	**49,989**	**22,346,116**	**22,652,364**

	Note	Restricted Funds	Available for Sale Investments Revaluation Reserve	Accumulated Funds	Total Equity
		$	$	$	$
Balance at 1 January 2019		**256,259**	**49,989**	**22,346,116**	**22,652,364**
Movement in Restricted Funds					0
Total Comprehensive Revenue and Expenses for the Year			302,522	(1,938,881)	(1,636,359)
Balance at 31 December 2019		**256,259**	**352,511**	**20,407,235**	**21,016,005**

Girl Guides Association New Zealand Incorporated
Consolidated Statement of Financial Position
As at 31 December 2019

	Note	2019 $	2018 $ (Restated Note 22)
Current Assets			
Cash and Cash Equivalents	7	5,345,734	4,116,375
Receivables from Exchange Transactions	8	167,496	74,516
GST Receivable		77,217	138,657
Prepayments		57,286	70,068
Financial Instruments-Available for Sale	18	1,233,846	1,783,576
Inventory	9	196,492	567,630
Total Current Assets		**7,078,071**	**6,750,822**
Non-Current Assets			
Fixed Interest Investments	18	341,520	1,706,981
Property, Plant and Equipment	12	13,985,779	14,728,902
Property, Plant and Equipment (Work in Progress)		0	24,918
Intangible Assets	13	103,602	80,333
Total Non-Current Assets		**14,430,901**	**16,541,134**
TOTAL ASSETS		**21,508,972**	**23,291,956**
Current Liabilities			
Payables from Exchange Transactions	10	250,575	277,641
Non-exchange Liabilities	11	58,296	73,519
Income in Advance		0	130,259
Employee Entitlements		184,096	155,759
Finance Lease		0	2,414
Total Current Liabilities		**492,967**	**639,592**
Non-Current Liabilities			
TOTAL LIABILITIES		**492,967**	**639,592**
NET ASSETS		**21,016,005**	**22,652,364**
MEMBERS FUNDS			
Accumulated Funds		20,407,235	22,346,116
Restricted Funds	14	256,259	256,259
Available for Sale Investments Revaluation Reserve		352,511	49,989
Total Equity		**21,016,005**	**22,652,364**
TOTAL MEMBERS FUNDS		**21,016,005**	**22,652,364**

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

5 April 2020

Board Chair **Chief Executive** **Date**

BDO Christchurch

Girl Guides Association New Zealand Incorporated
Consolidated Statement of Cash Flows
As at 31 December 2019

	Note	2019	2018
		$	$
Cash Flows from Operating Activities			
Proceeds from Exchange Transactions		4,467,747	5,145,378
Proceeds from Insurance Claims		0	750,737
Proceeds from Non- Exchange Transactions		468,573	218,569
Proceeds from Financing Activities		165,417	201,891
Proceeds from Goods and Services Tax (GST)		61,440	2,911
Payments to Suppliers		(3,619,110)	(5,179,669)
Payments to Employees		(2,709,775)	(2,448,103)
Net Cash inflow/(outflow) from Operating Activities		(1,165,709)	(1,308,286)
Cash Flows from Investing Activities			
Proceeds from the sale of Property, Plant & Equipment		345,000	1,280,500
Proceeds from the sale of investments		1,528,159	489,176
Payments for the purchase of Property, Plant & Equipment		(35,970)	(13,571)
Payments for the purchase of Work in Progress		0	(20,978)
Payments for the purchase of Intangible Assets		(60,466)	(70,050)
Payments for the purchase of Investments		(333,045)	(755,617)
Net Cash inflow/(outflow) from Investing Activities		1,443,677	909,460
Cash Flows from Financing Activities			
Payments for Finance Lease		(2,414)	(4,917)
Net Cash inflow/(outflow) from Financing Activities		(2,414)	(4,917)
Net increase/(decrease) in cash and cash equivalents		275,553	(403,743)
Cash on hand at bank at the beginning of the year	7	985,101	1,388,844
Cash on hand at bank at the end of year	7	**1,260,654**	**985,101**

BDO Christchurch

Girl Guides Association New Zealand Incorporated
Notes to and forming part of the Consolidated Financial Statements
For the Year ended 31 December 2019

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 Foundation (together referred to as the Group).

1.2 *Statement of Compliance*

The consolidated financial statements were approved and authorised for issue by the National Board on 5 April 2020.

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.

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.

BDO Christchurch

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 2019 include the following:

Area of Estimate or Judgement	**Note**
Receivables – Exchange Transactions	Note 8
Inventory impairment	Note 9
Useful lives of Property, Plant and Equipment	Note 12

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 the recoverable amount is less than the asset's carrying amount, the asset is written down to the 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.

BDO
Christchurch

1.8 *Changes in Accounting Policies*

The accounting policies detailed in the following notes have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Group.

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.

PBE IPSAS 35 (Consolidated Financial Statements) introduces a single 'control model' for all entities where control exists when all of the following conditions are present:

- Power over investee
- Exposure or rights to variable returns from investee
- Ability to use power over the investee to affect the entities returns from the investee

The adoption of PBE IPSAS 35 has not had a material impact on the Group as all entities controlled by the Group as a result of the new 'control' definition are already consolidated (refer to note 1.1).

PBE IPSAS 38 (Disclosure of Interests in other Entities**)** sets out the disclosure requirements relating to an entities interests in controlled entities. The standard requires that a reporting entity discloses information that helps users to assess the nature and financial effects of the reporting entities relationship with other entities.

As the new standard affects disclosure there is no effect on the Group's financial position or performance.

PBE IPSAS 39 (Employee Benefits**)** supersedes PBE IPSAS 25 (Employee Benefits). The main change to the Group as a consequence of this is the definition of short term employee benefits has changed to be employee benefits expected to be settled (as apposed to 'due to be settled') wholly within 12 months after the end of the reporting.

There has been no material impact on the group arising from the change in this definition.

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.

2. Revenue from exchange transactions contd

- 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.

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 and when the 'conditions' are satisfied.

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

BDO
Christchurch

	2019 $	2018 $
Revenue from Exchange Transactions		
Membership Fees	1,956,092	2,010,686
Biscuit Revenue	906,512	2,024,314
Jamboree/Ranger Event Revenue	0	278,157
Events Revenue	683,927	528,344
Rental Revenue	400,950	384,144
E-Shop Revenue	141,025	111,662
Sundry Income	276,210	115,599
Total Revenue from Exchange Transactions	**4,364,716**	**5,452,906**
Revenue from Non-Exchange Transactions		
Donations and Grants	478,623	279,789
Total Revenue from Non-Exchange Transactions	**478,623**	**279,789**
Total Revenue from Exchange & Non-Exchange Transactions	**4,843,339**	**5,732,695**

3. *Other Expenses*

	2019 $	2018 $
Selling expenses	3,555	111,183
Jamboree/Ranger Event	0	147,093
International Events and Membership Fees	19,713	30,733
Audit Fees	36,996	36,694
Human Resource Support	152,867	161,296
Branding Refresh and Marketing	33,729	85,726
International Guiding Events	10,350	79,793
Other Operational Expenses	280,780	340,398
Total Other Expenses	**537,990**	**992,916**

BDO Christchurch

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.

	2019 $	2018 $
Employee Remuneration	2,670,608	2,345,655
Kiwisaver contribution	67,504	63,298
Total employee remuneration	**2,738,112**	**2,408,953**

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.

	2019 $	2018 $
Interest Income	84,299	132,278
Dividends	50,831	69,613
Gain/(Loss) on Investments- Held to Maturity	62,405	(15,974)
Total Finance Income	**197,535**	**185,917**

BDO Christchurch

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.

	2019	**2018**
	$	**$**
Proceeds from Insurance Claims	0	750,737
Gain/(Loss) on Sale of Fixed Assets	(92,321)	0
Total non-operating income	**(92,321)**	**750,737**

7. Cash and cash equivalents

	2019	**2018**
	$	**$**
Cash on Hand at Bank	1,260,654	985,101
Cash on Hand Investment Portfolio	3,713,075	0
Term Deposits	372,005	3,131,274
Total Cash and Cash Equivalents	**5,345,734**	**4,116,375**

The Group operates a purchasing card facility through Westpac New Zealand Limited. As at 31 December 2019, the Group held 517 (2018:548) purchasing cards with a combined credit limit of $29,100 (2018: $33,500).

8. Receivables from Exchange Transactions

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

	2019	**2018**
	$	**$**
Receivables from Exchange Transactions	143,048	189,773
Less: Allowance for Impairment	(24,000)	(146,517)
Sub Total	119,048	43,256
Sundry receivables	48,448	31,260
Total Receivables from Exchange Transactions	**167,496**	**74,516**

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.

	2019	**2018**
	$	**$**
Finished Goods	212,263	610,972
Less: Provision for Obsolete stock	(15,771)	(43,342)
Total Inventory	**196,492**	**567,630**

BDO
Christchurch

10. Payables from Exchange Transactions

	2019 $	2018 $
Accounts Payable	54,279	80,357
Accruals	196,296	197,284
Total Payables from Exchange Transactions	**250,575**	**277,641**

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.

	2019 $	2018 $
Deferred non-exchange revenue	58,296	73,519
	58,296	**73,519**

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.

BDO Christchurch

Girl Guides Association New Zealand Incorporated
Notes to and forming part of the Consolidated Financial Statements
For the Year ended 31 December 2019

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:

	Straight line	Diminishing value
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%

Cost	*Land & Buildings*	*Plant & Equipment*	*Furniture & Fittings*	*Computer Hardware*	*Motor Vehicles*	*Total*
Balance at 1 Jan 2018	14,987,649	564,297	191,113	100,625	27,434	15,871,118
Additions			2,040	11,531		13,571
Prior Period Adjustment (Note 22)	139,674					139,674
Balance at 31 Dec 2018	**15,127,323**	**564,297**	**193,153**	**112,156**	**27,434**	**16,024,364**

Accumulated Depreciation						
Balance at 1 Jan 2018	476,247	388,784	131,630	73,877	17,813	1,088,351
Depreciation	164,189	21,503	4,455	14,172	2,791	207,110
Balance at 31 Dec 2018	**640,436**	**410,287**	**136,085**	**88,049**	**20,604**	**1,295,462**

Cost						
Balance at 1 Jan 2019	15,127,323	564,297	193,153	112,156	27,434	16,024,364
Additions	4,645	3,184	1,674	26,467		35,970
Disposals	(577,291)	(40,604)	(14,845)			(632,740)
Balance at 31 Dec 2019	**14,554,678**	**526,877**	**179,983**	**138,623**	**27,434**	**15,427,595**

Accumulated Depreciation						
Balance at 1 Jan 2019	**640,436**	**410,287**	**136,085**	**88,049**	**20,604**	**1,295,462**
Depreciation	222,913	19,528	3,943	23,226	2,764	272,374
Disposals	(93,452)	(20,512)	(12,056)			(126,020)
Balance at 31 Dec 2019	**769,897**	**409,303**	**127,972**	**111,275**	**23,368**	**1,441,816**
Net Book Value:						
At 1 January 2018	14,511,402	175,513	59,483	26,748	9,621	14,782,767
At 31 December 2018	14,486,887	154,010	57,068	24,107	6,830	14,728,902
At 31 December 2019	**13,784,781**	**117,574**	**52,010**	**27,348**	**4,066**	**13,985,779**

BDO Christchurch

13. 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%

Cost	*Software*	*Total*
Balance at 1 Jan 2018	245,538	245,538
Additions	70,050	70,050
Balance at 31 Dec 2018	**315,588**	**315,588**
Accumulated Amortisation		
Balance at 1 Jan 2018	156,882	156,882
Amortisation	78,373	78,373
Balance at 31 Dec 2018	**235,255**	**235,255**
Cost		
Balance at 1 Jan 2019	315,588	315,588
Additions	60,466	60,466
Balance at 31 Dec 2019	**376,054**	**376,054**
Accumulated Amortisation		
Balance at 1 Jan 2019	235,255	235,255
Amortisation	37,197	37,197
Balance at 31 Dec 2019	**272,452**	**272,452**
Net Book Value		
At 1 January 2018	**88,656**	**88,656**
At 31 December 2018	**80,333**	**80,333**
At 31 December 2019	**103,602**	**103,602**

BDO Christchurch

14. 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.

	2019 $	2018 $
Mutual Aid, Emergency Relief and other special projects	14,843	14,844
Estate Bequests	241,415	241,415
Total Restricted Funds	**256,258**	**256,259**

15. Group Entities

Basis of Consolidation

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

Controlled Entities are those Entities over which the Association has 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 Foundation.

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 2019	2018
GirlGuiding New Zealand Foundation	NZ	100%	100%

BDO Christchurch

16. 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 six transactions with the Foundation during the reporting period (2018: 2).

	2019	**2018**
	$	**$**
Administration Fee charged by the Association	5,000	5,000
Donations received by the Association- Volunteer Training	43,587	13,950
Total Related Party Transactions with controlled entities	**48,587**	**18,950**

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:

	2019	**2018**
	Remuneration $	Remuneration $
Number of Governing Body Members	1	1
Number of Management Personnel	9.49 FTEs	8 FTEs
Total Remuneration	1,105,114	852,297

Information Technology consulting fees totalling $52,897 (2018: $33,608) were paid at market rates to a company of whom a member of the governing body is the Director.

17. 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.

BDO Christchurch

17. Operating Leases (continued)

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:

	2019 $	2018 $
Payments due within one year	201,866	197,457
Payments due between one and two years	285,854	390,584
Payments due between three and five years	0	86,683
Total Future Operating Lease Payments Due	**487,720**	**674,724**

18. 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.

BDO
Christchurch

18. 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:

	2019 $	2018 $
Financial Assets		
Loans and Receivables		
Cash on Hand at Bank	1,260,654	985,101
Cash on Hand Investment Portfoilo	3,713,075	0
Short Term Investments – Term Deposits	372,005	3,131,274
Receivables from Exchange Transactions	167,496	74,516
Total Loans and Receivables	**5,513,230**	**4,190,891**
Held to Maturity		
Fixed Interest Investments	341,520	1,706,981
Available for Sale		
Shares in publicly listed companies	1,233,846	1,783,576
Total Financial Assets	**7,088,596**	**7,681,448**
Financial Liabilities		
At amortised cost		
Payables from Exchange Transactions	250,575	277,641
Employee Entitlements	184,096	155,759
Finance Lease Liability	0	2,414
Total Financial Liabilities	**434,671**	**435,814**

BDO
Christchurch

19. Commitments

As at 31 December 2019 there were no material commitments entered into by the Group (2018: nil)

20. Contingent Assets and Liabilities

As at 31 December 2019, there were no known material contingent liabilities or assets (2018: Nil)

21. Events Subsequent to Reporting Date

On 30 January 2020 the World Health Organization ("WHO") officially declared a public health emergency of international concern related to the coronavirus outbreak known as Covid-19.

In response to this outbreak New Zealand was moved to Alert Level 4 on 25 March 2020. This means a nationwide lockdown, and all non essential businesses ceased face to face trading.

GirlGuiding New Zealand activities continue to be offered to girls around New Zealand through virtual and online delivery methods, business continuity plans have been activated and our paid staff and volunteer teams continue to operate.

Girl Guiding New Zealand has assessed the likely impact of COVID-19 on the Association and have concluded that, for the 12 months from the date of signing the financial statements, COVID-19 will not impact on their ability to continue operating. That conclusion has been reached as the Association has sufficient cash reserves to maintain current expenditure for at least 12 months from the date of signing these financial statements.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the organisation, the results of those operations, or the state of affairs of the organisation.

22. Prior Period Adjustment

During the current period it was identified that the impairment of a property sold during the year ended 31 December 2018 had been overstated in the financial statements of the Association. As a result the Expenses were overstated and Property, Plant and Equipment understated in the 2018 reporting period.

The error was corrected in the current year's financial statements by restating the 2018 comparatives. The below table summaries the changes made to the statement of financial postion, statement of changes in net assets and statement of comprehensive revenue ane expense for the 2018 period.

	Property Plant & Equipment	**Expenses**	**Accumulated Funds**
Balance Reported at 31 December 2018	14,589,228	1,132,590	22,206,442
Effect of prior period error	139,674	(139,674)	139,674
Restated balance as at 31 December 2018	**14,728,902**	**992,916**	**22,346,116**

BDO
Christchurch