

**The Scout Association Of New Zealand
Consolidated Financial Reports
For The Year Ended 30 September 2021**

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**The Scout Association Of New Zealand
Statement of Responsibility
For The Year Ended 30 September 2021**

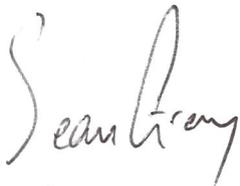
The Board accepts responsibility for the preparation of the annual financial statements in accordance with Tier 2 Public Benefit Entity Standards for not-for-profit entities ("PBE IPSAS RDR") and the judgements used in these financial statements.

This is the fifth year of preparation of the Consolidated Group's financial statements and there have been significant challenges involved in preparing these financial statements.

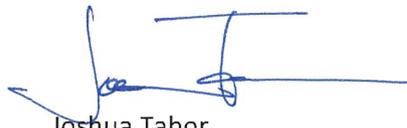
The Board accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the Group's financial reporting. Management have prepared the Consolidation to their best ability with the time, resource and logistical restraints that come with the size of the organisation.

It is the opinion of the Board and management given the information supplied that the annual financial statements for the financial year ended 30 September 2021 fairly reflects the financial position and operations of the Group.

The Group's 2021 financial statements are authorised for issue by the Board.



Sean Gray
Chair of the Board



Joshua Tabor
Chief Executive

Date: 06 Apr 2022

Date: 06 Apr 2022

The Scout Association Of New Zealand
Consolidated Statement Of Comprehensive Revenue And Expense
For The Year Ended 30 September 2021

	Note	2021 \$	2020 \$
Revenue			
Revenue from Exchange Transactions			
Youth membership fees		3,475,642	2,823,030
Activities & Events	5	1,713,937	4,574,934
Campsite Income		600,979	456,980
Sales of goods		220,615	218,480
Rent income		866,680	679,225
Administration income		5,754	21,913
Revenue from Non-exchange Transactions			
Donations		322,084	381,819
Fundraising		1,241,394	1,451,392
Grants		1,207,105	1,996,633
Sponsorship		4,000	21,043
Other Revenue			
Investment income	6	556,380	464,095
Forestry income		-	463,275
Other income		378,005	438,533
Total Revenue		10,592,573	13,991,352
Expenses			
Activities & Events	7	2,234,511	5,442,720
Administration	8	750,038	720,870
Communication	9	658,213	482,207
Cost of goods sold		350,965	406,263
Depreciation	21	829,979	819,252
Donation and grants made		9,620	127,819
Facilities costs	10	2,631,420	2,635,638
Fundraising costs		324,952	394,604
Governance	11	44,644	49,276
Losses on Asset Disposal		681,482	191,009
Other expenses		728,461	497,382
Registration	12	383,249	292,179
Staff & Contractor	13	1,900,826	1,893,577
Adult volunteer leadership & training	14	87,243	82,066
Loss on control of closed groups	15	2,129	111,801
Total Expenses		11,617,730	14,146,664
Surplus/Deficit For The Year		(1,025,157)	(155,311)
Other Comprehensive Revenue and Expense			
Gain/Loss on revaluation of jointly controlled asset		120,163	(426,055)
Other Comprehensive Revenue and Expense for the year		120,163	(426,055)
Total Comprehensive Revenue And Expense For The Year		(904,994)	(581,366)

**The Scout Association Of New Zealand
Consolidated Statement Of Change In Net Assets/Equity
For The Year Ended 30 September 2021**

	Note	Revaluation of jointly controlled asset	Accumulated Funds	Total Equity
Opening Equity at 1 October 2020		(531,156)	64,723,494	64,192,338
Surplus/Deficit For The Year		-	(1,025,157)	(1,025,157)
Other Comprehensive Revenue and Expense		120,163	-	120,163
Total Comprehensive Revenue And Expense For The Year		120,163	(1,025,157)	(904,994)
Closing Equity at 30 September 2021		(410,993)	63,698,336	63,287,343

	Note	Revaluation of jointly controlled asset	Accumulated Funds	Total Equity
Opening Equity at 1 October 2019		(105,101)	64,878,805	64,773,704
Surplus/Deficit For The Year		-	(155,311)	(155,311)
Other Comprehensive Revenue and Expense		(426,055)	-	(426,055)
Total Comprehensive Revenue And Expense For The Year		(426,055)	(155,311)	(581,366)
Closing Equity at 30 September 2020		(531,156)	64,723,494	64,192,338

The Scout Association Of New Zealand
Consolidated Statement Of Financial Position
As At 30 September 2021

	Note	2021 \$	2020 \$
Assets			
Current Assets			
Cash and cash equivalents	16	10,035,416	10,130,560
Term deposits	16	8,714,822	8,430,582
Receivables (from exchange transactions)	17	295,026	421,550
Inventory	18	204,691	257,811
Prepayments		177,550	57,032
Other current assets		55,174	54,642
Short-term investment	19	3,486,436	2,805,788
Vendor Finance (current)	24	420,000	280,000
Total Current Assets		23,389,114	22,437,965
Non-current Assets			
Long term investments	19	1,207,015	1,616,892
Jointly controlled forestry asset	20	692,893	572,730
Property, plant and equipment	21	40,128,332	41,099,436
Vendor Finance (Non-current)	24	499,632	870,240
Total Non-current Assets		42,527,872	44,159,297
Total Assets		65,916,986	66,597,262
Liabilities			
Current Liabilities			
Accounts payable and accruals		266,362	188,999
Income received in advance		348,353	124,375
Grants unspent	22	256,745	345,722
Funds held on behalf		312,510	285,992
Employee benefit liability	25	247,136	224,545
Provision for building removal liability	23	1,025,492	1,013,427
Other current liabilities		162,226	199,831
Total Current Liabilities		2,618,824	2,382,891
Non-current Liabilities			
Long term loans		10,819	22,033
Total Non-current Liabilities		10,819	22,033
Total Liabilities		2,629,643	2,404,924
Total Net Assets/Equity		63,287,343	64,192,338
Equity			
Accumulated revenue and expense		63,287,343	64,192,338
Total Equity		63,287,343	64,192,338

**The Scout Association Of New Zealand
Consolidated Statement Of Cash Flows
As At 30 September 2021**

	2021	2020
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from:		
Membership Fees	3,552,760	2,766,173
Receipts Activities & Events	2,538,894	3,556,399
Grants, Sponsorships, Donations & Fundraising Campaigns	2,685,605	3,816,960
Forest income	-	463,275
Rental income	866,680	679,225
Other Revenue	658,442	658,800
Payments to suppliers	(6,259,231)	(5,080,021)
Payments Activities & Events	(2,234,511)	(5,442,720)
Employee costs	(1,900,826)	(1,893,577)
Goods and Services Tax (GST)	(391,360)	(296,210)
Funds Held on Behalf	26,519	(112,563)
Net Cash Flow from Operating Activities	(457,029)	(884,259)
 CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of land & buildings	549,693	145,862
Interest received	239,529	386,861
Dividends received	40,368	30,273
Purchase of investments	-	(567,408)
Payments for purchase of Property, Plant and Equipment	(172,250)	(422,018)
Decrease in term deposit investments	(284,240)	444,017
Net Cash Flow from Investing Activities	373,099	17,587
 CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of loan	(11,214)	5,592
Net Cash Flow from Financing Activities	(11,214)	5,592
Net Increase/(Decrease) in Cash and Cash Equivalents	(95,144)	(861,080)
Cash and Cash Equivalents at Beginning of Year	10,130,560	10,991,640
Cash and Cash Equivalents at the End of Year	10,035,416	10,130,560

**The Scout Association Of New Zealand
Notes To The Consolidated Financial Statements
For The Year Ended 30 September 2021**

Note 1 Reporting Entity

The Scout Association of New Zealand ("SANZ") is a public benefit entity for the purpose of financial reporting in accordance with the Financial Reporting Act (2013) and is a charitable organisation registered under the Charitable Trusts Act 1957, Charities Act 2005 and incorporated under the Incorporated Societies Act 1908.

These consolidated financial statements for the year ended 30 Sept 2021 comprise the controlling entity and its controlled entities (together referred to as the 'Group') and individually as 'Group entities'. Please refer to Appendix 1 for the full list of all controlled entities.

The financial statements are prepared on a going concern basis.

Note 2 Basis of Preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with Public Benefit Entity Standards Reduced Disclosure Regime, as appropriate for Tier 2 non-for-profit public benefit entities.

For the purpose of complying with NZ GAAP, the Group is a public benefit not-for-profit and has elected to apply Tier 2 Not-For-Profit PBE Standards RDR on the basis that it does not have public accountability and is not defined as large (operating expenditure has been between \$2m and \$30m in the current and prior period). RDR Disclosures exemptions have been utilised.

(b) Measurement basis

The financial statements have been prepared on the historical cost basis, with the exception of certain items as identified at Note 4 - Significant Accounting Policies.

(c) Functional and presentation currency

The financial statements are prepared in New Zealand dollars (\$) which is the controlling entity's functional and Group's presentation currency, rounded to the nearest dollar.

There has been no change in the functional currency of the Group or any significant foreign operations of the Group during the year.

Note 3 Use of Judgements and Estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying 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.

(a) Judgements

Judgements made in applying accounting policies that have had the most significant effects on the amounts recognised in the consolidated financial statements include the following:

**The Scout Association Of New Zealand
Notes To The Consolidated Financial Statements
For The Year Ended 30 September 2021**

Grant revenue recognition

The Group must exercise judgement when recognising grant revenue to determine if conditions of the grant contract have been satisfied. This judgement will be based on the facts and circumstances that are evident for each grant contract.

Whether an arrangement contains a lease

At the inception of an arrangement the entity determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- The fulfilment of the arrangement is dependent on the use of a specific asset or assets, and
- The arrangement contains a right to use the assets.

(b) Assumptions and Estimation Uncertainties

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 30 Sept 2021 include the following:

- Likelihood and magnitude of outflows in determining recognition and measurement of provisions (Note 23);
- Useful life, recoverable amount, depreciation/amortisation methods and rate (Note 4(f));
- Valuation of buildings on leased land for deemed cost at initial recognition (Note 21).

Note 4 Significant Accounting Policies

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

The significant accounting policies of the Group are detailed below:

(a) Basis of Consolidation

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, and expenses of entities in the Group on a line-by-line basis. All intragroup balances, transactions, revenues, and expenses are eliminated on consolidation.

Controlled entities

Controlled entities are entities controlled by the Group, being where the Group has power to govern the financial and operating policies of another entities so as to benefit from that entity's activities. The financial statements of the Group's controlled entities are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Joint ventures

Joint ventures are those entities over whose activities the Group has joint control, established by a binding agreement and requiring unanimous consent for strategic financial and operating decisions.

Joint ventures that are not structured in a separate vehicle are classified as either jointly-controlled-operations or jointly controlled assets. The consolidated financial statements include the Group's share of assets, liabilities, expenses, and revenues from the jointly-controlled-operation or jointly controlled asset on a line-by-line basis.

The Group has one joint controlled asset with City Forests Limited (refer to note 20).

The Scout Association Of New Zealand
Notes To The Consolidated Financial Statements
For The Year Ended 30 September 2021

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Revenue

Revenue is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to the Group, and measured at the fair value of 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.

i. Revenue from Exchange Transactions

Youth membership fees

Youth membership fees are recognised when they are invoiced to members. Amounts received in advance for membership relating to future periods are recognised as a liability until such time that period covering the membership occurs.

Sales of goods

Revenue from sales of goods in the course of ordinary activities is recognised at the earlier of invoicing or receipted funds; it is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

Activities & Events income

Fees received in advance of an event or activity occurring, with the exception of non-refundable deposits, are recorded as a current liability and recognised as revenue when the event or activity occurs. Other income relating to events and activities is recognised when it is received.

Non-refundable deposits for activities & events are recognised as income in the period when they are received.

Administration fees

Administration fees relating to major events and annual activities are recognised when the event or activity occurs.

Rental income

Rental revenue is recognised when an invoice is raised.

ii. Revenue from non-exchange transactions

Non-exchange transactions are those where the Group receives an inflow of resources (i.e. cash and other tangible or intangible items) but provides no direct (or nominal) consideration in return.

Inflow of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow.

Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a restricting present obligation as a result of the non-exchange transactions, where both:

The Scout Association Of New Zealand
Notes To The Consolidated Financial Statements
For The Year Ended 30 September 2021

- It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation, and;
- The amount of the obligation can be reliably estimated.

The following specific recognition criteria in relation to the Group's non-exchange transaction revenue streams must also be met before revenue is recognised.

Fundraising

Revenue from fundraising is recognised when funds are received.

Grants, Donations, Legacies and bequests

The recognition of non-exchange revenue from Grants, Donations, Legacies and bequests 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 the recognition of revenue.

Stipulations that are 'conditions' specifically require the Group to return the inflow of resources received if they are not utilised in the way stipulated, resulting in the recognition of a non-exchange liability that is subsequently recognised as non-exchange revenue as and when the 'conditions' are satisfied.

Stipulations that are 'restrictions' do not specifically require the Group to return the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a non-exchange liability, which results in the immediate recognition of non-exchange revenue.

iii. Investment Income

Interests

Interests income is recognised as it accrues.

Dividends

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

Gains on assets disposal

Realised gains from the sale of assets are recognised in the period in which the sale transaction occurs.

iv. Other Income

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.

All other income is recognised when it is received.

**The Scout Association Of New Zealand
Notes To The Consolidated Financial Statements
For The Year Ended 30 September 2021**

(c) Employee Benefits

Short-term employee benefits

Short-term employee benefits liabilities are recognised when the entity has a legal or constructive obligation to remunerate employees for services provided within 12 months of the reporting date, and is measured on an undiscounted basis and expensed in the period in which employment services are provided.

(d) Financial Instruments

The Group initially recognises financial instruments when it becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

The Group also derecognises financial assets and financial liabilities when there had been significant changes to the terms and/or the amount of contractual payments to be received/paid.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group had a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies financial assets into the following categories: Loans and receivables, and Fair Value through Surplus or deficit.

The Group classifies financial liabilities into the following categories: Amortised Cost.

Financial instruments are initially measured at fair value, plus those financial instruments not subsequently measured at fair value through surplus or deficit, directly attributable transaction costs.

Subsequent measurement is dependent on the classification of the financial instrument, and is specifically detailed in the accounting policies below.

The fair value of financial instruments that are traded in active market at each reporting date is determined by reference to quoted market prices, without any deduction for transaction costs. In the absence of an active market, the fair value of financial instruments is measured using valuation techniques with the objective of estimating what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations.

i. Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

**The Scout Association Of New Zealand
Notes To The Consolidated Financial Statements
For The Year Ended 30 September 2021**

Loans and receivables comprise cash and cash equivalents, receivables, and recoverable.

Cash and cash equivalents represent highly liquid investments that are readily convertible into a known amount of cash with an insignificant risk of changes in value, with maturities of 3 months or less.

ii. Fair value through surplus or deficit

A financial instrument is classified as fair value through surplus or deficit if it is:

- Held-for-trading: Derivatives where hedge accounting is not applied
- Designated at initial recognition: If The Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with The Group's documented risk management or investment strategy.

Those fair value through surplus or deficit instruments sub-classified as designated at initial recognition comprise equities securities and debt securities.

Financial instruments classified as fair value through surplus or deficit are subsequently measured at fair value with gains or losses being recognised in surplus or deficit.

iii. Amortised cost financial liability

Financial liabilities classified as amortised cost are non-derivative financial liabilities that are not classified as fair value through surplus or deficit financial liabilities.

Financial liabilities classified as amortised cost are subsequently measured at a mortised cost using the effective interest method.

Financial liabilities classified as amortised cost comprise accounts payables, funds held on behalf and term liabilities.

(e) Inventory

Inventory is initially measured at cost, except items acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

Inventories are subsequently measured at the lower of cost and net realisable value. The cost of inventories is based on weighted average cost and include expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(f) Property, Plant and Equipment

i. Recognition and measurement

The Group has utilised the transitional provision under PBE FRS 47 that allows for the land and buildings to be brought in at their 'deemed cost' which is the estimated fair value as at 1 October 2016, refer to Note 21 on how the Group has calculated deemed cost.

Land is measured at government value as at 1st Oct 2016, and buildings which are owned by SANZ are measured at deemed costs less accumulated depreciation and impairment losses. Buildings which are owned by SANZ on leasehold land are measured using the Value in Use methodology.

**The Scout Association Of New Zealand
Notes To The Consolidated Financial Statements
For The Year Ended 30 September 2021**

All other asset classes are measured at cost, except those acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition, less accumulated depreciation and impairment losses.

All of the Group's items of property, plant and equipment are subsequently measured in accordance with the cost model.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance is expensed as incurred.

iii. Depreciation

For plant and equipment, depreciation is based on the cost of an asset less its residual value, and for buildings is based on the deemed cost less its residual value.

Depreciation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leasehold property is depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the entity will obtain ownership by the end of the lease term. Land is not depreciated. Assets under construction are not subject to depreciation.

Depreciation rates are outlined below:

Buildings	2%
Plant and Equipment	6-60%
Furniture and Fittings	7-40%
Boats & Motor Vehicles	7-67%
Computer Equipment	10-50%

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

(g) Impairment of Non-financial Assets

The carrying amounts of the entity's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

**The Scout Association Of New Zealand
Notes To The Consolidated Financial Statements
For The Year Ended 30 September 2021**

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) are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the assets.

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.

Impairment losses are recognised in surplus or deficit.

(h) Leases

Operating leases

Leases that are not finance leases are classified as operating leases.

Operating leases are not recognised in the Group's statement of finance position. Payments made under operating leases are recognised in surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expenses, over the term of the lease.

(i) Taxation

The Scout Association New Zealand is a charitable organisation registered with the Charities Commission and is exempt from income taxes.

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except for receivables and payables at year end, and when groups are not GST registered, where GST-inclusive amounts are recognised.

(k) Commitments

Commitments are non-cancellable operating or capital obligations. They are recognised when the obligation becomes non-cancellable.

(l) Contingent Liabilities

Contingent liabilities are potential future liabilities. Whether they become liabilities or not is dependent on some event outside the control of The Scout Association of New Zealand. Contingent liabilities are recognised at the point at which the contingency is evident. Contingent assets are not recognised.

**The Scout Association Of New Zealand
Notes To The Consolidated Comprehensive Income Statement
For The Year Ended 30 September 2021**

	Note	2021 \$	2020 \$
Note 5. Activities & Events Income			
National Events (Jamboree, Regatta, Venturer)		137,331	3,342,053
Training		57,365	45,446
Gang Show		102,247	21,960
General Activities		1,408,802	1,158,828
Investiture		7,742	6,648
Catering Income		450	-
Total Activities & Events Income		1,713,937	4,574,934
Note 6. Investment Income			
Interest Income		239,529	386,174
Dividends Received		39,871	30,273
Gains on Assets Disposal		5,711	1,300
Gain on Investment Revaluation		270,350	45,661
Other Investments		919	687
Total Investment Income		556,380	464,095
Note 7. Activities & Events Expense			
National Events (Jamboree, Regatta, Venturer)		157,258	3,985,809
Training		137,267	107,195
Gang Show Expenses		79,318	22,662
General Activities		1,793,780	1,317,205
Food		66,462	8,233
Investiture Expenses		427	1,616
Total Activities & Events Expense		2,234,511	5,442,720
Note 8. Administration			
Auditing fees		88,944	82,528
Accounting & Consulting		68,533	56,477
Bank Fees		36,667	37,068
Legal expenses		17,457	28,524
Freight & Courier		19,862	14,798
Gifts		22,282	23,049
Printing & Stationery		29,257	18,614
Office Expenses		10,827	8,022
Equipment Consumble		83,128	71,007
Photocopying		12,517	7,413
General Administration Expenses		360,564	373,370
Total Administration		750,038	720,870

**The Scout Association Of New Zealand
Notes To The Consolidated Comprehensive Income Statement
For The Year Ended 30 September 2021**

	Note	2021 \$	2020 \$
Note 9. Communication			
Travel		108,857	136,705
Motor Vehicle Expenses		68,262	38,839
Telephone & Internet		99,774	106,465
Advertising & Promotion		26,079	12,383
Software as a Service Configuration/Customisation		294,363	161,950
Other Communication Expenses		60,878	25,865
Total Communication		658,213	482,207
Note 10. Facilities costs			
Repairs and Maintenance		894,257	976,739
Insurance		702,967	710,207
Rates		174,977	181,458
Power		368,868	338,764
Water		21,987	22,614
Rent		180,633	149,091
General Accommodation Expenses		287,731	256,766
Total Facilities Cost		2,631,420	2,635,638
Note 11. Governance			
National Council, NEC, Taskforces		24,863	29,570
Meeting Costs		19,781	19,706
Total Governance Cost		44,644	49,276
Note 12. Registration			
Subscriptions		6,032	9,771
Fees to World Body & Asia Pacific		23,371	26,071
OSM License & Membership Fees		353,846	256,337
Total Registration		383,249	292,179
Note 13. Staff & Contractor			
Salaries		1,588,806	1,590,039
Defined Contribution Plans (Kiwisaver)		36,076	34,638
ACC Levies		3,598	3,685
Projects		232,617	203,715
Recruitment		6,000	27,002
Staff development & support		33,729	34,498
Total Staff & Contractor		1,900,826	1,893,577

**The Scout Association Of New Zealand
Notes To The Consolidated Comprehensive Income Statement
For The Year Ended 30 September 2021**

	Note	2021 \$	2020 \$
Note 14. Adult Volunteer Leadership and Training			
Leaders Expenses		62,255	60,793
Volunteer Staff Uniforms		9,221	8,801
Volunteer Leader Development & Support		15,766	12,472
Total Adult Volunteer Leadership and Training		87,243	82,066

Note 15. Loss on control of closed groups

In accordance with PBE IPSAS 35, 54(a), the net assets of non-financial branches in 2020FY need to be removed from the group accounts. (The loss on control of closed groups in 2020 : \$111,801)

The Groups has been closed in 2021:	Net Assets in 2020FY (\$)
Franklin Rover Crew	-
Millers Flat/Ettrick Scout Group	2,129
Riccarton Scout Group	-
St Patricks Scout Group - Oamaru	-
Te Puna Scout Group	-
	<hr/> 2,129

**The Scout Association Of New Zealand
Notes To The Consolidated Balance Sheet
For The Year Ended 30 September 2021**

Note 16 Cash and cash equivalent & Term deposits

	2021	2020
	\$	\$
Cash on hand and bank current deposits	10,035,416	10,130,560
Term deposits	8,714,822	8,430,582
	<u>18,750,237</u>	<u>18,561,141</u>

There are no cash and cash equivalent balances that have been pledged as collateral against loans and
There are no restrictions over any of the cash and cash equivalent balances held by the Group.

Note 17 Receivables from exchange transactions

	2021	2020
	\$	\$
Membership fees receivable	132,792	114,327
Accounts Receivable	224,986	348,766
Less: Provision for doubtful debts	(62,752)	(41,543)
Net receivable from exchange transactions	<u>295,026</u>	<u>421,550</u>

Note 18 Inventories

	2021	2020
	\$	\$
Finished goods	237,691	272,811
Less Provision for obsolete/discontinued stock	(33,000)	(15,000)
Total Inventory	<u>204,691</u>	<u>257,811</u>

There were no reversals of previously written down inventory items.

There were no items of inventory pledged as security against any of the Group's liabilities.

Note 19 Investments

	2021	2020
	\$	\$
Corporate note, bonds and deposits	1,541,446	2,023,933
Equities - Australian	1,327,405	1,169,799
Equities - Global	927,225	786,927
Equities - New Zealand	32,590	35,770
Other Investments	864,785	406,250
Total Investment	<u>4,693,451</u>	<u>4,422,679</u>

**The Scout Association Of New Zealand
Notes To The Consolidated Balance Sheet
For The Year Ended 30 September 2021**

Note 20 Jointly Controlled Forestry Asset

The Otago Scout Endowment Trust (a subsidiary of The Scout Association of NZ) has a joint venture forestry agreement with City Forests Limited (owned by Dunedin City Council).

The Trust owns the land and City Forests Limited manages the Forest.

Trees were planted in 1985 and 1986 covering 202.5ha of which the Trust's share of the gross stumpage is 22.4%. A further 59.2ha was planted in 1996, with a share of gross stumpage of 18.8%.

City Forests Limited valued the Trust's interest in the jointly controlled asset at \$692,893 on 30 June 2021 (2020: \$737,712).

Since the 30th of June 2020 there has been no further harvesting, thus the indicative value as at 30th June will be similar for the 30th of September 2021 at \$692,893 (2020: \$572,730)

The forest valuation methodology used is an Estate Based Expectation Value approach, utilising a constrained optimisation of the Net Present Value of post-tax cashflows based on the forest combined wood flows managed to liquidation.

Note 21 Property, plant and equipment

	Land	Buildings	Plant & Equipment	Furniture & Fittings	Computer Equipment	Boats & Motor Vehicles	WIP	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost								
Audited Balance as at 1 Oct 2020	16,389,000	20,470,629	4,749,673	1,372,150	268,463	2,379,996	164,340	45,794,251
Prior-year adjustment					(188,393)		(61,150)	(249,543)
Restated Balance as at 1 Oct 2020	16,389,000	20,470,629	4,749,673	1,372,150	80,070	2,379,996	103,190	45,544,708
Additions (exchange)		182,013	395,778	124,745	15,676	66,892	14,496	799,600
Additions (non-exchange)		19,757						19,757
Revaluation gain/(loss)								-
Disposals (exchange)	(304,000)	(587,000)	(50,543)			(1,407)		(942,950)
Disposals (non-exchange)		(126,274)						(126,274)
Transfer from WIP								-
Balance as at 30 Sept 2021	16,085,000	19,959,125	5,094,908	1,496,895	95,746	2,445,481	117,686	45,294,841
Depreciation								
Audited Balance as at 1 Oct 2020		1,671,383	1,617,792	476,815	50,523	720,999		4,537,512
Prior-year adjustment			(90,814)		(1,426)			(92,240)
Restated Balance as at 1 Oct 2020		1,671,383	1,526,978	476,815	49,097	720,999		4,445,272
Disposals (exchange)		(46,960)	(50,361)			(1,319)		(98,640)
Disposals (non-exchange)		(10,102)						(10,102)
Depreciation		399,182	240,322	70,607	4,516	115,351		829,979
Balance as at 30 Sept 2021		2,013,504	1,716,939	547,422	53,614	835,031		5,166,509
Net Book Value								
As at 30 Sept 2020	16,389,000	18,799,246	3,222,696	895,335	30,973	1,658,997	103,190	41,099,436
As at 30 Sept 2021	16,085,000	17,945,621	3,377,970	949,473	42,132	1,610,450	117,686	40,128,332

The above Fixed asset note for as at 30 September 2021 has been restated due to the IFRS Interpretations Committee (IFRIC) published its final agenda decision on accounting for configuration and customisation costs in a Software-as-a-Service (SaaS) arrangement. Accordingly, Scouts Association of New Zealand revised its accounting policy in relation to its SaaS arrangements during the year. See Note 30 for additional detail.

The Scout Association Of New Zealand
Notes To The Consolidated Balance Sheet
For The Year Ended 30 September 2021

(i) Buildings on leased land

The buildings cost includes \$9,732,409 relating to buildings that are owned on leasehold land.

For the purpose estimating a deemed cost on transition at 1 Oct 2016 a value in use calculation was used.

The Value in use calculation is the Net Present Value of five years of national association fees.

The Value in Use calculation for any particular building owned on leasehold land is:

The number of youth members as at 30 September 2017 multiplied by the National Association Fee multiplied by five years, then discounted at a Net Present Value rate of two percent per annum.

Value in use method was taken as a fairer representation of the true value of buildings on leasehold land rather than the improvement value shown under local council property databases for the following reasons:

1. In New Zealand there is no independent market for the sale of Scout and/or community halls;
2. Leases for leasehold land held with local councils are restrictive around:
 - 2.1. the activities that can operate out of buildings on their land(restricts income streams), and;
 - 2.2. who can own buildings(restricts the pool of potential buyers), and;
 - 2.3. the conditions around the re-instatement of the land and/or the ownership of the building once the lease has expired(the local council decides whether it keeps the building or whether Scouts has to remove building and re-instate the land back to its' original condition).

These restrictions negatively affect the value of an owned building on leasehold land.

Given the nature of the above restrictions, assuming the improvement value of buildings as shown in local council property databases would have materially overstated the value of buildings held on leasehold land.

However each building does have a value in use to Scouts. Youth members use the buildings and as a result cash-flows are generated. Management deemed the fairest valuation would be based on the net cash-flow generated from each youth member. Given Scouts is a not-for-profit charity and as such there is no net cash-flow per youth member, management considered the closest approximation for a positive net cash-flow was the annual National Fee payable to the National Scout Centre. Management considered five years to be a fair and reasonable reflection of future value.

(ii) Impairment and impairment reversals

There were no impairments or impairment reversals during the year (2020: Nil).

The Scout Association Of New Zealand
Notes To The Consolidated Balance Sheet
For The Year Ended 30 September 2021

Note 22 Grants unspent

	2021	2020
	\$	\$
Grants Unspent	256,745	345,722
Total Grants Unspent	256,745	345,722

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

Note 23 Provision for removal obligations

	2021	2020
	\$	\$
Opening Removal Provision	1,013,427	977,785
<i>add: current year's movement</i>	12,065	35,642
Closing Removal Provision	1,025,492	1,013,427

The provision for removal obligations is the estimated cost of meeting contractual commitments in relation to restoration of properties held on leasehold land. Currently there are 250 buildings owned by The Group on the leasehold land which have removal obligations. Due to the number of leasehold properties owned and the fact that each property is so unique, the National Executive has been unable to calculate an accurate provision. Therefore the estimate is very high level and is based on the number of leasehold properties held multiplied by \$10,000 (being a very rough estimate as to expected cost to restore the land) discounted at 2% over 50 years in line with the useful life of the buildings. Going forward the National Executive plans to carry out a more detailed and accurate assessment of the provision by assessing each property individually.

Note 24 Vendor Finance

	2021	2020
	\$	\$
Vendor Finance (current)	420,000	280,000
Vendor Finance (Non-current)	499,632	870,240
Total Vendor Finance	919,632	1,150,240

As part of a sales contract for land and buildings concluded in May 2019 a payment schedule was entered into, with an immediate upfront lump sum payment, and the remaining balance to be paid by way of four annual installments concluding in May 2023. The Loan has been recognised at a fair value of \$919,632, (2020: \$1,150,240), which is the amount of the loan discounted by the prevailing market interest rate for a similar instrument. Interest revenue is recognised over the term of the loan.

Note 25 Employee benefit liability

	2021	2020
	\$	\$
Payable - Wages, PAYE	247,136	224,545
Payable - Defined Contribution Plans (Kiwisaver)	-	-
Provision for Holiday Pay	-	-
Total employee benefit liability	247,136	224,545

**The Scout Association Of New Zealand
Notes To The Consolidated Balance Sheet
For The Year Ended 30 September 2021**

Note 26 Financial instruments

Classification and fair value of financial instruments

The tables below show the carrying amount of the entity's financial assets and financial liabilities as at 30 September 2021.

	Carrying Amount					
	Financial Assets			Liabilities		Total
	Loans and receivables	Held - to - Maturity	FVTSD	Amortised cost		
	\$	\$	\$	\$	\$	
<i>Subsequently not measured at fair value</i>						
Cash & Cash Equivalents	10,035,416				10,035,416	
Term Deposits	8,714,822				8,714,822	
Receivables	295,026				295,026	
Vendor Finance		919,632			919,632	
Payables				(266,362)	(266,362)	
Loans				(10,819)	(10,819)	
Funds held on behalf				(312,510)	(312,510)	
<i>Subsequently measured at fair value</i>						
Investment			4,693,451		4,693,451	
	19,045,263	919,632	4,693,451	(589,691)	24,068,655	

The tables below show the carrying amount of the entity's financial assets and financial liabilities as at 30 September 2020.

	Carrying Amount					
	Financial Assets			Liabilities		Total
	Loans and receivables	Held - to - Maturity	FVTSD	Amortised cost		
	\$	\$	\$	\$	\$	
<i>Subsequently not measured at fair value</i>						
Cash & Cash Equivalents	10,130,560				10,130,560	
Term Deposits	8,430,582				8,430,582	
Receivables	421,550				421,550	
Vendor Finance		1,150,240			1,150,240	
Payables				(188,999)	(188,999)	
Loans				(22,033)	(22,033)	
Funds held on behalf				(285,992)	(285,992)	
<i>Subsequently measured at fair value</i>						
Investment			4,422,679		4,422,679	
	18,982,692	1,150,240	4,422,679	(497,024)	24,058,588	

**The Scout Association Of New Zealand
Notes To The Consolidated Balance Sheet
For The Year Ended 30 September 2021**

Note 27 Operating Leases

The Group has entered into a number of material operating lease in relation to National Office premises, Scout Halls, OYM and Motor Vehicles.

The future non-cancellable minimum lease payments of operating leases as lessee at reporting date are detailed in the table below:

	Future Minimum Lease Payments	
	2021	2020
	\$	\$
Less than one year	250,713	359,554
Between one and five years*	341,863	406,309
Greater than five years	85,751	104,926
Total Non-cancellable Operating Lease Payments	678,326	870,788

* National Office lease finishes on 30 Nov 2021

Note 28 Key Management Personnel Remuneration

The Group classifies its key management personnel into one of two classes:

- Members of the governing body
- Chief Executive and Executive Leadership Team

Members of the governing body are volunteers and therefore are not paid an annual fee.

Chief Executive and Executive Leadership Team are employees of the entity on normal employment terms.

Aggregate remuneration and number of people, measured as full-time equivalents (FTE's) is:

	2021		2020	
	\$	FTE's	\$	FTE's
Chief Executive & Executive Leadership Team	548,000	4.0	523,500	4.0

Note 29 Commitments and Contingencies

(i) Commitments

Obligations payable after balance date on Non-Cancellable Agreements are: (all commitments are disclosed exclusive of GST)

	2021	2020
	\$	\$
Stock - Scout Direct		
Not later than one year (NZ Uniforms)	2,520	44,249
Total	2,520	44,249

(ii) Contingent Liabilities and Assets

There were no contingent liabilities or assets in the reporting period.

**The Scout Association Of New Zealand
Notes To The Consolidated Balance Sheet
For The Year Ended 30 September 2021**

Note 30 Changes to Accounting Policies

During the year, the IFRS Interpretations Committee (IFRIC) published its final agenda decision on accounting for configuration and customisation costs in a Software-as-a-Service (SaaS) arrangement. Accordingly, Scouts Association of New Zealand revised its accounting policy in relation to its SaaS arrangements during the year as follows:

Software-as-a-Service (SaaS) arrangements are service contracts providing Scouts Association of New Zealand with the right to access the software provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the software provider's application software, are recognised as operating expenses when the services are received.

Historical financial information has been restated to account for the impact of this change in accounting policy is as follows:

	2020	2020	
	Amount per previous Financial Statements	Amount per revised Financial Statements	Difference
Statement of Comprehensive Revenue and Expense			
Amortisation Expense	125,143	63,435	(61,708)
Software as a Service Configuration/Customisation	-	161,950	161,950
Total Comprehensive Revenue and Expense	(481,124)	(581,366)	(100,242)
Statement of Financial Position			
Fixed Assets	41,256,739	41,099,436	(157,303)
Closing Net Assets/Equity	64,349,641	64,192,338	(157,303)
Opening Net Assets/Equity	64,830,765	64,773,704	(57,061)

Note 31 COVID 19

On August 17, 2021, the New Zealand Government moved to level 4 COVID 19 restrictions for the entire country. Due to the social distancing rules in place when the country was at Alert Levels 3 and 4, Scout Groups were unable to meet face to face, and events were cancelled. The economic uncertainties that the COVID-19 pandemic has generated are likely to negatively affect our operations and services.

The main possible effects that we have identified on the Association as a result of the COVID-19 pandemic are;

- Ability to Run events and group activities
- Impact on subscriptions that will be received
- Valuation of land and buildings.
- Valuation of Investments

While it is difficult to determine the full effect of the COVID 19 Pandemic, certainly the collection of membership fees was effected by one full term in the 2021 financial year. The Association continues to operate and the Trustees believe that they have the ability to manage quite significant fluctuations in trading conditions with a strong balance sheet (Working Capital of \$20,770,289 and no significant debt). The Trustees have therefore assessed there is no going concern impact on the Trust as at the date of these financial statements.

The Scout Association Of New Zealand
Appendix 1: List of controlled entities
For The Year Ended 30 September 2021

1st Alexandra Scout Group	Beach Haven Scout Group
1st Carterton Scout Group	Belmont Scout Group
1st Dargaville Scout Group	Birkenhead Sea Scout Group
1st Devonport Scout Group	Bishopdale/Harewood Scout Group
1st Gore Scout Group	Bombay Scout Group
1st Island Bay Scout Group	Bounty Sea Rovers
1st Karori Scout Group	Bream Bay Scout Group
1st Kelburn 1909 Scout Group	Brighton Sea Scouts
1st Marton Scout Group	Brightwater Scout Group
1st Matapuna Scout Group	Britannia Sea Scouts
1st Mikotahi Sea Scout Group	Brookfield Outdoor Education Centre
1st Mt Albert St Judes Scout Group	Brooklyn Scout Group
1st Ngongotaha Scout Group	Bucklands Beach Sea Scout Group
1st Orakei Sea Scouts	Bulls Air Scout Group
1st Papakura Scout Group	Burwood Scout Group
1st Taupo Scout Group	Calliope Sea Scouts
1st Titahi Bay Scout Group	Cambridge Scout Group
1st Tokoroa Scout Group	Camp Gow
1st Waiheke Sea Scout Group	Camp Kilsby
1st Waihi Scout Group	Camp Maynard
1st Wainuiomata Parish Scout Group	Camp Sladdin
1st Waterloo Scout Group	Captain Musick Air Scouts
1st Windsor Scout Group	Cashmere Scout Group
2nd Lower Hutt Scout Group	Chartwell Scout Group
Akatarawa Scout Group	Christchurch Gang Show
All Saints Birkenhead Scout Group	Church of Nativity Scout Group
Allenton Scout Group	Churchward Park Scout Group
Alton Scout Group	City Church Scout Group
Andersons Bay Sea Scouts	Clevedon Scout Group
Aotea Sea Scouts	CNI Summer Camp
Arataki Omanu Scout Group	Coatesville Scout Group
Arrowtown Scout Group	Cockle Bay Scout Group
Ashburton Scout Group	Columba Scout Group
Ashhurst Scout Group	Combined Scout Youth Trusts (SYF, EAD, PAU, TAT)
Atwill Park Campsite	Coromandel Scout Group
Auckland Central Gang Show	Cromwell Scout Group
Aurora Rover Crew	Dannevirke Scout Group
Avon Cossgrove Rover Crew	Darfield Scout Group
Avonhead/Russley Scout Group	Deans Rover Scout Group
Awakeri Scout Group	Diamond Harbour Sea Scout Group
Awatuna Sea Scouts	Dilworth Scout Group
Baden Powell Centre	Domain Rover Crew
Baden Powell Scout Group	Doubtless Bay Sea Scout Group
Balclutha Scout Group	Drury Scout Group
Balfour Scout Group	Dunstan Rover Crew
Bays Rover Crew	Eastbourne Scout Group

The Scout Association Of New Zealand
Appendix 1: List of controlled entities
For The Year Ended 30 September 2021

Eastern Bays Scout Group	Karori West Scout Group
Eastman Rover Crew	Katikati Sea Scout Group
Edendale Scout Group	Kaukapakapa Scout Group
Edmonton Scout Group	Kaweka Rover Crew
Ellesmere Scout Group	Kawerau Scout Group
Endeavour Sea Scout Group	Kereru Massey Scout Group
Enner Glynn Scout Group	Kerikeri Scout Group
Farm Cove Pakuranga Scout Group	Kew Corstorphine Scout Group
Feilding Scout Group	Khandallah Scout Group
Fitzroy Scout Group	Kingsley Scout Group
Franz Josef Glacier Scout Group	Kirikiriroa Scout Group
Friends of Gilbert Lodge	Korokoro Scout Group
Georgetown Scout Group	Kotuku Sea Scout Group
Geraldine Scout Group	Lake Taupo Sea Scout Group
Gladstone Scout Group	Lincoln Scout Group
Glen Eden Scout Group	LNI Regional Water Activities
Gleniti Scout Group	Longbeach Scout Group
Glenmark Scout Group	LSI Regional Rovers
Golden Bay Scout Group	LSI Regional Venturers
Gordon Scout Group	Lynmore Scout Group
Greater Christchurch Territory	Lyttelton Sea Scout Group
Green Park Camp	Macandrew Bay Scout Group
Greendale/Tamatea Scout Group	Mairangi Bay Scout Group
Greerton Scout Group	Malvern Scout Group
Grey Valley Scout Group	Manawatu Gang Show
Greymouth Scout Group	Mangapapa Scout Group
Greytown Scout Group	Mangere Bridge Scout Group
Halswell Scout Group	Mania-O-Roto Rover Crew
Hanmer Springs Scout Group	Mania-O-Roto Venturers
Havelock North Scout Group	Manurewa Scout Group
Hawke Sea Scouts	Marlborough Venturers
Hawthorndale Scout Group	Marshland Scout Group
Heretaunga Scout Group	Matamata Scout Group
Highfield Mountainview Scout Group	Mataura Scout Group
Hillcrest Scout Group	Matua Scout Group
Hinds Scout Group	Maungaraki/Richmond Scout Group
Hokowhitu Scout Group	Maungarei Scout Group
Holmes Park Scout Group	Maungawhau Balmoral Scout Group
Hora Hora Scout Group	Maungawhau Scout Group
Howick Sea Scouts	Mayfield Scout Group - Auckland
Hutt Valley Gang Show	Mayfield Scout Group - Canterbury
Inglewood Scout Group	Methven Scout Group
Iona Scout Group	Mid Northern Scout Group
Iron Duke Sea Scouts	Midhirst Scout Group
Jack & Tui Lucas Trust	Milford Sea Scout Group
Jellicoe Sea Scouts	Milson Scout Group
Johnsonville Scout Group	Milton Scout Group
Kaiapoi Gray Raven Scout Group	Mornington Scout Group
Kaiwaka-Mangawhai Scout Group	Morrinsville Scout Group
Kamo Scout Group	Mosgiel Scout Group

Motu Moana Camp
 Motu Moana/Green Bay Scout Group
 Motutara/Waimauku Scout Group
 Mt Pleasant Sea Scout Group
 Murchison Scout Group
 National Scout Museum
 National Scouts Centre
 Nelson Gang Show
 New Brighton Scout Group
 New Lynn Sea Scout Group
 Newlands Scout Group
 Ngaio Scout Group
 Ngati Toa Sea Scout Group
 North Beach Scout Group
 North Shore Gang Show
 Northdown Te Rangi Scout Group
 Northland Scout Group
 Ocean Beach Scout Group
 Ohaupo Scout Group
 Omaka Campsite
 Omokoroa/Pahoia Sea Scouts
 One Tree Hill/Ellerslie Scout Group
 Opoho Scout Group
 Oranga Scout Group
 Oratia Air Scout Group
 Orewa Sea Scouts
 Ormiston Scout Group
 Orongorongo Rover Scout Crew
 Otago Gang Show
 Otago Rover Crew
 Otago Scout Endowment Trust
 Otaki Scout Group
 Owairaka Sea Scouts
 Paekakariki Scout Group
 Paeroa Scout Group
 Pahiatua Scout Group
 Paihia Sea Scout Group
 Papakura Sea Scout Group
 Papamoa Scout Group
 Paparangi Scout Group
 Papatoetoe Scout Group
 Paraparaumu Beach Sea Scouts
 Paraparaumu Scout Group
 Piopio Scout Group
 Pirongia Scout Group
 Pleasant Point Scout Group
 Pt Chevalier Air Scout Group
 Puhoi Air Scout Group
 Pukeatua Scout Group
 Pukekohe Scout Group
 Pukekura Scout Group
 Pukerua Bay Scout Group
 Puketapu Scout Group
 Putaruru Scout Group
 Queenstown Scout Group
 Raincliff Camp
 Rakaia Scout Group
 Rangiora Scout Group
 Rangitoto Combined Venturer Unit
 Rata Olsen Scout Group
 Raukawa Scout Group
 Raumati Scout Group
 Redwood Scout Group
 Regal Rover Crew
 Remuera West Scout Group
 Richmond Scout Group
 Right Royal Rover Crew
 Riverhead Scout Group
 Riverton Scout Group
 Robin Hood Rover Crew
 Rolleston Scout Group
 Roskill Rover Crew
 Roslyn Scout Group - Dunedin
 Roslyn Scout Group - Palmerston North
 Rotorua Central Scout Group
 Rowallan Scout Group
 Royal Oak Scout Group
 Saddle View Scout Group
 Schlaepfer Park Camp
 Scotts Own Sea Scouts
 Scout Association Central North Island Region
 Scout Association Lower North Island Region
 Scout Association South Island Region
 Scout Association Upper North Island Region
 Scouting Waiora Campsite and Training Centre
 Shackleton Sea Scouts
 Silverpine Scout Group
 South Taranaki Scout Group
 South Taranaki Venturer Unit
 Southland Gang Show
 Springlands Sea Scout Group
 St Andrews Scout Group
 St Augustines Scout Group - Napier
 St Augustines Scout Group - Petone
 St Chads Scout Group
 St George/Epsom Scout Group
 St Georges Scout Group
 St Heliers/Glendowie Scout Group
 St James Sea Scout Group
 St John's Scout Group

St Josephs Scout Group - Upper Hutt	The Scout Association of New Zealand Manawatu Horizons Zone
St Kilda Scout Group	The Scout Association of New Zealand Mania-O-Roto Zone
St Martins Scout Group	The Scout Association of New Zealand Manukau Zone
St Marys Scout Group - Hamilton	The Scout Association of New Zealand Marlborough Zone
St Mary's Scout Group - Levin	The Scout Association of New Zealand MoanaRua Zone
St Matthews LLO Scout Group	The Scout Association of New Zealand Murihiku Zone
St Nicholas Scout Group	The Scout Association of New Zealand Nelson Zone
St Peters Scout Group	The Scout Association of New Zealand North Canterbury Zone
St Peter's Sea Scouts	The Scout Association of New Zealand North Otago Zone
Stewart Rover Crew	The Scout Association of New Zealand Northland Zone
Stoke Scout Group	The Scout Association of New Zealand Pegasus Bay Zone
Stokes Valley Scout Group	The Scout Association of New Zealand Pukepuke Zone
Stonefields Scout Group	The Scout Association of New Zealand Rangitoto Zone
Stratford Scout Group	The Scout Association of New Zealand Remutaka Zone
Sunnynook Scout Group	The Scout Association of New Zealand Selwyn Zone
Suzanne Aubert Scout Group	The Scout Association of New Zealand South Canterbury Zone
Tai Tapu Scout Group	The Scout Association of New Zealand Taranaki Zone
Taiaotea Air Scouts	The Scout Association of New Zealand Volcanic Zone
Tainui Sea Scout Group	The Scout Association of New Zealand Waiapu Zone
Takanini Scout Group	The Scout Association of New Zealand Waikato Zone
Takapau Scout Group	The Scout Association of New Zealand Waitoru Zone
Takapuna Scout Group	The Scout Association of New Zealand Wellington Zone
Takitimu Scout Group	The Scout Association of New Zealand Western Bay of Plenty Zone
Tamaha Sea Scout Group	The Scout Association of New Zealand Western Southland Zone
Tararua Rover Crew	The Scout Association of New Zealand Westland Buller Zone
Tasman Sea Scout Group	Tinwald Scout Group
Tauhinu Sea Scout Group	Titirangi Air Scout Group
Tawa Scout Group	Toi Tois Scout Group
Te Anau Sea Scouts	Tokomaru Scout Group
Te Ara o Kiwa Sea Scouts	Trinity Pakuranga Scout Group
Te Aroha Scout Group	Tuakau Districts Sea Scouts
Te Atatu Endeavour Sea Scouts	Tuatapere Valley Scout Group
Te Awamutu Scout Group	Turua Scout Group
Te Awe Awe Scout Group	UNI Regional Water Activities
Te Kauwhata Scout Group	USI Regional Rovers
Te Kuiti Scout Group	Valley Rover Crew
Te Puke Scout Group	Victoria Rover Crew
Te Puru Sea Scout Group	Wadestown Scout Group
Terra Nova Sea Scouts	Waianiwa Scout Group
Thames Sea Scout Group	Waiau Pa Scout Group
The George and Nigel Arkley Memorial Trust	Waikaka Scout Group
The Scout Association of New Zealand Akarana Zone	Waikanae Scout Group
The Scout Association of New Zealand Central Lakes Zone	Waikaretu Sea Scouts
The Scout Association of New Zealand Coastal Otago Zone	Waikato Gang Show
The Scout Association of New Zealand Counties Zone	Waikato Rover Crew
The Scout Association of New Zealand East Christchurch Zone	Waikowhai Scout Group
The Scout Association of New Zealand Eastern Waikato Zone	Waimakariri Scout Group
The Scout Association of New Zealand Kapiti Coastal Zone	Waimate Scout Group
The Scout Association of New Zealand Lower Hutt Zone	Waingaro Camp
The Scout Association of New Zealand Mahurangi Zone	Wainui Sea Scout Group

Waipukurau Scout Group
Waitara Scout Group
Waitarere Scout Group
Waiuku Scout Group
Wakari Scout Group
Wakefield Scout Group
Wanaka Scout Group
Warkworth Scout Group
Waverley Scout Group
West End Scout Group
West Melton Scout Group
West West Rover Crew
Western Bay of Plenty Rover Crew
Western Bays Sea Scouts
Westown Scout Group
Westshore Sea Scout Group
Weymouth Sea Scouts
Whakaoriori Air Scout Group
Whangamata Scout Group
Whangaparaoa Scout Group
Whenuapai Air Scouts
Whitby Scout Group
Whitianga Sea Scouts
Winton Scout Group
Woodbourne Air Scout Group
Woodlands Scout Group

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SCOUT ASSOCIATION OF NEW ZEALAND**

Qualified Opinion

We have audited the consolidated financial statements of The Scout Association of New Zealand ("SANZ") and its subsidiaries (together, "the Group"), which comprise the consolidated statement of financial position as at 30 September 2021, 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, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30 September 2021, 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 Qualified Opinion

- The total value of buildings held on leased land is \$9,732,409 described in Note 21, the National Executive determined that the buildings value in use calculation, rather than Government Value, presents a fairer representation of the valuation of buildings held on leased land. We were unable to obtain sufficient appropriate audit evidence in regards to the valuation method adopted in the valuation of buildings held on leasehold land.
- The total value of plant & equipment, furniture & fittings, computer equipment, boats & motor vehicles and WIP is \$6,097,711 and the related depreciation expense of \$430,796. We were unable to obtain sufficient appropriate audit evidence from a number of components of the Group, about the carrying value and depreciation expense of plant & equipment, furniture & fittings, computer equipment, boats & motor vehicles as detailed in note 21.
- The total value of the provision for building removal liability is \$1,025,492. The method for estimating the value of this provision is detailed in note 23. We were unable to obtain sufficient appropriate audit evidence in regard to this valuation.
- In common with other similar organisations, control over youth membership fees, activities & events and fundraising income received prior to being recorded is limited, and there are no practical audit procedures to determine the effect of this limited control. This in addition to the high variability of the balances results in the completeness and accuracy of this income being unable to be determined.

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 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* 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 qualified opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the SANZ or its subsidiaries.

National Executive’s Responsibilities for the Consolidated Financial Statements

The National Executive 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 National Executive 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 National Executive 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 National Executive 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.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board’s website at: <https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-7/>.

This description forms part of our auditor’s report.



Who we Report to

This report is made solely to the SANZ'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 SANZ and SANZ's members, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Wellington Audit Limited

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Wellington

New Zealand

6 April 2022