

SURF LIFE SAVING NEW ZEALAND INCORPORATED
CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 (Parent) \$	2020 (Parent) \$	2021 (Group) \$	2020 (Group) \$
INCOME					
Revenue from Exchange Transactions					
Crown Funding (Ministry of Transport)	5				
Water Safety Services		8,183,250	0	8,183,250	0
Search & Rescue		733,314	200,000	733,314	200,000
Programmes & Services – Rescue & Education		2,366,496	2,160,596	2,366,496	2,160,596
Sponsorship	6	1,931,687	2,189,010	1,931,687	2,189,010
Sale of Merchandise		638,364	405,525	638,364	405,525
Programmes & Services – Sport		621,129	657,337	621,129	657,337
Water Safety NZ Inc.		175,000	200,000	175,000	200,000
Sundry Income	7	96,489	458,640	106,652	464,352
Gain on Sale of Assets		45,105	1,200	45,105	1,200
Licensing		409	48,737	409	48,737
Revenue from Non-Exchange Transactions					
NZ Lottery Grants Board		2,851,298	2,851,298	2,851,298	2,851,298
Other Community Grants		737,793	1,025,817	737,793	1,025,817
Fundraising	8	511,899	643,076	526,464	1,136,828
Sport New Zealand		97,219	355,700	97,219	355,700
TOTAL INCOME		18,989,452	11,196,936	19,014,180	11,696,400
EXPENDITURE					
Club Support	9	10,258,401	3,597,870	10,258,401	3,597,870
Surf Life Saving Northern Region Incorporated - Support	10	993,120	310,979	993,120	310,979
NZ Search and Rescue (SLA Projects)	11	533,314	0	533,314	0
Life Saving		3,108,439	3,014,280	3,108,439	3,014,280
Sport		1,317,491	1,413,259	1,317,491	1,413,259
Income Generation		1,101,712	1,307,772	1,101,712	1,307,772
National Office		734,634	651,827	738,796	651,827
Depreciation	15	256,409	228,800	256,409	228,800
Audit Fees		24,798	22,520	24,798	22,520
Finance Expense		10,604	15,120	10,604	15,120
Legal Fees		25,170	5,212	25,170	5,212
Amortisation	16	3,326	4,324	3,326	4,324
TOTAL EXPENDITURE		18,367,418	10,571,963	18,371,580	10,571,963
NET OPERATING SURPLUS		622,034	624,973	642,600	1,124,437
Other Comprehensive income & Expenditure					
Unrealised gains on Investments				37,483	
OTHER COMPREHENSIVE INCOME & EXPENDITURE		0	0	37,483	0
TOTAL COMPREHENSIVE INCOME & EXPENDITURE		622,034	624,973	680,083	1,124,437

SURF LIFE SAVING NEW ZEALAND INCORPORATED
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2021

	2021 (Parent)	2020 (Parent)	2021 (Group)	2020 (Group)
	\$	\$	\$	\$
Opening Equity	2,737,304	2,112,331	3,464,621	2,340,184
Total Comprehensive Income & Expenditure	622,034	624,973	680,083	1,124,437
Closing Equity	<u>3,359,338</u>	<u>2,737,304</u>	<u>4,144,704</u>	<u>3,464,621</u>

SURF LIFE SAVING NEW ZEALAND INCORPORATED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	2021 (Parent) \$	2020 (Parent) \$	2021 (Group) \$	2020 (Group) \$
Represented by				
CURRENT ASSETS				
Cash and Cash Equivalents	3,921,804	1,915,573	3,995,964	2,567,890
Investments	12 0	0	0	75,000
Exchange Receivable & Accruals	13 445,491	267,399	445,491	267,399
Non-Exchange Receivables	13 69,298	0	69,298	0
Inventories	14 205,566	172,969	205,566	172,969
Goods & Services Tax Refund	421,724	74,696	421,724	74,696
Prepayments	258,888	167,867	258,888	167,867
Total Current Assets	5,322,771	2,598,504	5,396,931	3,325,821
NON CURRENT ASSETS				
Property, Plant & Equipment	15 1,055,959	782,277	1,055,959	782,277
Investments	12 0	0	711,206	
Intangible Asset	16 22,587	25,913	22,587	25,913
Work In Progress	17 0	216,204	0	216,204
Total Non Current Assets	1,078,546	1,024,394	1,789,752	1,024,394
TOTAL ASSETS	6,401,317	3,622,898	7,186,683	4,350,215
CURRENT LIABILITIES				
Accounts Payable & Accruals	18 1,171,791	579,472	1,171,791	579,472
Funds Received in Advance	19 1,870,188	306,122	1,870,188	306,122
Total Current Liabilities	3,041,979	885,594	3,041,979	885,594
Net Assets	3,359,338	2,737,304	4,144,704	3,464,621
EQUITY				
Accumulated Funds	2,737,304	2,112,331	3,464,621	2,340,184
Net Operating Surplus	622,034	624,973	680,083	1,124,437
TOTAL EQUITY	3,359,338	2,737,304	4,144,704	3,464,621

For and on behalf of the Board of Surf Life Saving New Zealand Incorporated,
which authorised the issue of the financial report on the 20th of August 2021



Paul Carlyon
Chairman



Mark Robberds
Chair - Audit & Risk Committee

SURF LIFE SAVING NEW ZEALAND INCORPORATED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	2021 (Parent) \$	2020 (Parent) \$	2021 (Group) \$	2020 (Group) \$
<u>OPERATING ACTIVITIES</u>				
Cash Receipts				
Cash from Exchange Transactions	15,086,581	6,201,569	15,086,581	6,201,569
Cash from Non-Exchange Transactions	5,211,761	4,707,338	5,201,426	5,201,090
Interest Income	7,786	24,316	17,849	30,028
Total Cash Receipts	20,306,128	10,933,223	20,305,856	11,432,687
Less Cash Payments				
Payments to Clubs, Suppliers & Employees	17,638,982	10,387,278	17,643,144	10,387,278
Net GST Movement - Negative	347,028	11,976	347,028	11,976
Total Cash Payments	17,986,010	10,399,254	17,990,172	10,399,254
Net Cash Flow from Operating Activities	2,320,118	533,969	2,315,684	1,033,433
<u>INVESTING ACTIVITIES</u>				
Cash Receipts				
Investment Redeemed	0	0	75,000	60,000
Less Cash Payments				
Asset Purchases	313,887	365,446	313,887	365,446
Investments	0	0	673,723	0
Net Cash Flow from Investing Activities	(313,887)	(365,446)	(912,610)	(305,446)
Net Cash Flow from Activities	2,006,231	168,523	1,403,074	727,987
Represented by				
Cash at start of Year	1,915,573	1,747,050	2,567,890	1,839,903
Cash at End of Year	3,921,804	1,915,573	3,995,964	2,567,890
Net Movement	2,006,231	168,523	1,428,074	727,987

SURF LIFE SAVING NEW ZEALAND

Notes to the Consolidated Financial Statements

For the year ended 30 June, 2021

1. Reporting Entity

Surf Life Saving New Zealand Incorporated (SLSNZ) is a New Zealand Incorporated Society formed under the Incorporated Societies Act 1908. SLSNZ is a charity registered under the Charities Act 2005.

The Financial Statements for the "Parent" are for SLSNZ as a separate legal entity. The consolidated Financial Statements for the "Group" comprise SLSNZ and the Surf Life Saving New Zealand Foundation.

Surf Life Saving New Zealand Foundation is a registered Charitable Trust.

SLSNZ's principal activity is "To lead and support surf lifesaving in New Zealand". This remains unchanged during the period reported.

The financial statements are for the year ended 30 June 2021. The financial statements were authorised for issue by the Board on 20th August 2021.

2. Basis of Preparation

Basis of measurement

The financial statements have been prepared on a historical cost basis except for assets and liabilities that have been measured at fair value. The accrual basis of accounting has been used unless otherwise stated and the financial statements have been prepared on a going concern basis.

Presentation Currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar.

Statement of compliance

The financial statements have been prepared in accordance with NZ GAAP as required under the Charities Act 2005.

SLSNZ is a public benefit not-for-profit entity and is eligible to apply Tier 2 not-for-profit PBE IPSAS on the basis that it does not have public accountability and is not defined as large.

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

The board has elected to report in accordance with Tier 2 not-for-profit PBE accounting standards and in doing so has taken advantage of all applicable Reduced Disclosure (RDR) disclosure concessions.

Changes in Accounting Policy

All accounting policies have been applied on a consistent basis with the prior year.

3. Significant Accounting Policies

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

The significant accounting policies used in the preparation of these financial statements are summarised below:

a) Foreign Currencies

Transactions in foreign currencies are converted at the New Zealand rate of exchange ruling at the date of the transaction.

At balance date foreign monetary assets and liabilities are translated at the closing rate and exchange variations arising from these are included in the Income Statement.

b) Cash and Cash Equivalents

Cash and the short-term deposits in the balance sheet comprise cash on hand, cash at bank and short-term deposits with time to maturity of three months or less.

c) Financial Instruments

Financial instruments and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the financial instruments.

Financial assets

The Entity's financial assets include: cash and cash equivalents, receivables from non-exchange transactions and receivables from exchange transactions.

The Entity derecognises a financial assets (or a part of an asset) when the rights to receive cash flows have expired or are waived, or the Entity has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a party; and either:

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

All financial assets are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or Entity of financial assets is impaired.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June, 2021

Financial Liabilities

The Entity's liabilities include Creditors and other payables (excluding GST and PAYE), employee benefits, and income in advance (in respect to grants whose conditions are yet to be complied with)

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

Measurement of financial assets

*** Loans and Receivables**

Receivables are stated at their estimated realisable value less any provision for doubtful debts. Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less any provision for impairment.

*** Cash and Cash Equivalents**

Cash and Cash equivalents are measured at their fair values.

Measurement of financial liabilities

*** Accounts Payables and other payables**

Account payables and other borrowings are subsequently measured at amortised cost using the effective interest method.

d) Inventories

Inventories are stated at the lower of cost or net realisable value, determined on a first-in first-out basis. An allowance for obsolescence has been assessed where appropriate. Inventories include uniforms, resource manuals and other surf lifesaving equipment that is on sold to Clubs or used for promotional purposes from time to time.

e) Property, Plant and Equipment

All property, plant and equipment are measured at cost less accumulated depreciation and any impairment losses.

• **Depreciation**

Depreciation is provided on all tangible assets on a straight line basis that will write off the cost of the assets over their estimated useful lives:

Office Furniture and Equipment	3-10 years
Computers and Electronic Equipment	3 years
Event Equipment	3-5 years
Vehicles	5 years
Radio Network	10 years
Buildings	50 years

f) Intangible Assets

SLSNZ have numerous registered trademarks which have benefit to SLSNZ and are stated at cost less amortisation in the financial statements.

Amortisation is provided on all intangible assets on a straight basis that will write off the cost of the asset over the estimated useful lives.

The estimated useful life of the intangibles asset is 10 years.

g) Work in Progress

Work in progress is valued on the basis of expenditure incurred during the financial year and is not depreciated.

The total cost of the project is transferred to the relevant asset class on its completion and then it is depreciated.

h) Impairment

The carrying values of non-financial assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. Any impairment losses are recognised in the income statement.

i) Leases

Lease costs relating to operating leases are recognised on a straight-line basis over the life of the lease. Finance leases, which effectively transfer to SLSNZ substantially all the risks and benefits of ownership of the leased assets, are capitalised at the lower of the leased asset's fair value or the present value of the minimum lease payments at inception of the lease. The leased assets and corresponding liabilities are recognised and the leased assets are depreciated over their estimated useful lives.

j) Employee Entitlements

• **Short term employee benefits**

Employee benefits that are expected to be settled within 12 months of reporting date are accrued and measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to the reporting date and annual leave earned, but not yet taken at the reporting date.

SURF LIFE SAVING NEW ZEALAND

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June, 2021

k) Provisions

A provision is recognised as a liability when the settlement amount or timing is uncertain; when there is a present legal or constructive obligation as a result of a past event; it is probable that expenditures will be required to settle the obligation; and a reliable estimate of the potential settlement can be made.

Provisions are not recognised for future operating losses.

l) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the entity and revenue can be reliably measured.

Revenue is measured at the fair value of consideration received.

Revenue is derived from two broad categories - revenue from exchange transactions and revenue from non-exchange transactions.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services or use of assets) to another entity in exchange.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transactions, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

The following specific recognition criteria must be met before revenue is recognised:

Revenue from Exchange Transactions

* Crown Funding (Ministry of Transport)

Crown Funding is recognised as revenue when received and all associated obligations have been met.

Revenue received for which the requirements and services have not been met are treated as "income in advance" under current liabilities.

* Sale of Goods

Revenue from sale of goods is recognised when the entity has transferred to the buyer the significant risks and rewards of ownership of the goods supplied. Significant risks and rewards are generally considered to be transferred to the buyer when the customer has taken delivery of the goods.

* Sponsorship

Sponsorship is recognised as revenue when received and all associated obligations have been met. Sponsorship received for which the requirements and services have not been met are treated as 'income in advance' under current liabilities.

Revenue from Non- Exchange Transactions

* Donations and Grants

Donations and Grants are recognised as revenue when received and all associated obligations have been met. Where grants have been given for a specific purpose, or with conditions attached, income is not recognised until agreed upon services and conditions have been satisfied. Revenue received for which the requirements and services have not been met are treated as "income in advance" under current liabilities.

m) Income Tax

SLSNZ has Charitable Status from Inland Revenue for income tax purposes. There is no requirement to provide for income tax.

n) Goods and Services Tax (GST)

All figures are stated exclusive of GST except receivables and payables which are stated inclusive of GST.

o) Basis of Consolidation

The Consolidation financial statements consolidate those of Surf Life Saving New Zealand and Surf Life Saving New Zealand Foundation. SLSNZ controls the Foundation as SLSNZ has the power to govern the financial and operating policies of the Foundation so as to obtain benefits from the Foundation activities.

All transactions between SLSNZ and the Foundation are eliminated on consolidation.

4. Income and Expenditure

The financial statements for the year ended 30 June 2021 have been reported on a function basis, with expenditure allocated on a factual or allocation basis where practical. This includes employment related expenditure, telephone and tolls, freight, postage and travel.

5. Crown Funding (Ministry of Transport)

	Actual 2021 \$	Actual 2020 \$
Water Safety Services	8,183,250	0
Search & Rescue Services (SAR)	733,314	200,000
	<u>8,916,564</u>	<u>200,000</u>

6. Sponsorship

Sponsorship contracts are determined by their terms as confidential. Actual amounts provided by individual sponsors have not been disclosed.

7. Sundry Income

During 2020/21 Sundry Income consisted of small contracts undertaken by SLSNZ.

In previous years, Sundry Income consisted predominantly of contributions from Surf Lifesaving Clubs towards their insurance premiums.

SURF LIFE SAVING NEW ZEALAND

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June, 2021

8. Fundraising

Fundraising includes proceeds from appeals, direct mail, donations and bequests.

	<u>2021 (Parent) \$</u>	<u>2020 (Parent) \$</u>	<u>2021 (Group) \$</u>	<u>2020 (Group) \$</u>
Direct Mail	262,341	319,109	262,341	319,109
Sale of Merchandise	0	74,312	0	74,312
Regular Giving	159,053	120,682	159,053	120,682
Bequests	5,000	5,000	19,565	498,742
Donations	85,505	123,973	85,505	123,983
	<u>511,899</u>	<u>643,076</u>	<u>526,464</u>	<u>1,136,828</u>

9. Club Support

i) Crown Funding

Club rescue service costs by Surf Life Saving Club

	<u>Actual 2021 \$</u>	<u>Budget 2021 \$</u>
Bethells Beach Surf Life Saving Patrol Incorporated	62,727	62,727
Brighton Surf Life Saving Club Incorporated	22,884	30,252
East End Surf Life Saving Club Incorporated	80,002	80,002
Far North Surf Rescue Society Incorporated	26,217	44,824
Fitzroy Surf Club Incorporated	106,158	118,486
Foxton Surf and Life Saving Club Incorporated	45,275	45,275
Hot Water Beach Lifeguard Service Incorporated	83,167	83,169
Kaka Point Surf Lifesaving Club Incorporated	43,998	45,330
Karekare Surf Lifesaving Club Incorporated	49,008	49,008
Kotuku Surf Life Saving Club Incorporated	35,588	39,579
Lyll Bay Surf Lifesaving Club Incorporated	25,444	25,444
Mairangi Bay Surf Lifesaving Incorporated	95,285	130,317
Mangawhai Heads Volunteer Lifeguard Services Incorporated	50,333	50,333
Maranui Surf Life Saving Club Incorporated	106,292	106,292
Midway Surf Life Saving Club Gisborne Incorporated	44,054	44,054
Mount Maunganui Lifeguard Service Incorporated	110,622	110,622
Muriwai Volunteer Lifeguard Service Incorporated	94,940	94,940
Nelson Surf Lifesaving Club Incorporated	37,540	37,540
New Brighton Surf Bathing & Life Saving Club Incorporated	64,484	64,484
New Plymouth Old Boy's Swimming and Surf Club Incorporated	90,373	137,311
Ngati Porou Surf Life Saving Incorporated	51,902	51,902
North Beach Surf Life Saving Club Incorporated	60,633	62,785
Ocean Beach Kiwi Surf Life Saving Club Incorporated	11,877	11,877
Omaha Surf Life Saving Incorporated	53,029	53,029
Omanu Beach Surf Life Saving Club Incorporated	113,822	131,297
Onemana Surf Life Saving Club Incorporated	1,647	1,647
Opotiki Surf Lifesaving Club Incorporated	94,308	104,584
Opunake Surf Life Saving Club Incorporated	37,597	37,597
Oreti Surf Life Saving Club Incorporated	41,016	43,600
Orewa Surf Life Saving Club Incorporated	83,507	83,507
Otaki Surf Life Saving Club Incorporated	56,006	56,006
Pacific Surf Life Saving Club Incorporated	25,295	25,295
Paekakariki Surf Lifeguards Incorporated	24,868	24,868
Palmerston North Surf Life Saving Club Inc	29,827	29,827
Papamoa Surf Life Saving Club Incorporated	98,668	111,862
Pauanui Surf Life Saving Club Incorporated	27,137	27,137
Piha Surf Life Saving Club Incorporated	97,421	97,421
Pukehina Surf Rescue Lifeguard Service Incorporated	33,588	33,588
Raglan Surf Life Saving Club Incorporated	131,410	131,410
Rarangi Surf Life Saving Club Incorporated	90,099	98,402
Red Beach Surf Life Saving Club Incorporated	150,285	170,120
Ruakaka Surf Life Saving Patrol Incorporated	92,622	92,622
South Brighton Surf Lifesaving Club Incorporated	66,882	66,882
Spencer Park Surf Life Saving Club Incorporated	50,059	50,059
St Clair Surf Life Saving Club Incorporated	48,307	48,307
St Kilda Lifesaving Club 1939	34,252	35,790
Sumner Surf and Life Saving Incorporated	62,029	62,029
Sunset Beach Lifeguard Service Incorporated	135,063	135,064
Surf Life Saving Kariaotahi Incorporated	51,606	64,235
Surf Life Saving Maketu Club Incorporated	3,499	3,499
Tairua Surf Life Saving Club Incorporated	12,459	21,535
Taylor's Mistake Surf Life Saving Club Incorporated	54,389	54,389

SURF LIFE SAVING NEW ZEALAND

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June, 2021

(i) Crown Funding

Club rescue service costs by Surf Life Saving Club continued

	Actual 2021 \$	Budget 2021 \$
The Buller Volunteer Surf Rescue Society Incorporated	29,023	34,864
The Levin-Waitakere Surf Life Saving Club	13,896	61,948
The Riversdale Surf and Life Saving Club	32,978	32,978
The Warrington Surf Life Saving Club Incorporated	10,138	31,789
Titahi Bay Surf Life Saving Club Incorporated	44,343	48,218
Tolaga Bay Surf Lifesaving Club Incorporated	55,209	82,143
United North Piha Surf Lifeguard Services (Incorporated)	147,090	151,349
Waihi Beach Life Guard Services Incorporated	141,095	141,095
Waikanae Surf Lifesaving Club Incorporated	31,729	31,729
Waikuku Beach Surf Life Saving Club Incorporated	42,471	42,471
Waimairi Surf and Lifesaving Club Incorporated	70,664	75,144
Waimarama Surf Life Saving Club Incorporated	76,487	103,386
Wainui Surf Life Saving Club Incorporated	16,597	41,680
Waipu Cove Surf Life-Saving Club Incorporated	77,010	77,010
Wanganui Surf Lifeguard Service Incorporated	58,300	63,417
Westshore Surf Lifesaving Club (Incorporated)	25,672	25,672
Whakatane Surf Lifesaving Club Incorporated	76,137	86,868
Whangamata Surf Life Saving Club Incorporated	109,736	109,736
Whangarei Heads Volunteer Surf Life Saving Patrol Incorporated	22,479	37,504
Whiritoa Lifeguard Service Incorporated	29,857	29,857
Worser Bay Life Saving Club Incorporated	44,979	44,979
Surf Life Saving Northern Region Incorporated (costs incurred on behalf of clubs)	119,088	147,064
Surf Life Saving New Zealand (Administration costs)	22,413	75,000
Balance of Contingency Fund	0	1,939
	4,496,891	5,000,000

(ii) Crown Funding

Operational funding for Capital purposes by Surf Life Saving Club

	Actual 2021 \$	Budget 2021 \$
<u>Club</u>		
Foxton Surf and Life Saving Club Incorporated	806,632	806,632
Karekare Surf Lifesaving Club Incorporated	360,000	360,000
Lyall Bay Surf Lifesaving Club	610,000	669,895
Otaki Surf Life Saving Club Incorporated	12,793	135,530
United North Piha Surf Lifeguard Services (Incorporated)	66,558	421,000
Contingency costs	0	156,943
<i>Sub-total</i>	1,855,983	2,550,000
<u>SLSNZ</u>		
Administration Costs	30,000	30,000
GNS - Sea Level rise study	47,000	50,000
National Facility Assessment Programme	75,774	120,000
<i>Sub-total</i>	152,774	200,000
Total	2,008,757	2,750,000

Any amounts that have not been spent as at 30 June 2021 have been carried forward to 2021/22 as Income in Advance. (see note 16)

	Actual 2021 \$	Actual 2020 \$
<u>(iii) Other Club Support Funding</u>	3,752,753	3,597,870
TOTAL CLUB SUPPORT FUNDING	10,258,401	3,597,870

10. Surf Life Saving Northern Region Support

	Actual 2021 \$	Actual 2020 \$
Crown Funding - High Risk Revenue Replacement	700,000	0
Administration Support	293,120	310,979
	993,120	310,979
Crown Funding Club rescue service costs (already included in note 9 (i)).	119,088	0
Total Support Funding	1,112,208	310,979

SURF LIFE SAVING NEW ZEALAND

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June, 2021

11. NZ Search and Rescue (NZSAR) -SLA Projects

	Actual 2021 \$	Budget 2021 \$
<u>Service Level Agreement Initiatives</u>		
E-based SLSNZ volunteer learning programme	86,053	100,000
Fundraising Management	50,000	50,000
National Lifeguard SAR School	15,000	15,000
National SLSNZ & Coast Guard NZ (CGNZ) Operations & Communications Room	24,107	188,000
Personal Locator Beacons (PLBs) for SAR Squads	74,792	75,000
Powercraft maintenance workshops & annual safety licensing	15,000	15,000
SAR Call-out Application	0	40,000
SAR Management	130,000	130,000
Volunteer Development Management	120,000	120,000
Volunteer Health & Safety Application	0	75,000
Volunteer Strategy Development	18,362	30,000
	533,314	838,000
<u>General Funding</u>		
Board Appointment Panel	1,544	2,500
National Lifeguard School	12,421	12,500
IRB Maintenance Workshops	6,338	7,500
Critical Incident Training & Counselling	3,115	5,000
Core Personnel	176,582	172,500
	200,000	200,000
Total Funding	733,314	1,038,000

Any amounts that have not been spent as at 30 June 2021 have been carried forward to 2021/22 as Income in Advance. (see note 16)

12. Investments

	2021 \$	2020 \$
Term Deposit	0	75,000
Fixed Interest Investments	130,695	0
Equities	580,511	0
Total	711,206	75,000

13. Receivables and Accruals

	2021 \$	2020 \$
Accounts Receivable & Accruals from Exchange Transactions	445,491	267,399
Accounts Receivable & Accruals from non- Exchange Transactions	69,298	0
Less Provision for Bad Debts	0	0
Total	514,789	267,399

14. Inventories

	2021 \$	2020 \$
Uniform Stock & Merchandise	169,754	153,849
Engine Parts	35,812	19,120
Impairment write-down	0	0
Total	205,566	172,969

15. Property, Plant & Equipment

30 June 2021	Costs (\$)	Accumulated Impairment & Depreciation	Current Depreciation	Current Impairment	Book Value 2021
Buildings	31,126	16,804	1,270	0	14,322
Computer Hardware/Software	786,915	611,516	75,998	0	175,399
Event Equipment	727,747	688,472	18,867	0	39,275
Event Safety Equipment	59,677	59,677	0	0	0
Other Equipment/Furniture	227,676	133,038	39,346	0	94,638
Radio Network	851,080	305,582	75,391	0	545,498
Vehicles	586,679	399,850	45,537	0	186,827
Total	3,270,900	2,214,939	256,409	0	1,055,959

SURF LIFE SAVING NEW ZEALAND

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June, 2021

30 June 2020	<u>Costs (\$)</u>	<u>Accumulated Impairment & Depreciation</u>	<u>Current Depreciation</u>	<u>Current Impairment</u>	<u>Book Value 2020</u>
Buildings	31,122	15,534	1,270	0	15,588
Computer Hardware/Software	645,044	535,518	61,142	0	109,526
Event Equipment	726,131	669,605	34,728	0	56,526
Event Safety Equipment	59,677	59,677	515	0	0
Other Equipment/Furniture	217,503	93,692	36,735	0	123,811
Radio Network	623,397	230,191	60,880	0	393,206
Vehicles	437,933	354,313	33,530	0	83,620
Total	2,740,807	1,958,530	228,800	0	782,277

Reconciliation of Property, Plant & Equipment for the year ended 30 June 2021

	<u>2021 \$</u>	<u>2020 \$</u>
Opening Balance as at 1 July	782,277	863,585
Plus Additions	313,887	147,492
Transferred from Work in Progress	216,204	0
Less Depreciation	(256,409)	(228,800)
Closing Balance as at 30 June	1,055,959	782,277

16 Intangible Assets

30 June 2021	<u>Costs (\$)</u>	<u>Accumulated Impairment & Amortisation</u>	<u>Current Amortisation</u>	<u>Current Impairment</u>	<u>Book Value 2021</u>
CRM -PAM	434,765	0	0	0	0
Trademark Licences	33,250	10,663	3,326	0	22,587
Total	468,015	10,663	3,326	0	22,587

30 June 2020	<u>Costs (\$)</u>	<u>Accumulated Impairment & Amortisation</u>	<u>Current Amortisation</u>	<u>Current Impairment</u>	<u>Book Value 2020</u>
CRM -PAM	434,765	434,765	1,011	0	0
Trademark Licences	33,250	7,337	3,313	0	25,913
Total	468,015	442,102	4,324	0	25,913

CRM is the Customer Relations Manager Software used by Surf life Saving New Zealand

17. Work in Progress

Radio Network

SLSNZ is building a regional radio network in various parts of the country to enhance the emergency communications capabilities of the movement.

	<u>2021 \$</u>	<u>2020 \$</u>
Opening Balance as at 1 July	216,204	0
Plus Additions	0	216,204
Transfer to Property, Plant & Equipment	216,204	0
Closing Balance as at 30 June	0	216,204

18. Accounts Payable and Accruals

	<u>2021 \$</u>	<u>2020 \$</u>
Trade and other Payables	897,717	390,722
Employee Benefits	274,074	188,750
Total	1,171,791	579,472

19. Funds Received in Advance

	<u>2021 \$</u>	<u>2020 \$</u>
Crown Funding (Ministry of Transport)		
Club Rescue Service Costs	503,139	0
Operational Funding for Capital Purposes	741,243	0
Fundraising	22,367	0
NZ Search and Rescue (SLA Projects)	77,437	0
High Performance Sport New Zealand	349,088	217,510
Grants Received in Advance	106,698	59,797
Surf Life Saving Clubs Insurance Contribution Paid in Advance	0	28,815
Other	70,216	0
Total	1,870,188	306,122

SURF LIFE SAVING NEW ZEALAND

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June, 2021

20. Related Party Transactions

There were no related party transactions during the year (2020: \$0)

	<u>2021 \$</u>	<u>2020 \$</u>
Remuneration of Board members	26,100	28,900
Total number of Full Time Equivalent (7 Members)	0.37	0.42
Remuneration of other key management personnel	1,635,363	1,280,587
Total number of other key Management personnel	15	11

During the reporting period, there was no remuneration and compensation provided by the entity to employees who are close family members of key management personnel (2020:\$0)

21. Subsequent Events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

22. Commitments and Contingencies

Capital Commitments

There are no Capital Commitments as at 30 June 2021

Lease commitments

Future minimum rentals payable under non-cancellable leases as at 30 June 2021 are as follows:

	<u>2021 \$</u>	<u>2020 \$</u>
Within one year	226,156	151,522
After one year but not more than five years	135,012	116,000
More than five years	0	0
	<u>361,168</u>	<u>267,522</u>

Lease commitments include rental of premises and equipment as follows:

<u>Leases</u>	<u>Expiry Date</u>	<u>Renewal Term Available</u>
Christchurch	January 2022	2 renewals of 1 year each to January 2022
Mt Maunganui	December 2022	
Gisborne	June 2021	Renewed Annually
Wellington	August 2022	
Auckland	December 2022	6 years to December 2026
Porirua Storage Shed	June 2021	
Photocopier - Wellington Office	March 2024	
Motor Vehicles (6)	October 2021 to November 2023	

Other Commitments

SLSNZ has further committed expenditure over the next twelve months totalling \$184,027. This is in relation to the preordering and purchasing of uniforms (2020: \$178,730).

Contingent Liabilities

There were no contingent liabilities at balance date. (2020: Nil)

23. Financial Instruments

<u>As at 30 June 2021</u>	<u>Cash & Cash equivalents</u>	<u>Loans & receivables</u>	<u>Liabilities at amortised cost</u>	<u>TOTAL</u>
<u>Classification of Financial Assets</u>				
Cash & Cash Equivalents	3,995,964			3,995,964
Investments	711,206			0
Trade debtors & Other receivables		514,789		514,789
Total Financial Assets	<u>4,707,170</u>	<u>514,789</u>	<u>0</u>	<u>4,510,753</u>
<u>Classification of Financial Liabilities</u>				
Trade creditors and other payables			1,171,791	0
Funds in Advance			1,870,188	0
Total Financial Liabilities	<u>0</u>	<u>0</u>	<u>3,041,979</u>	<u>0</u>
<u>As at 30 June 2020</u>	<u>Cash & Cash equivalents</u>	<u>Loans & receivables</u>	<u>Liabilities at amortised cost</u>	<u>TOTAL</u>
<u>Classification of Financial Assets</u>				
Cash & Cash Equivalents	2,642,890			2,642,890
Investments				0
Trade debtors & Other receivables		267,399		267,399
Total Financial Assets	<u>2,642,890</u>	<u>267,399</u>	<u>0</u>	<u>2,910,289</u>
<u>Classification of Financial Liabilities</u>				
Trade creditors and other payables			579,472	0
Funds in Advance			306,122	0
Total Financial Liabilities	<u>0</u>	<u>0</u>	<u>885,594</u>	<u>0</u>

SURF LIFE SAVING NEW ZEALAND

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June, 2021

24. Reconciliation of Net Operating Surplus to Net Cash Flow from Operating Activities

	<u>2021 \$</u>	<u>2020 \$</u>
Net Operating Surplus	680,083	1,124,437
Statement of Financial Performance non-cash items:		
Add Depreciation & Amortization	259,735	233,124
Less Unrealised Gain on Investment	-37,483	
Movements in Working Capital		
<i>Add</i>		
<u>Cash Positive Movement in Current Assets/Current Liabilities</u>		
Exchange Receivables & Accruals		104,840
Inventories		1,794
Trade and other Payables	592,319	0
Funds Received in advance	1,564,066	0
	<u>3,058,720</u>	<u>1,464,195</u>
<i>Less</i>		
<u>Cash Negative Movement in Current Assets/Current Liabilities</u>		
Exchange Receivables & Accruals	247,390	0
Inventories	32,597	0
Prepayments	91,021	41,323
Trade and other Payables	0	8,910
Fund Received in advance	0	368,553
Goods & Services Tax Net Movement	347,028	11,976
	<u>718,036</u>	<u>430,762</u>
Net Cash Flow from Operating Activities	<u>2,340,684</u>	<u>1,033,433</u>

Independent auditor's report

To the Members of Surf Life Saving New Zealand Incorporated and Group

Opinion

We have audited the consolidated financial statements of Surf Life Saving New Zealand Incorporated ("Parent") and its subsidiaries (herein collectively referred to as "the Group") on pages 1 to 13, which comprise the consolidated statement of financial position as at 30 June 2021, and the consolidated statement of comprehensive revenue & expenses, consolidated statement of changes in net assets and consolidated statement of cash flows for the year then ended, and the statement of accounting policies and notes to the consolidated financial statements.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report the accompanying financial statements present fairly, in all material respects, the financial position of Surf Life Saving New Zealand Incorporated as at 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR).

Basis for Qualified Opinion

In common with similar organisations, controls over cash prior to being recorded are limited and there are no practical audit procedures to determine the effect of these limited controls. Controls over the collection, processing and receipting of donations undertaken by a third-party organisation were not independently verified and were outside the scope of the engagement.

The effect of these limitations meant we were unable to determine or verify by alternate means the completeness of donations reported as \$85,505 and direct mail receipts reported as \$262,341 within fundraising income in the consolidated statement of comprehensive revenue and expenses. As a result of this matter, the scope of our audit was limited, and we were unable to determine whether any adjustment might have been found necessary in respect of the recorded or unrecorded donations and other receipts had we been able to obtain sufficient evidence these items.

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report.

We are independent of the 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 our capacity as auditor we have no relationship with, or interests in, Surf Life Saving New Zealand Incorporated.

Other Matter

We had expressed a Qualification over the financial statements of the prior year because of the reasons described in the paragraphs below.

In common with similar organisations, controls over cash prior to being recorded are limited and there are no practical audit procedures to determine the effect of these limited controls. Controls over the collection, processing and receipting of donations undertaken by a third-party organisation were not independently verified and were outside the scope of the engagement.

The effect of these limitations meant we were unable to determine or verify by alternate means the completeness of donations reported as \$109,335 and direct mail receipts reported as \$319,109 within fundraising income in the consolidated statement of comprehensive revenue and expenses. As a result of this matter, the scope of our audit was limited, and we were unable to determine whether any adjustment might have been found necessary in respect of the recorded or unrecorded donations and other receipts had we been able to obtain sufficient evidence these items.

The Board's responsibilities for the financial statements

The Board are responsible on behalf of the Parent and Group for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR), and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board are responsible on behalf of Group for assessing the Parent and 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 Parent and Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at <https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-3>.

This report is made solely to the members of the Group. Our audit has been undertaken so that we might state to the members those matters we are required to state to them in an auditors' 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 members, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in blue ink that reads 'Moore Markhams'.

Moore Markhams Wellington Audit | Qualified Auditors, Wellington, New Zealand
20 August 2021