



Sir Edmund Hillary Outdoors Education Trust
Financial Report
For the Year Ended 31 March 2023

Sir Edmund Hillary Outdoors Education Trust

Financial Report

For the Year Ended 31 March 2023

Contents

Statement of Responsibility	3
Trust Directory	4
Statement of Service Performance	5
Financial Statements	14
Statement of Comprehensive Revenue and Expense	14
Statement of Changes in Net Assets	15
Statement of Financial Position	16
Statement of Cash Flows	17
Notes to and forming part of the Financial Statements	18
Independent Auditors Report	27

Introduction

Since its founding, the Sir Edmund Hillary Outdoors Education Trust's core philosophy has centred around building stronger communities through our work with rangatahi.

Together with our supporters, partners and staff, we have shared the magic and power of outdoor education with more than 250,000 youth over the last 50 years. We are proud of these remarkable accomplishments that we have achieved together. When we created our strategic plan, we made a commitment to ensure Hillary Outdoors is set-up to deepen our impact further for another 50 years.

To do this required a more sustained commitment to the youth we serve through our Strategic Plan.

Our Plan outlined the priorities that are intended to transform our relevance to our stakeholders, our impact on the students we serve and our reach throughout communities across Aotearoa. It has been a journey of teamwork in developing our plan and our continued success will only be possible because of your passion and unwavering support.

Thank you for being an important part of our achievements. Together, we are bringing this bold purpose to life: empowering more youth to reach their full potential.

Sir Edmund Hillary Outdoors Education Trust

Statement of Responsibility For the Year Ended 31 March 2023

The Board is responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial report, which includes the financial statements, statement of service performance and related information. The independent external auditors, RSM Hayes Audit, have audited the financial report and their report appears on pages 27 and 28.

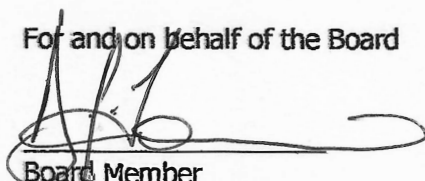
The Board is also responsible for the systems of internal control. These are designed to provide reasonable but not absolute assurance as to the reliability of the financial report, and to adequately safeguard, verify and maintain accountability for assets, and to prevent and detect material misstatements. Appropriate systems of internal control have been employed to ensure that all transactions have been executed in accordance with authority and correctly processed and accounted for in the financial records. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the Board to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year and under review.

The financial report is prepared on a going concern basis. Nothing has come to the attention of the Board to indicate that the Trust will not remain a going concern in the foreseeable future.

In the opinion of the Board:

- The statement of comprehensive revenue and expense is drawn up so as to present fairly, in all material respects, the surplus/(deficit) of the Trust for the financial year ended 31 March 2023;
- The statement of financial position is drawn up so as to present, in all material respects, the financial position of the Trust as at 31 March 2023;
- The statement of cash flows is drawn up so as to present fairly, in all material respects, the cashflow of the Trust for the financial year ended 31 March 2023;
- The statement of service performance is drawn up so as to present fairly, in all material respects, the service performance for the year ended 31 March 2023 in accordance with the entity's service performance criteria.
- There are reasonable grounds to believe that the Trust will be able to pay their debts as and when they fall due.

For and on behalf of the Board



Board Member

30th Oct. 2023

Date



Board Member

30 October 2023

Sir Edmund Hillary Outdoors Education Trust

Trust Directory

As at 31 March 2023

Charities Commission Registration	CC26731
Date of Formation	6 August 1972
Nature of Trust	To provide education in all its forms in outdoor pursuits
Registered Office	Hydro Access RD 3 State Highway 47 Turangi 3334
Physical Address	Momentum Hub Auckland Vector Whitewater Park 770 Great South Road Manukau 2104
Patron	Sir Graeme Dingle
Trustees	Mark Copeland – resigned 30 June 2022 Tony Gault Bonny Lawrence Paul Walsh Simon Bendall – resigned 27 February 2023 Jarrod Walker Will Mckay John Ham David Christopher Tommas - Chair Kylie Leonard – resigned 28 November 2022 Zebedee Stone – appointed 21 March 2023 Martin David Hunter – appointed 16 March 2023
Independent Auditor	RSM Hayes Audit Level 1, 1 Broadway Newmarket Auckland 1023
Accountant	Knobloch & Associates Ltd 15 Accent Drive East Tamaki Auckland 2013
Bankers	Bank of New Zealand Limited – Taupo Branch
Solicitors	Chapman Tripp

Sir Edmund Hillary Outdoors Education Trust

Statement of Service Performance For the Year Ended 31 March 2023

Hillary Outdoors' Strategic Plan

Purpose

People are empowered to do extraordinary things by achieving growth through adventure, and connection through participation.

"People do not decide to become extraordinary. They decide to accomplish extraordinary things."

– Sir Edmund Hillary

Values

- **Whakatipu I Growth** - happens in the Hillary Outdoors values-based learning environment.
- **Kaitiakitanga I Guardianship and protection of our environment** - guardianship, stewardship and protection of the environments we adventure in.
- **Whanaungatanga I Connections** – establishing relationships and relating to others.

Mission

Hillary Outdoors strives to be the most outstanding outdoor educator in New Zealand, targeting a diverse cross section of Aotearoa's youth to both enhance and improve their lives. Over the next 3 years we will aim to improve the ways in which we do this, in particular by targeting improvements in financial sustainability, health, safety and wellbeing, client-centricity, and governance. We acknowledge that our financial performance has been challenging, and sustainability around this will become a cornerstone of our actions over the next 3 years.

Three Guiding Principles

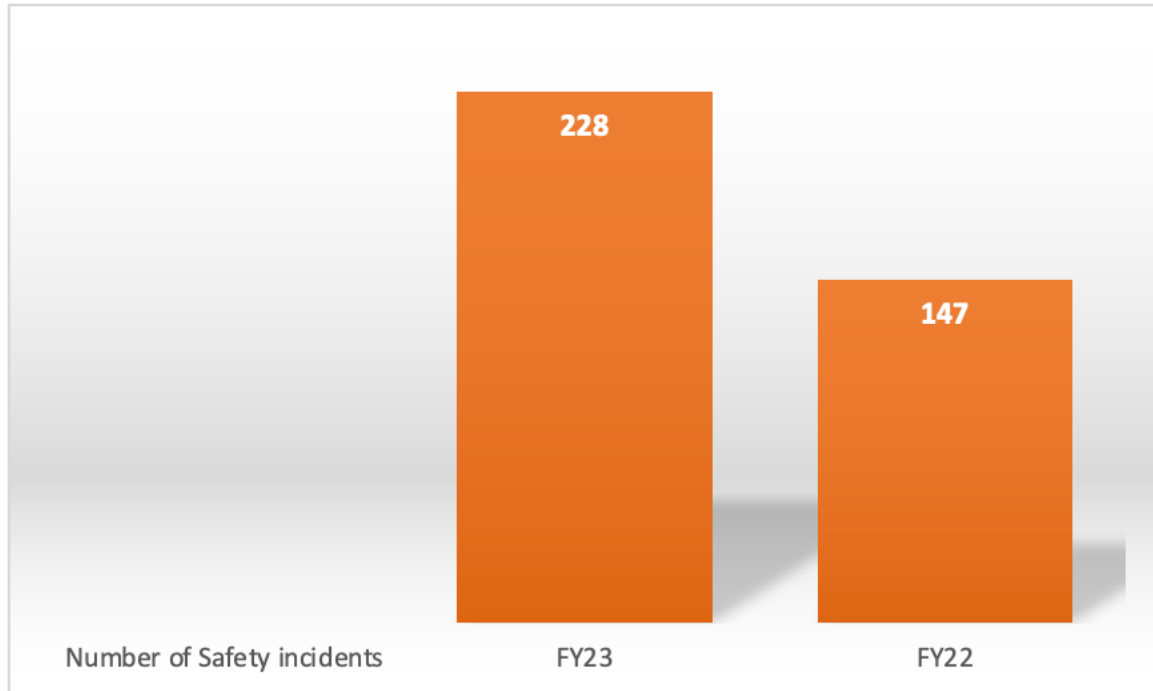
These three principles guide our decision making.

1. Health, Safety, and Wellbeing
2. Financial Sustainability
3. Client-centric

1. Health, Safety, and Wellbeing are Priority

A full Safety Audit of Hillary Outdoors is carried out every three years by AdventureMark on behalf of WorkSafe. This audit commences with a desktop audit and is followed up with an in-person observation of staff and operations with various technical experts. The last audit was completed in August 2020, with the next due for completion August 2023. All items utilised in outdoors activities are checked annually by an appropriately accredited operator. Appropriately qualified staff members carry out similar checks monthly.

Every week, incidents are recorded in our safety system and monitored for trends and operational efficiencies.



Based on 8,031 participants that were booked on Hillary Outdoors programmes in FY23, the Hillary Outdoors Safety Incident Rate (SIR) is 2.8%.

The severity of incidents is captured as part of our three-tiered safety management system. The severity is captured on a scale of 0 to 4.

The severity scale are defined as:

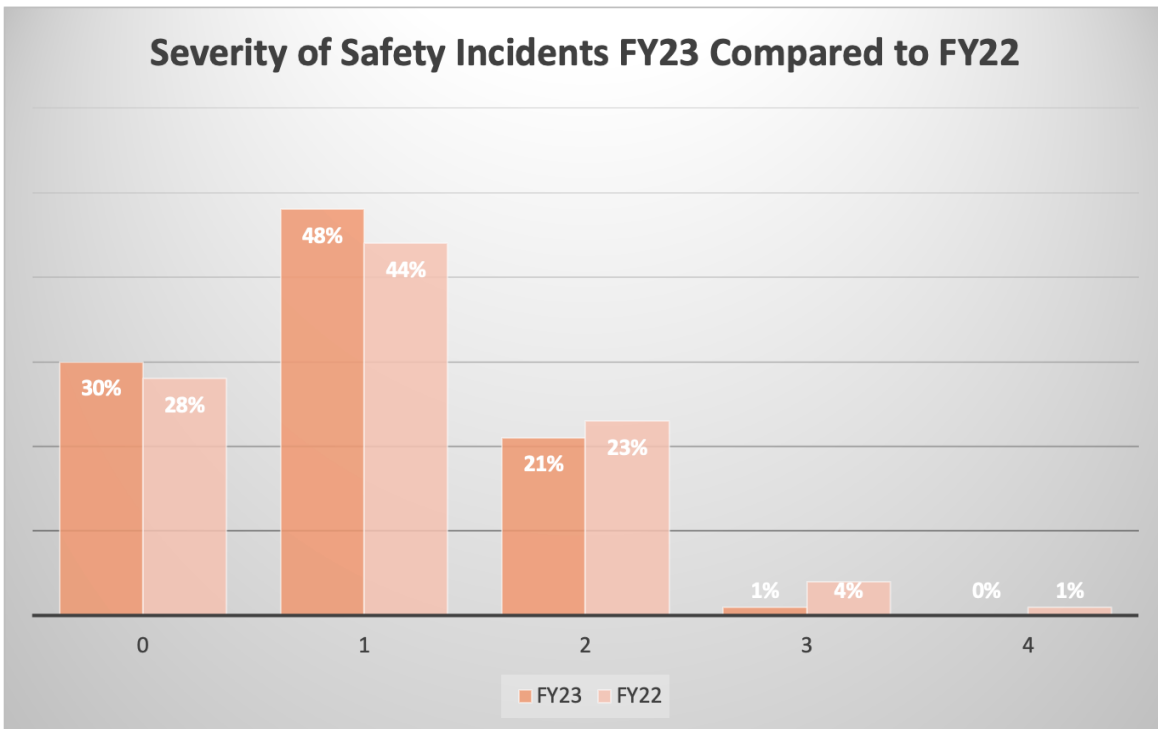
0 – Near miss

1 - Minor to mild splinters, scrapes, sting, asthma, allergy, No - 20min impact on participation

2 - Lacerations, sprains, dislocations, flu, serious asthma, mild concussion. 20-30 mins out of prog.

3 - Hospital stay < 12 hours, major burns, dislocations, fractures. Miss large parts of programme

4 - Life changing, major injury, illness, stress resulting in hospitalization. Fatality.



Hillary Outdoors monitors all incidents with our operations and safety team, leadership team, external Health and Safety Advisors, and with our Trustees. In our relentless pursuit of excellence in health, safety, and wellbeing, we recognise, avoid and/or mitigate current and future health, safety and wellbeing risks. While it is normal to have incidents in the outdoors between scale 0 and 1, we try to understand the potential severity, lead indicators, and trends to avoid and/or mitigate future risks.

The trends that we are consistently working towards mitigating are undisclosed mental health issues and undisclosed physical or health issues. For the safety of all individuals, we have a strict safety trumps privacy policy.

In FY23 there were two Scale 3 incidents. Both were responded to immediately and had positive outcomes. In FY22 there was one Scale 4 incident. The incident was responded to immediately and had a positive outcome. Two of the three incidents were due to pre-existing conditions that were not disclosed.

The external advisor's role is a formalised role on the Health and Safety Advisory Committee to provide Health, Safety and Wellbeing advice, assessments and recommendations to management and the trustees. The Health, Safety and Wellbeing Advisory Committee meet regularly and provide effective support to the Board and management.

2. Financial Sustainability

Financial Performance:

The Trust set the key strategic objective to not only return to operating surpluses, but to have a 10% operating margin to build reserves.

In FY23 we achieved a 3% reserves margin. In FY22 we achieved a 4% reserves margin. The difference between FY23 and FY22 is that in FY22 we received \$484,470 from resurgence support and wage subsidies.

The table below shows the summarised Financial Performance.

Summarised Financial Performance	FY 2023	FY 2022
Operating Revenue	5,061,621	3,385,877
Wage Subsidy and Covid Resurgence Support	4,800	484,470
Total Revenue Reported	5,066,421	3,870,347
Reserves Margin	130,974	155,534
Reserves Margin as a percentage of Reported Revenue	3%	4%

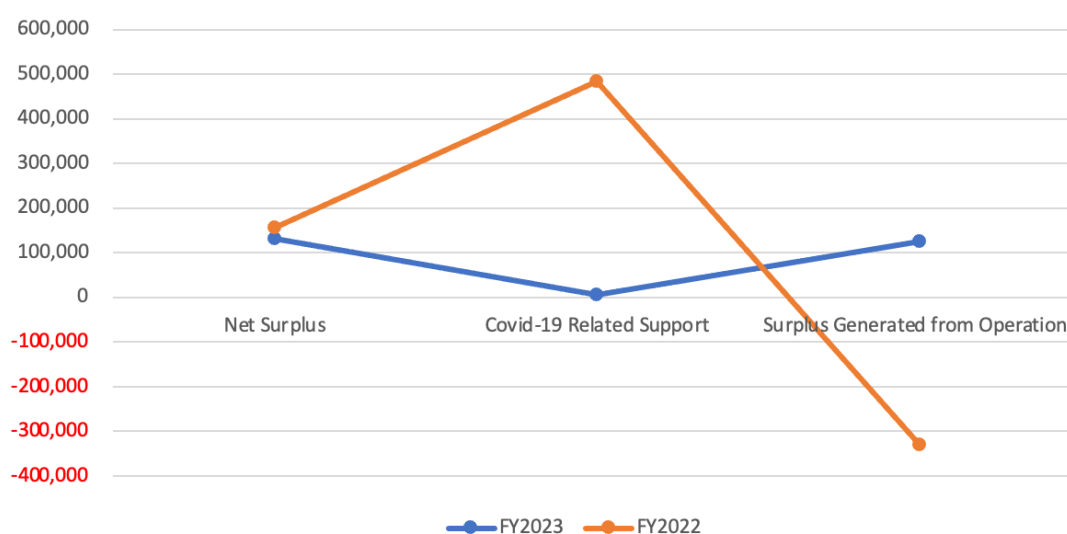
After a challenging 2021-22, the trust managed to generate a surplus for the current year thus augmenting its financial sustainability.

During the Covid-19 lockdowns, without the government financial support, it would have been difficult for the trust to remain afloat and protect the jobs of its employees.

The table and graph below depict the movement in the financial performance for the previous year and the unaided turnaround achieved for the current year.

	Net Surplus	Covid-19 Related Support	Surplus Generated from Operations
FY2023	130,974	4,800	126,174
FY2022	155,534	484,470	-328,936

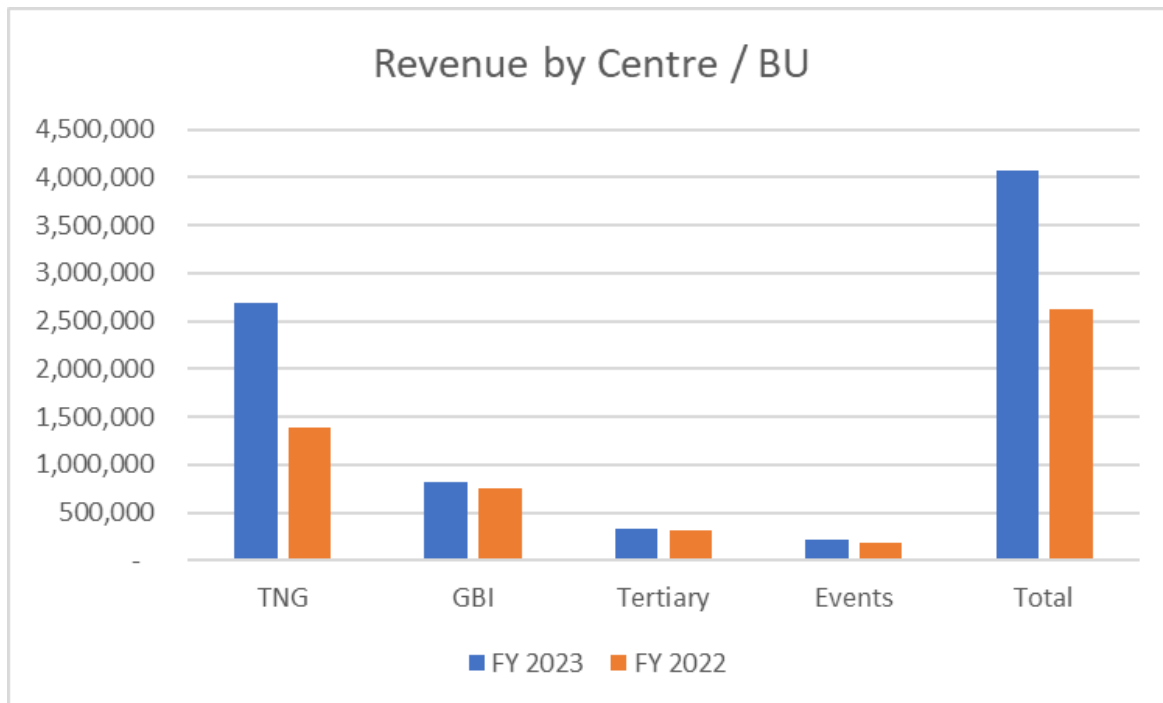
Performance Tracking



Our focus is on delivering services that make a positive social impact. Whilst profit is not the primary driver of our services, we do recognise that we need to generate adequate financial surplus to maintain our existence.

Revenue Contributors

The revenue comparison between FY23 vs FY22 is depicted in the table and the graph below. As is evident, the impact of Covid-19 related disruptions was more widespread in the previous year.



Fundraising

The inflationary pressures have impacted our operation. We are moving from a fees-focused revenue model to a funding-focused revenue model to provide equitable opportunity for young people to gain life changing experiences through outdoor education.

There is an opportunity gap in our communities. Too often, young people's race, ethnicity, economic status, or postal code determines their direction in life. It's not that these rangatahi can't achieve, they're simply not given the opportunity to. Research shows that what is holding them back is income and access to youth programmes. Often, the two are linked.

With the rise in the cost-of-living, income pressures have meant that for families, their income is being used to access basic necessities. Often the programmes that help people to live and succeed in life are discretionary over shelter, food, and clothing. For Hillary Outdoors, the ability to pay course fees has become a pressure point for those in middle equity schools. This is because, the bulk of the Hillary Step Scholarship grants funding supports low equity schools and hardship cases.

If we want all young people to thrive and reach their potential, we must bridge this opportunity gap.

The trust delivers the programmes against a set fee per participant charged to the school, regardless of the equity rating of the school.

Hillary Step Scholarships

We all want young people to thrive and reach their potential. That's why Hillary Outdoors works in partnership with our funders to bridge the gap, open doors, and provide a positive developmental experience for youth through Hillary Step Scholarships.

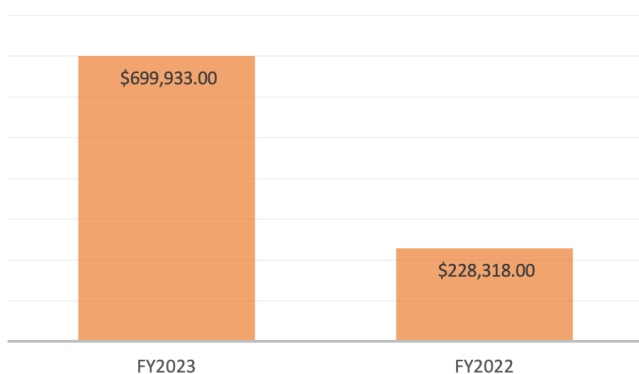
To ensure that the students coming from low socio-economic areas are not disadvantaged due to financial affordability, we offer targeted fee support by using the funds raised through grants and donations to subsidise the course fee charged to students on a case-by-case basis.

Some of the grantors and donors mandate the allocation of the grants to students from specific schools and regions. In such cases, we honour our commitment and allocate grants received as per the contractual obligations.

In FY23, we were unable to meet our goal of distributing \$1m Hillary Step Scholarships due to Hillary Outdoors Aotea having its operation temporarily suspended due to Covid-19 and less students being able to attend Hillary Outdoors Tongariro because of Covid-19, flooding, and Cyclone Gabrielle.

Total Hillary Step Scholarship funds distributed:

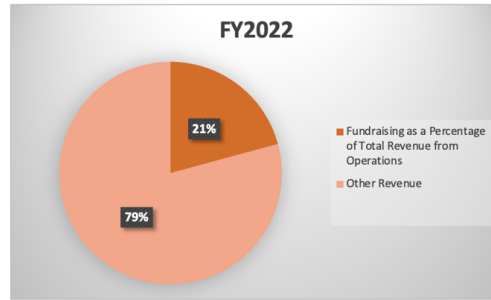
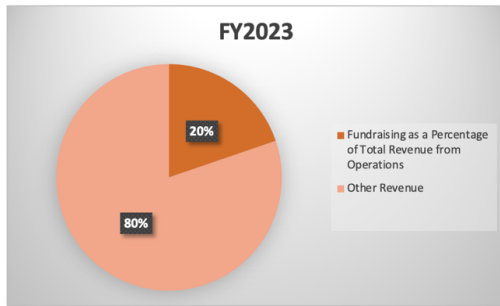
Hillary Step Scholarship Funding



Revenue Profile:

	FY2023	FY2022
Trade Revenue (Revenue from exchange transactions)	4,061,171.00	2,621,878.00
Hillary Step Scholarship Funding	699,933.00	228,318.00
Funding and Grants for Operations	297,573.00	457,258.00
Total Fundraising Revenue	997,506.00	685,576.00
Total Revenue from Operations	5,058,677.00	3,307,454.00
Fundraising as a Percentage of Total Revenue from Operations	0.20	0.21
Interest, Dividends & Other Income	2,944.00	78,423.00
Government Grant - Wage Susidy	4,800.00	339,600.00
Resurgence Support Payment	-	144,870.00
Total Revenue as Reported	5,066,421.00	3,870,347.00

During the past two years, the fundraised income constituted around 20% of the Total Income. Over the coming years we aim to increase this to above 25% of the Total Income. This will allow us to subsidise the course fee that devolves on our customer – students, and their whānau.



With a strategic goal to increase the fundraising programme to target 100% of operating expenditure, in FY23 we expanded the fundraising programme revenue to \$997,506 from \$685,576 in FY22.

Employees

As at 31 March 2023, there were 45 employees on payroll compared to 37 employees on payroll on 31 March 2022. We were able to reopen Aotea on 28 August 2022 and operate programmes at both Centres. With a shortage of outdoor education instructors across New Zealand, we were fortunate to be able to have a full staff team to be able to operate all school and tertiary programmes.

The following table shows the comparison between employees on 31 March 2023: employees on 31 March 2022.

	FY23	FY22
Tongariro	28.5	19.5
Aotea	7	9
Tertiary	3.5	2.5
Support Office	5	5
Events	1	1
Total Employees	45	37

3. Client-centric Programmes

School Programmes

Hillary Outdoors' core programmes are operated for school students.

Programmes are for rangatahi aged 12 to 24. These are some of the most formative years of their lives and our programmes are tailored to make a lasting impact.

For our rangatahi, having our programmes geared towards social and emotional development and resiliency can change patterns in behaviour and set them up for health and wellbeing in adulthood.

To achieve the programme needs, all our programmes are instructed by highly skilled staff who are speciality trained in safety and facilitation for youth.

For the FY23, 8,031 participants were booked on Hillary Outdoors programmes.

	FY23	FY22
Tongariro	4,694	3,540
Aotea	1,125	348
Events	2,192	2,087
Tertiary	20	20
Total Attendance	8,031	5,995

Understanding our School Clients

During FY23 we embarked on a cultural research journey with our school partners to further our relationship with tangata whenua at our centres, enable Māori to participate as Māori in our programmes, and increase the participation of rangatahi Māori in the outdoors. The results of this research will be provided upon completion in FY24.

Tertiary Programmes

The tertiary programmes moved from being funded by the Tertiary Education Commission (TEC) to have 20 Equivalent Full Time Learners (EFTLs) to being funded by TEC for 30 EFTLs starting in February 2023. Growing the programmes has been a goal of the organisation since 2020 and we finally achieved the growth goal in FY23. We were able to achieve the goal by having a highly qualified Tertiary Programme Manager, a dedicated tertiary Administrator and highly skilled and qualified Tertiary Tutors. In 2022, Hillary Outdoors underwent the 4-yearly tertiary External Evaluation and Review (EER) with the New Zealand Qualification Authority (NZQA). The EER is a key part of how NZQA quality assure tertiary education in Aotearoa. Stemming from the review, NZQA moved Hillary Outdoors from a Category 2 tertiary provider to a Category 1 tertiary provider. Category 1 is the highest of the four categories. Category 1 means NZQA are highly confident in both our education performance and our self-assessment capability.

Disclosure of Judgements

While drafting this report we have included information that can be directly verified and evidenced against our guiding principles: safety is priority, financial sustainability, and client-centric. We have avoided delving into subjective information requiring application of judgement.

Measurement and assessment of soft information is done by applying a structured methodology.

Comparative information and consistency of reporting.

Where relevant and/or possible, the previous years' comparative information has been provided. This is the first time that Hillary Outdoors has prepared a Service Performance Report as required under PBE FRS-48. It is expected that this reporting will improve with each year that goes by.

In terms of comparability, the year ended on 31st March 2023 has been unique. The previous year against which the comparison needs to be made was majorly impacted by Covid-19 related disruptions. This has, naturally rendered a comparison difficult.

However, while presenting financial information in this report, consistency has been applied to facilitate as close comparison as possible.

Sir Edmund Hillary Outdoors Education Trust

Financial Statements

Statement of Comprehensive Revenue and Expense

For the year ended 31 March 2023

	Note	Mar 2023 \$	Mar 2022 \$
Revenue			
<u>Revenue from exchange transactions</u>			
Course fee income		4,061,171	2,621,878
Interest, dividends, and other income		2,944	78,423
<u>Revenue from non-exchange transactions</u>			
Grants and donations	2	1,002,306	1,170,046
Total revenue		5,066,421	3,870,347
Expenses			
Course disbursements and related costs		1,039,388	582,532
Employee costs		2,730,343	2,107,320
Rent and rates		21,860	21,306
Interest expenses		18,220	23,082
Other expenses		912,068	748,698
Total expenses		4,721,879	3,482,938
Surplus for the year before Depreciation and Impairment		344,542	387,409
Depreciation and impairment			
Depreciation	9	213,568	227,745
Impairment	13	-	4,130
Total depreciation and impairment		213,568	231,875
Total comprehensive revenue and expense for the year		130,974	155,534

The above statement should be read in conjunction with the notes to and forming part of the financial statements.

Sir Edmund Hillary Outdoors Education Trust

Statement of Changes in Net Assets For the year ended 31 March 2023

	Mar 2023 \$	Mar 2022 \$
Opening net assets at the beginning of the year	2,138,420	1,982,886
Total comprehensive revenue and expense for the year	130,974	155,534
Closing net assets at the end of the year	<u>2,269,394</u>	<u>2,138,420</u>

The above statement should be read in conjunction with the notes to and forming part of the financial statements.

Sir Edmund Hillary Outdoors Education Trust

Statement of Financial Position

As at 31 March 2023

	Note	Mar 2023 \$	Mar 2022 \$
CURRENT ASSETS			
Bank accounts and cash	3	1,728,836	1,329,620
Accounts receivable		208,631	123,165
Prepayments		11,965	21,127
Inventories		18,346	13,205
Total current assets		1,967,778	1,487,117
CURRENT LIABILITIES			
Accounts payable	4	139,588	124,745
Employee-related accruals	5	272,326	215,074
Other creditors and accruals	6	156,016	267,579
Grants received in advance	7	160,865	239,636
Course prepayments		826,783	493,189
Term loan - current	8	138,366	137,108
Total current liabilities		1,693,944	1,477,331
NON – CURRENT ASSETS			
Property plant and equipment	9	2,230,203	2,418,646
Total non-current assets		2,230,203	2,418,646
NON – CURRENT LIABILITIES			
Term loan – non-current portion	8	234,643	290,012
Total non-current liabilities		234,643	290,012
NET ASSETS		2,269,394	2,138,420
REPRESENTED BY:			
EQUITY			
Accumulated Surplus		2,269,394	2,138,420

The above statement should be read in conjunction with the notes to and forming part of the financial statements

Sir Edmund Hillary Outdoors Education Trust

Statement of Cash Flows

For the year ended 31 March 2023

	Note	Mar 2023 \$	Mar 2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from:			
Course fees		4,271,531	2,672,230
Grants, donations and bequests		913,804	1,176,388
Rental income from staff village		54,400	49,120
Payments to suppliers and employees		(4,686,789)	(3,474,271)
Net GST received / (paid)		(61,480)	101,424
Net cash inflow from operating activities		491,466	524,891
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		13,698	503
Payments for purchase of property plant and equipment		(32,158)	(49,305)
Net cash outflow from investing activities		(18,460)	(48,802)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(18,220)	(22,109)
Payments for finance lease principal		-	(46,725)
Proceeds / (Repayments) of Loan		(54,110)	(50,063)
Other Items		(1,461)	-
Net cash outflow from financing activities		(73,791)	(118,897)
Net increase (decrease) in cash and cash equivalents		399,215	357,192
Cash and cash equivalents at beginning of the period		1,329,620	972,428
Cash and cash equivalents at the end of the period	3	1,728,835	1,329,620

The above statement should be read in conjunction with the notes to and forming part of the financial statements

Sir Edmund Hillary Outdoors Education Trust

Notes to and forming part of the Financial Statements For the year ended 31 March 2023

1. STATEMENT OF ACCOUNTING POLICIES

Reporting entity

These are the financial statements of the Sir Edmund Hillary Outdoors Education Trust ('the Trust'). The Trust is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act (2013). The Trust is a charitable trust registered in New Zealand with DIA Charities Services. The Trust is engaged in the business of providing all aspects of outdoor education.

Basis of Reporting

These financial statements of the Trust have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with the Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") as appropriate for Tier 2 not-for-profit public benefit entities, and all disclosure concessions have been applied.

The financial statements of the Trust have been prepared on an historical cost basis. The information is presented in New Zealand dollars, rounded to the nearest dollar.

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 estimate are revised and in any future periods affected.

Items of property, plant and equipment are depreciated over their estimated useful lives. These lives are reviewed annually to ensure they still represent management's best estimates. An impairment charge is recorded when the recoverable amount of an asset falls below its carrying value.

Changes in Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Trust. There were no changes in accounting policies.

The Trust has applied the following standards for the first time in the financial report for the year ended 31 March 2023:

- PBE IPSAS 41 *Financial Instruments*. There has been no effect on the measurement of financial instruments in the financial statements as a result.
- PBE FRS 48 *Service Performance Reporting*.

Significant Accounting Policies

In the preparation of these financial statements, the specific accounting policies are as follows:

Sir Edmund Hillary Outdoors Education Trust

Notes to and forming part of the Financial Statements (Cont'd)

For the year ended 31 March 2023

a) Property Plant and Equipment

Items of property, plant and equipment are initially measured at cost, except those acquired through non exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

Items of property, plant and equipment are subsequently measured at cost (or fair value for items acquired through non-exchange transactions) less accumulated depreciation and impairment.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- The cost of materials and direct labour
- Costs directly attributed to bringing the assets to a working condition for their intended use
- When the Trust has an obligation to remove the asset or restore the site, the costs of dismantling and removing the items and restoring the site on which they are located.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the surplus or deficit.

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

b) Property Plant and Equipment - Depreciation

The Trust has the following classes of Property, Plant & Equipment and depreciation has been calculated to allocate the cost or valuation of the assets over their estimated useful lives, at the following rates:

Motor vehicles	26-33%	Diminishing Value
Office equipment	33%	Straight-line
Buildings	2-26%	Straight-line
Centre equipment	10-33%	Diminishing Value
Support craft	26%	Diminishing Value
Plant and equipment	4-50%	Diminishing Value

c) Goods & Services Tax

These financial statements have been prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable, which are shown inclusive of GST.

d) Taxation

No provision for income tax been made, as the Trust is exempt from Income Tax under the provisions of the Income Tax Act 2007.

Sir Edmund Hillary Outdoors Education Trust

Notes to and forming part of the Financial Statements (Cont'd)

For the year ended 31 March 2023

e) Revenue

Course Fees

Course Fees are primarily recognised in the month of attendance at one of the Trust's outdoor education centres.

Grants and Donations

Grants and donations are recognised in revenue, unless specific conditions are attached and repayment of the amount is required where these conditions are not met. In these cases, the grant or donation is treated as a liability until such conditions are met.

Interest Income

Interest income is recognised using the effective interest method.

f) Leases

Leases where the Trust assumes substantially all the risks and rewards of ownership are classified as finance leases. Minimum lease payments are apportioned between interest expense and reduction of the outstanding liability. The interest expense component of the finance lease payments is recognised in the Statement of Comprehensive Revenue and Expense using the effective interest rate method.

Other leases are classified as operating leases. Payments made under the operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight-line basis over the term of the lease.

g) Financial Instruments

Financial instruments are recognised when the Trust becomes a party to the contractual provisions of the instrument.

The Trust derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when there has been significant changes to the terms and/or the amount of contractual payments to be received/paid, 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 asset are transferred. Any interest in transferred financial assets that is created or retained by the Trust is recognised as a separate asset or liability.

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

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Trust has 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.

Financial assets at amortised cost

This category of financial assets is the most relevant to the Trust. Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gain or losses are recognised in the statement of comprehensive revenue and expense when the financial assets are derecognised or impaired.

Sir Edmund Hillary Outdoors Education Trust

Notes to and forming part of the Financial Statements (Cont'd)

For the year ended 31 March 2023

The carrying value of financial assets at amortised cost approximates their fair value. Financial assets at amortised cost comprise trade receivable, other receivables, and cash and cash equivalents. These are included in current assets, except for those with maturities greater than 12 months after the reporting date, which are classified as non-current assets.

Financial liabilities at amortised cost

This is the category of financial liabilities that is most relevant to the Trust. After initial recognition, trade and other payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in surplus or deficit when the liabilities are derecognised as well as through the effective interest rate amortisation process. The effective interest rate amortisation is included as finance costs in the statement of comprehensive revenue and expense.

Trade and other payables are unsecured and are usually paid within 30 days of recognition. Due to their short-term nature they are not discounted.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

This category generally applies to payables.

2. GRANTS, DONATIONS, AND SIMILAR INCOME

	Mar 2023	Mar 2022
	\$	\$
Donations for course revenue/costs support	834,665	393,471
Funding and grants for assets	162,841	292,105
Government grant – wage subsidy	4,800	339,600
Resurgence Support Payment	-	144,870
	<u>1,002,306</u>	<u>1,170,046</u>

Sir Edmund Hillary Outdoors Education Trust
Notes to and forming part of the Financial Statements (Cont'd)
For the year ended 31 March 2023

3. CASH AT BANK (at amortised cost)

	Mar 2023	Mar 2022
	\$	\$
BNZ Cheque Account	369,601	205,605
BNZ Autocall Account	884,702	653,036
BNZ Events Account	12	12
BNZ Term Account	474,521	470,225
Office Float	-	742
	1,728,836	1,329,620

4. ACCOUNTS PAYABLE (at amortised cost)

Accounts payable	127,718	111,950
BNZ VISA credit card	11,870	12,795
	139,588	124,745

5. EMPLOYEE-RELATED ACCRUALS

PAYE due	53,592	43,068
Holiday pay accrual	134,532	113,420
Accrued wages	84,202	58,586
	272,326	215,074

6. OTHER CREDITORS AND ACCRUALS

Sundry creditors and other accruals	4,945	53,567
Staff association funds	-	1,461
GST payable	151,071	212,551
	156,016	267,579

Sir Edmund Hillary Outdoors Education Trust
Notes to and forming part of the Financial Statements (Cont'd)
For the year ended 31 March 2023

7. GRANTS RECEIVED IN ADVANCE

	Mar 2023	Mar 2022
	\$	\$
To be used within one year		
Douglas Charitable Trust	-	13,429
Foundation North	-	180,000
Bay Trust	-	3,700
The Trusts Community Foundation	34,000	35,000
Grassroot Trust	6,636	-
Wellington Community Trust	-	2,800
Genesis Energy Kayak Education Fund	20,229	4,707
Tuia Ki Tawhiti Research Fund	40,000	-
Ice Breaker NZ Ltd	10,000	-
Marion Ross Memorial Trust	50,000	-
	160,865	239,636

8. TERM LOANS

The BNZ business finance scheme loan has a repayment term of 5 years on a fixed interest rate at 2.3% pa. The repayment amount was based on 7 years, any amount outstanding will be due at the maturity date.

	Mar 2023	Mar 2022
	\$	\$
Current portion		
BNZ Business Finance Scheme Loan	55,366	54,108
IRD Cash Flow Loan	83,000	83,000
	138,366	137,108
Non - Current portion		
BNZ Business Finance Scheme	234,643	290,012

Sir Edmund Hillary Outdoors Education Trust
Notes to and forming part of the Financial Statements (Cont'd)
For the year ended 31 March 2023

9. PROPERTY, PLANT AND EQUIPMENT

Mar 2023	Opening Cost	Additions	Disposals / Impairment	Closing Cost	Opening Accumulated Depreciation	Current Year Depreciation	Disposal / Impairment	Closing Accumulated Depreciation	Closing Net Book Value
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land	30,000	-	-	30,000	-	-	-	-	30,000
Buildings	5,279,806	-	-	5,279,806	3,163,486	141,947	-	3,305,433	1,974,373
Motor Vehicles	362,263	5,735	-	367,998	327,678	9,738	-	337,416	30,582
Support Craft	101,046	-	-	101,046	90,881	2,643	-	93,524	7,522
Plant and Equipment	557,219	-	-	557,219	400,191	33,243	-	433,434	123,785
Centre Equipment	672,223	17,652	-	689,875	611,026	17,802	-	628,828	61,047
Office Equipment	92,726	1,738	-	94,464	83,375	8,195	-	91,570	2,894
Total	7,095,283	25,125	-	7,120,408	4,676,637	213,568	-	4,890,205	2,230,203

Mar 2022	Opening Cost	Additions	Disposals	Closing Cost	Opening Accumulated Depreciation	Current Year Depreciation	Disposal	Closing Accumulated Depreciation	Closing Net Book Value
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land	30,000	-	-	30,000	-	-	-	-	30,000
Buildings	5,287,068	3,433	(10,695)	5,279,806	3,025,432	138,054	-	3,163,486	2,116,320
Motor Vehicles	424,569	-	(62,306)	362,263	356,494	12,152	(40,968)	327,678	34,585
Support Craft	101,046	-	-	101,046	87,310	3,571	-	90,881	10,165
Plant and Equipment	539,796	17,423	-	557,219	356,471	43,720	-	400,191	157,028
Centre Equipment	643,774	28,449	-	672,223	592,759	18,267	-	611,026	61,197
Office Equipment	92,726	-	-	92,726	71,394	11,981	-	83,375	9,351
Total	7,118,979	49,305	(73,001)	7,095,283	4,489,861	227,745	(40,968)	4,676,637	2,418,646

Sir Edmund Hillary Outdoors Education Trust
Notes to and forming part of the Financial Statements (Cont'd)
For the year ended 31 March 2023

10. CONTINGENT LIABILITIES

At balance date there are no known contingent liabilities. The Trust has not granted any securities in respect of liabilities payable by any other party whatsoever (2022: \$Nil)

11. COMMITMENTS

During the year ended 31 March 2022, an operating lease with Fuji Xerox was renegotiated and amended from two copier printers at Auckland and Tongariro to one printer copier at Tongariro for a term of four years ending in August 2024. In addition, an operating motor vehicle lease variation schedule with Yoogo was re-signed for less than five years.

	Mar 2023	Mar 2022
	\$	\$
No longer than one year	131,939	100,835
Between one and five years	255,541	220,565
	387,480	321,400

12. KEY MANAGEMENT PERSONNEL REMUNERATION

	Mar 2023	Mar 2022
	\$	\$
Full Time Equivalent (FTE) – 4 staff in 2023, 5 staff in 2022 across two Centres	483,471	432,700

A portion of wage arrears from 2022 withheld as a result of the pandemic were paid in 2023.

13. IMPAIRMENT

There was no further development on the Kinloch project for more than three years, the Trust doubted the viability of this project going ahead with limited funding. The decision was made in the 2021 financial year to impair the asset and look for a reasonable additional education centre that will serve the organisation's requirements. The remaining carrying value was fully impaired during the year ended 31 March 2022.

14. RELATED PARTY TRANSACTIONS

There were no related party transactions (2022: \$Nil).

Sir Edmund Hillary Outdoors Education Trust

Notes to and forming part of the Financial Statements (Cont'd)

For the year ended 31 March 2023

15. GOING CONCERN

The financial statements show a surplus after depreciation of \$130,974 compared to a surplus of \$155,534 for the year ending 31 March 2022. The Trust has Trust Capital of \$2,269,394.

The working capital has further strengthened over the 2023 financial year. The financial statements have been prepared on a going concern basis, which assumes that the Trust will continue in operational existence for the foreseeable future. The Trustees, who continually review the funding needs of the business, consider that in preparing the financial statements, they have taken into account all information that could reasonably be expected to be available, including the budget forecasts for the 2024 financial year. The key assumptions are:

- Management continues to analyse the cost of the delivery of courses with a view of ensuring these costs are adequately recovered with appropriate margins when pricing courses. As part of this analysis management has taken into consideration the inflationary environment.
- The Trust improved its working capital position and can pay its debts as they fall due. The board are closely monitoring this metric to ensure that deficits are avoided in the future.
- The quick ratio has improved to 102% in the financial year from 90% as at 31 March 2022.
- There is little or no disruption to courses now under the covid regulations.
- The Trust continues to receive strong support from donors and funders. A Pub Charity grant of \$166,000 that was received on 4 April 2023 is a positive indicator of this support. \$50,000 of funding was received from The Douglas Charitable Trust on 28 April 2023, \$20,000 from Trust Waikato on 11 April 2023, and various others since.
- To maintain the operational capacity of the Trust, capex and safety related capex is included in the budget and is covered by the booking fees, as well as matching grants with Capex and capital grants where possible to assist with off-setting costs.

On the basis of the above, the Trustees consider that at the time of approving these financial statements, there is no material uncertainty in respect of going concern. Hence, the use of the going concern assumption in preparing the financial statements continues to be appropriate.

16. EVENTS AFTER REPORTING PERIOD

There were no other events after the reporting period that require adjustment to or disclosure in the financial statements. (2022:Nil).

Independent Auditor's Report

To the Trustees of Sir Edmund Hillary Outdoors Education Trust

Opinion

We have audited the general purpose financial report (hereinafter referred to as "financial report") of Sir Edmund Hillary Outdoors Education Trust ("Trust"), which comprises the financial statements on pages 14 to 26 and the statement of service performance on pages 5 to 13. The complete set of financial statements comprises the statement of financial position as at 31 March 2023, the statement of comprehensive revenue and expense, statement of movements in equity, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial report presents fairly, in all material respects:

- the financial position of the Trust as at 31 March 2023, and its financial performance and its cash flows for the year then ended; and
- the service performance for the year ended 31 March 2023 in accordance with the entity's service performance criteria.

in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the statement of service performance in accordance with the ISAs (NZ) and New Zealand Auditing Standard (NZ AS) 1 *The Audit of Service Performance Information*. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We are independent of the Trust in accordance with Professional and Ethical Standard 1 (Revised) *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 opinion.

We have also performed a reasonable assurance engagement for New Zealand Qualifications Authority (NZQA), in respect of the Trust's compliance with the Trust Deed and NZQA Student Fee Protection Rules 2021. Other than this, and in our capacity as auditor we have no relationship with, or interests in, Sir Edmund Hillary Outdoors Education Trust.

Other matter

The corresponding service performance information for the year ended 31 March 2022 is unaudited.

Other information

The trustees are responsible for the other information on pages 2 to 4 (but does not include the financial report and our auditor's report thereon). Our opinion on the financial report does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the trustees for the financial report

The trustees are responsible, on behalf of Sir Edmund Hillary Outdoors Education Trust, for:

- (a) the preparation and fair presentation of the financial statements and statement of service performance in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board;
- (b) service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity Standards Reduced Disclosure Regime; and
- (c) such internal control as the trustees determine is necessary to enable the preparation of the financial statements and statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the financial report, the trustees are responsible, on behalf of the Trust, for assessing the Trust'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 trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, and the statement of service performance, 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 the financial report. A further description of the auditor's responsibilities for the audit of the financial report is located at the XRB's website at:

https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page8.aspx.

Who we report to

This report is made solely to the trustees as a body. Our audit has been undertaken so that we might state to the trustees those matters 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 Trust and the trustees as a body, for our work, for this report, or for the opinions we have formed.

A stylized, handwritten-style signature of 'RSM' in blue ink.

RSM Hayes Audit
Auckland

31 October 2023