

# **Halberg Disability Sport Foundation**

**Financial Statements**

**For the year ended 30 June 2016**

# Halberg Disability Sport Foundation

Statement of Comprehensive Revenue and Expense for the year ended 30 June 2016

	Notes	2016	2015
<b>Revenue</b>	4	2,512,552	2,543,800
<b>Expenses</b>			
Administration		403,074	372,593
Communication		43,960	39,333
Function expenses		409,147	409,417
Function support		177,575	169,863
Fundraising		192,558	207,456
Disability sport		1,117,235	1,246,931
Grants		163,210	197,898
<b>Total expenses</b>		<u>2,506,759</u>	<u>2,643,491</u>
<b>Surplus/(Deficit) before finance income</b>		<u>5,793</u>	<u>(99,691)</u>
Finance income		32,349	49,730
<b>Surplus/(Deficit) for the year</b>		<u>38,142</u>	<u>(49,961)</u>
Other comprehensive revenue and expense		-	-
<b>Total comprehensive revenue and expense</b>		<u><u>38,142</u></u>	<u><u>(49,961)</u></u>

# Halberg Disability Sport Foundation

Statement of Financial Position as at 30 June 2016

	Notes	2016	2015
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	1,080,427	1,293,758
Prepayments		1,344	9,914
Receivables from exchange transactions	6	39,149	70,127
Accrued non-exchange revenue	4	30,000	-
<b>Total current assets</b>		1,150,920	1,373,799
<b>Non current assets</b>			
Investment in Halberg Endowment Fund	3(d)	300,000	-
Property, plant & equipment	7	44,056	69,319
<b>Total non current assets</b>		344,056	69,319
<b>TOTAL ASSETS</b>		1,494,976	1,443,118
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables from exchange transactions	8	60,145	56,147
Non-exchange liabilities	9	203,834	155,746
Lead agency funding	10	18,276	44,154
Employee benefit liability	11	59,427	71,919
<b>Total current liabilities</b>		341,682	327,966
<b>TOTAL LIABILITIES</b>		341,682	327,966
<b>NET ASSETS/EQUITY</b>			
Contributed capital		1,000,000	1,000,000
Accumulated revenue and expense		153,294	115,152
<b>TOTAL NET ASSETS / EQUITY</b>		1,153,294	1,115,152
<b>TOTAL NET ASSETS / EQUITY AND LIABILITIES</b>		1,494,976	1,443,118

*P. Steele*

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Carolyn Steele  
Executive Board Member  
11 October 2016

*P. Kerry Clark*

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P. Kerry Clark  
Executive Board Member  
11 October 2016

## Halberg Disability Sport Foundation

Statement of Changes in Net Assets / Equity for the year ended 30 June 2016

	Contributed capital	Accumulated revenue and expense	Total
Balance 1 July 2014	1,000,000	165,113	1,165,113
Total comprehensive revenue and expense for the year	-	(49,961)	(49,961)
<b>Balance 30 June 2015</b>	<b>1,000,000</b>	<b>115,152</b>	<b>1,115,152</b>
Balance 1 July 2015	1,000,000	115,152	1,115,152
Total comprehensive revenue and expense for the year	-	38,142	38,142
<b>Balance 30 June 2016</b>	<b>1,000,000</b>	<b>153,294</b>	<b>1,153,294</b>

# Halberg Disability Sport Foundation

Statement of Cash Flows for the year ended 30 June 2016

	Notes	2016	2015
<b>Cash flows from operating activities</b>			
Proceeds from customers, grants and donations		2,518,761	2,488,481
Payments to suppliers and employees		(2,333,211)	(2,449,650)
Lead agency funding received		333,000	366,336
Lead agency funding paid		(287,363)	(191,757)
Grants distributed		(163,210)	(197,898)
<b>Net cash generated by operating activities</b>		<u>67,977</u>	<u>15,512</u>
<b>Cash flows from investing activities</b>			
Interest received		27,118	49,730
Payments for property, plant and equipment		(8,426)	(37,351)
Investment in controlled entity		(300,000)	-
<b>Net cash (used)/generated by investing activities</b>		<u>(281,308)</u>	<u>12,379</u>
<b>Cash flows from financing activities</b>			
<b>Net cash generated by financing activities</b>		<u>-</u>	<u>-</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(213,331)	27,891
Cash and cash equivalents at the beginning of the year		1,293,758	1,265,867
<b>Cash and cash equivalents at the end of the year</b>		<u>1,080,427</u>	<u>1,293,758</u>

# Halberg Disability Sport Foundation

Notes to the financial statements for the year ended 30 June 2016

## 1. General information

Halberg Disability Sport Foundation (“the Foundation”) is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act (2013). This is the Foundation’s first set of financial statements presented in accordance with the Public Benefit Entity Accounting Standards Reduced Disclosure Regime (“PBE Standards RDR”). Upon transition to PBE Standards RDR the Foundation has applied a number of the transitional provisions in FRS-47.

The Halberg Disability Sport Foundation was set up in 1963 by Sir Murray Halberg for the benefit of children with disabilities. The purpose of the Foundation is to pay or apply in New Zealand the income and the capital of the Foundation in such amounts, at such times, and subject to such terms and conditions, as the Executive Board may decide for the benefit, education, advancement in life, or personal support in any way whatsoever of children with disabilities (including, without limitation, to enhance the lives of physically disabled younger New Zealanders by enabling them to participate in sport and recreation).

The Mission of the Foundation is to enhance the lives of physically disabled New Zealanders by enabling them to participate in sport and recreation.

## 2. Basis of preparation

### (a) Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (“NZ GAAP”). They comply with PBE Standards RDR as appropriate for Tier 2 not-for-profit public benefit entities, for which all reduced disclosure regime exemptions have been adopted. The Foundation qualifies as a Tier 2 reporting entity as for the two most recent reporting periods it has had between \$2m and \$30m operating expenditure.

These financial statements were authorised for issue by the Executive Board on 11 October 2016.

### (b) Measurement basis

The financial statements have been prepared on a historical cost basis and are presented in New Zealand dollars.

### (c) 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.

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

- Revenue recognition – non-exchange revenue (conditions vs. restrictions)
- Whether there is control over an investee
- Whether the Foundation is acting as an agent of Sport NZ for lead agency funding received

## 3. Summary of significant 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 Foundation.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with the current period.

# Halberg Disability Sport Foundation

Notes to the financial statements for the year ended 30 June 2016

## **(a) Revenue**

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

### *Revenue from non-exchange transactions*

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

With the exception of services-in-kind, inflows of resources from non-exchange transactions are only recognised as assets where both:

- It is probable that the associated future economic benefit or service potential will flow to the entity, and
- Fair value is reliably measurable.

Inflows 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 resulting present obligation as a result of the non-exchange transactions, where both:

- 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.

### *Grants, donations and sponsorships*

The recognition of non-exchange revenue from grants, donations, and sponsorships 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 Foundation 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 Foundation 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.

Donations collected at events are recognised at the point at which cash is received.

### *Revenue from exchange transactions*

Revenue from exchange transactions consists of function revenue. Function revenue is earned from selling seats to the annual Halberg Awards and other events.

Revenue received from events is recognised in surplus or deficit when the event occurs. Amounts received in advance for events held in future are recognised as a liability until such time as the event occurs. It is measured at the fair value of the consideration received or receivable.

## **(b) Finance income**

Finance income is earned on short term deposits held with Westpac and recognised on an accrual basis using the effective interest method.

## Halberg Disability Sport Foundation

Notes to the financial statements for the year ended 30 June 2016

### (c) Cash and cash equivalents

Cash and cash equivalents include cash on hand and in bank deposits.

### (d) Investment in Halberg Endowment Fund

During the year the Foundation contributed \$300,000 towards the establishment of the Halberg Endowment Fund ("the Fund"). The Foundation has control over the Fund as the Executive Board of the Foundation appoints the Fund's Board of Trustees. The investment is measured at cost.

### (e) Property, plant & 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.

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

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

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognised in surplus or deficit on a diminishing value basis over the estimated useful life an item of property, plant and equipment. The diminishing value depreciation rates are:

#### Computer equipment

Laptops and tablets	50%
Networking equipment	50%
Projectors	25%

#### Office equipment

Office fit out	10 - 16%
Furniture	16 - 25%
Other equipment	40 - 67%

#### Motor vehicles

Cars (used)	30%
Trailers	13%

### (f) Accounts payable

Trade payables and other accounts payable are recognised when the Foundation becomes obliged to make future payments resulting from the purchase of goods and services.

### (g) Non-exchange liabilities

Non-exchange liabilities relate to grants, donations, and sponsorships received to which there are stipulated conditions attached. Non-exchange revenue in relation to this balance is recognised at the point-in-time as each stipulated condition is satisfied.

### (h) Lead agency funding

Where the Foundation holds cash which it considers to be assets held in trust on behalf of others as Lead Agency, the funds received are recorded within cash at bank and a corresponding liability is recorded on the balance sheet until distributed to third parties. As these amounts are held in trust on behalf of others no amounts are recognised within the surplus or deficit.

# Halberg Disability Sport Foundation

Notes to the financial statements for the year ended 30 June 2016

## **(i) Financial instruments**

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

The Foundation 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 asset are transferred. The Foundation 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 Foundation 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.

### *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.

Loans and receivables comprise cash and cash equivalents, receivables, and lead agency funding. 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.

### *Amortised cost financial liabilities*

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 amortised cost using the effective interest method.

Financial liabilities classified as amortised cost comprise payables, lead agency funding and grants approved but not yet paid.

## **(j) Goods and services taxation**

These financial statements have been prepared on a GST exclusive basis of accounting with the exception of receivables and payables.

## **(k) Operating leases**

Payments made under operating leases are recognised in surplus or deficit on a straight-line basis over the term of the lease.

## **(l) Income tax**

No income taxation is payable by the Foundation in terms of Section 61 of the Income Tax Act which exempts charitable trusts.

## **(m) Changes in accounting policies**

The Foundation adopted PBE Standards RDR on 1 July 2015, there were no material changes to accounting policies previously adopted. The adoption of PBE Standards RDR have resulted in a change to the presentation and disclosure of the financial statements, but no restatement was required of comparative amounts.

## Halberg Disability Sport Foundation

Notes to the financial statements for the year ended 30 June 2016

### 4. Revenue

Revenue earned from non-exchange and exchange transactions is detailed below:

	2016	2015
<b>Non-exchange revenue</b>		
Sponsorship	171,655	127,625
Donations	680,210	765,227
Grants	1,242,867	1,353,642
	<u>2,094,732</u>	<u>2,246,494</u>
<b>Exchange revenue</b>		
Function revenue	390,126	297,307
Other revenue	27,694	-
	<u>417,820</u>	<u>297,307</u>

Included in grants is \$30,000 (2015: nil) approved by The New Zealand Lottery Grants Board but not yet received as at year end. This has been recorded as accrued non-exchange revenue.

### 5. Cash and cash equivalents

	2016	2015
Cash at bank	50,427	63,758
Short-term deposits	1,030,000	1,230,000
Total cash and cash equivalents	<u>1,080,427</u>	<u>1,293,758</u>

Cash held for restricted purposes 89,791 88,636

Cash held for restricted purposes relates to lead agency funding received but not yet paid (see also note 10).

### 6. Receivables from exchange transactions

Receivables from exchange transactions are as detailed below:

	2016	2015
Trade receivables	13,948	41,317
GST receivable	19,970	16,397
Interest receivable	5,231	12,413
	<u>39,149</u>	<u>70,127</u>

## Halberg Disability Sport Foundation

Notes to the financial statements for the year ended 30 June 2016

### 7. Property, plant and equipment

Cost	Computer Equipment	Office Equipment	Motor Vehicles	Total
Balance 1 July 2014	62,665	38,887	34,414	135,966
Additions	12,443	24,908	-	37,351
Disposals	-	-	-	-
<b>Balance 30 June 2015</b>	<b>75,108</b>	<b>63,795</b>	<b>34,414</b>	<b>173,317</b>
Balance 1 July 2015	75,108	63,795	34,414	173,317
Additions	-	8,425	-	8,425
Disposals	24,573	8,692	-	33,266
<b>Balance 30 June 2016</b>	<b>50,535</b>	<b>63,528</b>	<b>34,414</b>	<b>148,476</b>

Accumulated Depreciation	Computer Equipment	Office Equipment	Motor Vehicles	Total
Balance 1 July 2014	53,811	11,618	13,416	78,844
Depreciation expense for the year	7,613	11,936	5,603	25,153
Accumulated depreciation on disposals	-	-	-	-
<b>Balance 30 June 2015</b>	<b>61,424</b>	<b>23,554</b>	<b>19,019</b>	<b>103,997</b>
Balance 1 July 2015	61,424	23,554	19,019	103,997
Depreciation expense for the year	6,892	14,226	12,571	33,689
Accumulated depreciation on disposals	24,573	8,692	-	33,266
<b>Balance 30 June 2016</b>	<b>43,743</b>	<b>29,088</b>	<b>31,589</b>	<b>104,420</b>

Net Book Value	Computer Equipment	Office Equipment	Motor Vehicles	Total
Balance 30 June 2015	13,684	40,240	15,395	69,319
Balance 30 June 2016	6,791	34,440	2,825	44,056

## Halberg Disability Sport Foundation

Notes to the financial statements for the year ended 30 June 2016

### 8. Payables from exchange transactions

Payables from exchange transactions are as detailed below:

	2016	2015
Credit card	5,156	6,705
Trade payables	44,143	47,969
Accrued expenses	10,846	1,473
	<u>60,145</u>	<u>56,147</u>

### 9. Non-exchange liabilities

Non-exchange liabilities are detailed below:

	2016	2015
Deferred revenue from grants	71,117	44,154
Deferred revenue from donations	25,000	36,761
Grants approved not yet paid	36,202	30,349
Lead agency funding approved not yet paid	71,515	44,482
	<u>203,834</u>	<u>155,746</u>

### 10. Lead agency funding

	2016	2015
Balance brought forward	44,154	(85,943)
Payments received	333,000	366,336
Grants paid	(287,363)	(191,757)
Grants approved but not yet paid	(71,515)	(44,482)
Closing balance	<u>18,276</u>	<u>44,154</u>

Lead agency funding received in advance is contractually restricted to be distributed in accordance with specific guidelines outlined by Sport New Zealand. Sport New Zealand has allocated \$333,000 (2015: \$336,336) during the year for the trust to distribute to third parties it identifies as important to supporting the delivery of outcomes to physically disabled New Zealanders. Sport New Zealand has confirmed that Halberg Disability Sport Foundation as the lead agency is effectively holding these funds in trust for distribution to third parties rather than on the Halberg Disability Sport Foundation's own account.

### 11. Employee benefits

The liabilities recognised for employee benefits comprise annual leave totalling \$59,427 (2015: \$71,919),

## Halberg Disability Sport Foundation

Notes to the financial statements for the year ended 30 June 2016

### 12. Operating lease commitments

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

	<b>2016</b>	<b>2015</b>
Not later than one year	174,139	131,643
Later than one year and not later than five years	443,776	393,460
Later than five years	-	76,535
Total non-cancellable operating lease payments	<u>617,915</u>	<u>601,638</u>

The Foundation sub-leases its leased premises to external third parties.

### 13. Related party transactions

#### *Key Management Personnel Remuneration*

Key management personnel of the Foundation comprises the Chief Executive and the Executive Board. The aggregate compensation paid during the year was \$172,489 (2015: \$162,522).

### 14. Contingent assets

As at 30 June 2016 there are no contingent assets (2015: nil).

### 15. Contingent liabilities and commitments

As at 30 June 2016 contingent liabilities are nil (2015: nil) and commitments are nil (2015: nil).

### 16. Contributed capital

Contributed capital consists of funds contributed with the establishment of the Halberg Disability Sport Foundation and is classified as net assets/equity.