

Halberg Disability Sport Foundation

Financial Statements

For the year ended 30 June 2018

Halberg Disability Sport Foundation

DIRECTORY FOR THE YEAR ENDED 30 JUNE 2018

Founder	Sir Murray Halberg
Executive Board	Wayne Boyd (Chair) Kevin Malloy (Deputy Chair) Carolyn Steele (Chair Audit & Risk Committee) Bryan Andrews Meg Matthews Raylene Bates Matthew Cooper
Chief Executive	Shelley McMeeken
Nature of Business	The Halberg Disability Sport Foundation is a charitable organisation founded in 1963 by Olympic legend, Sir Murray Halberg (ONZ) which aims to enhance the lives of physically disabled young people through sport and recreation. The core work of the Foundation includes a team of regional Advisers who connect physically disabled young people to sports and recreation opportunities. The Advisers also deliver an inclusive training course and work with schools and sport and recreation organisations on inclusive programmes and events. The Foundation hosts the Halberg Junior Disability Games a national, three-day sports competition for physically disabled young people.
Registered Office & Postal Address	PO Box 11-487, Ellerslie, Auckland 1542 Level 5, 56 Cawley Street, Ellerslie, Auckland 1051
Telephone	09-579-9931
Charities Commission Number	CC3558
Date of Incorporation	30 June 2008 (established 1963)
Auditors	Deloitte Limited
Solicitors	Buddle Findlay

Halberg Disability Sport Foundation

Statement of Comprehensive Revenue and Expense for the year ended 30 June 2018

	Notes	2018	2017
Revenue			
Revenue from Non-Exchange Transactions	4	2,039,332	2,042,101
Revenue from Exchange Transactions	4	424,941	332,933
Total Revenue		2,464,273	2,375,034
Expenses			
Disability sport		1,058,235	1,052,606
Occupancy, depreciation and administration		485,996	421,290
Communication		29,256	41,340
Function expenses		311,985	329,834
Function support		184,211	160,493
Fundraising		209,767	180,289
Activity Fund	3(m)	163,090	178,183
Total expenses		2,442,540	2,364,035
Surplus before finance income		21,733	10,999
Finance income		27,099	31,393
Surplus for the year		48,832	42,392
Other comprehensive revenue and expense		-	-
Total comprehensive revenue and expense for the year		48,832	42,392

The notes to the Financial Statements form part of and are to be read in conjunction with this statement.

Halberg Disability Sport Foundation

Statement of Changes in Net Assets / Equity for the year ended 30 June 2018

	Contributed capital	Accumulated revenue and expense	Total
Balance 1 July 2016	1,000,000	153,294	1,153,294
Total comprehensive revenue and expense for the year	-	42,392	42,392
Balance 30 June 2017	1,000,000	195,686	1,195,686
Balance 1 July 2017	1,000,000	195,686	1,195,686
Total comprehensive revenue and expense for the year	-	48,832	48,832
Balance 30 June 2018	1,000,000	244,518	1,244,518

The notes to the Financial Statements form part of and are to be read in conjunction with this statement.

Halberg Disability Sport Foundation

Statement of Financial Position as at 30 June 2018

	Notes	2018	2017
ASSETS			
Current assets			
Cash and cash equivalents	5(a)	305,600	425,356
Term deposits	5(b)	800,000	800,000
Prepayments		3,830	5,934
Receivables from exchange transactions	6	98,132	43,633
Accrued non-exchange revenue		130,001	1,951
Total current assets		1,337,563	1,276,874
Non current assets			
Investment in Halberg Endowment Fund	3(d)	300,000	300,000
Property, plant & equipment	7	39,844	43,822
Total non current assets		339,844	343,822
TOTAL ASSETS		1,677,407	1,620,696
LIABILITIES			
Current liabilities			
Payables from exchange transactions	8	140,822	115,326
Non-exchange liabilities	9	123,686	200,849
Lead agency funding	10	107,550	54,050
Employee benefit liability	11	60,831	54,785
Total current liabilities		432,889	425,010
TOTAL LIABILITIES		432,889	425,010
NET ASSETS		1,244,518	1,195,686
EQUITY			
Contributed capital		1,000,000	1,000,000
Accumulated revenue and expense		244,518	195,686
TOTAL EQUITY		1,244,518	1,195,686

The notes to the Financial Statements form part of and are to be read in conjunction with this statement.



Wayne Boyd
Chair
2 October 2018



Carolyn Steele
Chair of Audit and Risk Committee
2 October 2018

Halberg Disability Sport Foundation

Statement of Cash Flows for the year ended 30 June 2018

	Notes	2018	2017
Cash flows from operating activities			
Proceeds from customers, grants and donations		2,182,104	2,405,895
Payments to suppliers and employees		(2,230,864)	(2,130,998)
Lead agency funding received		333,000	333,000
Lead agency funding paid		(279,500)	(297,225)
Grants distributed		(140,786)	(178,183)
Net cash generated by operating activities		(136,046)	132,489
Cash flows from investing activities			
Interest received		27,252	24,097
Payments for property, plant and equipment		(10,962)	(11,657)
Investment in controlled entity		-	-
Net cash generated by investing activities		16,290	12,440
Cash flows from financing activities			
Net cash generated by financing activities		-	-
Net (decrease)/increase in cash and cash equivalents		(119,756)	144,929
Cash and cash equivalents at the beginning of the year	5a	425,356	280,427
Cash and cash equivalents at the end of the year	5a	305,600	425,356

The notes to the Financial Statements form part of and are to be read in conjunction with this statement.

Halberg Disability Sport Foundation

Notes to the financial statements for the year ended 30 June 2018

1. General information

Halberg Disability Sport Foundation ("the Foundation") is a registered charity under the Charities Act 2005 and is domiciled in Auckland, New Zealand. The Foundation is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act (2013).

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 Public Benefit Entity Accounting Standards Reduced Disclosure Requirements ("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.

The Foundation is required by its Trust Deed and the Charities Act 2005 to prepare general purpose financial statements.

These financial statements were authorised for issue by the Executive Board on 2 October 2018.

(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
- Whether the investment in Halberg Endowment Fund is impaired

(d) Functional and presentation currency

The financial statements are presented in New Zealand dollars (\$), which is the entity's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest dollar.

Halberg Disability Sport Foundation

Notes to the financial statements for the year ended 30 June 2018

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.

(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. Revenue is 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. This includes revenue from grants, donations and sponsorships. No revenue is recognised for services or donations-in-kind.

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 funds received.

Stipulations that are 'conditions' specifically require the Foundation to return the funds received if they are not utilised in the way stipulated. Stipulations that are 'restrictions' do not specifically require the Foundation to return the funds received if they are not utilised in the way stipulated.

Revenue is recognised when any conditions attached to the grant, donation or sponsorship have been complied with. Where there are unfulfilled conditions attached to the grant, donation or sponsorship, the amount relating to the unfulfilled condition is recognised as a liability and released to revenue as the conditions are fulfilled.

If no conditions are attached to the grant, donation or sponsorship, revenue is recognised when the money is received.

Grants

Grants includes grants from Sport NZ, charitable organisations and other businesses.

Donations

Donations include donations from general public and other organisations.

Sponsorships

Sponsorship revenue includes revenue from partners.

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 2018

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand.

(d) Investment in Halberg Endowment Fund

During the year ended 31 June 2016 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 in the Fund is recognised as a non-cash generating asset and is stated at cost. The investment in the Fund is assessed for indicators of impairment at least annually.

(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 at date of acquisition.

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.

Halberg Disability Sport Foundation

Notes to the financial statements for the year ended 30 June 2018

(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, the Foundation is acting as an agent and no amounts are recognised within the surplus or deficit.

(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.

Halberg Disability Sport Foundation

Notes to the financial statements for the year ended 30 June 2018

(m) Activity fund

The Activity Fund is a grants programme that helps physically disabled young New Zealanders to overcome financial barriers that prevent them from participating in sport and recreation. The Activity Fund is generously supported primarily by the Eagles Golfing Society.

(n) Changes in accounting policies

No changes in accounting policies occurred during the year.

(o) Prior year comparatives

Where necessary certain prior year comparatives have been restated to ensure consistency with currency year presentation.

4. Revenue

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

	2018	2017
Non-exchange revenue		
Sponsorship	76,583	152,764
Donations	651,905	570,598
Grants	1,310,844	1,318,739
	<u>2,039,332</u>	<u>2,042,101</u>
Exchange revenue		
Function revenue	398,954	312,140
Other revenue	25,987	20,793
	<u>424,941</u>	<u>332,933</u>

5(a). Cash and cash equivalents

	2018	2017
Cash at bank	305,600	425,356
Total cash and cash equivalents	<u>305,600</u>	<u>425,356</u>
Cash held for restricted purposes	107,550	54,050

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

5(b). Term deposits

Short-term deposits	800,000	800,000
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There are two short term deposits, one for \$400,000 with a term of 6 months that matured on 12 July 2018 and one for \$400,000 with a term of 180 days that is due to mature on 2 December 2018.

6. Receivables from exchange transactions

Receivables from exchange transactions are as detailed below:

	2018	2017
Trade receivables	61,983	21,424
GST receivable	29,006	14,913
Interest receivable	7,143	7,296
	<u>98,132</u>	<u>43,633</u>

Halberg Disability Sport Foundation

Notes to the financial statements for the year ended 30 June 2018

7. Property, plant and equipment

Cost	Computer Equipment	Office Equipment	Motor Vehicles	Total
Balance 1 July 2016	50,535	63,528	34,414	148,477
Additions	16,550	608	-	17,158
Disposals	-	(17,388)	(18,762)	(36,150)
Balance 30 June 2017	67,085	46,748	15,652	129,485
Balance 1 July 2017	67,085	46,748	15,652	129,486
Additions	4,830	6,132	-	10,962
Disposals				
Balance 30 June 2018	71,915	52,880	15,652	140,447
Accumulated Depreciation	Computer Equipment	Office Equipment	Motor Vehicles	Total
Balance 1 July 2016	43,743	29,088	31,590	104,421
Depreciation expense for the year	7,443	4,404	43	11,890
Accumulated depreciation on disposals	-	(13,846)	(16,802)	(30,648)
Balance 30 June 2017	51,186	19,646	14,831	85,663
Balance 1 July 2017	51,186	19,646	14,831	85,663
Depreciation expense for the year	10,367	4,573	-	14,940
Accumulated depreciation on disposals				
Balance 30 June 2018	61,553	24,219	14,831	100,603
Net Book Value	Computer Equipment	Office Equipment	Motor Vehicles	Total
Balance 30 June 2017	15,899	27,102	821	43,822
Balance 30 June 2018	10,362	28,661	821	39,844

Halberg Disability Sport Foundation

Notes to the financial statements for the year ended 30 June 2018

8. Payables from exchange transactions

Payables from exchange transactions are as detailed below:

	2018	2017
Trade payables	123,264	114,630
Accrued expenses	17,558	696
	140,822	115,326

9. Non-exchange liabilities

Non-exchange liabilities are detailed below:

	2018	2017
Deferred revenue from grants	80,334	170,344
Deferred function revenue	-	9,457
Activity fund grants approved not yet paid	43,352	21,048
	123,686	200,849

10. Lead agency funding

	2018	2017
Balance brought forward	54,050	18,275
Payments received	333,000	333,000
Grants paid	(264,800)	(297,225)
Grants approved but not yet paid	(14,700)	-
Closing balance	107,550	54,050

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 (2017: \$333,000) during the year for the Foundation 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 comprises annual leave totalling \$60,831 (2017: \$54,785).

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:

	2018	2017
Not later than one year	187,986	155,841
Later than one year and not later than five years	262,893	304,338
Later than five years	-	-
Total non-cancellable operating lease payments	450,879	460,179

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

Halberg Disability Sport Foundation

Notes to the financial statements for the year ended 30 June 2018

13. Related party transactions

The Foundation is the controlling entity of the Halberg Endowment Fund ('the Fund'). During the year the Foundation paid \$5,351 of expenses on behalf of the Fund (2017: nil) and was paid \$10,000 of administration fees from the Fund. As at period end, the Fund owes Halberg Disability Sport Foundation \$17,653 (2017: \$98) included in trade payables.

Key Management Personnel Remuneration

The Group classifies its key management personnel in the following classes:

Executive Board
Senior Management

The Executive Board members are not paid an annual fee.

The Senior Management members are employed as employees on normal employment terms and are

	2018	2018	2017	2017
	Remuneration	FTEs	Remuneration	FTEs
Senior Management	\$571,080	4.75	\$505,187	4.25

14. Contingent assets

As at 30 June 2018 there are no contingent assets (2017: nil).

15. Contingent liabilities and commitments

As at 30 June 2018 contingent liabilities are nil (2017: nil) and commitments are nil (2017: nil).

16. Contributed capital

Contributed capital consists of funds contributed with the establishment of the Halberg Disability Sport

17. Events subsequent to reporting date

There were no events subsequent to reporting date.