

# **Halberg Foundation**

**Financial Statements**

**For the year ended 30 June 2022**

# Halberg Foundation

## Directory for the year ended 30 June 2022

Founder	Sir Murray Halberg
Executive Board	Carolyn Steele (Chair) Kevin Malloy (Vice Chair) Meg Matthews (Chair Audit & Risk Committee) Dean Bracewell Raylene Bates Matthew Cooper Duane Kale (appointed 22.11.2021) Bryan Andrews (ceased 22.11.2021)

Chief Executive	Shelley McMeeken (ceased 31.07.2022) Thomas Smith (appointed 03.10.2022)
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Nature of Business	The Halberg 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 Games a national, three-day sports competition for physically disabled young people.
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Registered Office & Postal Address	PO Box 137050, Parnell, Auckland 1151 Unit 2.5, 1 Cleveland Road, Parnell, Auckland 1052
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Telephone	09-579-9931
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Charities Commission Number	CC3558
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Date of Incorporation	30 June 2008 (established 1963)
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Auditors	Deloitte Limited
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Solicitors	Buddle Findlay
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## Halberg Foundation

Statement of Comprehensive Income and Expenditure for the year ended 30 June 2022

	Notes	2022	2021
<b>Revenue</b>			
Revenue from non-exchange transactions - other	4	2,491,318	2,422,068
Revenue from non-exchange transactions - bequests <sup>(1)</sup>	4	85,128	2,280,000
Revenue from exchange transactions	4	33,278	364,440
<b>Total Revenue</b>		2,609,724	5,066,508
<b>Expenses</b>			
Disability sport - delivery		1,320,090	1,274,849
Disability sport - Activity Fund		183,407	169,270
Occupancy, depreciation and administration		477,699	487,888
Marketing & communication		69,152	88,972
Function & events expenses		153,378	395,600
Function & events support		145,721	179,354
Fundraising & sponsorship		172,005	158,670
<b>Total expenses</b>		2,521,452	2,754,603
<b>Surplus before finance income</b>		88,272	2,311,905
Finance income		2,104	11,227
Finance expense		(69,502)	-
Fair value (loss)/gain on investments		(98,668)	-
Reversal of Endowment Fund impairment		-	37,033
<b>(Loss)/Surplus for the year</b>		(77,794)	2,360,165
Other comprehensive revenue and expenses		-	-
<b>Total comprehensive revenue and expenses for the year</b>		(77,794)	2,360,165

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

(1) Bequests include amounts which can only be used for restricted purposes

## Halberg Foundation

Statement of Changes in Net Assets / Equity for the year ended 30 June 2022

	Contributed capital	Restricted equity reserve	Accumulated revenue and expense	Total
Balance 1 July 2020	1,000,000	-	383,072	1,383,072
Total comprehensive revenue and expense for the year	-	-	2,360,165	2,360,165
Transfers to/from accumulated revenue and expense	-	2,280,000	(2,280,000)	-
<b>Balance 30 June 2021</b>	<b>1,000,000</b>	<b>2,280,000</b>	<b>463,237</b>	<b>3,743,237</b>
Balance 1 July 2021	1,000,000	2,280,000	463,237	3,743,237
Total comprehensive revenue and expense for the year	-	-	(77,794)	(77,794)
Transfers to/from accumulated revenue and expense	-	(75,942)	75,942	-
<b>Balance 30 June 2022</b>	<b>1,000,000</b>	<b>2,204,058</b>	<b>461,385</b>	<b>3,665,443</b>

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

# Halberg Foundation

Statement of Financial Position as at 30 June 2022

	Notes	2022	2021
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	792,091	611,880
Term deposits	6	400,000	400,000
Prepayments		6,844	6,825
Receivables from exchange and non-exchange transactions	7	222,933	236,890
Accrued revenue		120,031	120,000
<b>Total current assets</b>		1,541,899	1,375,595
<b>Non-current assets</b>			
Investment in Halberg Endowment Fund	14	300,000	300,000
Endowment Fund related party receivable	16	1,110,498	-
Investment portfolio	8	1,217,898	2,500,000
Property, plant and equipment	9	62,062	87,293
<b>Total non-current assets</b>		2,690,458	2,887,293
<b>TOTAL ASSETS</b>		4,232,357	4,262,888
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables from exchange transactions	10	183,422	211,814
Non-exchange liabilities	11	242,597	136,695
Lead agency funding	12	78,528	78,528
Employee benefit liability	13	62,367	92,614
<b>Total current liabilities</b>		566,914	519,651
<b>TOTAL LIABILITIES</b>		566,914	519,651
<b>NET ASSETS</b>		3,665,443	3,743,237
<b>EQUITY</b>			
Contributed capital	19	1,000,000	1,000,000
Accumulated revenue and expense		461,385	463,237
Restricted equity reserve		2,204,058	2,280,000
<b>TOTAL EQUITY</b>		3,665,443	3,743,237

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



Carolyn Steele  
Executive Board Chair  
7 October 2022



Meg Matthews  
Executive Board Member  
7 October 2022

## Halberg Foundation

Statement of Cash Flows for the year ended 30 June 2022

	Notes	2022	2021
<b>Cash flows from operating activities</b>			
Proceeds from grants, donations and other non-exchange revenue		2,561,548	4,491,122
Proceeds from ticket sales and other exchange revenue		151,923	312,191
Payments to suppliers and employees		(2,361,736)	(2,432,605)
Lead agency funding received		-	268,000
Lead agency funding paid		-	(277,000)
Grants distributed		(167,322)	(175,563)
<b>Net cash generated by operating activities</b>		<b>184,414</b>	<b>2,186,144</b>
<b>Cash flows from investing activities</b>			
Finance income		2,104	17,183
Redemption/(purchase) of investments		1,180,000	(2,500,000)
Related party receivable		(1,180,000)	-
Proceeds from term deposits		-	400,000
Payments for property, plant and equipment		(6,306)	(75,659)
<b>Net cash generated by investing activities</b>		<b>(4,202)</b>	<b>(2,158,476)</b>
<b>Net increase in cash and cash equivalents</b>		180,212	27,668
Cash and cash equivalents at the beginning of the year	5	611,880	584,212
<b>Cash and cash equivalents at the end of the year</b>	5	<b>792,091</b>	<b>611,880</b>

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

# Halberg Foundation

Notes to the financial statements for the year ended 30 June 2022

## 1. General information

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

## 2. Basis for 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 7 October 2022.

### (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

# Halberg Foundation

Notes to the financial statements for the year ended 30 June 2022

## (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.

## 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, fundraisers, and sponsorships. No revenue is recognised for services or donations-in-kind.

#### *Sponsorships, donations, fundraisers, bequests and grants*

The recognition of non-exchange revenue from sponsorships, donations, fundraisers, bequests and grants 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 sponsorship, donation, fundraiser, or grant have been complied with. Where there are unfulfilled conditions attached to the sponsorship, donation, fundraiser, or grant, 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 sponsorship, donation, fundraiser, or grant, revenue is recognised when the money is received.

#### *Sponsorships*

Sponsorship revenue includes revenue from partners.

#### *Donations*

Donations include donations from general public and other organisations.

#### *Fundraising revenue*

Fundraising revenue includes revenue received from organised events.



## Halberg Foundation

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Notes to the financial statements for the year ended 30 June 2022

### *Bequests*

Bequests include donations from a deceased estate.

### *Grants*

Grants includes grants from Sport NZ, charitable organisations, wage subsidies received from the Ministry of Social Development in response to the novel COVID-19 pandemic virus and other businesses.

### *Revenue from exchange transactions*

Revenue from exchange transactions consists of ticket proceeds and other revenue. Ticket proceeds 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.

### **(c) Cash and cash equivalents**

Cash and cash equivalents include cash on hand.

### **(d) Investment in Halberg Endowment Fund**

During the year ended 30 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 the recoverable amount. The investment in the Fund is assessed for indicators of impairment at least annually.

# Halberg Foundation

Notes to the financial statements for the year ended 30 June 2022

## (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	33 - 50%
Projectors	25%

### Office equipment

Office fit out	10 - 30%
Furniture	16 - 25%
Other equipment	40 - 67%

### Motor vehicles

Cars (used)	33%
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## (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, the Foundation is acting as an agent and no amounts are recognised within the surplus or deficit.

## Halberg Foundation

Notes to the financial statements for the year ended 30 June 2022

### (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 (GST)

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.

# Halberg Foundation

Notes to the financial statements for the year ended 30 June 2022

## (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) 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) Government grant

Halberg Foundation has recognised the New Zealand Government wage subsidy grant received as part of non-exchange revenue per note 4 in accordance with PBE IPSAS 23.

## (o) Changes in accounting policies

There have been no changes the in accounting policies during the year.

## (p) Investments

Financial assets are classified at fair value through surplus / (deficit) (FVTSD) where the financial asset is either held for trading or it is designated as a FVTSD. A financial asset may be designated at FVTSD upon initial recognition if the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis. Investments consist of equities and cash managed by an investment advisor. All investments are therefore designated at fair value through surplus / (deficit) in accordance with IPSAS 29: Financial Instruments: recognition and measurement. Financial assets at FVTSD are stated at fair value, with any resultant gain or loss recognised in the statement of comprehensive revenue and expense.

The net gain or loss recognised in surplus / (deficit) incorporates any dividend or interest earned on the financial asset.

## (q) Going concern

The spread of novel coronavirus (COVID-19) still has an impact on the global economic environment in the 30 June 2022 period. When preparing the financial statements, management has made an assessment of the Foundation's ability to continue as a going concern. They have assessed that these circumstances do not cast significant doubt on the Foundation's ability to continue as a going concern, on the basis that mitigation plans have been implemented, the Fund has available reserves and continued support from key funders.

## (r) Prior year comparatives

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

## (s) Standards issued not yet effective

### *PBE FRS 48 - Service Performance Reporting*

This new standard introduces high-level requirements for Tier 1 and Tier 2 PBEs relating to service performance information. All NFP PBEs, and those PS PBEs which are legally required to provide service performance information, must provide the following information:

- The reason for the entity's existence, what the entity aims to achieve over the medium to long term (in broad terms), and how it will go about achieving this; and
- What the entity has done in order to achieve its broader aims and objectives, as stated above.

This Standard has an effective date for annual periods beginning on or after 1 January 2022, with early application permitted. The Group will adopt these reporting requirements from the period starting 1 July 2022.

# Halberg Foundation

Notes to the financial statements for the year ended 30 June 2022

## 4. Revenue

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

<b>Non-exchange revenue</b>	<b>2022</b>	<b>2021</b>
Sponsorship	450,800	349,585
Donations	437,361	354,757
Bequests	85,128	2,280,000
Fundraising revenue	94,070	178,594
Grants	1,417,887	1,539,132
Government grants	91,200	-
	<u>2,576,446</u>	<u>4,702,068</u>
<b>Exchange revenue</b>		
Ticket proceeds	7,800	328,137
Other revenue	25,478	36,303
	<u>33,278</u>	<u>364,440</u>

## 5. Cash and cash equivalents

	<b>2022</b>	<b>2021</b>
Cash at bank	792,091	611,880
Cash held for restricted purposes	78,528	78,528

Cash held for restricted purposes relates to lead agency funding received but not yet paid (see also note 12).

## 6. Term deposits

Short-term deposits	400,000	400,000
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There is one short-term deposit for \$400,000 with a term of 30 days which accrues interest at 0.70% at year-end, due to mature on 27 July 2022. (2021: There was one short-term deposit for \$400,000 with a term of 30 days which accrues interest at 0.15% at year-end)

## 7. Receivables from exchange and non-exchange transactions

Receivables from exchange and non-exchange transactions are as detailed below:

	<b>2022</b>	<b>2021</b>
Trade receivables	214,468	195,893
GST receivable	8,465	40,997
	<u>222,933</u>	<u>236,890</u>

## Halberg Foundation

Notes to the financial statements for the year ended 30 June 2022

### 8. Investments

	<b>2022</b>	<b>2021</b>
Investment portfolio	1,217,898	2,500,000
	1,217,898	2,500,000

The fair value of investments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The fair value of units held by the Funds in managed investment funds is determined by reference to published bid prices at the close of business on the reporting date being the redemption price established by the underlying investment fund managers.

### 9. Property, plant and equipment

<b>Cost</b>	<b>Computer Equipment</b>	<b>Office Equipment</b>	<b>Motor Vehicles</b>	<b>Total</b>
Balance 1 July 2020	91,887	77,251	4,256	173,394
Additions	52,277	23,381	-	75,658
Disposals	(56,787)	(32,552)	-	(89,339)
<b>Balance 30 June 2021</b>	<b>87,377</b>	<b>68,080</b>	<b>4,256</b>	<b>159,713</b>
Balance 1 July 2021	87,377	68,080	4,256	159,713
Additions	4,731	1,574	-	6,305
Disposals	-	-	-	-
<b>Balance 30 June 2022</b>	<b>92,108</b>	<b>69,654</b>	<b>4,256</b>	<b>166,018</b>
<b>Accumulated Depreciation</b>	<b>Computer Equipment</b>	<b>Office Equipment</b>	<b>Motor Vehicles</b>	<b>Total</b>
Balance 1 July 2020	80,688	38,856	953	120,497
Depreciation expense for the year	22,094	10,059	1,418	33,571
Accumulated depreciation on disposals	(55,886)	(25,762)	-	(81,648)
<b>Balance 30 June 2021</b>	<b>46,896</b>	<b>23,153</b>	<b>2,371</b>	<b>72,420</b>
Balance 1 July 2021	46,896	23,153	2,371	72,420
Depreciation expense for the year	23,012	7,460	1,064	31,536
Accumulated depreciation on disposals	-	-	-	-
<b>Balance 30 June 2022</b>	<b>69,908</b>	<b>30,613</b>	<b>3,435</b>	<b>103,956</b>
<b>Net Book Value</b>	<b>Computer Equipment</b>	<b>Office Equipment</b>	<b>Motor Vehicles</b>	<b>Total</b>
Balance 30 June 2021	40,481	44,927	1,885	87,293
Balance 30 June 2022	22,200	39,041	821	<b>62,062</b>

## Halberg Foundation

Notes to the financial statements for the year ended 30 June 2022

### 10. Payables from exchange transactions

Payables from exchange transactions are as detailed below:

	<b>2022</b>	<b>2021</b>
Trade payables and credit card	139,597	176,814
Accrued expenses	43,825	35,000
	183,422	211,814

### 11. Non-exchange liabilities

Non-exchange liabilities are detailed below:

	<b>2022</b>	<b>2021</b>
Deferred revenue from grants	62,079	80,942
Revenue received in advance	108,683	-
Activity Fund grants approved not yet paid	71,835	55,753
	242,597	136,695

Revenue received in advance relates to ticket sales that have been held for Halberg Awards February 2023 and Halberg Games Oct 2022.

### 12. Lead agency funding

	<b>2022</b>	<b>2021</b>
Balance brought forward	78,528	87,528
Payments received	-	268,000
Grants paid	-	(277,000)
Closing balance	78,528	78,528

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 \$nil (2021: \$268,000) during the year for Halberg 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 Foundation as the lead agency is effectively holding these funds in trust for distribution to third parties rather than on the Halberg Foundation's own account.

### 13. Employee benefits

The liabilities recognised for employee benefits comprises annual leave totalling \$62,367 (2021: \$92,614).

### 14. Investment in Halberg Endowment Fund

	<b>2022</b>	<b>2021</b>
Opening balance	300,000	262,967
Reversal of Endowment Fund impairment	-	37,033
Closing balance	300,000	300,000

Given the total net assets of the Endowment Fund exceeded the investment amount, an impairment reversal of \$37,033 was recognised in the prior year.

## Halberg Foundation

Notes to the financial statements for the year ended 30 June 2022

### 15. 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>2022</b>	<b>2021</b>
Not later than one year	125,602	173,057
Later than one year and not later than five years	68,187	172,296
Later than five years	-	-
<b>Total non-cancellable operating lease payments</b>	<b>193,789</b>	<b>345,353</b>

In May 2021 Halberg Foundation entered into a new lease for it's offices in Parnell which expires in April 2024.

### 16. Related party transactions

Halberg is the controlling entity of the Halberg Endowment Fund ("the Fund"). Transactions for the year include the following:

	<b>Income/Expense</b>	
	<b>2022</b>	<b>2021</b>
<i>Related party transactions</i>		
Administration fee	10,000	10,000
Interest on related party receivable	(69,502)	-
Expenses on behalf	2,834	5,534
 <i>Related party balances</i>		
	<b>2022</b>	<b>2021</b>
Related Party Receivable	1,110,498	-
Trade Receivables	12,765	68,766

On the 1st of March 2022, Halberg Foundation transferred \$1,180,000 to Halberg Endowment Fund to fund certain organisational activities, initiatives and projects. This loan is not repayable for three years following the date of advance and following this repayment up to maximum of \$250,000 per annum can be demanded by the Foundation. Interest is accrued annually in arrears on the outstanding loan balance on 30 June each year which is calculated as 1% per annum less the annual return (net of investment fees). The annual return for FY22 was -4.89%, therefore the Foundation has recorded a interest expense of \$69,502 (5.89% of the loan at balance date).

#### *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 responsible for reporting to the Board.

	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
	Remuneration	FTEs	Remuneration	FTEs
Senior Management	\$555,931	4	\$543,280	4



# Halberg Foundation

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Notes to the financial statements for the year ended 30 June 2022

## **17. Contingent assets**

As at 30 June 2022 there are no contingent assets (2021: nil).

## **18. Contingent liabilities and commitments**

As at 30 June 2022 contingent liabilities are nil (2021: nil) and commitments are nil (2021: nil).

## **19. Contributed capital**

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

## **20. Other equity reserves**

This balance represents the unexpended balance of funds received from donors for restricted purposes.

## **21. Events subsequent to reporting date**

There have been no events subsequent to balance date which would have a material effect on the financial statements.

## Independent Auditor's Report

### To the Executive Board of Halberg Foundation

#### Opinion

We have audited the financial statements of Halberg Foundation (the 'entity'), which comprise the statement of financial position as at 30 June 2022, and the statement of comprehensive revenue and expense, statement of changes in net assets/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 statements, on pages 3 to 17, present fairly, in all material respects, the financial position of the entity as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

#### Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Entity in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards), and we have fulfilled our other ethical responsibilities in accordance with these requirements

Other than in our capacity as auditor and the provision of financial statement compilation services, we have no relationship with or interests in the entity. These services have not impaired our independence as auditor of the entity.

#### Executive Board's responsibilities for the financial statements

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

In preparing the financial statements, the Executive Board is responsible for assessing the entity'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 Executive Board either intend to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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 economic decisions of users taken on the basis of these financial statements.

**Auditor’s responsibilities for the audit of the financial statements**

A further description of our responsibilities for the audit of the financial statements is located on the External Reporting Board’s website at:

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8>

This description forms part of our auditor’s report.

**Restriction on use**

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

*Deloitte Limited*

**Auckland, New Zealand**

**7 October 2022**

This audit report relates to the financial statements of Halberg Foundation (the ‘entity’) for the year ended 30 June 2022 included on the entity’s website. The Executive Board is responsible for the maintenance and integrity of the entity’s website. We have not been engaged to report on the integrity of the entity’s website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report to confirm the information included in the audited financial statements presented on this website.