

# **Halberg Foundation**

**Financial Report**  
**For the year ended 30 June 2023**

# Halberg Foundation

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For the year ended 30 June 2023

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# Halberg Foundation

## Directory for the year ended 30 June 2023

Founder	Sir Murray Halberg (1933-2022)
	Carolyn Steele (Chair)
	Kevin Malloy (Deputy Chair)
	Meg Matthews (Chair Audit & Risk Committee)
Executive Board	Raylene Bates
	Dean Bracewell
	Duane Kale
	Matthew Cooper (ceased 16.11.2022)
	George Bridgewater (appointed 16.11.2022)

Chief Executive	Shelley McMeeken (ceased 31.07.2022)
	Thomas Smith (appointed 03.10.2022)

Nature of Business	<p>The Halberg Foundation is a charitable organisation founded in 1963 by Olympic legend, Sir Murray Halberg (ONZ, 1933 - 2022) 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.</p>
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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 Group Directors' report

The Executive Board has the pleasure of presenting the financial report of the Halberg Foundation Group, incorporating the consolidated financial statements and statement of service performance for the year ended 30 June 2023.

The Executive Board of Halberg Foundation Group authorised this consolidated financial report on pages 5 to 23 for issue on the date noted below.

For and on behalf of the Board:



Carolyn Steele  
Executive Board Chair  
11 October 2023



Meg Matthews  
Executive Board Member  
11 October 2023

## Halberg Foundation

Statement of Comprehensive Revenue and Expense for the year ended 30 June 2023

	Notes	2023	2022
<b>Revenue</b>			
Revenue from non-exchange transactions - other	4	2,634,517	2,491,318
Revenue from non-exchange transactions - bequests <sup>(1)</sup>	4	2,329	85,128
Revenue from exchange transactions	4	499,577	33,278
<b>Total Revenue</b>		3,136,423	2,609,724
<b>Expenses</b>			
Disability sport - delivery		1,353,005	1,347,660
Disability sport - Activity Fund		249,871	183,407
Occupancy, depreciation and administration		681,576	450,129
Marketing & communication		62,484	69,152
Disability events & function expenses		555,338	153,378
Disability events & function support		191,760	145,721
Fundraising & sponsorship		193,565	172,005
<b>Total expenses</b>		3,287,599	2,521,452
<b>(Loss)/Surplus before finance income</b>		(151,176)	88,272
Finance income		79,054	2,104
Finance expense		-	(69,502)
Fair value gain/(loss) on investments		86,092	(98,668)
<b>Surplus/(Loss) for the year</b>		13,970	(77,794)
Other comprehensive revenue and expenses		-	-
<b>Total comprehensive revenue and expenses for the year</b>		13,970	(77,794)

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 2023

	Contributed capital	Restricted equity reserve	Accumulated revenue and expense	Total
Balance 1 July 2021	1,000,000	2,280,000	463,237	3,743,237
Transfers to/from accumulated revenue and expense	-	(75,942)	75,942	-
Total comprehensive revenue and expense for the year	-	-	(77,794)	(77,794)
<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>
Balance 1 July 2022	1,000,000	2,204,058	461,385	3,665,443
Transfers to/from accumulated revenue and expense	-	(238,742)	238,742	-
Total comprehensive revenue and expense for the year	-	-	13,970	13,970
<b>Balance 30 June 2023</b>	<b>1,000,000</b>	<b>1,965,316</b>	<b>714,097</b>	<b>3,679,413</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 2023

	Notes	2023	2022
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	360,243	792,091
Term deposits	6	600,000	400,000
Prepayments		-	6,844
Receivables from exchange transactions	7	128,878	222,933
Accrued non-exchange revenue	7	124,067	120,031
<b>Total current assets</b>		1,213,188	1,541,899
<b>Non-current assets</b>			
Investment in Halberg Endowment Fund	14	300,000	300,000
Related party receivable	16	1,173,628	1,110,498
Investment portfolio	8	1,297,714	1,217,898
Property, plant and equipment	9	111,868	62,062
<b>Total non-current assets</b>		2,883,210	2,690,458
<b>TOTAL ASSETS</b>		4,096,398	4,232,357
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables from exchange transactions	10	123,821	183,422
Non-exchange liabilities	11	239,879	242,597
Lead agency funding	12	-	78,528
Employee benefit liability	13	53,285	62,367
<b>Total current liabilities</b>		416,985	566,914
<b>TOTAL LIABILITIES</b>		416,985	566,914
<b>NET ASSETS</b>		3,679,413	3,665,443
<b>EQUITY</b>			
Contributed capital	19	1,000,000	1,000,000
Accumulated revenue and expense		714,097	461,385
Restricted equity reserve	20	1,965,316	2,204,058
<b>TOTAL EQUITY</b>		3,679,413	3,665,443

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

## Halberg Foundation

Statement of Cash Flows for the year ended 30 June 2023

	Notes	2023	2022
<b>Cash flows from operating activities</b>			
Proceeds from grants, donations and other non-exchange revenue		2,613,325	2,561,548
Proceeds from ticket sales and other exchange revenue		593,632	151,923
Payments to suppliers and employees		(3,052,188)	(2,361,736)
Lead agency funding returned		(78,528)	-
Grants distributed		(231,038)	(167,322)
<b>Net cash (used)/generated by operating activities</b>		<b>(154,797)</b>	<b>184,413</b>
<b>Cash flows from investing activities</b>			
Finance income		13,858	2,104
Redemption of investments		-	1,180,000
Related party receivable		-	(1,180,000)
Investments in term deposits		(200,000)	-
Payments for property, plant and equipment		(90,909)	(6,306)
<b>Net cash used by investing activities</b>		<b>(277,051)</b>	<b>(4,202)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(431,848)	180,211
Cash and cash equivalents at the beginning of the year	5	792,091	611,880
<b>Cash and cash equivalents at the end of the year</b>	5	<b>360,243</b>	<b>792,091</b>

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



## Statement of Service Performance

### Statement of Compliance

This Statement of Service Performance is prepared for the year ended 30 June 2023. This statement was authorised by the Executive Board on the 11<sup>th</sup> of October 2023.

The Statement of Service Performance has been prepared in accordance with Tier 2 PBE financial reporting standards, which have been applied consistently throughout the period and complies with New Zealand generally accepted accounting practice (NZ GAAP).

### Who we are, what we do and why we exist?

The Halberg Foundation is a charitable organisation founded in 1963 by Olympic legend, Sir Murray Halberg ONZ, MBE on the belief that all people, regardless of their ability, should have equal opportunity to enhance their lives through sport and recreation. Since 1963, the Foundation has worked tirelessly to make Sir Murray's vision a reality for New Zealand's physically disabled people.

The core work of Halberg includes a team of regional Advisers throughout New Zealand. These dedicated and expert staff work with physically disabled young people and their families to get them involved in sports and recreation. They also collaborate with schools, local sport and recreation organisations, facilities and clubs to raise awareness and capability for the provision of inclusive sports programmes and events.

Halberg delivers Halberg Inclusion Training – an inclusive training course on adapting physical activity to include all New Zealanders in mainstream activities, events and programmes

The Halberg Foundation also hosts the Halberg Games a national, three-day sports competition for physically disabled and vision impaired young people aged 8 - 21 years. The Games give the attendees the opportunity to compete against other young people with similar impairments and pursue further sports goals.

The Halberg Activity Fund provides grants to physically disabled young people (under 21 years) to help overcome the financial barriers that prevent them from participating in sport and recreation. These grants help pay for sports equipment, lessons and assistance at school camps.

Halberg's flagship fundraising event is the ISPS Handa Halberg Awards, New Zealand's pre-eminent sports awards to honour and celebrate sporting excellence.

Our **vision** is for all young people with physical disabilities to have an equal opportunity to participate in sport & recreation.

Our **purpose** is bringing about moments of joy.

“He waka eke noa, mō Aotearoa whānui”

We are all in this waka together, for all the people of New Zealand.

### How we generate income?

We sustain our efforts through the generous support of our sponsors, partners and funders.

### Who are our key stakeholders?

Our key stakeholders have been identified as (but not limited to)

- Young people and their families
- Participants
- Youth Council
- Sponsors
- Sport Organisations

- Education providers
- Partners: and
- Funding providers.

**What we intend to achieve in broad terms over the medium to long term and how did we go about doing this?**

The Halberg Foundation works to fulfil its vision and purpose through three key strategies:

1. Inclusion education – providing easily accessible digital courses and resources.
2. Participation - educating and increasing the capability of sports, recreation and education sectors in inclusiveness.
3. Youth - strengthening our relationship with youth.

**Key judgements:**

In developing the statement of service performance information for the period ended 30 June 2023 Management have made key judgements regarding the information to be presented.

The key judgements include:

- An evaluation of what information is most appropriate and meaningful to users and stakeholders when assessing performance against our purpose and objectives.
- Providing an appropriate balance between providing comprehensive information on the Foundation’s service performance ensuring the report is concise and focused.
- Consistent presentation and disclosure of performance information, to facilitate meaningful comparisons overtime, allowing users to evaluate changes and trends in service performance effectively.

To enhance transparency, disclosure of relevant assumptions, estimates and limitations have been included within this report.

**Objective 1 – Inclusion Education**

We deliver inclusion education to Schools, Clubs, Regional Sport Trusts, and National Sport Organisations to name a few. This is delivered in a mix of formats and styles tailored to the organisation’s requirements.

The aim of the course is to increase knowledge and skills of teachers and sport deliverers to give them the confidence and resources to deliver quality sporting opportunities to all.

We utilise digital systems and technologies to distribute inclusion training resources nationally, as well as improving the end user experience using the organisation website and online application/registration/forms and portals.

Performance measure	Key measure	2023	2022 (unaudited)	Commentary
Attendees feel confident post-training to practice and action inclusivity.	Average survey scores from attendees:  A: immediately after inclusion training  B: six months after inclusion training.	Achieved	Achieved	1,887 attendees were surveyed with a response rate of 13.73%. Participants were asked to score the training on a scale of 1-10 (or 1-5 prior to 1 April 2023) for the following question: <ul style="list-style-type: none"> <li>I am confident in how to modify activities to create an inclusive environment</li> </ul> <p>A score over 7 (3.5 for surveys prior to 1 April) is considered satisfactory.</p> <p>Note from 1 April 2023 a 10 point scale was used. Prior to 1 April 2023 a 5 point scale was used.</p>

## Objective 2 – Participation

At a national and regional level, we are working with sports codes, recreation providers and education institutions to increase their ability to include physically disabled tamariki and rangatahi in their activities, this is outworked with practical support by regional staff.

We measure this objective through the participation and opportunities provided through the Halberg Activity Fund, the Halberg Games and regional events.<sup>1</sup>

Performance measure	Key measure	2023	2022 (unaudited)	Commentary
Participation and opportunities provided from the Halberg Activity Fund.	A: Number of grants approved from the activity fund.	290	233	The group defines new activity opportunities as an activity that a young person has never participated in before.
	B: % of funds allocated to continuation of support	49.8%	54.1%	
	C: % of funds allocated to new activity opportunities	50.2%	45.9%	
Participation and opportunities provided during the Halberg national game events.	A: Number of athletes registered  B: Average number of opportunities provided during the events	224  5.55 at the national event	No comparatives <sup>1</sup>	The group defines opportunities provided as number of activities that a young person participated in at the games.  Based on the data we collect at the events; we have averaged the number of sport registrations per athlete to calculate an average number of activities per athlete at the event.

<sup>1</sup> We ran 4 Halberg Games events during 2023, however due to Covid 19 related requirements, we were not able to run any Halberg Games events in 2022.

### Objective 3 – Youth

We recognise that connection with all our young people and their whanau is critical to our work, ensuring that they are at the centre. A key part of this connection is our Youth Council, who can provide insight and ideas to drive programmes and work forward.

As our primary cohort is aged between 5 and 21, it is imperative that we continue to invest in and find new young people and families to support.

In addition to growing our cohort, we are an organisation who needs to understand what our cohort need and want from their physical activity. We outwork this through facilitating a Youth Council, 10 disabled young people from around New Zealand who help to direct and define aspects of the work we do. Currently, young people are only eligible between the ages of 17 – 21.

Performance measure	Key measure	2023	2022 (unaudited)	Commentary
Youth and family outreach.	Youth Council attendance at national Halberg events	7	No comparatives <sup>1</sup>	This is the number of Youth Council members who attended the national Halberg games in April 2023. Due to Covid related issues we were unable to run a Halberg Games event in the previous financial year.
Understanding our youth through the Youth Council facilitation.	Number of committee meetings per year	9	2	This is the number of scheduled Youth Council hui that occurred this year. There were 2 in person hui, and 7 online hui. These meetings include discussion of new ideas, new/existing programmes and act as a way for Youth Council to connect regularly.

# Halberg Foundation

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Notes to the financial statements for the year ended 30 June 2023

## 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 report has 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.

This financial report was authorised for issue by the Executive Board on 11 October 2023.

### (b) Measurement basis

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

# Halberg Foundation

Notes to the financial statements for the year ended 30 June 2023

## **(c) Use of judgements and estimates**

The preparation of the financial report 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 report 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

## *Statement of Service Performance*

In preparing the Foundation's statement of service performance on pages 9 to 12, management has made judgements in relation to which measures and indicators best reflect the achievement status of our performance of the Foundation's purpose to enhance the lives of physically disabled young people through sport and recreation and contribute towards specific key priorities and objectives.

The selection of measures to report was initially based on management's assessment of what data was currently available, reliable, and could be independently verified. This was further refined through discussions with staff and key management personnel, as a result the key services were identified that would best illustrate what the Foundation has done in pursuit of its objectives. The performance measures related to our key services and are designed to inform on our key priorities of opportunity, social inclusion, training and equip, and for purpose organisation. It must be noted, that through this process management decided not to report against all objectives and measures that contribute to the outcome of the Foundation's services because, at this time, outputs for these measures are not easily available.

## **(d) Functional and presentation currency**

The financial report is 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.

## **(e) Prior period reclassifications**

Certain prior period comparative numbers have been reclassified to conform with current year classifications. In the 2022 statement of comprehensive income and expenditure, \$27,570 has been reclassified from Occupancy, depreciation and administration expenses to Disability sport - delivery expenses.

## **3. Summary of significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in this financial report and have been applied consistently by the Foundation.

# Halberg Foundation

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Notes to the financial statements for the year ended 30 June 2023

## **(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.

### *Bequests*

Bequests include donations from a deceased estate.

### *Grants*

Grants includes grants from Sport NZ, charitable organisations, Ministry of Youth Development 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.

# Halberg Foundation

Notes to the financial statements for the year ended 30 June 2023

## (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.

## (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 depreciation rates are:

### Computer equipment

Laptops and tablets	50%	Diminishing value
Networking equipment	33 - 50%	Diminishing value
Projectors	13 - 25%	Diminishing value

### Office equipment

Office fit out	10 - 50%	Diminishing value
Furniture	10 - 25%	Diminishing value
Other equipment	30 - 50%	Diminishing value

### Motor vehicles

Accessories	20 - 33%	Straight line
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## (f) Payables from exchange transactions

Payables from exchange transactions 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 Foundation

Notes to the financial statements for the year ended 30 June 2023

## **(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**

For the period commencing 1 July 2022, the Foundation adopted Public Benefit Entity International Public Sector Accounting Standard 41 Financial Instruments (PBE IPSAS 41) which supersedes PBE IPSAS 29 Financial Instruments: Recognition and Measurement.

The standard did not have an impact on the Foundation's financial statements in the 2023 and 2022 financial years. In reaching this conclusion the Foundation has determined that there is no material adjustment from the required forward-looking Expected Credit Loss methodology outlined in paragraph 73-93 of the standard.

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, receivables and term deposits*

These are measured initially at fair value which is normally the transaction price (the fair value of the consideration given or received). The Foundation's management model is to hold Receivables & Term Deposits (Financial Assets) in order to collect contractual cash flows. Where the terms of the arrangements are solely payments of principal (SPPI) and interest on the principal amount outstanding, those assets are classified and subsequently measured at amortised cost using the effective interest method, less any impairment.

The Foundation has determined that the applicable charges for expected credit loss (impairment) is not material. The effective interest rate is the rate that exactly discounts estimated future cash receipts excluding expected credit losses, through the expected life of the instrument, or, where appropriate, a shorter period, to the gross carrying amount of the instrument on initial recognition.

Where the terms of the arrangement are not SPPI then the instruments are classified at fair value through surplus or deficit.

### *Investment portfolio*

These represent equity instruments and debt instruments. The equity investments are mandatorily classified and measured at fair value through surplus or deficit. As the debt instruments have a held for trading management model they also have the same, fair value through surplus or deficit treatment.

### *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.

### *Financial liabilities*

These are payables, lead agency funding and grants approved but not yet paid. These are measured initially at fair value which is normally the transaction price (the fair value of the consideration given or received). Financial liabilities classified as amortised cost are non-derivative financial liabilities that are not classified as fair value through surplus or deficit financial liabilities.

# Halberg Foundation

Notes to the financial statements for the year ended 30 June 2023

## **(j) Goods and Services Taxation (GST)**

This financial report has 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) 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**

There have been no new accounting policies adopted in the current year.

## **(o) New and amended accounting standards**

Standards and amendments issued that are effective and have been adopted in the current year are:

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

This new standard introduced 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.

### *PBE IPSAS 41 - Financial Instruments*

This new standard establishes requirements for the recognition and measurement of financial instruments by Tier 1 and Tier 2 public benefit entities. When applied, PBE IPSAS 41 supersedes most of PBE IPSAS 29 Financial Instruments: Recognition and Measurement.

The standard did not have an impact on the Foundations's financial statements in the 2023 and 2022 financial years. In reaching this conclusion the Foundation has determined that there is no material adjustment from the required forward-looking Expected Credit Loss methodology outlined in paragraph 73-93 of the standard.

## **(p) Going concern**

When preparing this financial report, management has made an assessment of the Foundation's ability to continue as a going concern. They have concluded there were no events that cast significant doubt on the Foundation's ability to continue as a going concern, on the basis there is continued support from key funders. Therefore, this financial report has been prepared on a going concern basis.

# Halberg Foundation

Notes to the financial statements for the year ended 30 June 2023

## 4. Revenue

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

	<b>2023</b>	<b>2022</b>
<b>Non-exchange revenue</b>		
Sponsorship	553,200	450,800
Donations	485,702	437,361
Bequests	2,329	85,128
Fundraising revenue	219,471	94,070
Grants	1,288,421	1,291,862
Government grants	87,723	217,225
	<u>2,636,846</u>	<u>2,576,446</u>
<b>Exchange revenue</b>		
Ticket proceeds	441,768	7,800
Other revenue	57,809	25,478
	<u>499,577</u>	<u>33,278</u>

## 5. Cash and cash equivalents

	<b>2023</b>	<b>2022</b>
Cash at bank	360,243	792,091
Cash held for restricted purposes	-	78,528

Cash held for restricted purposes relates to lead agency funding received but not yet paid (see also note 12). During the year \$78,528 of undistributed lead agency funding held by Halberg Foundation was returned to Sport New Zealand (2022: \$nil). As at balance date, the balance of cash held for restricted purposes was nil (2022: \$78,528).

## 6. Term deposits

Short-term deposits	600,000	400,000
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There are two term deposits at year-end; one for \$200,000 which accrues interest at 5.0% with maturity date of 8 September 2023, and one for \$400,000 which accrues interest at 5.7% with maturity date of 8 December 2023 (2022: There was one short-term deposit for \$400,000 with a term of 30 days which accrued interest at 0.7% at year-end).

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

Receivables from exchange transactions are as detailed below:

	<b>2023</b>	<b>2022</b>
Trade receivables	120,534	214,468
GST receivable	8,344	8,465
	<u>128,878</u>	<u>222,933</u>

Accrued non-exchange revenue are as detailed below:

	<b>2023</b>	<b>2022</b>
Accrued revenue	122,000	120,031
Accrued interest	2,067	-
	<u>124,067</u>	<u>120,031</u>

Accrued non-exchange revenue comprises of funding due from Sport NZ and accrued interest from term deposits.

# Halberg Foundation

Notes to the financial statements for the year ended 30 June 2023

## 8. Investments

	<b>2023</b>	<b>2022</b>
Investment portfolio	1,297,714	1,217,898
	<u>1,297,714</u>	<u>1,217,898</u>

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 2021	87,377	68,080	4,256	159,713
Additions	4,731	1,574	-	6,305
Disposals	-	-	-	-
<b>Balance 30 June 2022</b>	<u>92,108</u>	<u>69,654</u>	<u>4,256</u>	<u>166,018</u>
Balance 1 July 2022	92,108	69,654	4,256	166,018
Additions	64,194	26,715	-	90,909
Disposals	-	-	-	-
<b>Balance 30 June 2023</b>	<u>156,301</u>	<u>96,369</u>	<u>4,256</u>	<u>256,927</u>
<b>Accumulated Depreciation</b>	<b>Computer Equipment</b>	<b>Office Equipment</b>	<b>Motor Vehicles</b>	<b>Total</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>	<u>69,908</u>	<u>30,613</u>	<u>3,435</u>	<u>103,956</u>
Balance 1 July 2022	69,908	30,613	3,435	103,956
Depreciation expense for the year	27,122	13,160	821	41,103
Accumulated depreciation on disposals	-	-	-	-
<b>Balance 30 June 2023</b>	<u>97,030</u>	<u>43,773</u>	<u>4,256</u>	<u>145,059</u>
<b>Net Book Value</b>	<b>Computer Equipment</b>	<b>Office Equipment</b>	<b>Motor Vehicles</b>	<b>Total</b>
Balance 30 June 2022	22,200	39,041	821	62,062
Balance 30 June 2023	<u>59,272</u>	<u>52,596</u>	<u>-</u>	<u>111,868</u>

# Halberg Foundation

Notes to the financial statements for the year ended 30 June 2023

## 10. Payables from exchange transactions

Payables from exchange transactions are as detailed below:

	2023	2022
Trade payables and credit cards	96,026	139,597
Accrued expenses	27,795	43,825
	<u>123,821</u>	<u>183,422</u>

## 11. Non-exchange liabilities

Non-exchange liabilities are detailed below:

	2023	2022
Deferred revenue from grants	149,211	170,762
Activity Fund grants approved not yet paid	90,668	71,835
	<u>239,879</u>	<u>242,597</u>

## 12. Lead agency funding

	2023	2022
Balance brought forward	78,528	78,528
Grants returned	(78,528)	-
Closing balance	<u>-</u>	<u>78,528</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 \$nil (2022: \$nil) 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. During the year \$78,528 of undistributed lead agency funding held by Halberg Foundation was returned to Sport New Zealand (2022: \$nil).

## 13. Employee benefits

The liabilities recognised for employee benefits comprises annual leave totalling \$53,285 (2022: \$62,367).

## 14. Investment in Halberg Endowment Fund

	2023	2022
Opening balance	300,000	300,000
Closing balance	<u>300,000</u>	<u>300,000</u>

As the total net assets of the Endowment Fund exceeds the investment amount, no impairment has been identified in 2023.

# Halberg Foundation

Notes to the financial statements for the year ended 30 June 2023

## 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>2023</b>	<b>2022</b>
Not later than one year	105,637	125,602
Later than one year and not later than five years	7,067	68,187
<b>Total non-cancellable operating lease payments</b>	<b>112,704</b>	<b>193,789</b>

## 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>2023</b>	<b>2022</b>
<i>Related party transactions</i>		
Administration fee	10,000	10,000
Interest on related party receivable	63,130	(69,502)
Expenses on behalf	2,363	2,834
 <i>Related party balances</i>		
	<b>Receivable/(Payable)</b>	
	<b>2023</b>	<b>2022</b>
Related Party Receivable	1,173,628	1,110,498
Trade Receivables	11,500	12,765

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 FY23 was 4.35%, therefore the Foundation has recorded an interest revenue of \$63,130 (5.35% of the loan at balance date). The loan amount will also reduce by the value of any grants made by the Endowment Fund to Halberg Foundation.

## 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>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
	Remuneration	FTEs	Remuneration	FTEs
Senior Management	\$640,623	3.25	\$555,931	4

# Halberg Foundation

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Notes to the financial statements for the year ended 30 June 2023

## **17. Contingent assets**

As at 30 June 2023 there are no contingent assets (2022: nil).

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

As at 30 June 2023 contingent liabilities are nil (2022: nil) and commitments are nil (2022: 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. Restricted equity reserve**

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 report.

## Independent Auditor's Report

To the Executive Board of Halberg Foundation

### Opinion

We have audited the performance report of Halberg Foundation (the 'entity'), which comprise the financial statements on pages 5 to 8 and 13 to 23, and the statement of service performance on pages 9 to 12. The complete set of financial statements comprise the statement of financial position as at 30 June 2023, and the statement of comprehensive revenue and expense, the statement of changes in net assets/equity, the 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 performance report presents fairly, in all material respects:

- the financial position of the entity as at 30 June 2023, and its financial performance and cash flows for the year then ended; and
- the service performance for the year ended 30 June 2023 in accordance with the entity's service performance criteria

in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ('PBE Standards RDR') issued by the New Zealand Accounting Standards Board.

### Basis for opinion

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

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 we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other than 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

### Other matter

The corresponding service performance information in the statement of service performance for the year ended 30 June 2022 is unaudited.

### Executive Board's responsibilities for the performance report

The Executive Board is responsible on behalf of the entity for:

- the preparation and fair presentation of the financial statements and the statement of service performance in accordance with PBE Standards RDR;
- service performance criteria that are suitable in order to prepare service performance information in accordance with PBE Standards RDR; and
- such internal control as the Executive Board determines is necessary to enable the preparation of financial statements and the statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the performance report, 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 intends 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 performance 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) and NZ AS 1 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 this financial report / performance report.

A further description of our responsibilities for the audit of the financial report / performance report is located on the External Reporting Board's website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-14/>

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  
11 October 2023

This audit report relates to the performance report of Halberg Foundation (the 'entity') for the year ended 30 June 2023 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 performance report since they were initially presented on the website. The audit report refers only to the performance report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the performance report. 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 performance report, and related audit report dated 11 October 2023 to confirm the information included in the audited performance report presented on this website.