

ATHLETICS NEW ZEALAND (INC) SPECIAL PURPOSE FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH 2018

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Athletics New Zealand (Inc) - Approval of Financial Report
For the Year Ended 31 March 2018

The Directors are pleased to present the approved financial report including the financial statements of Athletics New Zealand Inc. for the year ended 31 March 2018.

APPROVED

For and on behalf of the Board of Directors



Cameron Taylor, *Chairperson*



Hamish Grey, *Chief Executive Officer*

29 June 2018

Athletics New Zealand (Inc) - Statement of Profit or Loss

For the Year Ended 31 March 2018

	Note	2018 \$	2017 \$
Income			
Member Income:			
Club Affiliation Fees	2	18,126	19,391
Member Levies	2	475,699	513,652
		493,825	533,043
Grants Received	3	289,083	240,745
Interest Received		39,135	38,732
National Events	5	743,539	716,960
National Programmes	4, 6, 7	311,340	199,188
Sponsorship		43,993	47,695
Sport New Zealand Investments	4	4,215,181	3,565,114
Sundry Income		24,479	1,626
Total Income		6,160,575	5,343,103
Expenditure			
Association Costs			
Annual General Meeting		4,610	3,534
Annual Report	7	5,509	6,190
Audit Fees		11,500	11,250
Board Meetings		36,290	35,505
Chairperson's Expenses		437	406
Legal Fees		3,109	9,938
Membership		35,029	20,367
National Events	5	520,843	552,104
National Programmes	4, 6, 7	653,203	550,104
NZCAA Children		14,674	14,674
President's Expenses		965	1,268
Public Liability Insurance		7,052	4,035
Sport Meetings	7	4,614	2,179
Total Association Costs		1,297,835	1,211,554

This financial statement must be read in conjunction with the accompanying Notes

Athletics New Zealand (Inc) - Statement of Profit or Loss

For the Year Ended 31 March 2018

	Note	2018 \$	2017 \$
Expenditure cont.			
Management and Administration Costs			
Bank Fees		12,745	7,702
Communications		18,400	23,011
Computers & Network Support		32,834	30,480
Consultants	7	50,924	61,938
Electricity		2,750	2,474
Foreign Exchanges Losses (Gains)		2,556	1,016
General Expenses	7	11,493	6,105
Office Rental		30,000	30,000
Photocopier		3,577	3,577
Postage		642	839
Printing & Stationery		7,165	7,481
Professional Development		1,925	94
Publicity	7	39,059	39,675
Rankings & Archives	7	17,783	17,082
Staffing	7	605,270	634,845
Staff Recruitment & Relocation		12,286	350
Subscriptions		3,328	2,596
Travel & Accommodation		9,421	7,684
Total Management and Administration Costs		862,158	876,949
Depreciation		14,096	17,194
Loss on Disposal of Assets		529	1,733
		14,625	18,927
Athletics Programmes			
High Performance	8	3,914,320	3,191,010
Total Athletics Programme Costs		3,914,320	3,191,010
Total Expenses		6,088,938	5,298,440
Exceptional Items	9	135,201	-
Net Surplus / (Deficit) for the Year		(63,564)	44,663

This financial statement must be read in conjunction with the accompanying Notes

Athletics New Zealand (Inc) - Balance Sheet

As At 31 March 2018

	Note	2018 \$	2017 \$
Current Assets			
Cash and Short-Term Deposits	12	1,518,409	1,520,749
Accounts Receivable		107,206	222,018
Accrued Income		86,439	16,942
Prepayments		131,833	48,626
GST Receivable		5,357	-
Work in Progress		-	48,760
Stock on Hand		18,888	64,063
<u>Total Current Assets</u>		<u>1,868,132</u>	<u>1,921,158</u>
Non-Current Assets			
Intangible Assets	10	38,041	98,128
Fixed Assets	10	204,832	79,206
<u>Total Non-Current Assets</u>		<u>242,873</u>	<u>177,334</u>
Total Assets		<u>2,111,005</u>	<u>2,098,492</u>
Current Liabilities			
Accounts Payable		211,139	168,481
Accrued Expenses		107,341	35,500
GST Payable		-	38,890
Provision for Holiday Pay		147,731	143,207
Events in Progress	11	122,027	124,094
Grants in Advance	12	1,120,597	1,087,810
High Performance in Progress		-	20,334
Income in Advance		17,227	31,669
Total Liabilities		<u>1,726,062</u>	<u>1,649,985</u>
<u>Net Assets</u>		<u>384,943</u>	<u>448,507</u>
<u>Total Association Equity</u>		<u>384,943</u>	<u>448,507</u>

This financial statement must be read in conjunction with the accompanying Notes

Athletics New Zealand (Inc) - Statement of Movements in Equity

For the Year Ended 31 March 2018

	Note	2018 \$	2017 \$
Association Equity at Start of Period		448,507	403,844
Add			
Net Surplus / (Deficit) for the Year		(63,564)	44,663
Association Equity at End of Period		<u>384,943</u>	<u>448,507</u>
<u>Total Association Equity</u>		<u>384,943</u>	<u>448,507</u>

This financial statement must be read in conjunction with the accompanying Notes

Athletics New Zealand (Inc) - Notes to the Financial Statements

For the Year Ended 31 March 2018

1 Statement of Accounting Policies

Reporting Entity

Athletics New Zealand (the 'Society'), is a society incorporated under the Incorporated Societies Act 1908, that administers the sport of athletics in New Zealand.

Statement of Accounting Policies

(i) Basis of Preparation

These financial statements have been prepared in accordance with the Special Purpose Framework for use by For-Profit Entities (SPFR for FPE's) published by the Chartered Accountants Australia and New Zealand.

The financial statements have been prepared for:

- the Societies members; and
- the Societies funders.

(ii) Historical Cost

The financial statements have been prepared on a historical cost basis. The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except when otherwise indicated.

(iii) Changes in Accounting Policies

There have been no specific changes in accounting policies, which have been applied on a basis consistent with those of the previous period.

(iv) Accounts Receivable

Accounts Receivable are stated at their anticipated realisable value. Bad debts are written off during the year as they are identified, with appropriate adjustment being made at balance date for any doubtful debts that may exist.

(v) Inventories

Inventories are stated at the lower of cost and net realisable value.

(vi) Income Tax

The Society is exempt from taxation under section CW46 of the Income Tax Act 2007.

(vii) Intangible Assets

Intangible assets are stated at cost. The assets are reviewed for impairment annually and whenever events or changes in circumstances indicate that the value of the asset to the Society has diminished or been lost. The assets are not subject to amortisation.

Athletics New Zealand (Inc) - Notes to the Financial Statements

For the Year Ended 31 March 2018

(viii) Fixed Assets

Fixed assets are stated at cost less aggregate depreciation. Depreciation has been calculated at a rate of 33 1/3 per cent on the diminishing value method, other than for trophies and videos, which have not been depreciated.

(ix) Goods and Service Tax (GST)

All amounts are stated exclusive of goods and services tax (GST) except for Accounts Payable and Accounts Receivable which are stated inclusive of GST. GST owing to or by the Society at balance date as recorded in the Balance Sheet, has been determined on an accruals basis.

(x) Revenue Recognition

Club Affiliation fees, Interest, National Event income, Membership levies and Sundry income are primarily recognised on a cash received basis. Income from Grants and Sport New Zealand Group Investments is recognised when the conditions relating to that grant or investment have been met. Sponsorship income is recognised on an accruals basis, except where the sponsorship relates to a specific activity or event and the revenue is recognised when the activity or event occurs. Grant, Sport New Zealand Group Investment, National Event and Sponsorship income received in advance for a specified activity or event is recorded as a liability in the Balance Sheet until the income is earned and recognised in the Statement of Profit or Loss.

(xi) Lease Inducement

The Society has not applied 19.21 of the SPFR for FPE's Framework in relation to the initial rent-free period it received on its premises at 17 Antares Place, Rosedale, Auckland. Under the standard this lease inducement should be spread over the term of the lease. Instead the Society has classified this inducement as an offset for relocation and other related expenses it incurred at the time of the move from Wellington and has chosen to recognise the full value of the inducement in the same financial year as these expenses.

2 Club Affiliation Fees & Member Levies

The following club affiliation fees were received during the year:

	2018	2017
	\$	\$
Northland	699	829
Auckland	3,506	3,676
Waikato Bay of Plenty	3,464	3,859
Hawkes Bay Gisborne	885	1,020
Taranaki	1,379	1,550
Manawatu Wanganui	1,072	1,090
Wellington	2,544	2,566
Tasman	382	612
Canterbury	2,349	2,257
Otago	1,072	1,116
Southland	774	816
	<u>18,126</u>	<u>19,391</u>

Athletics New Zealand (Inc) - Notes to the Financial Statements

For the Year Ended 31 March 2018

The following member levies were received during the year:

	2018	2017
	\$	\$
Northland	11,019	11,414
Auckland	133,279	148,290
Waikato Bay of Plenty	75,889	79,852
Hawkes Bay Gisborne	18,724	21,183
Taranaki	20,477	24,546
Manawatu Wanganui	20,536	16,361
Wellington	73,314	76,759
Tasman	10,613	14,602
Canterbury	70,461	73,147
Otago	28,016	31,500
Southland	13,371	15,998
	475,699	513,652

The figures represent an estimated fair and reasonable split by Centre of fees and levies received during the year from the available data in the Membership Management System.

3 Grants Received

The following grants were recorded as income during the year:

	2018	2017
	\$	\$
Auckland Council	9,972	971
BlueSky Community Trust	5,050	2,750
Constellation Communities Trust	22,000	-
Foundation North	22,324	12,676
Four Winds Foundation	6,000	900
Good Sport Aktive Auckland	4,000	-
Halberg Disability Sport Foundation	11,969	-
IAAF	52,854	35,550
Infinity Foundation	5,750	5,750
NZ Community Trust	52,538	147,462
NZ Guardian Trust	4,923	77
North & South Trust	4,795	3,004
Oceania Athletics Association	-	2,613
Olympic Solidarity	10,770	-
Pub Charity	10,716	9,207
The Lion Foundation	19,594	5,406
The Southern Trust	5,308	6,046
Trillian Trust	33,425	-
Wellington Community Trust	2,095	333
Youthtown Trust	5,000	8,000
	289,083	240,745

Also refer to Notes 5, 11 and 12 for further grants.

Athletics New Zealand (Inc) - Notes to the Financial Statements

For the Year Ended 31 March 2018

4 Sport New Zealand Group Investments

The following investments were recorded as income during the year:

	2018	2017
	\$	\$
Capability	46,267	48,780
Coach Framework	2,700	1,500
Communication & Membership	-	11,204
Community & Participation	250,000	290,954
Get Set Go	13,046	109
High Performance	3,867,930	3,128,911
Officials Development	17,443	21,557
Prime Minister's Scholarships	17,795	62,099
	<u>4,215,181</u>	<u>3,565,114</u>

5 National Events

The following surpluses / (deficits) by championship/event were made during the year:

	2018	2017
	\$	\$
2017 Cross Country	4,256	8,071
2017 Half Marathon	651	(78)
2017 Long Distance Race Walking	-	-
2017 Marathon	352	-
2017 Mountain Running	68	36
2017 Road	1,154	2,033
2017 Road Relays	5,230	2,013
2017 Rotorua Marathon	90,545	117,904
2018 Auckland Track Challenge	91,345	-
2018 Track & Field Championship Series Meetings	1,158	1,204
2018 Track & Field Championships	26,988	31,359
Generic Income (Expenses)	949	2,314
	<u>222,696</u>	<u>164,856</u>

The above amounts include direct income and costs per event and exclude Society overheads and employee expenses.

The following grants were recorded as income for competitions and events during the year:

	2018	2017
	\$	\$
Constellation Communities Trust	-	8,500
Grassroots Trust Limited	9,597	-
NZ Community Trust	60,000	-
Pelorus Trust	10,000	-
Pub Charity	39,284	41,763
Rotorua Energy Charitable Trust	15,000	15,000
The Lion Foundation	-	80,000
The Trusts Community Foundation	15,000	-
	<u>148,881</u>	<u>145,263</u>

Athletics New Zealand (Inc) - Notes to the Financial Statements

For the Year Ended 31 March 2018

6 National Programmes - Community & Participation

The following key areas of net surplus / (deficit) were incurred during the year under the Community & Participation sport unit:

	2018	2017
	\$	\$
Club Development	39,376	(8,309)
Coach Development	(772)	6,153
Get Set Go	27,054	(17,069)
Officials Development	8,088	(2,237)
Programme Management	27,686	106,009
	<u>101,432</u>	<u>84,547</u>

The above amounts include direct income, costs and employee expenses per sport unit and exclude Society overheads.

7 Grant Subsidised Expenses

Expenses that were subsidised in part or full by a grant were the Annual Report (Pub Charity), Club Development (Auckland Council, Foundation North, Four Winds Foundation, Good Sport Aktive Auckland, IAAF, NZ Guardian Trust, Pub Charity, Trillian Trust and Wellington Community Trust), Consultants (The Lion Foundation), Get Set Go (Auckland Council, Youthtown Trust and Wellington Community Trust), Health & Safety (Constellation Communities Trust), Officials Development (The Southern Trust), Publicity (BlueSky Community Trust), Rankings & Archives (Infinity Foundation), Salaries (Constellation Communities Trust, IAAF and NZ Community Trust) and Vehicles (North & South Trust). Refer to Note 3.

8 High Performance

The following key areas of expenditure were incurred during the year:

	2018	2017
	\$	\$
Athlete Support	1,715,706	1,584,479
Programme Coaches	1,107,626	857,770
Programme Management	1,090,988	748,761
	<u>3,914,320</u>	<u>3,191,010</u>

Grants from Halberg Disability Sport Foundation and Olympic Solidarity were recorded as income for high performance activities during the year. Refer to Note 3.

9 Exceptional Items

This relates to the one time write off of obsolete stock (\$26,354), software & websites (\$60,087) and work in progress (\$48,760) as approved by the Board of the Society. (2017:Nil)

Athletics New Zealand (Inc) - Notes to the Financial Statements

For the Year Ended 31 March 2018

10 Intangible and Fixed Assets

Cost, impairment and book value of intangible assets as at balance date were:

	Cost	Impairment	2018	2017
			\$	\$
			Book Value This Year	Book Value Last Year
Software	2,522	2,522	-	2,522
Intellectual Property	38,826	785	38,041	38,826
Websites	56,780	56,780	-	56,780
	98,128	60,087	38,041	98,128

Cost, accumulated depreciation and book value of fixed assets as at balance date were:

	Cost	Accum. Depreciation	2018	2017
			\$	\$
			Book Value This Year	Book Value Last Year
Computer Equipment	145,076	99,292	45,784	43,702
Office Equipment	7,990	6,990	1,000	1,500
Office Furniture	16,075	11,704	4,371	4,668
Other Fixed Assets	283,258	129,581	153,677	29,336
	452,399	247,567	204,832	79,206

11 Events In Progress

The \$122,027 (2017: \$124,094) represents income less expenses incurred as at balance date in relation to the 2018 Rotorua Marathon. This amount includes a grant of \$10,000 (2017: \$15,000) from the Rotorua Energy Charitable Trust.

Athletics New Zealand (Inc) - Notes to the Financial Statements

For the Year Ended 31 March 2018

12 Grants In Advance

The following unexpended grants were held by the Society at balance date:

	2018	2017
	\$	\$
Auckland Council	33,056	21,029
BlueSky Community Trust Limited	250	-
Counties Manukau Sports Foundation	-	12
Foundation North	-	22,324
Good Sport Aktive Auckland	300	22,784
Grassroots Trust Limited	403	-
Halberg Disability Sport Foundation	13,751	1,730
Harbour Sport	16,767	12,000
High Performance Sport New Zealand Investment	675,320	663,432
Hutt City Council	14,825	-
IAAF Kids Athletics	-	16,967
IAAF OAD Grant	19,646	27,241
NZ Community Trust	89,700	62,538
NZ Guardian Trust	-	5,923
North & South Trust	-	1,195
Prime Minister's Scholarships	171,719	30,409
Pub Charity	-	660
Sport Auckland	24,772	71,063
Sport New Zealand Coach Framework Grant	-	3,700
Sport New Zealand Community Sport	-	10,000
Sport New Zealand Get Set Go Website Improvement	7,100	-
Sport New Zealand Governance Framework Grant	-	2,220
Sport New Zealand Intellectual Property Services	10,453	-
Sport New Zealand KiwiSport	1,073	13,176
Sport New Zealand Officials Development - WMG	-	17,443
Sport New Zealand Pathway to Podium	-	29,854
Sport Northland	-	6,573
Sport Waikato	4,840	12,371
Sport Waitakere	8,950	4,853
The Lion Foundation	25,000	19,593
The Southern Trust	-	3,954
Wellington Community Trust	2,672	4,766
	1,120,597	1,087,810

The above funds are tagged for specific programmes and purposes as agreed with each funder and are not available for discretionary use by the Society.

Athletics New Zealand (Inc) - Notes to the Financial Statements
For the Year Ended 31 March 2018

13 Commitments

There were no capital expenditure commitments at year end. (2017:Nil)

There are operating lease commitments at year end:

	2018	2017
	\$	\$
No later than one year	138,753	81,110
Later than one year and no later than five years	47,840	86,642
	<u>186,593</u>	<u>167,752</u>

14 Contingent Liabilities

There were no contingent liabilities at year end. (2017:Nil)

15 Subsequent Events

There were no events subsequent to the balance date. (2017:Nil)

INDEPENDENT AUDITOR'S REPORT

To the Members of Athletics New Zealand Incorporated

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the special purpose financial statements of Athletics New Zealand Incorporated ('the Society') on pages 2 to 13, which comprise the balance sheet as at 31 March 2018, and the statement of profit or loss and statement of movements in equity for the year then ended, and notes to the special purpose financial statements, including significant accounting policies.

In our opinion, the accompanying special purpose financial statements present fairly, in all material respects, the financial position of the Society as at 31 March 2018, and its financial performance for the year then ended in accordance with the Special Purpose Financial Reporting Framework for For-Profit Entities issued by Chartered Accountants Australia and New Zealand.

This report is made solely to the Society's members as a body, in accordance with the Special Purpose Financial Reporting Framework described in Note 1 of the special purpose financial statements. Our audit work has been undertaken so that we might state those matters which 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 Athletics New Zealand Incorporated and the Members of Athletics New Zealand Incorporated, for our audit work, for this report or for the opinions we have formed.

Basis for Opinion

We conducted our audit in accordance with 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 Special Purpose Financial Statements* section of our report. We are independent of the Society in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 we have no relationship with, or interests in, Athletics New Zealand Incorporated.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared to assist the Society in complying with its financial reporting requirements. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Special Purpose Financial Statements

The Directors are responsible on behalf of the Society for the preparation and fair presentation of the special purpose financial statements in accordance with the Special Purpose Financial Reporting Framework, and for such internal control as the Directors determine is necessary to enable the preparation of the special purpose financial statements that are free from material misstatement, whether due to fraud or error.

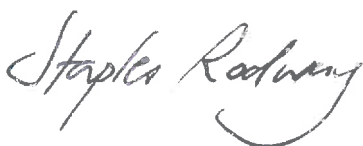
In preparing the special purpose financial statements, the Directors are responsible on behalf of the Society for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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 (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 special purpose financial statements.

A further description of the auditor's responsibilities for the audit of the special purpose financial statements is located at the External Reporting Board's website at:

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



STAPLES RODWAY AUCKLAND

Auckland, New Zealand

29 June 2018