



**SPORT WAIKATO EDUCATION TRUST
and
SPORT WAIKATO GENERAL PURPOSES TRUST**

Together Operating as

SPORT WAIKATO

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

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**SPORT WAIKATO
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
<u>INCOME</u>			
Contracts	3	5,995,337	5,541,677
Dividends		304	7,860
Donations & Grants	3	1,003,366	1,001,096
Events & Activities		147,354	217,558
Interest		97,940	120,860
Sponsorship	3	427,553	516,322
Other Income		215,082	161,654
Gain on Sale of Fixed Asset		5,652	2,772
Unrealised Gain/(Loss) on Investments		(202)	51,920
Realised Gain/(Loss) on Investments		(47)	995
		<u>7,892,339</u>	<u>7,622,714</u>
<u>EXPENDITURE</u>			
Events & Activities		2,187,089	2,146,796
Promotional Advertising		214,967	229,355
Operating and Administration		846,118	754,799
Salaries and Wages		3,851,057	3,508,091
Operating Leases - Vehicles		379,960	399,281
Rent & Rates		89,683	49,692
Interest	6	11,507	84,000
Audit Fees		25,000	25,000
Depreciation	7	145,657	222,424
Trustee Remuneration		9,800	8,100
		<u>7,760,838</u>	<u>7,427,538</u>
NET SURPLUS		<u>131,501</u>	<u>195,176</u>

**STATEMENT OF MOVEMENTS IN EQUITY
FOR YEAR ENDED 30 JUNE 2014**


	2014 \$	2013 \$
Equity as at 1 July 2013	4,210,911	4,015,735
Net Surplus	<u>131,501</u>	<u>195,176</u>
Total Recognised Revenues and Expenses	131,501	195,176
Equity as at 30 June 2014	<u>4,342,412</u>	<u>4,210,911</u>


These statements are to be read in conjunction with the notes on pages 3 to 8 and the auditor's report on page 10

**SPORT WAIKATO
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014**

	Note	2014 \$	2013 \$
<u>ACCUMULATED FUNDS</u>	4	<u>4,342,412</u>	<u>4,210,911</u>
<u>CURRENT LIABILITIES</u>			
Accounts Payable and Accruals		390,352	173,124
Income Received in Advance	5	1,320,983	842,967
Employee Entitlements		305,086	237,570
Waikato Community Trust Loan		-	1,500,000
Total Current Liabilities		<u>2,016,421</u>	<u>2,753,661</u>
<u>TERM LIABILITIES</u>			
Total Term Liabilities		-	-
		<u>6,358,833</u>	<u>6,964,572</u>
<u>CURRENT ASSETS</u>			
Bank		820,927	1,138,899
Interest & Dividends Receivable		14,590	11,937
Accounts Receivable		259,378	245,307
Prepayments		4,295	1,182
Stock on Hand		18,026	21,373
Gareth Morgan Investment Portfolio		12,057	1,241,745
Bank Term Deposits		1,800,000	900,000
Total Current Assets		<u>2,929,273</u>	<u>3,560,443</u>
<u>NON CURRENT ASSETS</u>			
Gareth Morgan Investment Portfolio		-	-
Property, Plant and Equipment	7	3,429,560	3,404,129
Total Non Current Assets		<u>3,429,560</u>	<u>3,404,129</u>
		<u>6,358,833</u>	<u>6,964,572</u>

On behalf of the Board of Trustees:





Chairperson

Chief Executive

Date 08.12.2014

**SPORT WAIKATO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

1. DEFINITION OF THE ENTITY

The entity is comprised of two Trusts:

- (a) Sport Waikato Education Trust, "the Charitable Trust", a perpetual trust in which the Trustees have no power to distribute any portion of the capital of the Charitable Trust Fund, and
- (b) Sport Waikato General Purposes Trust, "the General Purposes Trust",

Together the Trusts operate as Sport Waikato.

2. STATEMENT OF ACCOUNTING POLICIES

(a) ***General Accounting Policies***

The financial statements have been prepared in accordance with the New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The general accounting policies recognised as appropriate for the measurement and reporting of results and the financial position under the historical cost method, as modified by the revaluation of certain assets have been followed in the preparation of these accounts.

These financial statements are presented in New Zealand dollars (\$).

(b) ***Particular Accounting Policies***

The following particular accounting policies, which significantly affect the measurement of financial performance and financial position, have been applied.

(i) **Grants**

Grants received, which contribute to revenue, are recognised in the Statement of Financial Performance as soon as any obligations attached to those grants have been met.

(ii) **Depreciation**

Depreciation is charged at rates, which write off the cost over estimated useful life. The following rates have been used:

- Motor Vehicles – 14% to 50% straight line
- Furniture and Equipment – 8.4% to 48% straight line
- Buildings – 1% to 20% straight line

(iii) **Accounts Receivable**

Accounts Receivable are stated at estimated realisable value after providing against debts where collection is doubtful.

(iv) **Fixed Assets**

Fixed Assets are recorded at cost less accumulated depreciation.

(v) **Investments**

All Investments are valued at market value.

(vi) **Goods and Services Tax**

These Financial Statements have been prepared exclusive of Goods and Services Tax.

(vii) **Leased Assets**

Leases under which Sport Waikato assumes substantially all the risks and rewards incidental to ownership have been classified as finance leases and are capitalised. The asset and corresponding liability are recorded at inception of the lease at the fair value of the leased asset and minimum lease payments due.

**SPORT WAIKATO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 cont'd**

Finance charges are apportioned over the terms of the respective leases using a straight line basis.

In some cases the Trusts have the option to purchase the leased assets at the termination of the lease. Capitalised leased assets are depreciated over their expected lives in accordance with rates established for other similar property, plant and equipment.

Operating lease payments are representative of the pattern of benefits derived from the leased assets and accordingly are charged to the Statement of Financial Performance in the periods in which they are incurred.

(viii) Stock

Stock is valued at the lower of cost and net realisable value.

(ix) Income Tax

Both the Sport Waikato Education Trust and Sport Waikato General Purposes Trust are registered as Charitable Trusts and therefore exempt from taxation.

(x) Accounts Payable and Accruals

Accounts payable and accruals are recognised when Sport Waikato becomes obligated to make future payments resulting from the purchase of goods and services.

(xi) Income Received in Advance

Income received in advance is recognised when income is received however the date of the term of the contract is specified and the recognition of the income is dependent on whether the services requested in the contract are performed. Income will be recognised only when the contract has been carried out.

(xiii) Employee Entitlements

Employee entitlements is the provision for annual leave. Employee benefits are expected to be settled within 12 months.

(c) **Differential Reporting**

The Trust qualifies for differential reporting exemptions as it is not publicly accountable and is not classified as a large entity. Accordingly the Trust has taken advantage of all differential reporting exemptions allowed under the Framework for Differential reporting with the exception of FRS 19 Accounting for Goods and Services Tax.

(d) **Changes in Accounting Policies**

There have been no material changes in accounting policies. All policies have been applied on a basis consistent with those used in previous years.

3. INCOME ITEMISATION

		2014	2013
Some income items in the Statement of Financial Performance are combined into single line items. Details of these are:		\$	\$
Contracts	- Sport New Zealand	1,100,890	1,268,314
	- Sport New Zealand KiwiSport Investment	859,897	1,027,679
	- Health	3,184,942	2,481,397
	- District Councils	726,314	653,872
	- SportsForce Project	67,617	68,286
	- Secondary Schools	48,177	42,129
	- Tertiary Institutions	7,500	-
		<u>5,995,337</u>	<u>5,541,677</u>
Sponsorship	- Cash	134,050	131,076
	- Audit Fees In Kind	25,000	25,000
	- In Kind	268,503	360,246
		<u>427,553</u>	<u>516,322</u>

SPORT WAIKATO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 cont'd

	2014 \$	2013 \$
Donations & Grants		
- Trust Waikato	700,000	685,000
- Lion Foundation	185,207	195,878
- NZ Community Trust	56,058	21,192
- Southern Trust	2,988	2,500
- Grassroots Trust	31,746	35,516
- New Zealand Lotteries Grants Board	12,727	7,604
- WEL Energy Grant	5,400	6,946
- Luckie Estate	-	40,000
- Other	9,240	6,460
	<u>1,003,366</u>	<u>1,001,096</u>

4. ACCUMULATED FUNDS

	2014 \$	2013 \$
Balance - Beginning of Year	4,210,911	4,015,735
Operating Surplus	131,501	195,176
Balance - End of Year	<u>4,342,411</u>	<u>4,210,911</u>

Included within Accumulated Funds are the following reserves:

General Purposes Trust	1,239,543	1,321,158
Education Trust	3,102,868	2,889,753
	<u>4,342,411</u>	<u>4,210,911</u>

5. INCOME RECEIVED IN ADVANCE

Included in the income in advance total of \$1,320,983 (2013: \$856,121) are funds received from Sport New Zealand for the KiwiSport Investment totalling \$29,797 (2013: \$57,219).

6. TERM LOAN**The Waikato Community Trust Loan**

	2014 \$	2013 \$
Current Portion	-	1,500,000
Non-Current Portion	-	-
Balance - End of Year	-	<u>1,500,000</u>

The Waikato Community Trust loan was repaid on 19 August 2013. The amount of notional interest for the year totals \$11,507 (2013: \$84,000) which is calculated using a market interest rate of 5.6% (2013: 5.6%). The loan was repaid on 19 August 2013.

7. PROPERTY, PLANT & EQUIPMENT

2014	Cost \$	Depreciation \$	Accum/Depr \$	NBV \$
Motor Vehicles	145,553	20,794	55,265	90,288
Furniture & Equipment	951,591	65,466	703,131	248,460
Buildings	3,683,570	59,397	592,758	3,090,812
	<u>4,780,714</u>	<u>145,657</u>	<u>1,351,154</u>	<u>3,429,560</u>

2013	Cost \$	Depreciation \$	Accum/Depr \$	NBV \$
Motor Vehicles	104,556	18,161	45,138	59,418
Furniture & Equipment	834,367	68,321	637,665	196,702
Buildings	3,681,370	135,942	533,361	3,148,009
	<u>4,620,293</u>	<u>222,424</u>	<u>1,216,164</u>	<u>3,404,129</u>

**SPORT WAIKATO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 cont'd**

8. SEGMENT INFORMATION

The Trusts operate within the Waikato Region to promote participation in Sport and Recreation.

9. OPERATING LEASE OBLIGATIONS

Obligations payable after balance date on non-cancellable operating leases are as follows:

	2014	2013
	\$	\$
Not later than One Year	378,596	247,980
One – Two Years	265,157	149,196
Two – Five Years	96,125	35,757
	739,878	432,933

10. COMMITMENTS AND CONTINGENT LIABILITIES

At balance date Sport Waikato has committed \$100,000 towards a business plan for an Indoor Facility situated at Waikato Institute of Technology.

11. FINANCIAL ARRANGEMENTS

Sport Waikato has entered in an arrangement with Waikato Institute of Technology whereby Sport Waikato has a right to exercise an option to sell the Sports House to Waikato Institute of Technology. Subject to both parties signing the Deed of Extension and Variation of Lease agreed upon, this option can be exercised by 22 September 2017 or 5 yearly intervals thereafter, with a final exercise date of 22 September 2032 and actual sale date being 1 year after the option is exercised. The sale value must be calculated using the optimized depreciated replacement cost methodology.

12. SUBSEQUENT EVENTS

There are no subsequent events since 30 June 2014.

13. RELATED PARTY TRANSACTIONS

The following Sport Waikato transactions (GST inclusive) were approved where executives are related to the organisations:

Tompkins Wake provision of legal fees	\$23,234
Waipa District Council contract income	\$83,740
Waitomo District Council contract income	\$84,449
(One executive of each organisation is a Sport Waikato Board Member)	
Waikato Institute for Leisure and Sport Studies Funding Expenditure	\$58,510
(Two Sport Waikato executives are on the Organisation's Board)	

**SPORT WAIKATO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 cont'd**

14. ALLOCATED SPORT NEW ZEALAND KIWISPORT FUNDING

Sport New Zealand KiwiSport funding of \$851,747 (2013: \$901,802) has been paid to the following Organisations:

	2014	2013
	\$	\$
Athletics Waikato BOP	4,350	-
Bike New Zealand	44,167	55,250
Bike Taupo Advisory Group	5,000	-
Bowls Waikato	25,000	23,750
Coromandel Area School	16,630	9,330
Coromandel Gymnastics	3,000	-
Counties Manukau Sport	40,000	-
Fairfield College	2,609	-
Fairfield Schools' Cluster	-	2,609
Forest View High School	1,522	1,522
Fraser High School	-	3,914
Gymsports New Zealand	50,000	50,925
Hamilton Fraser High School	3,913	-
Hamilton In Line Hockey	1,815	-
Hauraki Plains College	3,999	2,000
Huntly College	6,739	1,739
Kobukan School of Martial Arts	-	38,185
Lake Taupo Sports Advisory Council	40,000	30,969
Leamington Squash Club	1,500	-
Mangakino School	4,130	4,130
Melville High School	1,304	1,304
Morrinsville College	-	300
Netball Waikato Bay of Plenty Zone	47,500	55,250
Ngaruawahia High School	-	2,174
Nga Taiatea Wharekura	1,957	1,956
Northern District Cricket	40,000	47,750
Northern King Country Primary School Touch	600	-
New Zealand Self Defence Academy	3,630	-
Otorohanga College	1,522	2,172
Paeroa College	1,956	1,957
Parafed Waikato	462	-
PioPio College	3,260	3,261
Putaruru College	2,174	2,174
Putaruru Schools' Cluster	20,000	7,500
Raglan Area School	3,261	3,261
Sport BOP	4,500	4,500
Ski and Snowboard Championship	1,000	-
Squash Waikato	-	2,000
Surf Life Saving Northern Region	5,000	-
Swimming Waikato	26,000	-
Taniwharau Rugby League Club	1,825	-
Taumarunui High School	2,392	2,391
Te Aroha College	2,392	2,391
Te Aroha Tennis Club	1,300	-
Te Kuiti High School	1,957	3,557
Te Kauwhata Squash Club	1,500	-
Tererenga School	1,500	-
Tennis Waikato Bays Region Inc	-	5,500
Thames South School	3,000	-
Tokoroa High School	1,522	1,522
Tokoroa Mountain Bike Club	5,325	-
Tongariro School	3,043	3,043
Touch New Zealand	-	24,250
Trust Waikato Pauanui Surf Life Saving	1,500	-
Turangai Tongariro Sports Foundation	3,000	-

**SPORT WAIKATO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 cont'd**

	2014	2013
	\$	\$
Upper Central Zone – Rugby League	50,000	55,250
Waihi College	2,391	2,391
Waihi East School	5,000	-
Waikato Badminton Association	50,000	55,250
Waikato Basketball Council	-	12,605
Waikato Bay of Plenty Football Federation	50,000	55,250
Waikato Golf Association	50,000	55,250
Waikato Hockey Association	45,600	59,650
Waikato Institute for Leisure and Sport Studies	50,000	51,150
Waikato Regional Volleyball Association	50,000	55,250
Waikato Rugby Union	50,000	55,250
Waikato Table Tennis	-	3,000
Water Safety New Zealand	-	38,250
	<u>851,747</u>	<u>901,802</u>

**SPORT WAIKATO
DIRECTORY
AS AT 30 JUNE 2014**

Lawyers	Tompkins Wake HAMILTON
Bankers	ASB HAMILTON Westpac HAMILTON
Auditors	Deloitte HAMILTON
Trustees	Paul Fear Murray Dunn Alan Livingston Raewyn Kirkman Bevan Grant Mark McCabe Rachel Dean Mayor Brian Hanna John Latimer Phil Taylor Chris Milne Hemi Rau (Resigned 3 March 2014)

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF
SPORT WAIKATO**

Report on the Financial Statements

We have audited the financial statements of Sport Waikato on pages 1 to 8, which comprise the statement of financial position as at 30 June 2014, the statement of financial performance and statement of movements in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Trustee's Responsibility for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of financial statements, in accordance with generally accepted accounting practice in New Zealand, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates, as well as the overall presentation of the financial statements.

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

Other than in our capacity as auditor, we have no relationship with or interests in Sport Waikato.

Opinion

In our opinion, the financial statements on pages 1 to 8 present fairly, in all material respects, the financial position of Sport Waikato as at 30 June 2014, and its financial performance for the year ended on that date in accordance with generally accepted accounting practice in New Zealand.



Chartered Accountants
8 December 2014
Hamilton, New Zealand

This audit report relates to the financial statements of Sport Waikato for the year ended 30 June 2014 included on Sport Waikato's website. The Trustees are responsible for the maintenance and integrity of Sport Waikato's website. We have not been engaged to report on the integrity of the Sport Waikato'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 dated 8 December 2014 to confirm the information included in the audited financial statements presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.