



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

Sport Waikato

Table of Contents

Directory	2
Statement of Comprehensive Revenue and Expenses	3
Statement of Changes in Net Assets/Equity	4
Statement of Financial Position	5
Cash Flow Statement	6
Notes to the Financial Statements	7

Sport Waikato Directory

Board of Trustees

Alan Livingston (resigned 27/08/2020)
Brian Hanna
Chris Milne
Ian Handcock
John Latimer
Mark McCabe
Margaret Forsyth (appointed 26/08/2019,
resigned 23/10/2019)
Megan Campbell (resigned 17/07/2020)
Murray Dunn (resigned 27/08/2020)
Parekawhia McLean
Phil Taylor
Jacqueline Gage-Brown (appointed 28/08/2019)
Toby Adams (appointed 26/08/2020)
Taylah Hodson-Tomokino (appointed 30/09/2020)
Sharleen Nathan (appointed 30/09/2020)
Jennifer Palmer (appointed 30/09/2020)

Registered office

51 Akoranga Road
Hamilton
New Zealand

Nature of business

Inspires and enables the people of the Waikato
community to be active and healthy for life.

Charities Commission Registration number

CC21193

Sport Waikato

Statement of Comprehensive Revenue and Expenses

For the year ended 30 June 2020

	Notes	2020 \$000	2019 \$000
Revenue from non-exchange transactions	5		
Sport NZ grants		1,909	1,377
Other Government grants		3,671	3,657
Lion Foundation grant		130	130
Other grants		1,278	1,037
Trust Waikato donations		750	750
Events and activities		229	286
		<u>7,967</u>	<u>7,237</u>
Revenue from exchange transactions			
Events and activities		113	115
Dividends		21	-
Interest		119	190
Unrealised gain/(loss) on investments		(89)	-
Realised gain/(loss) on investments		(8)	-
Other operating revenue		124	220
		<u>280</u>	<u>525</u>
Total revenue		<u>8,247</u>	<u>7,762</u>
Expenses			
Employee related costs		5,050	4,694
Events and activities		1,110	1,163
Interest expense		-	-
Depreciation and amortisation	10, 11	97	176
Other operating expenses	6	1,241	1,278
Total expenses		<u>7,498</u>	<u>7,311</u>
Total surplus/(deficit) for the year from continuing operations		749	451
Other comprehensive revenue and expenses		-	-
Total comprehensive revenue and expenses for the year		<u>749</u>	<u>451</u>

These financial statements should be read in conjunction with the notes to the financial statements.

Sport Waikato

Statement of Changes in Net Assets/Equity

For the year ended 30 June 2020

	Trust fund	Accumulated comprehensive revenue and expenses \$000	Total equity
Opening balance 1 July 2018	1,500	4,483	5,983
Surplus/ (Deficit) for the year	-	451	451
Other comprehensive income	-	-	-
Closing equity 30 June 2019	1,500	4,934	6,434
Opening balance 1 July 2019	1,500	4,934	6,434
Surplus/ (Deficit) for the year	-	749	749
Other comprehensive income	-	-	-
Closing equity 30 June 2020	1,500	5,683	7,183

These financial statements should be read in conjunction with the notes to the financial statements.

Sport Waikato
Statement of Financial Position
As at 30 June 2020

	Notes	2020 \$000	2019 \$000
Current assets			
Cash and cash equivalents	8	2,566	977
Investments	9	2,100	5,950
Receivables from exchange transactions		108	55
Receivables from non-exchange transactions		641	531
Inventories		4	4
		<u>5,419</u>	<u>7,517</u>
Non-current assets			
Intangible assets	11	14	11
Investments	9	3,951	-
Property plant and equipment	10	237	196
		<u>4,202</u>	<u>207</u>
Total assets		<u>9,621</u>	<u>7,724</u>
Current liabilities			
Trade and other creditors		1,687	432
Employee entitlements		323	217
Income in advance		428	641
		<u>2,438</u>	<u>1,290</u>
Total liabilities		<u>2,438</u>	<u>1,290</u>
Net assets		<u>7,183</u>	<u>6,434</u>
Equity			
Trust Fund		1,500	1,500
Accumulated comprehensive revenue and expenses		5,683	4,934
Total net assets		<u>7,183</u>	<u>6,434</u>

Signed for and on behalf of the Board of Trustees who authorised these financial statements for issue on 2nd December 2020:

Chairperson

Chief Executive

These financial statements should be read in conjunction with the notes to the financial statements.

Sport Waikato
Cash Flow Statement
For the year ended 30 June 2020

	Notes	2020 \$000	2019 \$000
Cash flows from operating activities			
<i>Non-exchange receipts</i>			
Sport NZ funding		1,885	1,535
Other Government grants		3,466	3,516
Other grants		1,389	1,054
Donations		750	750
Events and activities		229	286
<i>Exchange receipts</i>			
Events and activities		95	114
Interest & Dividends received		104	195
Other receipts		51	206
Sport NZ KiwiSport funding		834	834
		<u>8,803</u>	<u>8,490</u>
<i>Payments</i>			
Suppliers		1,100	2,294
Employees		4,944	4,695
Sport NZ KiwiSport funding		905	884
		<u>6,949</u>	<u>7,873</u>
Net cash flows from operating activities		<u>1,854</u>	<u>617</u>
Cash flows from investing activities			
<i>Receipts</i>			
Sale of property plant and equipment		31	8
Withdrawal of investments		5,950	5,550
		<u>5,981</u>	<u>5,558</u>
<i>Payments</i>			
Purchase of property, plant and equipment		146	127
Purchase of investments		6,100	5,950
		<u>6,246</u>	<u>6,077</u>
Net cash flows from investing activities		<u>(265)</u>	<u>(519)</u>
Cash flows from financing activities			
<i>Receipts</i>			
Proceeds from borrowings		-	-
		<u>-</u>	<u>-</u>
<i>Payments</i>			
Repayment of borrowings		-	19
Net cash flows from investing activities		<u>-</u>	<u>(19)</u>
Net increase/ (decrease) in cash and cash equivalents		1,589	79
Cash and cash equivalents at 1 July		977	898
Cash and cash equivalents at 30 June	8	<u>2,566</u>	<u>977</u>

These financial statements should be read in conjunction with the notes to the financial statements.

Sport Waikato
Notes to the Financial Statements
For the Year ended 30 June 2020

1 Reporting entity

The reporting entity is domiciled in New Zealand and is a Charitable Trust registered under the Charities Act 2005.

The financial statements of Sport Waikato are presented for the year ended 30 June 2020.

These financial statements and the accompanying notes summarise the financial results of activities carried out by Sport Waikato. Sport Waikato inspires and enables the people of the Waikato community to be active and healthy for life.

These financial statements have been approved and were authorised for issue by the Board of Trustees on 2nd December 2020.

2 Statement of compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. For the purposes of complying with NZ GAAP, Sport Waikato is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large.

The Board of Trustees has elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions.

The accounting policies adopted in these financial statements are consistent with those of the previous financial year.

3 Summary of accounting policies

The significant accounting policies used in the preparation of these financial statements as set out below have been applied consistently to both years presented in these financial statements.

3.1 Basis of measurement

These financial statements have been prepared on the basis of historical cost.

3.2 Functional and presentational currency

Sport Waikato's 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 thousand dollars.

Sport Waikato
Notes to the Financial Statements
For the Year ended 30 June 2020

3.3 *Revenue*

Revenue is recognised to the extent that it is probable that the economic benefit will flow to Sport Waikato and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

Revenue from non-exchange transactions

Donations

Donations are recognised as revenue upon receipt and include donations from the general public donations received for specific programme or services or donations in-kind. Donations in-kind include donations received for services, furniture and volunteer time and is recognised in revenue and expenses when the service or good is received. Donations in-kind are measured at their fair value as at the date of acquisition, ascertained by reference to the expected cost that would be otherwise incurred by Sport Waikato.

Grant Revenue

Grant revenue includes grants given by other charitable organisations, government organisations, philanthropic organisations and businesses. Grant revenue is recognised when the conditions attached to the grant has been complied with. Where there are, unfulfilled conditions attaching to the grant, the amount relating to the unfulfilled condition is recognised as a liability and released to revenue as the conditions are fulfilled. Conditions are not fulfilled until they have been used for the purposes applied for or on the basis for which a grant is made.

Revenue from exchange transactions

Function and event income

Fees for functions and events are recorded as revenue when the function or event takes place.

Interest income

Interest revenue is recognised as it accrues, using the effective interest method.

3.4 *Financial instruments*

Financial assets and financial liabilities are recognised when Sport Waikato becomes a party to the contractual provisions of the financial instrument.

Sport Waikato financial assets include: cash and cash equivalents, short-term investments, receivables from non-exchange transactions, receivables from exchange transactions and investments.

Sport Waikato derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or Sport Waikato has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

Sport Waikato
Notes to the Financial Statements
For the Year ended 30 June 2020

- Sport Waikato has transferred substantially all the risks and rewards of the asset; or
- Sport Waikato has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

All financial assets are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired.

Sport Waikato's financial liabilities include trade and other creditors (excluding GST and PAYE), employee entitlements, and deferred income (in respect to grants whose conditions are yet to be complied with).

All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit.

3.5 Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.6 Short term investments

Short term investments comprise term deposits which have a term of greater than three months and therefore do not fall into the category of cash and cash equivalents.

3.7 Long term investments

Long term investments comprise of investments managed by Craig Investment Partners and Forsyth Barr. The investment are valued at market value.

3.8 Inventories

Inventories are measured at the lower of cost and net realisable value using the FIFO method.

3.9 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Sport Waikato

Notes to the Financial Statements

For the Year ended 30 June 2020

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

3.10 *Property, plant and equipment*

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Depreciation is charged on a straight-line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

- Motor vehicles 14% to 21% straight line
- Furniture, fittings and equipment 8.4% to 50% straight line

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits or service potential embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Sport Waikato does not hold any intangible assets that have an indefinite life.

The amortisation periods for Sport Waikato's assets are as follows:

- Licenses 50%
- Software 50%

3.11 *Leases*

Payments on operating lease agreements, where the lessor retains substantially the risk and rewards of ownership of an asset, are recognised as an expense on a straight-line basis over the lease term.

Payments on finance lease agreements, where the lessor assumes substantially all the risks and rewards of ownership of an asset are recognised 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.

Finance charges are apportioned over the terms of the respective leases using a straight-line basis. In some cases, Sport Waikato has the option to purchase the leased assets at the

Sport Waikato
Notes to the Financial Statements
For the Year ended 30 June 2020

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.

3.12 Employee benefits

Wages, salaries and annual leave

Liabilities for wages and salaries and annual leave are recognised in surplus or deficit during the period in which the employee provided the related services. Liabilities for the associated benefits are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

Employees of Sport Waikato become eligible for long service leave after a certain number of years of employment, depending on their contract. The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

3.13 Income Tax

Due to its charitable status, Sport Waikato is exempt from income tax.

3.14 Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except for receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the statement of financial position.

3.15 Equity

Equity is made up of Sport Waikato's original Trust Fund of \$1,500,000 and accumulated comprehensive revenue and expenses.

Accumulated comprehensive revenue and expenses

Accumulated comprehensive revenue and expenses is Sport Waikato's accumulated surplus or deficit since its formation, adjusted for transfers to/from specific reserves.

4 Significant accounting judgements estimates and assumptions

The preparation of Sport Waikato's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Sport Waikato
Notes to the Financial Statements
For the Year ended 30 June 2020

Judgements

In the process of applying Sport Waikato's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Lease commitments

Sport Waikato has entered into a number of vehicle leases, photocopier lease and building lease.

Sport Waikato has determined, based on an evaluation of the terms and conditions of the arrangements, such as whether the lease term does or does not constitute a substantial portion of the economic life of the vehicle, whether it does or does not retain all the significant risks and rewards of ownership of the vehicle and accounts for the contracts as finance or operating leases where appropriate.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Sport Waikato based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of Sport Waikato. Such changes are reflected in the assumptions.

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to determine potential future use and value from disposal:

- The condition of the asset
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset.

The estimated useful lives of the asset classes held by Sport Waikato are listed in Note 3.8 and 3.9.

Sport Waikato
Notes to the Financial Statements
For the Year ended 30 June 2020

5 Revenue from non-exchange transactions

Revenue from non-exchange transactions received during each reporting period are made up of the following:

	2020	2019
	\$000	\$000
Sport NZ	1,909	1,377
Other Government grants	3,671	3,657
Lion Foundation grant	130	130
District Councils	1,023	780
Secondary Schools	79	69
Gaming Trust grants	<u>176</u>	<u>188</u>
<i>Total other grants</i>	1,278	1,037
Trust Waikato donation	750	750
Events and activities sponsorship	229	286
Total revenue from non-exchange transactions	<u>7,967</u>	<u>7,237</u>

6 Other operating expenses

Surplus before tax includes the following specific expenses:

	2020	2019
	\$000	\$000
Leasing and rental costs	514	528
Trustees' fees and expenses	5	5
Operating and admin	722	745
Total operating expenses	<u>1,241</u>	<u>1,278</u>

7 Auditor's remuneration

Deloitte provides audit services to Sport Waikato on a pro bono basis (2019 Nil).

No non-audit services were provided by Deloitte (2019 \$4,000).

Sport Waikato
Notes to the Financial Statements
For the Year ended 30 June 2020

8 Cash and cash equivalents

Cash and cash equivalents include the following components:

	2020	2019
	\$000	\$000
Cash at bank	2,566	977
Total cash and cash equivalents	<u>2,566</u>	<u>977</u>

9 Investments

	2020	2019
	\$000	\$000
Term deposits – Maturing within 12 months of balance date	<u>2,100</u>	<u>5,950</u>
	2,100	5,950
Forsyth Barr	1,906	-
Craigs Investment Partners Ltd	<u>2,045</u>	<u>-</u>
	<u>3,951</u>	<u>-</u>

10 Property plant and equipment

2020	Furniture, Fittings & Equipment		
	Motor Vehicles	Equipment	Total
	\$000	\$000	\$000
Cost	196	761	957
Accumulated depreciation	107	613	720
Net book value	<u>89</u>	<u>148</u>	<u>237</u>
2019	Furniture, Fittings & Equipment		
	Motor Vehicles	Equipment	Total
	\$000	\$000	\$000
Cost	231	738	969
Accumulated depreciation	190	583	773
Net book value	<u>41</u>	<u>155</u>	<u>196</u>

Reconciliation of the carrying amount at the beginning and end of the period:

2020	Furniture, Fittings & Equipment		
	Motor vehicles	Equipment	Total
	\$000	\$000	\$000
Opening balance	41	155	196
Additions	72	56	128
Disposals	(4)	(1)	(5)
Depreciation	(20)	(62)	(82)
Closing balance	<u>89</u>	<u>148</u>	<u>237</u>

Sport Waikato
Notes to the Financial Statements
For the Year ended 30 June 2020

11 Intangible Assets

2020	Software	Licenses	Total
	\$000	\$000	\$000
Cost	141	19	160
Accumulated depreciation	138	8	146
Net book value	3	11	14

2019	Software	Licenses	Total
	\$000	\$000	\$000
Cost	141	-	141
Accumulated depreciation	130	-	130
Net book value	11	-	11

Reconciliation of the carrying amount at the beginning and end of the period:

2020	Software	Licenses	Total
	\$000	\$000	\$000
Opening balance	11	-	11
Additions	18	19	37
Depreciation	(15)	(8)	(23)
Closing balance	14	11	25

12 Key Management Personnel

The key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are the members of the governing body which comprises of the Board of Trustees and Management. The key management personnel received the following remuneration:

	2020	2019
	\$000	\$000
Board of Trustees remuneration	5	5
Management remuneration	630	605

Sport Waikato
Notes to the Financial Statements
For the Year ended 30 June 2020

13 Related party transactions

		2020	2019	2020	2019
		\$000	\$000	\$000	\$000
Related Party	Description of the Transaction	Value of transactions	Value of transactions	Amount outstanding	Amount outstanding
Phil Taylor (Board Member)	Tompkins Wake provided legal advice on various matters. Phil Taylor is a partner of this firm.	7	17	-	6
Phil Taylor (Board Member)	Tompkins Wake provided sponsorship for the Regional Sports Awards. Phil Taylor is a partner of this firm.	7	7	-	-
Mayor Brian Hanna (Board Member)	Waitomo District Council provided grant income for the Waitomo DC role and Regional Facilities. Brian Hanna is the Mayor of this Council.	90	89	-	-
Matthew Cooper (Management)	Halberg Disability Sport Foundation received KiwiSport funding, Matthew Cooper is a Trustee of the Foundation.	7	-	-	-
Matthew Cooper (Management)	Halberg Disability Sport Foundation paid for rent at BPSH. Matthew Cooper is a Trustee of the Foundation.	5	1	-	-
Michelle Hollands (Management)	Northern District Cricket Association received KiwiSport funding, Michelle Hollands is a Board member of the Association.	-	52	-	-
Murray Dun (Trustee)	KPMG Hamilton provided payroll services. Murray Dunn is a partner of this firm.	7	7	1	1

14 Leases

As at the reporting date, the Board of Trustees has entered into the following non-cancellable operating leases for motor vehicles, photocopier and building:

	2020	2019
	\$000	\$000
Not later than one year	427	419
Later than one year and no later than five years	456	569
	<u>883</u>	<u>988</u>

Sport Waikato
Notes to the Financial Statements
For the Year ended 30 June 2020

15 Categories of financial assets and liabilities

The carrying amounts of financial instruments presented in the statement of financial position relate to the following categories of assets and liabilities:

	2020	2019
	\$000	\$000
Financial assets		
Investments	6,051	5,950
<i>Loans and receivables</i>		
Cash and cash equivalents	2,566	977
Receivables from exchange transactions	108	55
Receivables from non-exchange transactions	641	531
	<u>9,366</u>	<u>7,513</u>
<i>Financial liabilities</i>		
At amortised cost		
Trade and other creditors	1,687	432
Employee entitlements	323	217
Deferred Income (conditions attached)	428	641
	<u>2,438</u>	<u>1,290</u>

16 Capital commitments

At balance date Sport Waikato has no capital commitments. (2019: \$Nil).

17 Contingent assets and liabilities

There are no contingent assets for liabilities at the reporting date. (2019: \$Nil).

18 Events after the reporting date

The Board of Trustees and management is not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in these financial statements that have significantly affected the operations of Sport Waikato.