

Annual Report

Sport Waitakere Trust
For the year ended 30 June 2016

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Directory

Sport Waitakere Trust For the year ended 30 June 2016

Nature of business

Regional Sports Trust

Charities Commission Registration Number

CC23889

Board of Trustees *Morag*

Hutchinson (Chairperson)

Carol Ngawati

Chris Wilson

Jane Finlayson

Jarrold Walton

Linda Vagana

Mike Hirst

Reuben Woods

Physical Address

96 Swanson Road, Henderson, Auckland, New Zealand, 0610

Postal Address

PO Box 21 065, Henderson, Auckland, New Zealand, 0650

Statement of Responsibility

Sport Waitakere Trust For the year ended 30 June 2016

Trustees' Report

The Trustees of Sport Waitakere present this Annual Report, being the Financial Statements of the Trust for the Financial year ended 30 June 2016 and the independent auditor's report thereon.

Statement of Responsibility

The Board and management accept responsibility for the preparation of the annual financial statements and judgements used in them, and hereby adopt the financial statements as presented. They also accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting. In the opinion of the Board and management, the annual financial statements for the year ended 30 June 2016 fairly reflect the financial position, financial performance and cashflows of Sport Waitakere.



Morag Hutchinson

Chairperson

Date 14-10-16



Lynette Adams

CEO

Date 14-10-16

Statement of Comprehensive Revenue and Expense

Sport Waitakere Trust For the year ended 30 June 2016

NOTES 2016

Revenue

Revenue from non-exchange transactions

Other grants / non exchange contract revenue	2	2,305,251
Total Revenue from non-exchange transactions		2,305,251

Revenue from exchange transactions

Events Income		73,236
Programme Management Fees		178,746
Programme Income		284,559
Other operating revenue		58,918
Interest Received		52,576
Total Revenue from exchange transactions		648,034

Total Revenue 2,953,285

Expenses

Employee and volunteer related costs		1,831,764
Events expenses		64,416
Depreciation and amortisation	5	84,961
Interest expense		33,596
Other expenses	3	628,787
Total Expenses		2,643,523

Surplus/(Deficit) for the Year 309,761

Other Comprehensive Revenue and Expenses

Total Comprehensive Revenue and Expenses 309,761

This Statement of Comprehensive Revenue and Expense should be read in conjunction with the following 'Statement of Accounting Policies' and 'Notes to the Annual Report'.

Statement of Changes in Net Assets / Equity

Sport Waitakere Trust For the year ended 30 June 2016

	NOTES	2016
Net Assets / Equity		
<hr/>		
Accumulated comprehensive revenue and expense		
Opening Retained Earnings	15	241,745
Total comprehensive revenue and expenses		309,761
Total Accumulated comprehensive revenue and expense		551,507
<hr/>		
Reserve fund for continued operations		
Opening Balance		167,374
<hr/>		
Transfers to reserve fund for continued operations	8	167,374
Total Reserve fund for continued operations		718,880
Total Net Assets / Equity		

Statement of Financial Position

Sport Waitakere Trust As at 30 June 2016

	NOTES	30 JUN 2016
Assets		
Current Assets		
Cash and cash equivalents		1,808,966
Short Term Investments		666,757
Receivables from exchange and non-exchange contracts	11	143,933
Prepayments		17,736
Total Current Assets		2,637,391
Non-Current Assets		517,600
Total Assets		3,154,991
Liabilities		
Current Liabilities		
Payables under exchange contracts	4	127,962
Employee entitlements		67,947
Finance Leases -Current	6	89,199
Income Received in Advance - KIWIAport		431,442
Income in advance	16	1,464,278
Total Current Liabilities		2,180,828
Non-Current Liabilities		
Finance Leases - Non Current	6	255,283
Total Non-Current Liabilities		255,283
Total Liabilities		2,436,111
Net Assets		718,880
Equity		
Accumulated comprehensive revenue and expense		551,507
Reserve fund for continued operations	8	167,374
Total Equity		718,880

This Statement should be read in conjunction with the following 'Statement of Accounting Policies' and 'Notes to the Annual Report'.

Statement of Cash Flows

Sport Waitakere Trust

For the year ended 30 June 2016

	NOTES	2016
Cash Flows from Operating Activities		
Receipts from grants		3,220,253
Receipts from functions and events		73,253
Other Operating Income		360,675
Interest received		53,274
GST		(3,813)
Payments to suppliers and others		(695,030)
Payments to employees		(1,794,690)
Interest paid		(33,595)
Total Cash Flows from Operating Activities		1,180,327
Cash Flows from Investing Activities		
Payments to acquire property, plant and equipment		(224,714)
Payments to purchase investments		(23,655)
Total Cash Flows from Investing Activities		(248,369)
Cash Flows from Financing Activities		
Repayment Finance leases		(83,775)
Total Cash Flows from Financing Activities		(83,775)
Net increase/ (Decrease) in Cash		848,183
Cash Balances		
Cash and cash equivalents at beginning of period		960,783
Cash and cash equivalents at end of period	4	1,808,966
Net change in cash for period		848,183

This statement should be read in conjunction with the following 'Statement of Accounting Policies' and 'Notes to the Annual Report'.

Statement of Accounting Policies

Sport Waitakere Trust

For the year ended 30 June 2016

1. (i) Basis of Preparation

The reporting entity is Sport Waitakere Trust ("Sport Waitakere"). Sport Waitakere is domiciled in New Zealand and is a charitable organisation incorporated under the Charitable Trust Act 1957 and registered under the Charities Act 2005. The significant accounting policies used in the preparation of these financial statements are set out below. These financial statements have been prepared on the basis of historical cost, as modified by the fair value measurement of non-derivative financial instruments. These 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 Waitakere 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.

Effect of first-time adoption of PBE standards on accounting policies and disclosures

These are the first set of financial statements of Sport Waitakere that are presented in accordance with PBE standards. Sport Waitakere has previously reported in accordance with old GAAP as defined by Financial Reporting Standards and applicable statement of Standard Accounting Practice. Sport Waitakere has taken advantage of the exemption for the first time application of PBE standards not to provide comparative values. Prior year audited financial statements can be found on Sport Waitakere's website at www.sportwaitakere.co.nz. The accounting policies adopted in these financial statements are consistent with those of the previous financial year, except for instances when the accounting or reporting requirements of a PBE standard are different to requirements under old GAAP as outlined below. The changes to accounting policies and disclosures caused by first time application of PBE accounting standards are as follows:

PBE IPSAS 1 - Presentation of financial statements

There are minor differences between PBE IPSAS 1 and the equivalent standard under old GAAP. These differences have an effect on disclosure only. The main changes in disclosure resulting from the application of PBE IPSAS 1 are the following:

17 Receivables from exchange and non-exchange transactions:

In the financial statements of the previous financial year, receivables were presented as a single total in the statement of financial position. However, PBE IPSAS 1 requires receivables from non-exchange transactions and receivables from exchange transactions to be presented separately in the statement of financial position.

PBE IPSAS 2 :Cashflow statements. A statement of cashflow has been prepared.

PBE IPSAS 23 - Revenue from Non-Exchange Transactions

PBE IPSAS 23 prescribes the financial reporting requirements for revenue arising from non-exchange transactions. There is no equivalent financial reporting standard under old GAAP. The application of this standard affected Sport Waitakere's accounting for funding and grants revenue. In the previous financial year, grants received in relation to the provision of a service were recognised as revenue on a percentage of completion basis. However, PBE IPSAS 23 requires revenue from non-exchange transactions, such as grants, to be recognised as revenue as they are received, unless the grant meets the definition of and recognition criteria for a liability. Non-exchange revenue from grants can only be deferred and recognised as a liability if there is a condition attached to the grant that requires an entity to use the grant as specified or return of the grant if the entity does not perform as specified. The 'Accumulated comprehensive revenue and expense' reserve in the 'Statement of financial position' has increased from that disclosed in the previous financial year due to this different grant treatment. Refer to note 15 for further information.

1. (ii) Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to Sport Waitakere 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 and funds and is recognised in revenue and expense 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 Waitakere.

Grant revenue and programme income

Grant revenue includes grants given by the government and other charitable 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.

Revenue from exchange transactions

Event income

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

Interest and dividend income

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

Dividend income is recognised when the dividend is declared.

1. (iii) Financial Instruments

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

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

Financial assets

Financial assets within the scope of NFP PBE IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

The categorisation determines subsequent measurement and whether any resulting income and expense is recognised in surplus or deficit or in other comprehensive revenue and expense. Sport Waitakere's financial assets are classified as either financial assets at fair value through surplus or deficit, or loans and receivables. Sport Waitakere's financial assets include: cash and cash equivalents, short-term investments, receivables from non-exchange transactions, receivables from exchange transactions and investments.

All financial assets except for those at fair value through surplus or deficit 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. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include items that are either classified as held for trading or that meet certain conditions and are designated at fair value through surplus or deficit upon initial recognition. Sport Waitakere's equity investments fall into this category of financial instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. Sport Waitakere's cash and cash equivalents, short-term investments, receivables from non-exchange transactions, receivables from exchange transactions and non-equity investments fall into this category of financial instruments.

Financial liabilities

Sport Waitakere's financial liabilities include trade and other payables (excluding GST and PAYE), employee benefits and income in advance (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.

1. (iv) 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.

1(v) Short term investments

Short term investments comprise term deposits which have a term of greater than three months and less than 12 months and therefore do not fall into the category of cash and cash equivalents.

1. (vi) 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, except for land and buildings. Land and buildings are not depreciated. 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 9.5% - 40%
- Office equipment 17.5% - 30%
- Computer equipment 21% - 30%

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.

1. (vii) Income Tax

Sport Waitakere is registered with the Department of Internal Affairs Charities Services as a charitable entity (Registration number CC23899). Due to its charitable status, Sport Waitakere is exempt from Income Tax.

1. (viii) 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.

1. (ix) 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 lessee retains substantially the risk and rewards of ownership of an asset, are capitalised. The asset and the corresponding liability are recorded at inception at the fair value of the leased asset.

Interest charges under finance leases are apportioned over the terms of the respective leases.

Capitalised leased assets are depreciated over their expected useful lives in accordance with rates established for similar assets.

1. (x) Employee benefits

Wages, salaries, annual leave and sick 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.

1. (xi) Equity

Equity is the community's interest in Sport Waitakere, measured as the difference between total assets and total liabilities. Equity is made up of the following components:

Accumulated comprehensive revenue and expense

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

Reserve fund for continued operations

The continued successful operation of Sport Waitakere is dependent upon ongoing funding from a variety of sources. As responsible managers of the funds entrusted to it, Sport Waitakere seeks to maintain a minimum level of funds to enable Sport Waitakere to continue its operations should there be a short term interruption to usual funding levels. This reserve has been established for this purpose.

1. (xii) Significant accounting judgements, estimates and assumptions

The preparation of Sport Waitakere'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.

Judgements

In the process of applying Sport Waitakere's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the Financial Statements:

Finance lease commitments

Payments on finance lease agreements, where the lessee retains substantially the risk and rewards of ownership of an asset, are capitalised. The asset and the corresponding liability are recorded at inception at the fair value of the leased asset. Interest charges under finance leases are apportioned over the terms of the respective leases. Capitalised leased assets are depreciated over the expected useful lives in accordance with rates established for similar assets.

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 Waitakere 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 Waitakere. Such changes are reflected in the assumptions when they occur.

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
 - Changes in the market in relation to the asset
- The depreciation rates of the asset classes held by Sport Waitakere are listed in 'Property, plant and equipment' above.

Notes to the Annual Report

Sport Waitakere Trust For the year ended 30 June 2016

	2016
2. Revenue from non-exchange transactions	
<u>Other grants, donations and similar revenue</u>	
Donations - general	720
Active funding	807,296
Foundation North funding	175,000
Auckland Council	163,227
Gaming Income (TTCF/Trillan)	76,982
Health Income	762,266
NZ Community Trust	79,760
TTCF Moving Grant	240,000
Total Revenue from non-exchange transactions	2,305,251

	2016
3. Analysis of Expenses - total expenses includes the following specific expenses:	
Audit fees	6,088
Leasing, rental and other interest costs	104,553
Board of trustees related expenses	1,274

	2016
4. Categories of financial assets and liabilities (carrying amounts)	
<u>Financial Assets (within statement of financial position)</u>	
<u>Loans and receivables</u>	
Cash and deposits at bank with maturities of less than 3 months	1,808,966
Short Term Investments	666,757
Trade and Other Receivables	143,933
Total Loans and receivables	2,619,655
Total Financial Assets (within statement of financial position)	2,619,655
<u>Financial liabilities - at amortised cost</u>	
Trade and other payables	(127,962)
Employee Benefits	(67,947)
Loans and borrowings	(344,482)
Income in Advance (conditions attached)	(1,895,720)
Total Financial liabilities - at amortised cost	(2,436,111)

2016

5. Property, Plant and Equipment

Buildings - Work in Progress	
Buildings - Work in Progress as at 30 June	182,213
Total Buildings - Work in Progress	182,213
Motor Vehicles	
Vehicles owned	476,361
Accumulated depreciation - vehicles owned	(196,576)
Total Motor Vehicles	279,786
Office Equipment	
Office equipment owned	35,110
Accumulated depreciation - office equipment	(28,253)
Total Office Equipment	6,857
Computer Equipment	
Computer equipment owned	81,242
Accumulated depreciation - computer equipment	(32,498)
Total Computer Equipment	48,744
Total Property, Plant and Equipment	517,600

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

	Office Equipment	Building Work In Progress	Computer Equipment	Motor Vehicles	Total
Balance 1 July 2015	369	0	23,981	262,288	286,638
Additions	7,902	182,213	42,701	84,418	317,234
Disposals	0	0	(1,311)	0	(1,311)
Depreciation	(1,414)	0	(16,626)	(66,921)	(84,961)
Net Book Value at 30 June 2016	6,857	182,213	48,744	279,786	517,600

2016

6. Finance Leases

Finance leases are secured over 19 vehicles. Interest paid on finance leases during the year was \$33,596 (2015: \$32,971). The effective interest rates are between 9.5% and 11.25% per annum and maturity dates are between October 2017 and March 2020.

Current interest bearing loans and borrowings

Finance Lease - No later than one year	89,199
Total Current interest bearing loans and borrowings	89,199

Non-current interest bearing loans and borrowings

Finance Lease - Later than one year and no later than five years	255,283
Total Non-current interest bearing loans and borrowings	255,283

7. Donations in kind received

Significant Donated Assets Recorded

Office furniture was donated by Air New Zealand with an estimated value of \$3,800.

2016

8. Breakdown of Reserves

Reserves

Future Development Fund	187,374
Total Reserves	167,374

Reserve Fund for Continued Operations

The continued successful operation of Sport Waitakere Trust is dependent upon ongoing funding from a variety of sources. As responsible managers of the funds entrusted to it, Sport Waitakere Trust seeks to maintain a minimum level of funds to enable it to continue its operation should there be a short term interruption to usual funding levels.

2016

9. Commitments

Non-cancellable operating lease commitments

Not later than one year	4,944
Later than one year and no later than five years	16,796
Later than five years	
Total Non-cancellable operating lease commitments	21,740

Commitment to purchase property, plant and equipment

It is estimated that there will be further costs of \$107,680 to complete the relocatable building.	107,680
Total Commitment to purchase property, plant and equipment	107,680

10. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 30 June 2016 (2015 – nil).

2016

11. Receivables from Exchange and Non Exchange contracts

Receivables

Exchange Contracts	17,753
Non Exchange Contracts	126,160
Total Receivables	143,933

2016

12. Related Parties

Funds Received

Green Bay High School. Morag Hutchinson is the principal of the school	1067
Hoani Waititi Marae. Carol Ngawati is the trust chairperson of the Marae.	261

	2016
Westy Trust. Lynette Adams and Linda Vagana are trustees of the trust.	5,386
Total Funds Received	7,614

Payment made

Green Bay High School. Morag Hutchinson is the principal of the school	80,660
Total Payments made	80,660

B Key management personnel

The key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are the members of the governing body which is comprised of the Board of Trustees, CEO and senior management and employees having the authority and responsibility for planning, directing and controlling the activity of Healthy Families, which constitutes the governing body of Sport Waitakere. No remuneration is paid to members of the Board of Trustees. Total time spent by the Board of Trustees during the year was approximately 0.25 FTE. The aggregate remuneration of key management personnel and the number of individuals, which includes the annualized value of motor vehicle use, determined on a full-time equivalent basis, receiving remuneration is as follows:

	2016
Key management remuneration	
Total remuneration	477,460
Number of persons	5

14 Events After the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Financial Statements.

15 Restatement of Accumulated comprehensive revenue and expense

The adjustment to deferred income represents the total deferred income recorded as a liability as at 30 June 2015 that would have been recorded as revenue under the new standards. The adjustment to deferred income represents the total deferred income recorded as a liability at 30 June 2015 that would be recorded as revenue under the new reporting standards.

Opening balance as per prior year audited financial statements	64,343
Adjustment to deferred income	177,404
Opening Accumulated Comprehensive Revenue and expense restated	241,747

16 Income received in advance

The following income received during the year but revenue recognition has been deferred to the following year:

Healthy Families	1,282,724
NZ Community Trust	50,000
Auckland City Council	110,020
Olympic Park Graffiti Prevention	21,534
Total income received in advance	1,464,278

17 Kiwisport Funding Held

Sport New Zealand has introduced the Kiwisport Regional Partnership Fund to increase sporting participation and opportunities for children and allow them to develop better skills. This fund will be distributed by Regional Sports Trusts with Sport Waitakere Trust contracting Primary Schools, Secondary Schools and Sports Organisations to deliver programmes within schools to children from year 1 to 13. Auckland Sport(Aktive) is the conduit of the Kiwisport funding.

Funding is received by Sport Waitakere Trust in an 'agent' capacity as Sport Waitakere Trust cannot control the use of, or otherwise directly benefit from the funding in the pursuit of its objectives. No funds are received for administration or management of these funds.

The funds are accounted in statement of financial position and will remain a liability (received in advance) until funds are distributed to the contracted Primary Schools, Secondary Schools and Sports Organisations.

Kiwisport funds held as at 30 June 2016	\$431,442
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