

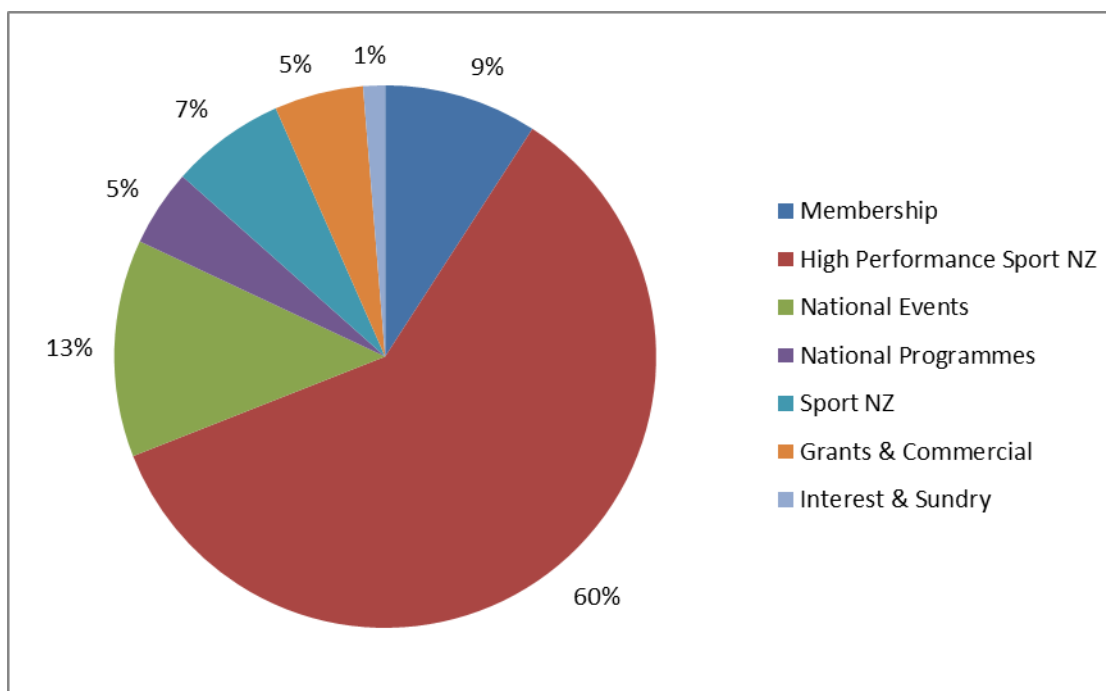
2019 FINANCIAL REPORT

The Audited Financial Statements for the year ended 31 March 2019 are included in the following pages. Operations for the financial year resulted in a surplus of \$91,567. This compares favourably to the deficit of \$63,564 in the previous year (after writing off exceptional items of \$135k), the surplus of \$44,663 in 2017 and the deficit of \$90,577 in 2016. This year's surplus increases Association Equity to \$476,510, which supports sustainability in building our reserves to cover 6 months operating costs by 2022.

KEY FACTS

Total revenue of \$6.138m was a decrease of \$23k from 2018 income of \$6.161m. The pie chart below provides a breakdown of income sources and demonstrates our continued reliance on the Sport NZ Group.

BREAKDOWN OF INCOME SOURCES



Total expenditure of \$6.046m represents a decrease of \$43k from 2018 expenditure of \$6.089m. With the majority of funding received from the Sport NZ Group and other grant funding and sponsorships as well as event funding tagged for specific projects and initiatives, less than 10% of our total income is available as discretionary funding to be used to cover the core costs of running the organisation.

**ATHLETICS NEW ZEALAND (INC)
SPECIAL PURPOSE FINANCIAL REPORT**

FOR THE YEAR ENDED 31 MARCH 2019

Athletics New Zealand (Inc) - Approval of Financial Report

For the Year Ended 31 March 2019

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 2019.

APPROVED

For and on behalf of the Board of Directors



Cameron Taylor, Chairperson



Peter Pfitzinger, Interim Chief Executive Officer

21 June 2019

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

For the Year Ended 31 March 2019

	Note	2019 \$	2018 \$
Income			
Member Income:			
Club Affiliation Fees	2	19,342	18,126
Member Levies	2	542,041	475,699
		561,383	493,825
Grants Received	3	257,212	289,083
Interest Received		61,210	39,135
National Events	5	795,276	743,539
National Programmes	4, 6, 7	280,836	311,340
Sponsorship		68,785	43,993
Sport New Zealand Investments	4	4,093,961	4,215,181
Sundry Income		18,840	24,479
Total Income		6,137,503	6,160,575
Expenditure			
Association Costs			
Annual General Meeting	7	5,614	4,610
Annual Report	7	2,552	5,509
Audit Fees		11,159	11,500
Board Meetings		19,628	36,290
Chairperson's Expenses		1,488	437
Legal Fees		21,035	3,109
Membership		24,318	35,029
National Events	5	577,925	520,843
National Programmes	4, 6, 7	670,667	653,203
NZCAA		6,114	14,674
President's Expenses		2,161	965
Public Liability Insurance		7,768	7,052
Sport Meetings	7	1,820	4,614
Total Association Costs		1,352,249	1,297,835

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 2019

	Note	2019 \$	2018 \$
Expenditure cont.			
Management and Administration Costs			
Bank Fees		23,121	12,745
Communications		19,578	18,400
Computers & Network Support		37,320	32,834
Consultants	7	17,492	50,924
Electricity		2,715	2,750
Foreign Exchanges Losses (Gains)		(3,528)	2,556
General Expenses	7	22,994	11,493
Office Rental	7	30,000	30,000
Photocopier		3,282	3,577
Postage		872	642
Printing & Stationery		3,967	7,165
Professional Development		10,767	1,925
Publicity	7	37,087	39,059
Rankings & Archives	7	17,324	17,783
Staffing	7	600,563	605,270
Staff Recruitment & Relocation		3,438	12,286
Subscriptions		1,998	3,328
Travel & Accommodation	7	13,272	9,421
Total Management and Administration Costs		842,262	862,158
Depreciation		26,669	14,096
Loss on Disposal of Assets & Stock		21,962	529
		48,631	14,625
Athletics Programmes			
High Performance	8	3,802,794	3,914,320
Total Athletics Programme Costs		3,802,794	3,914,320
Total Expenses		6,045,936	6,088,938
Exceptional Items	9	-	135,201
Net Surplus / (Deficit) for the Year		91,567	(63,564)

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

Athletics New Zealand (Inc) - Balance Sheet

As At 31 March 2019

	Note	2019 \$	2018 \$
Current Assets			
Cash and Short-Term Deposits	12	2,665,858	1,518,409
Accounts Receivable		85,257	107,206
Accrued Income		72,505	86,439
GST Receivable		-	5,357
Prepayments		73,824	131,833
Stock on Hand		20,083	18,888
<u>Total Current Assets</u>		<u>2,917,527</u>	<u>1,868,132</u>
Non-Current Assets			
Intangible Assets	10	38,041	38,041
Fixed Assets	10	177,127	204,832
<u>Total Non-Current Assets</u>		<u>215,168</u>	<u>242,873</u>
Total Assets		3,132,695	2,111,005
Current Liabilities			
Accounts Payable		218,444	211,139
Accrued Expenses		133,616	107,341
GST Payable		31,719	-
Provision for Holiday Pay		143,600	147,731
Events in Progress	11	112,333	122,027
Grants in Advance	12	1,937,797	1,120,597
High Performance in Progress		67,339	-
Income in Advance		11,337	17,227
Total Liabilities		2,656,185	1,726,062
<u>Net Assets</u>		476,510	384,943
<u>Total Association Equity</u>		476,510	384,943

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 2019

	Note	2019 \$	2018 \$
Association Equity at Start of Period		384,943	448,507
Add			
Net Surplus / (Deficit) for the Year		91,567	(63,564)
Association Equity at End of Period		<u>476,510</u>	<u>384,943</u>
<u>Total Association Equity</u>		<u>476,510</u>	<u>384,943</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 2019

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 2019

(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 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.

2 Club Affiliation Fees & Member Levies

The following club affiliation fees were received during the year:

	2019	2018
	\$	\$
Northland	679	699
Auckland	3,959	3,506
Waikato Bay of Plenty	3,846	3,464
Hawkes Bay Gisborne	1,018	885
Taranaki	1,357	1,379
Manawatu Wanganui	1,131	1,072
Wellington	2,375	2,544
Tasman	452	382
Canterbury	2,489	2,349
Otago	1,018	1,072
Southland	1,018	774
	19,342	18,126

The following member levies were received during the year:

	2019	2018
	\$	\$
Northland	9,152	11,019
Auckland	148,117	133,279
Waikato Bay of Plenty	94,656	75,889
Hawkes Bay Gisborne	22,216	18,724
Taranaki	18,571	20,477
Manawatu Wanganui	28,392	20,536
Wellington	82,027	73,314
Tasman	14,362	10,613
Canterbury	78,817	70,461
Otago	32,562	28,016
Southland	13,169	13,371
	542,041	475,689

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.

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

For the Year Ended 31 March 2019

3 Grants Received

The following grants were recorded as income during the year:

	2019	2018
	\$	\$
Akarana Community Trust	1,152	-
Auckland Airport Community Trust	9,358	-
Auckland Council	15,831	9,972
BlueSky Community Trust	3,602	5,050
Constellation Communities Trust	28,660	22,000
Dragon Community Trust	3,000	-
Foundation North	-	22,324
Four Winds Foundation	5,000	6,000
Good Sport Aktive Auckland	90	4,000
Halberg Disability Sport Foundation	1,210	11,969
IAAF	19,646	52,854
Infinity Foundation	3,000	5,750
Invacare	7,000	-
Milestone Foundation	8,500	-
NZ Community Trust	27,810	52,538
NZ Guardian Trust	-	4,923
New Zealand Racing Board	15,000	-
North & South Trust	-	4,795
Olympic Solidarity	15,616	10,770
Pub Charity	16,281	10,716
The Lion Foundation	44,946	19,594
The Southern Trust	30,000	5,308
Trillian Trust	1,460	33,425
Wellington Community Trust	-	2,095
Youthtown Trust	-	5,000
	<u>257,212</u>	<u>289,083</u>

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

4 Sport New Zealand Group Investments

The following investments were recorded as income during the year:

	2019	2018
	\$	\$
Capability	22,300	46,267
Coach Project	2,295	2,700
Community & Participation	250,000	250,000
Get Set Go	7,100	13,046
High Performance	3,674,733	3,867,930
Officials Development	33,352	17,443
Prime Minister's Scholarships	104,181	17,795
	<u>4,093,961</u>	<u>4,215,181</u>

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

For the Year Ended 31 March 2019

5 National Events

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

	2019	2018
	\$	\$
2018 Cross Country	5,848	4,256
2018 Half Marathon	557	651
2018 Marathon	-	352
2018 Mountain and Trail	112	68
2018 Road	3,074	1,154
2018 Road Relays	13,141	5,230
2018 Rotorua Marathon	109,771	90,545
2019 Track & Field Specialty Meetings	25,598	91,345
2019 Track & Field Championship Series Meetings	461	1,158
2019 Track & Field Championships	61,094	26,988
Generic Income (Expenses)	(2,305)	949
	<u>217,351</u>	<u>222,696</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:

	2019	2018
	\$	\$
Air Rescue Services	2,500	-
Auckland Council	1,000	-
Constellation Communities Trust	2,959	-
Grassroots Trust Limited	403	9,597
Mainland Foundation	1,352	-
NZ Community Trust	58,863	60,000
One Foundation	20,875	-
Pelorus Trust	2,000	10,000
Pub Charity	26,978	39,284
Rotorua Energy Charitable Trust	10,000	15,000
The Trusts Community Foundation	13,422	15,000
	<u>140,352</u>	<u>148,881</u>

6 National Programmes - Community & Participation

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

	2019	2018
	\$	\$
Club Development	(5,177)	39,376
Coach Development	(3,519)	(772)
Get Set Go	(9,211)	27,054
Officials Development	(4,071)	8,088
Programme Management	83,306	27,686
Under 14 Athletics	28,222	-
	<u>89,550</u>	<u>101,432</u>

The above amounts include direct income and expenses per division but excludes Society overheads.

Athletics New Zealand (Inc) - Notes to the Financial Statements
For the Year Ended 31 March 2019

7 Grant Subsidised Expenses

Expenses that were subsidised in part or full by a grant were the AGM & Annual Report (Pub Charity), Commercial (Auckland Airport Community Trust), Community & Participation (The Southern Trust), Club Development (Auckland Council, Four Winds Foundation, Good Sport Aktive Auckland, IAAF, Milestone Foundation, NZ Community Trust, Pub Charity and Trillian Trust), Get Set Go (Auckland Council, Four Winds Foundation, The Lion Foundation, NZ Community Trust and New Zealand Racing Board), IT Support (Akarana Community Trust and Pub Charity), Office Lease (Constellation Communities Trust and Dragon Community Trust), Publicity (BlueSky Community Trust, Dragon Community Trust, Infinity Foundation and Milestone Foundation), Rankings & Archives (BlueSky Community Trust, Dragon Community Trust, Infinity Foundation and Milestone Foundation), General Staffing (Constellation Communities Trust, IAAF and NZ Community Trust) and Vehicles (BlueSky Community Trust). Refer to Note 3.

8 High Performance

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

	2019	2018
	\$	\$
Athlete Support	1,430,809	1,715,706
Programme Coaches	1,225,778	1,107,626
Programme Management	1,146,207	1,090,988
	3,802,794	3,914,320

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

9 Exceptional Items

In the prior year there was a one time write off of obsolete stock (\$26,354), intangible assets (\$60,087) and work in progress (\$48,760) as approved by the Board of the Society.

10 Intangible and Fixed Assets

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

			2019	2018
			\$	\$
			Book Value	Book Value
	Cost	Impairment	This Year	Last Year
Intellectual Property	38,826	785	38,041	38,041
	38,826	785	38,041	38,041

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

			2019	2018
			\$	\$
			Book Value	Book Value
	Cost	Accum. Depreciation	This Year	Last Year
Computer Equipment	100,931	58,811	42,120	45,784
Office Equipment	5,072	4,878	194	1,000
Office Furniture	16,075	13,160	2,915	4,371
Other Fixed Assets	319,644	187,746	131,898	153,677
	441,722	264,595	177,127	204,832

11 Events In Progress

The \$112,333 (2018: \$122,027) represents income less expenses incurred as at balance date in relation to the 2019 Rotorua Marathon. This amount includes grants of \$36,650 (2018: \$10,000) from NZ Community Trust and Rotorua Energy Charitable Trust.

Athletics New Zealand (Inc) - Notes to the Financial Statements
For the Year Ended 31 March 2019

12 Grants In Advance

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

	2019	2018
	\$	\$
Auckland Council	27,176	33,056
Auckland Airport Community Trust	9,242	-
BlueSky Community Trust Limited	448	250
Constellation Communities Trust	341	-
Good Sport Aktive Auckland	10,552	300
Grassroots Trust Limited	-	403
Halberg Disability Sport Foundation	31,042	13,751
Harbour Sport	15,689	16,767
High Performance Sport New Zealand Investment	1,027,002	675,320
Hutt City Council	28,668	14,825
IAAF OAD Grant	36,132	19,646
KiwiSport Canterbury	1,920	-
NZCAA Reserves	182,088	-
NZ Community Trust	148,350	89,700
Prime Minister's Scholarships	200,389	171,719
Pub Charity	6,741	-
Sport Auckland	51,433	24,772
Sport New Zealand 2024 High Performance Strategy	20,000	-
Sport New Zealand Coach Project	5,705	-
Sport New Zealand Get Set Go Website Improvement	-	7,100
Sport New Zealand Governance Support	4,215	-
Sport New Zealand Intellectual Property Services	1,746	10,453
Sport New Zealand KiwiSport	1,073	1,073
Sport New Zealand Targeted Club Initiative	66,649	-
Sport Waikato	2,611	4,840
Sport Waitakere	5,050	8,950
The Lion Foundation	5,054	25,000
The Phillip Verry Charitable Foundation	15,000	-
The Southern Trust	29,231	-
The Trusts Community Foundation	1,578	-
Wellington Community Trust	2,672	2,672
	<u>1,937,797</u>	<u>1,120,597</u>

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.

13 Commitments

There is \$800,000 of expenditure commitments related to contributions to the construction of High Performance facilities at year end. (2018:Nil)

There are operating lease commitments at year end:

	2019	2018
	\$	\$
No later than one year	154,940	138,753
Later than one year and no later than five years	353,870	47,840
	<u>508,810</u>	<u>186,593</u>

Athletics New Zealand (Inc) - Notes to the Financial Statements
For the Year Ended 31 March 2019

14 Contingent Liabilities

There were no contingent liabilities at year end. (2018:Nil)

15 Subsequent Events

There were no events subsequent to the balance date. (2018: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 12, which comprise the balance sheet as at 31 March 2019, and the statement of profit or loss and statement of movements in equity for the year then ended, and notes to the 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 2019, 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.

Our 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 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 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/>

**BAKER TILLY STAPLES RODWAY AUCKLAND****Auckland, New Zealand**

21 June 2019