

Financial Statements

Triathlon New Zealand Incorporated
For the year ended 30 June 2019

Prepared by Baker Tilly Staples Rodway Auckland Limited

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Directory

Triathlon New Zealand Incorporated For the year ended 30 June 2019

Nature of Business

To inspire New Zealanders to participate in, and commit to, the sport of triathlon.

Board Members

Graham Perks - President

Brendon McDermott

Jo Tisch

Evelyn Williamson

Neil Millar

Marisa Carter (to March 2019)

Natalie Smith

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New Zealand

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New Zealand

Chartered Accountant

Baker Tilly Staples Rodway Auckland Limited

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Auckland 1010

Approval of Financial Statements

Triathlon New Zealand Incorporated For the year ended 30 June 2019

The Board Members are pleased to present the approved financial statements of Triathlon New Zealand Incorporated for the year ended 30 June 2019.

The Board and Management accept responsibility for the preparation of the financial statements and judgements used in them, and hereby adopt the financial statements as presented. They also accept the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting and service performance reporting. In the opinion of the Board and Management, the financial statements for the year ended 30 June 2019 fairly reflect the financial position, financial performance and cash flows of Triathlon New Zealand Incorporated.

Approved



Graham Perks
President

Date: 13th September 2019



Brendon McDermott

Date: 13th September 2019

Statement of Comprehensive Revenue and Expenses

Triathlon New Zealand Incorporated For the year ended 30 June 2019

	NOTES	2019	2018
Revenue			
Revenue from non-exchange transactions			
HPSNZ Funding	1	847,202	875,345
Sport NZ Funding	1	290,239	80,000
Other grants / non exchange contract revenue	1	225,643	122,664
Total Revenue from non-exchange transactions		1,363,084	1,078,009
Revenue from exchange transactions			
Membership and Club Fees		57,520	46,145
Events and Courses		440,134	306,757
Sponsorship		235,629	216,194
Other Operating Revenue		116,095	168,289
Interest Received		2,241	2,843
Total Revenue from exchange transactions		851,619	740,228
Total Revenue		2,214,703	1,818,237
Expenses			
Employee and volunteer related costs		544,426	547,005
Events and Courses		336,305	168,037
Grants and donations made	2	226,829	294,984
Depreciation and Amortisation		20,771	23,272
Interest Expense		2,100	48
Other expenses		832,275	688,637
Write down of inventory - bikes		4,500	20,879
Total Expenses		1,967,205	1,742,863
Net Surplus for the Year		247,499	75,375

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

Statement of Changes in Net Assets

Triathlon New Zealand Incorporated For the year ended 30 June 2019

	2019	2018
Members Equity		
Opening Balance	510,896	435,521
Increases		
Surplus for the Year	247,499	75,375
Total Increases	247,499	75,375
Total Members Equity	758,395	510,896

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

Statement of Financial Position

Triathlon New Zealand Incorporated As at 30 June 2019

	NOTES	30 JUN 2019	30 JUN 2018
Assets			
Current Assets			
Cash and cash equivalents	3	850,867	719,062
Receivables from Exchange Contracts		30,618	33,460
GST Receivable		6,687	15,148
Inventory - Stock of bikes	4	3,000	7,500
Gain on Foreign Exchange Contract		-	7,072
Prepayments		36,698	85,640
Total Current Assets		927,868	867,882
Non-Current Assets			
Property, Plant and Equipment	5	29,452	44,316
Intangibles	6	5,908	11,815
Other Non-Current Assets		1,474	1,621
Total Non-Current Assets		36,833	57,751
Total Assets		964,702	925,634
Liabilities			
Current Liabilities			
Trade and other creditors		77,672	144,168
Employee Entitlements		24,897	25,694
Income in Advance		101,220	243,147
Total Current Liabilities		203,790	413,010
Non-Current Liabilities			
Other Non-Current Liabilities		2,518	1,728
Total Non-Current Liabilities		2,518	1,728
Total Liabilities		206,307	414,738
Net Assets		758,395	510,896
Members Equity			
Accumulated Funds	7	758,395	510,896
Total Members Equity		758,395	510,896

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

Statement of Cash Flows

Triathlon New Zealand Incorporated For the year ended 30 June 2019

	2019 Actual \$	2018 Actual \$
Cash flows from Operating Activities		
Receipts from Government Grants	1,149,702	794,253
Receipts from Fundraising	153,713	84,670
Receipts from Donations and other funding	(12,176)	111,999
Receipts from membership fees	47,994	39,895
Receipts from other grants and other income	642,621	567,207
Goods and Services Tax (net)	8,461	(26,891)
Payments to Employees	(489,783)	(496,867)
Payments to Suppliers	(1,368,868)	(1,010,826)
Interest (Paid) / Received	141	2,794
Net cash from / (to) the Operating Activities	131,804	66,233
Cash flows from Investing Activities		
Purchase of PPE (and Intangibles)	-	(31,498)
Net cash from / (to) the Investing Activities	-	(31,498)
Cash flows from Financing Activities	-	-
Net increase/(decrease) in cash and cash equivalents	131,804	34,735
Cash and cash equivalents at the beginning of the year	719,062	684,327
Cash and cash equivalents at the end of the year	850,866	719,062

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

Statement of Accounting Policies

Triathlon New Zealand Incorporated For the year ended 30 June 2019

1.1 Basis of Preparation

The reporting entity is Triathlon New Zealand Incorporated ("Triathlon New Zealand Incorporated"). Triathlon New Zealand Incorporated is domiciled in New Zealand and is an incorporated society registered under the Incorporated Societies Act 1908. 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, Triathlon New Zealand Incorporated 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 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.

1.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to Triathlon New Zealand Incorporated 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 apparel, media, motor vehicles, printing and services 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 receipt, ascertained by reference to the expected cost that would be otherwise incurred by Triathlon New Zealand Incorporated.

Grant revenue

Grant revenue includes grants given by government entities, charitable organisations, philanthropic organisations and businesses. Grant revenue is recognised when the conditions attached to the grant have been complied with. Where there are unfulfilled conditions attached to the grant, the amount relating to the unfulfilled condition is recognised as a liability and released to revenue as the conditions are fulfilled.

Agency relationship on PEG Revenue

PEG Revenue received from High Performance Sport New Zealand in the past has been on an agency relationship, with funds directly attributable to one activity. This has since changed in 2018 and 2019 to funds being attributable to a variety of activities per the relationship with HPSNZ.

Revenue from exchange transactions

Membership fees

Fees and subscriptions received in exchange for monthly access to members' facilities are initially recorded as income in advance and recognised in revenue evenly over the membership period.

Where members purchase specific services (for example, attendance at the coaching and development course), revenue is initially recorded as revenue in advance, and then recognised proportionally on the basis of the value of each session relative to the total value of the purchased services.

Event and courses income

Entrance fees for events and courses 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.

Sponsorship Income

The revenue received from Sponsorship contracts is allocated over the term of the contract. Where sponsorship relates to a particular event the revenue is recognised when the event occurs.

1.3 Financial Instruments

Financial assets and financial liabilities are recognised when Triathlon New Zealand Incorporated becomes a party to the contractual provisions of the financial instrument.

Triathlon New Zealand Incorporated 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 Triathlon New Zealand Incorporated 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:

- Triathlon New Zealand Incorporated has transferred substantially all the risks and rewards of the asset; or
- Triathlon New Zealand Incorporated 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 expenses. Triathlon New Zealand Incorporated's financial assets are classified as either financial assets at fair value through surplus or deficit, or loans and receivables. Triathlon New Zealand Incorporated's financial assets include: cash and cash equivalents, gain on foreign exchange contracts and receivables from exchange transactions.

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.

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. Triathlon New Zealand Incorporated's cash and cash equivalents, receivables from exchange transactions, Inventory - Stock of Bikes and non-equity investments fall into this category of financial instruments.

Financial liabilities

Triathlon New Zealand Incorporated's financial liabilities include trade and other creditors (excluding GST and PAYE), employee entitlements 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.

1.4 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.

1.5 Inventories - Stock of Bikes

Inventory is measured at cost adjusted for any loss of service potential.

1.6 Property Plant & 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 diminishing value or 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 over its remaining useful life:

- Motor vehicles 26% - 30%
- Office & Sundry equipment 10% - 40%
- Computer equipment 67%

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.

1.7 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. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

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. 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.

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.

The amortisation expense on intangible assets with finite lives is recognised in surplus or deficit as the expense category that is consistent with the function of the intangible assets.

Triathlon New Zealand Incorporated does not hold any intangible assets that have an indefinite life.

The amortisation periods for assets are as follows:

- Trademarks over 20 Years

- Website - diminishing value - 50%

1.8 Income Tax

Triathlon New Zealand Incorporated is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

The organisation's aims and activities are to promote Triathlon throughout New Zealand. None of the organisation's income or funds are used (or is available for use) to benefit any of its members, trustees or associates.

1.9 Goods and Services Tax

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.

1.10 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.

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.

1.11 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.

1.12 Equity

Equity is the community's interest in Triathlon New Zealand Incorporated, 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 Triathlon New Zealand Incorporated's accumulated surplus or deficit since its formation, adjusted for transfers to/from specific reserves.

1.13 Significant accounting judgments, estimates and assumptions

The preparation of Triathlon New Zealand Incorporated'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 Triathlon New Zealand Incorporated's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments

Triathlon New Zealand Incorporated has entered into a number of operating leases.

Triathlon New Zealand Incorporated has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the property, that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

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. Triathlon New Zealand Incorporated 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 Triathlon New Zealand Incorporated. 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
- 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 Triathlon New Zealand Incorporated are listed in 'Property, plant and equipment' above.

1.14 Going Concern

These financial statements have been prepared using the going concern assumption. The continued success of Triathlon NZ is dependent on on-going support from funding bodies, including Sport NZ and other sponsors. In addition, the 2016/2017 financial year saw a constitutional change that introduced membership fees to support financial sustainability. Triathlon NZ has reduced its operating costs significantly in the last five years in line with lower funding levels, and has restructured the scope of its operations to match lower available funding levels. Additionally, for two consecutive years Triathlon New Zealand have tabled significant surplus budgets, enabling cash reserves to be rebuilt and confirm Triathlon New Zealand are able to operate within their available funding levels.

During the 2019/2020 financial year, Triathlon NZ will continue to concentrate on managing expenditure and securing further funding, including membership fees and race licences. Triathlon NZ is confident that it can secure the required funding and operating cost reductions to continue to operate for a period of 12 months from the date of approving these financial statements.

Notes to the Financial Statements

Triathlon New Zealand Incorporated For the year ended 30 June 2019

	2019	2018
1. Revenue from non-exchange transactions		
HPSNZ Funding	847,202	875,345
Sport NZ community sport and other funding	290,239	80,000
Other grants, donations and similar revenue		
Funding - Youthtown Incorporated	-	5,664
Funding - NZCT	67,000	100,000
Funding - Black Gold	100,000	10,000
Funding - Other Donations	56,643	5,000
Funding - Other Trusts	2,000	2,000
Total Other grants, donations and similar revenue	225,643	122,664
Total Revenue from non-exchange transactions	1,363,084	1,078,009
	2019	2018
2. Analysis of Expenses		
Grants and Donations made		
Grant MTR PEGS	82,881	-
Grants forwarded to Athletes	38,704	105,373
Grants forwarded to Coaches	39,675	140,020
Grants PM Scholarships	45,152	-
Grants Athlete PEGS	20,417	49,592
Total Grants and Donations made	226,829	294,984
Total Analysis of Expenses	226,829	294,984
	2019	2018
3. Cash and Cash Equivalents		
Cash at Bank	850,867	719,062
Gain on Foreign Exchange Contract	-	7,072
Total Cash and Cash Equivalents	850,867	726,134
	2019	2018
4. Inventories - Stock of Bikes		
Stock of Bikes	3,000	7,500
Total Inventories - Stock of Bikes	3,000	7,500
	2019	2018
5. Property, Plant & Equipment		
Motor Vehicles		
Motor Vehicles	5,439	5,439

	2019	2018
Motor Vehicles Accumulated Depreciation	(4,583)	(4,225)
Total Motor Vehicles	856	1,214
Office Equipment and Other Assets		
Office and Sundry Equipment	131,050	131,050
Office and Sundry Equipment Accumulated Depreciation	(121,024)	(117,655)
Other Fixed Assets	38,695	38,695
Other Fixed Assets Accumulated Depreciation	(21,036)	(11,748)
Total Office Equipment and Other Assets	27,686	40,342
Computer Equipment		
Computer Equipment	3,475	3,476
Computer Equipment Accumulated Depreciation	(2,565)	(716)
Total Computer Equipment	910	2,760
Total Property, Plant & Equipment	29,452	44,316

As at 30 June 2018:

	Office Equipment and Other Assets	Computer Equipment	Motor Vehicles	Totals
Opening Balance	22,553	0	1,722	24,275
Additions	28,023	3,476	0	31,499
Disposals	0	0	0	0
Depreciation	10,234	716	508	11,458
Net Book Value	40,342	2,760	1,214	44,316

As at 30 June 2019:

	Office Equipment and Other Assets	Computer Equipment	Motor Vehicles	Totals
Opening Balance	40,342	2,760	1,214	44,316
Additions	0	0	0	0
Disposals	0	0	0	0
Depreciation	12,656	1,849	358	14,863
Net Book Value	27,686	911	856	29,453

	2019	2018
6. Intangible Assets		
Intangible Asset - Website	23,630	23,630
Intangible Asset - Website - Accumulated Amortisation	(17,722)	(11,815)
Total Intangible Assets	5,908	11,815
	2019	2018

7. Breakdown of Reserves

Sport Services General Fund	615,446	463,155
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High Performance Fund	142,949	47,741
Total Breakdown of Reserves	758,395	510,896
	2019	2018

8. Commitments - Leases not reflected

Not later than one year	10,987	6,813
Later than one year and no later than five years	32,513	-
Total Commitments - Leases not reflected	43,500	6,813

9. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 30 June 2019 (20 June 2018: \$nil)

	2019	2018
10. In-kind goods or services		
Suzuki Vehicles	57,960	57,960
Cube Printing and Signage	15,000	15,000
Asics - Shoes for prizes and giveaways	24,500	23,000
2XU- Team wear and spot prizes	60,000	60,000
Total In-kind goods or services	157,460	155,960
	2019	2018

11. Related Parties

Receivables

Brendon McDermott / Sport Southland	1,175	-
Graham Perks / Rotorua Association of Triathlon & Multisport	150	-
Total Receivables	1,325	-

Payables

Brendon McDermott / Sport Southland	-	503
Neil Millar / Minter Ellison Rudd / North Harbour Triathlon Club	-	7,699
Total Payables	-	8,202

Revenue

Marisa Carter / Sport Connect Limited	-	1,739
Brendon McDermott / Sport Southland	224	1,991
Graham Perks / Rotorua Association of Triathlon & Multisport	3,186	976
Jo Tisch / Triathlon Tauranga	3,222	3,700
Evelyn Williamson / NZOC / Black Gold Donations	-	10,000
Neil Millar / Minter Ellison Rudd / North Harbour Triathlon Club	-	250
Natalie Smith / Wellington Triathlon Club	967	-
Total Revenue	7,600	18,656

Expenses

Arthur Klap	-	1,362
Marisa Carter / Sport Connect Limited	68,892	-
Brendon McDermott / Sport Southland	4,753	5,406
Brendon McDermott / Sport Southland	1,338	840
Jo Tisch / Triathlon Tauranga	-	34

	2019	2018
Evelyn Williamson / NZOC / Black Gold Donations	-	300
Neil Millar / Minter Ellison Rudd / North Harbour Triathlon Club	-	6,695
Natalie Smith / Wellington Triathlon Club	3,170	2,961
Total Expenses	78,152	17,598

Each of the related parties outlined above have been or are Board Members of Triathlon New Zealand. Their associated organisations are also listed above.

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 is comprised of the Board of Directors, Chief Executive and employees having the authority and responsibility for planning and controlling the activity of Triathlon New Zealand Incorporated. No remuneration is paid to members of the Board of Directors. The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration is as follows:

	2019	2018
Key management remuneration		
Total remuneration	387,150	349,802
Number of persons	3	4

13. Events after Balance Date

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