

Financial Statements

Hockey Foundation

For the year ended 31 December 2019

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HOCKEY FOUNDATION

Opinion

We have audited the financial statements of the Hockey Foundation (the "Foundation"), which comprise the Statement of Financial Position as at 31 December 2019, and the Statement of Comprehensive Revenue and Expenses, Statement of Changes in Net Assets/Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at 31 December 2019, and the Foundation's financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") issued by the New Zealand Accounting Standards Board.

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 Financial Statements* section of our report. We are independent of the Foundation 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 we have fulfilled our other ethical responsibilities in accordance with these requirements. 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, Hockey Foundation.

Emphasis of Matter

We draw attention to Note 8 *Events after reporting date* to the financial statements, which outlines the Trustee's assessment of the effects of the COVID-19 pandemic that arose after the reporting date on the future operations of the Foundation. Our opinion is not modified in respect of this matter.

Trustee's Responsibilities for the Financial Statements

The Trustees are responsible on behalf of the Foundation for the preparation and fair presentation of financial statements in accordance with PBE Standards RDR, and for such internal control as the Trustees determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Foundation's financial statements, the Trustees are responsible for assessing the Foundation'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 Trustees either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Foundation's 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 decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Foundation's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Foundation's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Who we report to

This report is made solely to the Foundation's Trustees, as a body. 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 the Foundation and the Foundation's Trustees, as a body, for our audit work, for this report or for the opinions we have formed.



BDO Auckland
Auckland
New Zealand
9 April 2020

Directory

Hockey Foundation For the year ended 31 December 2019

Nature of business

The Hockey Foundation has the following objectives; to promote and support participation in the amateur sport of hockey in New Zealand, and to educate New Zealanders through the amateur sport of hockey (by the promotion of participation in hockey and the education of the public as to the health benefits of hockey, both physical and mental, for themselves and the community in general).

Board of Trustees

Alan Brodie Lints (Chair)

Anthony Mark Morris

Dave Wigmore

Hamish Clentworth

Katherine Mary Haggitt Wilson (29 July 2019)

Sarah Catherine Giltrap

Physical Address

14 Normanby Road, Eden 4, Eden Business Park, Mt Eden, Auckland, 1024

Postal Address

PO Box 67-088, Mt Eden, Auckland, 1349

Approval of Financial Statements

Hockey Foundation

For the year ended 31 December 2019

The Trustees are pleased to present the approved financial statements of the Hockey Foundation for year ended 31 December 2019.

The Trustees 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. In the opinion of the Trustees and management, the financial statements for the year ended 31 December 2019 fairly reflect the financial position, financial performance and cash flows of the Hockey Foundation.

APPROVED



Alan Brodie Lints

Chair

Date: 09 April 2020



Dave Wigmore

Trustee

Date: 09 April 2020

Statement of Comprehensive Revenue and Expenses

Hockey Foundation

For the year ended 31 December 2019

	NOTES	2019	2018
Revenue			
Revenue from non-exchange transactions			
Donations		21,516	26,610
Total Revenue from non-exchange transactions		21,516	26,610
Revenue from exchange transactions			
Functions and events		75,863	-
Other operating revenue		176,268	(3,137)
Interest earned		26,342	29,800
Dividend income		27,036	26,028
Total Revenue from exchange transactions		305,509	52,691
Total Revenue		327,025	79,301
Expenses			
Other Expenses		154,264	92,433
Total Expenses	6	154,264	92,433
(Deficit)/Surplus for the Year		172,761	(13,132)
Total Other Comprehensive Income Revenue and Expenses		172,761	(13,132)

These Financial statements should be read in conjunction with the following "Notes to the Financial Statements"

Statement of Changes in Net Assets/Equity

Hockey Foundation

For the year ended 31 December 2019

	NOTES	2019	2018
Equity			
Accumulated Comprehensive Revenue and Expenses			
(Deficit)/Surplus for the year		172,761	(13,132)
Retained Earnings brought forward		1,471,682	1,484,814
Total Accumulated Comprehensive Revenue & Expenses		1,644,443	1,471,682
Other Reserves	5	50,000	50,000
Total Equity		1,694,443	1,521,682

These Financial statements should be read in conjunction with the following "Notes to the Financial Statements"

Statement of Financial Position

Hockey Foundation

As at 31 December 2019

	NOTES	2019	2018
Assets			
Current Assets			
Cash and Cash Equivalents	3	88,617	56,472
Investments	4	1,678,426	1,459,337
Prepayments and Other Debtors		-	7,408
Total Current Assets		1,767,043	1,523,217
Total Assets		1,767,043	1,523,217
Liabilities			
Current Liabilities			
Trade and Other Creditors	2	68,801	(532)
Employee Entitlements		1,732	-
Income in Advance		2,067	2,067
Total Current Liabilities		72,600	1,535
Total Liabilities		72,600	1,535
Net Assets		1,694,443	1,521,682
Accumulated Funds			
Accumulated Comprehensive Revenue and Expense		1,644,443	1,471,682
Other Reserves		50,000	50,000
Total Accumulated Funds		1,694,443	1,521,682

These Financial statements should be read in conjunction with the following "Notes to the Financial Statements"

Statement of Cash Flows

Hockey Foundation

For the year ended 31 December 2019

	NOTES	2019	2018
Cash Flow from Operating Activities			
Cash Receipts from Operations, events and donations		97,379	26,610
Interest income		26,342	29,800
Dividend income		27,036	26,028
Cash Payments to suppliers		9,069	(38,867)
Grants paid		(84,860)	(75,000)
Total Cash Flows from Operating Activities		74,966	(31,429)
Cash Flow from Investing Activities			
Sale/(Purchase) of investments		(42,821)	(42,646)
Total Cash Flows from Investing Activities		(42,821)	(42,646)
Net Increase/(Decrease) in Cash		32,145	(74,075)
Cash Balances			
Cash and cash equivalents at beginning of period		56,472	130,547
Cash and cash equivalents at the end of period	3	88,617	56,472
Net change in cash for period		32,145	(74,075)

These Financial statements should be read in conjunction with the following "Notes to the Financial Statements"

Notes to the Financial Statements

Hockey Foundation

For the year ended 31 December 2019

1.1 Basis of Preparation

The reporting entity is the Hockey Foundation. The Hockey Foundation is domiciled in New Zealand 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 measured at fair value through surplus or deficit. 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 Reduced Disclosure Regime ("PBE IPSAS RDR") and other applicable financial reporting standards as appropriate for Tier 2 Not-For-Profit entities and disclosure concessions have been applied. For the purposes of complying with NZ GAAP, the Hockey Foundation is a public benefit not-for-profit entity. The Trustees have elected to report in acst. In addition, at the date of signing the financial statements

Prior period re-classification

The Hockey Foundation has reclassified \$418,862 from 'Cash and cash equivalents' reported in the Statement of Financial position at 31 December 2018 to 'Investments', in compliance with PBE IPSAS 29 – Financial Instruments: Recognition and Measurement. This relates to the Hockey Foundation's investment portfolio which is managed by a third party. At 31 December 2018 the portfolio included uninvested cash of \$418,862 which the Hockey Foundation had previously reported within 'Cash and cash equivalents'. IPSAS 29 requires this to be included within 'Investments'.

The reclassification also impacts reported 'Cash and cash equivalents at the end of the period' in the Statement of Cashflows for the year ended 31 December 2018 by the same amount, comprising a reduction in 'Cash and cash equivalents at the beginning of the period' of \$236,360 and a reduction in 'Sale/(Purchase) of investments' of \$182,502.

Accounting policies

The accounting policies detailed in the following notes have been applied consistently to all periods presented in these financial statements. There have been no new accounting standards adopted by the Hockey Foundation for the year ended 31 December 2019, and there are no accounting standards affecting the financial statements for the year ending 31 December 2020.

1.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Hockey Foundation 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

Non exchange transactions are those where the Group Receives an inflow of resources (i.e. cash and other tangible or intangible items) but provides no (or nominal) direct consideration in return.

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow.

The following specific recognition criteria in relation the Group's non-exchange transaction revenue streams must also be met before revenue is recognised:

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 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 acquisition, ascertained by reference to the expected cost that would be otherwise incurred by Hockey Foundation.

Revenue from exchange transactions

Interest and dividend income

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

Dividend income is recognised when the Foundation's right to receive payment is established and the amount can be reliably measured.

1.3 Financial instruments

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

The Hockey Foundation 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 the Hockey Foundation 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:

- the Hockey Foundation has transferred substantially all the risks and rewards of the asset; or
 - the Hockey Foundation has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- Hockey Foundation derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. Hockey Foundation also derecognises financial assets and financial liabilities when there has been significant changes to the terms and/or the amount of contractual payments to be received/paid.
- Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, Hockey Foundation has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where both:

- It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation, and
- The amount of the obligation can be reliably estimated.

Financial assets

Financial assets can be 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. The Hockey Foundation financial assets are classified as either financial assets at fair value through surplus or deficit, or loans and receivables. Hockey Foundation's financial assets include: cash and cash equivalents, receivables from exchange transactions and investments.

Subsequent measurement

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. Investments equities 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. The Hockey Foundation cash and cash equivalents, short-term investments, receivables from exchange transactions and non-equity investments fall into this category of financial instruments.

Impairment of financial assets

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.

The Hockey Foundation assesses at the end of reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event' and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortised cost, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the surplus or deficit for the reporting period.

In determining whether there is any objective evidence of impairment, the Hockey Foundation first assesses whether there is objective evidence of impairment of financial assets that are individually significant, and individually or collectively significant for financial assets that are not individually significant. If the Hockey Foundation determines that there is no objective evidence of impairment for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment for impairment.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. If the reversal results in the carrying amount exceeding its amortised cost, the amount of the reversal is recognised in surplus or deficit.

Financial liabilities

The Hockey Foundation's financial liabilities include trade and other creditors.

All financial liabilities are initially recognised at fair value and are measured subsequently at amortised cost using the effective interest method.

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 Income Tax

The Hockey Foundation is a charitable trust wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

1.6 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 other receivables or other payables in the statement of financial position.

1.7 Equity

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

1.8 Other reserves

The Group's other reserve relate to the Gilmore bequest, which is to be used for under 19 Girls Players and Umpire Scholarships.

1.9 Significant accounting judgements, estimates and assumptions

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

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. Hockey Foundation 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 the Hockey Foundation. Such changes are reflected in the assumptions when they occur.

Key assumptions and judgements relate to:

Determination of the fair value of in kind revenue and expenses.

Revenue recognition - non-exchange revenue (conditions vs. restrictions)

Revenue from non-exchange transactions is recognised as revenue when there are no contractual restrictions imposed by the giver requiring repayment in the event that the revenue is unspent at balance date. Management make a judgement on the value received (where the revenue stream is not received in cash or not easily measurable) and as to the existence of any conditions and restrictions attached to the revenue stream.

Notes to the Financial Statements

Hockey Foundation

For the year ended 31 December 2019

2. Categories of financial assets and liabilities (carrying amounts)	2019	2018
Financial Assets (within statement of financial position)		
<i>Loans and receivables</i>		
Cash and deposits at bank with maturities of less than 3 months	88,617	56,472
Investments	864,426	797,116
<i>Fair Value through Surplus or Deficit</i>		
Investments	814,002	662,222
Total Financial Assets (within statement of financial position)	1,767,045	1,515,810
Financial Liabilities - at amortised cost		
Trade and Other Creditors	68,801	(532)
Total Financial liabilities - at amortised cost	68,801	(532)
3. Cash and cash equivalents		
Cash at bank and deposits	88,617	56,472
Total Cash and cash equivalents	88,617	56,472
4. Investments		
Cash investments at bank and financial institutions	434,977	418,862
Fixed interest deposits	429,448	378,254
Property	36,250	30,044
Equity securities (New Zealand and internationally publicly listed and other)	777,751	632,177
Total Investments	1,678,426	1,459,337
Current	1,678,426	1,459,337
Total Investments	1,678,426	1,459,337
5. Hockey Foundation - Breakdown of Other Reserves		
Chica Gilmore		
Balance at start of year	50,000	50,000
Donations received	-	-
Grants paid	-	-
Balance at end of year	50,000	50,000
Total Other Reserves	50,000	50,000

The Chica Gilmore bequest is to be used for Under 19 Girls Players and Umpires Scholarships.

6. Related Parties	2019	2018
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Hockey New Zealand Incorporated

During the year 2019 the Hockey Foundation granted \$50,000 to Hockey New Zealand Incorporated. (2018: \$60,000).

Key management personnel

The key management personnel are the members of the governing body which is comprised of the Board of Trustees of Hockey Foundation. No remuneration is paid to Board of Trustees.

7. Other Operating Revenue	2019	2018
Craigs Investment - Realised Gains (Losses)	(730)	(2,407)
Craigs Investment - Unrealised Gains (Losses)	176,998	(730)
Total Other Operating Revenue	176,268	(3,137)

The realised and unrealised Gains (Losses) relates to Hockey Foudation investment activity through Craig Investments.

8. Events after reporting date

At the reporting date a number of cases of a new virus, COVID-19 (which is also known as Coronavirus), had been reported in the Wuhan province of China. The Hockey Foundation undertakes all of its activities in New Zealand and does not source any products from overseas. Consequently, the financial statements for the current period are not impacted by COVID-19.

Subsequent to reporting date, COVID-19 became widespread globally. As a result, the World Health Organization announced that the outbreak should be considered a pandemic. The result of this pandemic has been a substantial reduction in economic activity throughout the world, as governments have introduced measures (such as the closure of all non-essential businesses and the cancellation of all public events) in a bid to halt, or at least slow, transmission of the virus. At the time of signing the financial statements, there is uncertainty about how much further economic activity will fall and how long the period of reduced economic activity will last. In addition, at the date of signing the financial statements, the New Zealand Government has ordered that all non-essential businesses cease trading for at least four weeks.

The Trustees have assessed the likely impact of COVID-19 on the Hockey Foundation and have concluded that, for the 12 months from the date of signing the financial statements, COVID-19 will not impact the ability of the Trust to continue operating as a going concern. That conclusion has been reached because the Group has sufficient resources (Reserves and investment portfolio) that, even with low revenue, it can maintain revised expenditure for at least 12 months from the date of signing these financial statements.