

financial contents

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**RICHARD DODSON, ANDREW MAY,
CHRIS SHARP PARA-SAILING**



financial report

FRAMEWORK

The finance report reflects operations during the financial year ended 30 June 2016. The organisation is required to report under the new Accounting Standards Framework as a Tier 2 entity, with specific notes and disclosures required. Performance Enhancement Grants (PEGs) have now been reclassified as a Special Purpose Fund and are no longer included in the income or expenditure, with comparatives also reflecting this change.

RESULT

The 2015/16 financial year resulted in a surplus of \$333,503 against a budgeted surplus of \$129,311, comprised of the following:

Income

- Sponsorship of \$850k, plus value in kind of 270k from major partners & supply partners, \$681k ahead of budget.
- Fundraising of \$114k, (\$409k) behind budget due to reduced Pin & Win sales, and no Licensing income opportunities.
- Grants of \$196k, (\$35k) behind budget due to reduced funding available.

Expenditure

- Administration costs \$117k, (\$48k), over budget with increased recruitment fees.
- Employee Related costs \$610k, (\$37k) over budget due to increased headcount.
- Fees & Consultants \$118k, (\$73k) over budget for legal & website maintenance.

KEY FACTS

A summary of key facts that contributed to the revenue result of \$4.04 million, an increase of 7.7% from the 2014/15 income of \$3.75 million, are as follows:

- High Performance Sport New Zealand Investment (HPSNZ) increased by \$252k to \$2.4m
- Fundraising & Sponsorship increased by \$906k to \$1.2m
- Grant income of \$196k
- Donations & Postal Appeal of \$86k.

Grant income received was from Pub Charity \$50,000, Sport NZ \$45,000, Pelorus Trust \$10,000 and Trusts Community Foundation \$10,000. The Lion Foundation and the New Zealand Racing Board grants for \$51,331 and \$70,000 respectively were brought forward from the 2014/15 financial year as per the specific grant conditions.

A summary of key facts that contributed to the Paralympics New Zealand (PNZ) Expenditure result of \$3.7 million, an increase of 21% from 2014/15, are as follows:

- Employee costs \$610k
- Administration costs of \$117k, includes recruitment, affiliations, printing, vehicle costs
- Occupancy costs of \$96k – office rentals, insurances
- Governance of \$24k – flights, accommodation, honorarium
- Commercial & Marketing costs of \$208k – events, value in kind expenses
- Rio 2016 Paralympic Games campaign costs of \$293k
- High Performance Sport New Zealand expenses of \$2.2k.

LEGACY

Distributions have been made in the year for a total of \$22,398 to 3 beneficiaries, in line with the distribution criteria ratified by the PNZ Cyril Smith Legacy Funds Sub-Committee.

RATIOS

Cash reserves provides a coverage at 3.4 times the amount of our liabilities, and a liquidity ratio of 3.8.

PNZ is capable of meeting its obligations.

PARALYMPICS NEW ZEALAND INCORPORATED

DIRECTORY FOR THE YEAR ENDED 30 JUNE 2016

| | |
|------------------------------------|---|
| Board of Trustees | Selwyn Maister (Chair) Mark Copeland Kagan Hindshaw Duane Kale Catriona McBean Jana Rangooni Clive Power Fiona Allan (CEO) |
| Nature of Business | National Paralympic Committee for New Zealand and the executor of high performance sports programmes. |
| Registered Office & Postal Address | Suite 2.10, Axis Building 1 Cleveland Road, Parnell, Auckland |
| Telephone | (09) 526 0760 |
| Charities Commission Number | CC33576 |
| Date of Incorporation | 10 December 2007 |
| Auditors | RSM Hayes Audit Chartered Accountants |
| Solicitors | Simpson Grierson |

STATEMENT OF COMPLIANCE AND RESPONSIBILITY FOR THE YEAR ENDED 30 JUNE 2016

The Board accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements.

The management (including the CEO and others directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the organisations's financial reporting.

It is the opinion of the Board and management that the annual financial statements for the financial year ended 30 June 2016 fairly reflects the financial position and operations of the organisation.

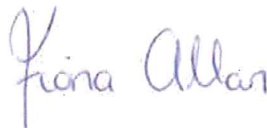
The organisation's 2016 financial statements are authorised for issue by the Board.

SELWYN MAISTER

FIONA ALLAN

Full name of Chair

Full name of CEO

Signature of Chair

Signature of CEO

14 OCTOBER 2016

14 OCTOBER 2016

Date

Date

PARALYMPICS NEW ZEALAND INCORPORATED

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES FOR THE YEAR ENDED 30 JUNE 2016

| | NOTE | 2016 | 2015 |
|--|------|------------------|------------------|
| | | \$ | \$ |
| REVENUE FROM NON-EXCHANGE TRANSACTIONS | | | |
| Fundraising | | 383,568 | 327,345 |
| Donations | | 86,602 | 1,029,363 |
| Government Grants | 6 | 2,448,072 | 2,196,836 |
| Other Grants | 6 | 196,331 | 117,444 |
| | | 3,114,573 | 3,670,988 |
| REVENUE FROM EXCHANGE TRANSACTIONS | | | |
| Membership Fees | | 7,450 | 7,200 |
| Sponsorship Income | | 850,000 | 0 |
| Interest Received | | 64,181 | 47,887 |
| Dividends | | 345 | 0 |
| Other Income | | 1,346 | 20,335 |
| | | 923,322 | 75,422 |
| TOTAL REVENUE | | 4,037,895 | 3,746,410 |
| EXPENSES | | | |
| Administration Expenses | | 116,786 | 110,517 |
| Employee Related Costs | | 610,559 | 329,134 |
| Depreciation | | 6,304 | 8,015 |
| Governance | | 24,434 | 30,014 |
| Occupancy | | 95,558 | 96,569 |
| Grants & Performance Funding Expenses | | 2,501,463 | 2,196,844 |
| Functions and Events | | 1,390 | 1,213 |
| Fees & Consultants | | 117,523 | 151,439 |
| Commercial & Fund Raising Expenses | | 207,977 | 0 |
| Legacy Distributions | | 22,398 | 0 |
| TOTAL EXPENSES | | 3,704,392 | 2,923,745 |
| TOTAL SURPLUS FOR THE YEAR | | 333,503 | 822,665 |
| Other Comprehensive Revenue and Expenses | | 0 | 0 |
| TOTAL COMPREHENSIVE REVENUE AND EXPENSES | | 0 | 0 |
| TOTAL COMPREHENSIVE REVENUE AND EXPENSES FOR THE YEAR | | 333,503 | 822,665 |

PARALYMPICS NEW ZEALAND INCORPORATED

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2016

| | NOTE 12 & 13 SPECIAL PROJECTS RESERVE | ACCUMULATED COMPREHENSIVE REVENUE & EXPENSES | TOTAL EQUITY |
|---|--|---|------------------|
| | \$ | \$ | \$ |
| OPENING BALANCE 1 JULY 2015 | 85,903 | 1,087,593 | 1,173,496 |
| Total comprehensive revenue and expenses for the year | 14,711 | 318,792 | 333,503 |
| Other comprehensive income | 0 | 0 | 0 |
| Transfers | 1,020,847 | (1,020,847) | 0 |
| CLOSING EQUITY 30 JUNE 2016 | 1,121,461 | 385,538 | 1,506,999 |
| OPENING BALANCE 1 JULY 2014 | 85,903 | 264,928 | 350,831 |
| Total comprehensive revenue and expenses for the year | 0 | 822,665 | 822,665 |
| Other comprehensive income | 0 | 0 | 0 |
| Transfers | 0 | 0 | 0 |
| CLOSING EQUITY 30 JUNE 2015 | 85,903 | 1,087,593 | 1,173,496 |

PARALYMPICS NEW ZEALAND INCORPORATED

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

| | NOTE | 2016 | 2015 |
|--|------|------------------|------------------|
| | | \$ | \$ |
| CURRENT ASSETS | | | |
| Cash and equivalents | 9 | 250,173 | 1,160,837 |
| Investments | 10 | 1,343,439 | 616,527 |
| Receivables from exchange transactions | | 23 | 0 |
| Receivables from non-exchange transactions | | 21,117 | 42,703 |
| Prepayments | | 21,278 | 134,897 |
| Other assets | | 25,530 | 11,423 |
| Special Purpose Funds | 14 | 137,344 | 0 |
| | | 1,798,904 | 1,966,387 |
| NON-CURRENT ASSETS | | | |
| Investments | 10 | 201,751 | 0 |
| Property plant & equipment | 11 | 35,621 | 20,699 |
| Special Purpose Funds | 14 | 913 | 0 |
| | | 238,285 | 20,699 |
| TOTAL ASSETS | | 2,037,189 | 1,987,086 |
| CURRENT LIABILITIES | | | |
| Trade payables (from exchange transactions) and other creditors | | 290,526 | 383,062 |
| Employee entitlements | | 41,536 | 36,277 |
| Income in advance | | 15,000 | 0 |
| Special Purpose Funds | 14 | 183,128 | 369,251 |
| | | 530,190 | 788,590 |
| NON-CURRENT LIABILITIES | | | |
| Special Purpose Funds | 14 | 0 | 25,000 |
| | | 0 | 25,000 |
| TOTAL LIABILITIES | | 530,190 | 813,590 |
| NET ASSETS | | 1,506,999 | 1,173,496 |
| EQUITY | | | |
| Accumulated comprehensive revenue and expenses | | 385,538 | 1,087,593 |
| Special Projects Reserve | | 1,121,461 | 85,903 |
| TOTAL NET ASSETS ATTRIBUTABLE TO OWNERS OF CONTROLLING ENTITY | | 1,506,999 | 1,173,496 |

PARALYMPICS NEW ZEALAND INCORPORATED

CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

| | NOTE | 2016 | 2015 |
|---|----------|------------------|------------------|
| | | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from Government Grants | | 2,414,511 | 2,196,837 |
| Receipts from Fundraising | | 114,023 | 293,120 |
| Receipts from Sponsorship | | 850,000 | 0 |
| Receipts from Donations | | 86,602 | 29,363 |
| Receipts from Membership Fees | | 7,450 | 7,200 |
| Receipts from other grants and other income | | 220,262 | 84,065 |
| Receipt from Bequest Grant | | 0 | 1,000,000 |
| Goods and Services Tax | | 26,431 | (13,181) |
| Interest and Dividend Received | | 64,181 | 47,887 |
| Interest Paid | | 0 | 0 |
| Payments to Employees | | (1,184,055) | (768,414) |
| Payments to Suppliers | | (2,551,192) | (1,835,201) |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | | 48,213 | 1,041,676 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of property plant & equipment | 11 | (28,122) | (10,337) |
| Purchase of Investments | 10 | (930,755) | (208,472) |
| NET CASH FLOWS FROM INVESTING ACTIVITIES | | (958,877) | (218,809) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Finance Lease Payments | | 0 | 0 |
| Repayment of Lease | | 0 | 0 |
| NET CASH FLOWS FROM FINANCING ACTIVITIES | | 0 | 0 |
| Net Increase in Cash & Cash Equivalents | | (910,664) | 822,867 |
| Cash & Cash Equivalents at 1 July | 9 | 1,160,837 | 337,970 |
| CASH & CASH EQUIVALENTS AT 30 JUNE | 9 | 250,173 | 1,160,837 |

PARALYMPICS NEW ZEALAND INCORPORATED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2016

1. REPORTING ENTITY

The reporting entity is Paralympics New Zealand Incorporated (PNZ), an Incorporated Society and a Charitable Organisation registered under the Incorporated Societies Act 1908 and the Charities Act 2005.

The financial statements are presented for the year ended 30 June 2016.

The financial statements and the accompanying notes summarise the financial results of activities carried out by PNZ. PNZ provides High Performance sports programme implementation and is the National Sports Organisation for Paralympic sports within New Zealand.

The financial statements have been approved and were authorised for issue by the Board of Trustees on the date specified on Page 26.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ('NZ GAAP'). They comply with Public Benefit Entity International Public Sector Accounting Standards ('PBE IPSAS') and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not for Profit entities. For the purpose of complying with NZ GAAP, the entity 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 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.

3. EFFECT OF FIRST-TIME ADOPTION OF PBE STANDARDS ON ACCOUNTING POLICIES AND DISCLOSURES

This is the first set of financial statements of the entity that is presented that is presented in accordance with PBE standards. PNZ has previously reported in accordance with NZ IFRS (PBE).

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 NZ IFRS (PBE) 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 NZ IFRS (PBE) standard. These differences have an effect on disclosure only. The main changes is disclosure resulting from the application of PBE IPSAS 1 are the following:

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, as PBE IPSAS 1 requires receivables from non-exchange transactions and receivables from exchange transactions to be presented separately in the statement of financial position. This requirement affected the presentation of both current and comparative receivable figures.

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 NZ IFRS. The application of this standard affected PNZ'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 to the provision 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 of 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 require an entity to use the grant as specified or return of the grant if the entity does not perform as specified.

This has had no impact on the prior year numbers.

PARALYMPICS NEW ZEALAND INCORPORATED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2016

4. SUMMARY OF ACCOUNTING POLICIES

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

4.1 BASIS OF MEASUREMENT

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

4.2 FUNCTIONAL & PRESENTATION CURRENCY

The financial statements are presented in New Zealand dollars (\$), which is the entity's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest dollar.

4.3 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the entity 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 volunteer time and are 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 PNZ.

Grant revenue

Grant revenue includes grants given by the Government via Sport NZ 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.

If there are no conditions attached to the Grant, it is recognised when the money is received.

Fundraising revenue

Fundraising revenue includes donations given to the organisation. Fundraising revenue is recognised when the cash is received. As there are no conditions attached to the revenue, the funds are released to revenue immediately on receipt.

Revenue from exchange transactions*Membership Fees*

Subscriptions received from members is billed annually after the AGM and recognised as revenue.

Sponsorship Income

Sponsorship revenue includes revenue from partnership agreements in exchange for access to commercial rights and benefits. 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.

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.

PARALYMPICS NEW ZEALAND INCORPORATED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2016

4.4 FINANCIAL INSTRUMENTS

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

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. PNZ financial assets are classified as either financial assets at fair value through surplus or deficit, or loans and receivables. PNZ financial assets include: cash and cash equivalents, short-term investments, receivables from non-exchange transactions, receivables from exchange transactions.

Receivables

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. PNZ cash and cash equivalents, short-term investments, receivables from non-exchange transactions and receivables from exchange transactions fall into this category of financial instruments.

Financial liabilities

Financial liabilities include trade and other creditors (excluding GST and PAYE), employee entitlements, loans and borrowings and deferred income (in respect to grants whose conditions are yet to be complied with).

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

4.5 CASH & CASH EQUIVALENTS

Cash & 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.

4.6 INVESTMENTS

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

Long term investments comprise term deposits which have a term of twelve months or more.

4.7 PROPERTY PLANT & EQUIPMENT

Plant & equipment are measured at cost less accumulated depreciation and impairment loss. When the asset is acquired through a non-exchange transaction, the cost is measured at its fair value at date of acquisition.

Depreciation is charged on a straight line basis over the useful life of the asset.

| | |
|------------------------------|---------------|
| Office Furniture & Equipment | 12% - 50 % DV |
| Computer Equipment | 48% DV |
| Sports Equipment | 39% - 48% DV |
| Software | 40% DV |

4.8 LEASES

Payments on operating lease agreements, where the lessor retains all of the risks and rewards of ownership of an asset, are recognised on a straight line basis over the lease term.

4.9 EMPLOYEE BENEFITS

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

4.10 INCOME TAX

Due to its charitable nature, PNZ is exempt from income tax.

PARALYMPICS NEW ZEALAND INCORPORATED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2016

4.11 GOODS & 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.

4.12 EQUITY

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

Special Projects Reserve

This is a restricted equity reserve created by PNZ for the purpose of financing special projects. The use of these funds is restricted to the specific purpose of the projects as determined by the Board for one off events.

| | 2016 | 2015 |
|--------------------|------------------|---------------|
| Cyril Smith Legacy | 1,035,558 | 0 |
| Designated Fund | 85,903 | 85,903 |
| | 1,121,461 | 85,903 |

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**Judgements**

In the process of applying the PNZ accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Operating Lease

PNZ has entered into a number of vehicle leases. PNZ 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 vehicles, that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Useful lives

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

PARALYMPICS NEW ZEALAND INCORPORATED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2016

6. REVENUE FROM NON-EXCHANGE TRANSACTIONS

| | 2016 | 2015 |
|-----------------------------|------------------|------------------|
| Grants | | |
| HPSNZ - High Performance | 2,403,072 | 2,196,836 |
| HPSNZ - Website Development | 45,000 | 0 |
| Grants Other | 0 | 13,775 |
| The Lion Foundation | 51,331 | 80,000 |
| New Zealand Racing Board | 70,000 | 70,000 |
| NZCT | 0 | 75,000 |
| Pelorus Trust | 10,000 | 0 |
| Pub Charity | 50,000 | 0 |
| Trusts Community Foundation | 10,000 | 0 |
| Foundation North | 5,000 | 0 |
| Deferred Income: | | |
| The Lion Foundation | 0 | (51,331) |
| New Zealand Racing Board | 0 | (70,000) |
| | 2,644,403 | 2,314,280 |

Due to the conditions of the grants from The Lion Foundation and the NZ Racing Board, grant income was deferred in 2015 to the 2016 financial year.

7. COMPONENTS OF NET SURPLUS

Surplus for the year includes the following specific expenses:

| | 2016 | 2015 |
|----------------------------|--------|--------|
| Audit Fees | 8,076 | 8,000 |
| Loss on Disposal of Assets | 6,893 | 0 |
| Office Rental | 52,994 | 52,588 |
| Lease Expenses | 42,775 | 17,304 |
| Depreciation | 6,304 | 8,015 |

8. AUDITORS REMUNERATION

RSM Hayes Audit provides audit services to PNZ on a fee basis. The total amount recognised as an audit expense is \$8,076 (2015: \$8,000). No non audit services are provided by RSM Hayes Audit.

PARALYMPICS NEW ZEALAND INCORPORATED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2016

9. CASH & CASH EQUIVALENTS

Cash & Cash equivalents include the following components:

| | 2016 | 2015 |
|--|----------------|------------------|
| Cash and Deposits | | |
| ASB Cheque Account | 25,480 | 8,357 |
| ASB Call Accounts | 161,130 | 1,052,728 |
| National Bank Account | 31,965 | 88,203 |
| Petty Cash | 489 | 272 |
| Cash Passports & Travelcard | 14,686 | 6,498 |
| IPC Escrow Account | 16,423 | 4,779 |
| Total cash & cash equivalents | 250,173 | 1,160,837 |

10. INVESTMENTS

| | 2016 | 2015 |
|---|------------------|----------------|
| Short term deposits (between 3 and 12 months) | 1,343,439 | 616,527 |
| Long term deposits (over 12 months) | 201,751 | 0 |
| Total Investments | 1,545,190 | 616,527 |

11. PROPERTY PLANT & EQUIPMENT

| 2016 | LEASEHOLD | OFFICE FURNITURE & EQUIPMENT | COMPUTER EQUIPMENT | SPORTS EQUIPMENT | SOFTWARE | TOTAL |
|----------------------------------|-----------|------------------------------------|-----------------------|---------------------|---------------|---------------|
| Cost | | 56,692 | 75,660 | 43,229 | 28,968 | 204,549 |
| Opening Accumulated Depreciation | | (49,516) | (62,455) | (42,821) | (7,833) | (162,625) |
| Depreciation | | (1,424) | (4,602) | (162) | (115) | (6,303) |
| | 0 | 5,752 | 8,603 | 246 | 21,020 | 35,621 |

| 2015 | LEASEHOLD | OFFICE FURNITURE & EQUIPMENT | COMPUTER EQUIPMENT | SPORTS EQUIPMENT | SOFTWARE | TOTAL |
|----------------------------------|--------------|------------------------------------|-----------------------|---------------------|------------|------------------|
| Cost | 8,708 | 53,971 | 71,110 | 43,229 | 8,121 | 185,139 |
| Opening Accumulated Depreciation | (1,327) | (47,933) | (56,973) | (42,550) | (7,642) | (156,425) |
| Depreciation | (488) | (1,583) | (5,482) | (271) | (191) | (8,015) |
| | 6,893 | 4,455 | 8,655 | 408 | 288 | 20,699 |

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

| | 2016 | 2015 |
|------------------------|---------------|---------------|
| Opening net book value | 20,699 | 18,376 |
| Additions | 28,118 | 10,338 |
| Disposals | (6,893) | 0 |
| Depreciation | (6,303) | (8,015) |
| Closing net book value | 35,621 | 20,699 |

PARALYMPICS NEW ZEALAND INCORPORATED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2016

12. SPECIAL RESERVE

A bequest was received from the Estate of the Late Cyril Smith. This legacy is to be applied to "Para Athletes in the Canterbury region for their training and development and otherwise in accordance with the objects of Paralympics New Zealand". For 2016 onwards a separate reserve has been created.

13. DESIGNATED FUNDS

In prior financial years PNZ has been the recipient of bequests that were not designated to particular expenditure. The Board is committed to expending these funds for the development of current and potential Paralympic athletes. These funds are included in Special Reserves.

14. SPECIAL PURPOSE FUNDS

Grants received are recognised as income on receipt unless specific conditions are attached to a grant. At 30 June 2016, any grants that have not met all of the conditions are held for use in future accounting periods.

PNZ has amended its treatment of the PEGs received from HPSNZ under IPSAS23, as the entity has no control or discretion as to the distribution of those Funds. PEGs have been removed from the Statement of Comprehensive Revenue & Expenses for 2016 and the comparative 2015 year.

Accordingly, Special Purpose Funds as shown under Current Liabilities and Non-Current Liabilities in the Statement of Financial Position, include various grants and donations that are intended for specific purposes, but are unspent at balance date.

| | 2016 | 2015 |
|--|---------------|----------------|
| Special Purpose Funds | | |
| Prime Minister's Scholarships | 132,105 | 80,605 |
| HPSNZ High Performance Funding | (217,837) | (45,487) |
| HPSNZ Other | 40,134 | 169,938 |
| HPSNZ PEGs | 80,494 | 62,864 |
| Other | 9,975 | 5,000 |
| Deferred Income | 0 | 121,331 |
| | 44,871 | 394,251 |
| This is reflected in the Statement of Financial Position as: | | |
| Current Liabilities | 183,128 | 369,251 |
| Non-Current Liabilities | 0 | 25,000 |
| Current Assets | (137,344) | 0 |
| Non-Current Assets | (913) | 0 |
| | 44,871 | 394,251 |

15. LEASES

As at the reporting date, the Board of Trustees has entered into the following non-cancellable operating lease.

Operating Lease commitments in respect of the organisation's leased vehicles, office rental and a leased photocopier are as follows:

| | 2016 | 2015 |
|--|----------------|---------------|
| Not longer than one year | 82,971 | 62,406 |
| Later than one year but not longer than five years | 100,126 | 19,606 |
| | 183,097 | 82,012 |

PARALYMPICS NEW ZEALAND INCORPORATED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2016

16. VALUE IN KIND

Where possible non-cash sponsorships are recognised in these financial statements. Contra income is valued at the equivalent market rate for services of this nature.

Non cash sponsorships received for the entity during the year consisted of:

| | 2016 | 2015 |
|---------------------------------|----------------|---------------|
| Blue Star Group | 18,000 | 18,000 |
| Simpson Grierson | 30,000 | 30,000 |
| Adecco | 55,000 | 0 |
| Armageddon | 1,250 | 0 |
| Auckland Seafood School | 1,200 | 0 |
| Batucada | 3,000 | 0 |
| BP | 2,000 | 0 |
| Charlies | 4,375 | 0 |
| Copthorne | 3,200 | 0 |
| Easter Show | 1,200 | 0 |
| Factory Frames | 1,165 | 0 |
| Field Days | 2,500 | 0 |
| Gordon Harris | 1,200 | 0 |
| Harvey Norman | 45,000 | 0 |
| Ian Jones - MC | 3,000 | 0 |
| Interislander | 1,800 | 0 |
| Maersk/ Ocean Bridge | 27,696 | 0 |
| New Zealand Chamber of Commerce | 16,250 | 0 |
| NZ Post | 8,800 | 0 |
| Other accommodation providers | 1,620 | 0 |
| Pak N Save | 350 | 0 |
| Renault | 16,200 | 0 |
| Sanford | 3,700 | 0 |
| Sky City | 15,250 | 0 |
| Susan Wood - MC | 1,500 | 0 |
| Vodafone | 3,900 | 0 |
| Yummy Apples | 650 | 0 |
| | 269,806 | 48,000 |

17. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

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

| | 2016 | 2015 |
|--|------------------|------------------|
| Financial Assets | | |
| Loans & Receivables | | |
| Cash & cash equivalents | 250,173 | 1,160,837 |
| Short Term investments | 1,343,439 | 616,527 |
| Receivables from exchange transactions | 23 | 0 |
| Receivables from non exchange transactions | 21,117 | 42,703 |
| Prepayments - non exchange | 21,278 | 107,059 |
| High Performance Funding | 137,344 | 0 |
| | 1,773,374 | 1,927,126 |

PARALYMPICS NEW ZEALAND INCORPORATED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2016

17. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES continued

| | 2016 | 2015 |
|------------------------------|----------------|----------------|
| Financial Liabilities | | |
| At amortised cost | | |
| Trade & other creditors | 290,526 | 383,062 |
| Employee entitlements | 41,536 | 36,277 |
| High Performance Funding | 183,128 | 369,251 |
| Deferred Income | 15,000 | 0 |
| | 530,190 | 788,590 |

18. CAPITAL COMMITMENTS

There were no capital commitments at the reporting date (2015: \$ Nil)

19. CONTINGENT ASSETS & LIABILITIES

There were no contingent assets or liabilities at the reporting date (2015: \$ Nil)

20. RELATED PARTY NOTE

Board of Trustees

A number of trustees have donated professional services in their non-trustee business capacities and in relation to other organisations in which they represent to the organisation at nil value.

PNZ records its appreciation for these donated services.

Key Management Personnel

The key management personnel are classified as:

- the members of the governing body
- executive officers, responsible for reporting to the governing body

Members of the governing body are not paid an annual fee other than the Chair, who is paid an honorarium.

Executive officers and the Chief Executive officer are employed as employees on normal employment terms

The aggregate level of remuneration paid and the number of persons (measured in "people" for members of the governing body and "fulltime-equivalents (FTE's) for executive officers and Chief Executive officer in each class of key management personnel is presented below:

| | 2016 | | 2015 | |
|--------------------|--------------|-------|--------------|-------|
| | Remuneration | FTE's | Remuneration | FTE's |
| Governing body | 6,000 | 1 | 0 | 1 |
| Executive Officers | 596,000 | 4.75 | 536,000 | 4.35 |

21. EVENTS AFTER THE REPORTING DATE

The Board of Trustees and management are not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in these financial statements that have significantly or may significantly affect the operations of PNZ.

Independent Auditor's Report

To the Members of Paralympics New Zealand Incorporated

RSM Hayes Audit

PO Box 9588
Newmarket, Auckland 1149
Level 1, 1 Broadway
Newmarket, Auckland 1023

T +64 (9) 367 1656
www.rsmnz.co.nz

We have audited the financial statements of Paralympics New Zealand Incorporated on pages 26 to 39 which comprise the statement of financial position as at 30 June 2016, the statement of comprehensive revenue and expenses, the cash flow statement and statement of changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Members, as a body, in accordance with Rule 13(c) in the Constitution. Our audit has been undertaken so that we might state to the Members those matters 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 charity and its members as a body, for our work, for this report, or for the opinions we have formed.

Board's Responsibility for the Financial Statements

The members of the governing body are responsible for the preparation and fair presentation of these financial statements in accordance with the Public Benefit Entity Accounting Standards Reduced Disclosure Regime and for such internal control as the members of the governing body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand).

Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, Paralympics New Zealand Incorporated.

Opinion

In our opinion, the financial statements on pages 26 to 39 present fairly, in all material respects, the financial position of Paralympics New Zealand Incorporated as at 30 June 2016, and its financial performance for the year then ended in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime.



14 October 2016