

University Sport New Zealand Inc.
Financial Statements
For the Year Ended 31st December 2006

University Sport New Zealand Inc.
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For the Year Ended 31st December 2006

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University Sport New Zealand Inc.
Directory
As At 31st December 2006

| | |
|---------------------------|-----------------------|
| Executive Director | J Ellis |
| President | H Hopkinson |
| Treasurer | I Galloway |
| Accountants | Curtis McLean Limited |
| Auditors | Grant Thornton |
| Bankers | ASB Bank Limited |

University Sport New Zealand Inc.
Statement of Financial Performance
For the Year Ended 31st December 2006

| | Note | Budget | 2006 | 2005 |
|---|------|----------|-----------|-----------|
| Income | | | | |
| Grants | | 45,000 | 45,000 | 67,500 |
| Sponsorship | | 25,000 | 10,680 | - |
| Levies | | 225,348 | 225,348 | 208,276 |
| NZ University Blues | | 14,000 | 17,262 | 11,789 |
| NZ University Games | | 180,000 | 172,481 | 160,828 |
| International Competition | 2 | - | 47,666 | 447,980 |
| National Competition | 3 | 15,000 | 72,163 | 44,609 |
| Interest Received | | 20,000 | 25,672 | 18,646 |
| Other Income | | - | 2,000 | - |
| Total Income | | 524,348 | 618,272 | 959,628 |
| Less: Expenses | | | | |
| International Competition | 4 | 8,000 | 53,355 | 420,657 |
| National Competition | 5 | 38,500 | 70,049 | 54,980 |
| Administration | 6 | 293,250 | 297,044 | 238,123 |
| NZ University Blues | 7 | 23,000 | 32,473 | 24,367 |
| NZ University Games | 8 | 130,000 | 108,139 | 137,243 |
| Training & Development | 9 | 22,000 | 12,101 | 11,261 |
| Sports Council Grants | 10 | 10,000 | 10,000 | 12,166 |
| Total Expenses | | 524,750 | 583,161 | 898,797 |
| Net Surplus (Loss) before Transfer to Reserves | | (402) | 35,111 | 60,831 |
| Less: | | | | |
| Transfer to (from) WUSG Reserve | | - | (5,601) | 41,853 |
| Net Surplus after Transfer to Reserves | | \$ (402) | \$ 40,712 | \$ 18,978 |

University Sport New Zealand Inc.
Statement of Movements in Equity
For the Year Ended 31st December 2006

| | 2006 | 2005 |
|---|------------------|------------------|
| Opening Accumulated Funds | 249,555 | 188,724 |
| Plus: | | |
| Net Surplus after Transfers to Reserves | 40,712 | 18,978 |
| World University Summer Games Reserve Transfer | (5,601) | 41,853 |
| Accumulated Funds as at 31st December 2006 | <u>\$284,666</u> | <u>\$249,555</u> |

University Sport New Zealand Inc.
Statement of Financial Position
As At 31st December 2006

| | Note | 2006 | 2005 |
|---|-----------|-----------|-----------|
| Current Assets | | | |
| ASB Bank Ltd | 33,220 | | 22,527 |
| ASB Bank Ltd - Term Deposit | 247,522 | | 277,912 |
| Resident Withholding Tax | - | | 20 |
| Accounts Receivable | 55,533 | | 876 |
| Interest Receivable | 2,461 | | 2,576 |
| Prepayments | 9,012 | | - |
| Goods and Services Tax | 2,576 | | - |
| | | <hr/> | <hr/> |
| Total Current Assets | | 350,324 | 303,911 |
| Fixed Assets | 12 | 8,787 | 8,540 |
| | | <hr/> | <hr/> |
| Total Assets | | 359,111 | 312,451 |
| Less Liabilities: | | | |
| Current Liabilities | | | |
| Accounts Payable | 23,539 | | 25,202 |
| Holiday Pay Accrual | 4,426 | | 5,787 |
| Income in Advance | 19,654 | | 1,500 |
| Sports Council & International Liabilities | 26,826 | | 25,445 |
| Goods and Services Tax | | | 4,962 |
| | | <hr/> | <hr/> |
| Total Current Liabilities | | 74,445 | 62,896 |
| | | <hr/> | <hr/> |
| Total Liabilities | | 74,445 | 62,896 |
| | | <hr/> | <hr/> |
| Net Assets | | \$284,666 | \$249,555 |
| | | <hr/> | <hr/> |
| Represented By: | | | |
| Accumulated Funds as at 31st December 2005 | | 248,414 | 207,702 |
| World University Summer Games Reserve | | 36,252 | 41,853 |
| | | <hr/> | <hr/> |
| Total Accumulated Funds as at 31st December 2006 | | \$284,666 | \$249,555 |
| | | <hr/> | <hr/> |

For and on Behalf of the Board

_____ **Executive Director**

_____ **President**

_____ **Date**

University Sport New Zealand Inc.
Statement of Cashflows
For the Year Ended 31st December 2006

| | 2006 | 2005 |
|--|------------------|------------------|
| Cashflows from Operating Activities | | |
| Cash was Provided From: | | |
| Receipts from Levies | 216,066 | 224,756 |
| Receipt of GST | - | 4,694 |
| Interest Received | 25,787 | 18,356 |
| Sports Council Liabilities | - | - |
| Other Income | 320,752 | 727,007 |
| | 562,605 | 974,813 |
| Cash was Distributed To: | | |
| Payments to Suppliers and Employees | 569,005 | 901,484 |
| GST Paid | 8,667 | - |
| | 577,672 | 901,484 |
| Net Cashflows from Operating Activities | (15,067) | 73,329 |
| Cashflows from Investing Activities | | |
| Cash was Distributed To: | | |
| Payment of Resident Withholding Tax | - | - |
| Purchase of Fixed Assets | 4,630 | 6,941 |
| Net Cashflows from Investing Activities | (4,630) | (6,941) |
| Net Increase (Decrease) in Cash Held | (19,697) | 66,388 |
| Add: Opening Cash Balance | 300,439 | 234,051 |
| Closing Cash Carried Forward | \$280,742 | \$300,439 |
| Closing Cash Comprises | | |
| Cash on Hand | - | - |
| ASB Cheque Account | 22,746 | 21,864 |
| ASB Games Account | 10,332 | 663 |
| ASB Savings Account | 142 | - |
| Term Deposit | 247,522 | 277,912 |
| Cash at end of year | \$280,742 | \$300,439 |

University Sport New Zealand Inc.
Notes to the Financial Statements
For the Year Ended 31st December 2006

1. Accounting Policies

Reporting Entity

The Financial Statements have been prepared in accordance with the requirements of the Constitution of University Sport New Zealand Inc. and generally accepted accounting principles. University Sport New Zealand Inc. is an Incorporated Society under the Incorporated Societies Act 1908.

Measurement Base

The accounting base recognised as appropriate for the measurement and reporting of results and the financial position, unless otherwise stated, is historic cost.

Specific Accounting Policies

The following are the particular accounting policies which have a material effect on the measurement of results and financial position.

Going Concern

The Financial Statements are prepared on a going concern basis, the validity of which depends on future funding being available. University Sport New Zealand Inc. is reliant upon the ongoing financial support of the ten student bodies. The Executive are of the opinion this financial support will be available for the subsequent year.

Differential Reporting

University Sport New Zealand Inc. qualifies for differential reporting because it is not publicly accountable and it is not deemed to be large. University Sport New Zealand Inc. has taken advantage of all differential reporting exemptions available except in respect of FRS-10.

Accounts Receivable

Accounts Receivable are valued at expected realisable value.

Depreciation

Fixed Assets have been depreciated using the following rates:

| | | |
|------------------------|---------------|-------------------|
| Computer Equipment | 20.0% - 36.0% | Straight Line |
| | 48.0% | Diminishing Value |
| Furniture & Equipment | 13.0% - 28.8% | Straight Line |
| | 18.0% - 60.0% | Diminishing Value |
| Leasehold Improvements | 11.4% | Diminishing Value |

University Sport New Zealand Inc.
Notes to the Financial Statements (Continued)
For the Year Ended 31st December 2006

Fixed Assets

Fixed Assets are recorded at cost less depreciation to date.

Goods and Services Tax

The Financial Statements have been prepared on a Goods and Services Tax exclusive basis. The GST payment due at Balance Date is included in Current Liabilities.

Changes in Accounting Policies

There have been no changes in accounting policies during the year. All policies have been applied on a basis consistent with previous years.

| | Budget | 2006 | 2005 |
|---|------------------|------------------|-------------------|
| 2. International Competition Income | | | |
| World University Summer Games | - | - | 444,040 |
| World University Winter Games | - | - | 3,940 |
| World University Championships | - | 47,666 | - |
| International Representation | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| Total International Competition Income | \$ - | \$ 47,666 | \$ 447,980 |
| | <hr/> | <hr/> | <hr/> |
| 3. National Competition Income | | | |
| NZU Cricket | - | 7,292 | 4,322 |
| Uni Snow Games | 15,000 | 64,871 | 40,287 |
| NZU Rowing | - | - | - |
| Regional Competition | - | - | - |
| NZU Debating | - | - | - |
| External Events Grant | - | - | - |
| International Students Event | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| Total National Competition Income | \$ 15,000 | \$ 72,163 | \$ 44,609 |
| | <hr/> | <hr/> | <hr/> |
| 4. International Competition Expenditure | | | |
| World University Summer Games | 4,250 | 9,851 | 410,522 |
| World University Winter Games | 1,750 | 1,750 | 7,440 |
| World University Championships | - | 41,754 | - |
| International Representation | 2,000 | - | 2,695 |
| | <hr/> | <hr/> | <hr/> |
| Total International Competition Expenses | \$ 8,000 | \$ 53,355 | \$ 420,657 |
| | <hr/> | <hr/> | <hr/> |

University Sport New Zealand Inc.
Notes to the Financial Statements (Continued)
For the Year Ended 31st December 2006

| | Budget | 2006 | 2005 |
|--|-------------------|-------------------|-------------------|
| 5. National Competition Expenditure | | | |
| NZU Cricket | 3,000 | 9,413 | 6,190 |
| Uni Snow Games | 17,500 | 56,061 | 44,300 |
| NZU Rowing | 1,000 | 300 | 239 |
| Regional Competition | 10,000 | 2,775 | 3,873 |
| NZU Debating | 1,000 | 500 | 378 |
| External Events Grant | 2,000 | 1,000 | - |
| International Students Event | 4,000 | - | - |
| Total National Competition Expenses | \$ 38,500 | \$ 70,049 | \$ 54,980 |
| 6. Administration | | | |
| ACC Levies | 1,800 | 2,364 | 1,109 |
| Accounting Fees | 9,000 | 9,994 | 10,626 |
| Audit Fees | 6,000 | 6,500 | 5,000 |
| Bank Fees & Interest | 500 | 580 | 496 |
| Depreciation | 4,750 | 4,383 | 3,454 |
| Office Utilities | 1,500 | 1,777 | 1,971 |
| General Expenses | 1,000 | 765 | 1,624 |
| Board Expenses | 5,000 | 5,651 | 2,691 |
| USNZ General Meetings | - | 2,603 | 1,551 |
| Board Honorarium | 11,000 | 10,300 | 12,631 |
| Insurance | 3,000 | 3,000 | 1,937 |
| IT Costs | 3,000 | 2,068 | 2,928 |
| Legal Fees | 2,500 | 1,175 | 1,478 |
| Office Maintenance | 200 | 1,591 | 103 |
| Marketing | 10,000 | 4,570 | 2,030 |
| Memberships | 500 | 660 | 499 |
| Petty Cash | - | - | 97 |
| Photocopying | 500 | 1,492 | 722 |
| Postage & Couriers | 500 | 1,039 | 215 |
| Recruitment | 1,000 | - | 3,733 |
| Office Rent | 22,000 | 18,222 | 19,860 |
| Salaries | 190,000 | 192,402 | 144,839 |
| Staff Training | 2,000 | 1,031 | 1,504 |
| Stationery | 1,500 | 1,617 | 1,391 |
| Telecommunications | 10,000 | 16,070 | 10,244 |
| Staff Travel & Meetings | 3,000 | 1,246 | 204 |
| Sub-Committee Expenses | 2,500 | 3,862 | 2,588 |
| Wages - Temporary Staff | 500 | 2,082 | 2,509 |
| Stock Write-Off | - | - | 89 |
| Total Administration Expenses | \$ 293,250 | \$ 297,044 | \$ 238,123 |

University Sport New Zealand Inc.
Notes to the Financial Statements (Continued)
For the Year Ended 31st December 2006

| | Budget | 2006 | 2005 |
|--|-------------------|-------------------|-------------------|
| 7. NZ University Blues Expenditure | | | |
| Travel | 500 | 2,002 | 369 |
| Audio-Visual | 3,000 | 4,178 | 3,548 |
| Catering | 11,000 | 10,247 | 9,821 |
| Venue | 1,000 | 1,300 | 1,000 |
| Trophies & Scrolls | 4,000 | 6,600 | 7,213 |
| Panel Meeting Costs | 600 | 116 | 614 |
| Entertainment & Speakers | 2,500 | 5,265 | 1,460 |
| Miscellaneous | 400 | 2,765 | 342 |
| | <hr/> | <hr/> | <hr/> |
| Total NZ University Blues Expenses | \$ 23,000 | \$ 32,473 | \$ 24,367 |
| | <hr/> | <hr/> | <hr/> |
| 8. NZ University Games Expenditure | | | |
| Administration | 13,000 | 17,645 | 3,686 |
| Functions & Ceremonies | 25,000 | 10,506 | 36,046 |
| Human Resources | 5,000 | 356 | 29,231 |
| Medical | 5,000 | 2,718 | 3,144 |
| Marketing | 20,000 | 19,852 | 20,160 |
| Pre-Games Costs | 2,000 | 11,723 | 4,087 |
| Sports Events | 50,000 | 35,320 | 37,272 |
| Transport | 5,000 | 3,166 | 1,856 |
| Volunteers | 5,000 | 6,853 | 1,761 |
| | <hr/> | <hr/> | <hr/> |
| Total NZ University Games Expenses | \$ 130,000 | \$ 108,139 | \$ 137,243 |
| | <hr/> | <hr/> | <hr/> |
| 9. Training & Development | | | |
| CDO Training & Development | 5,000 | 3,518 | 7,631 |
| Presidents' Induction | 3,500 | 4,249 | 2,868 |
| On-campus liaison/development | 5,000 | 3,571 | 711 |
| Sports Council Training | - | - | 51 |
| Recreation Campaign | 2,000 | 142 | - |
| Schools Sport Liaison | 2,000 | 621 | - |
| University Sport Forum | 2,000 | - | - |
| Maori Sports Development | 2,000 | - | - |
| Student Sport Journalism | 500 | - | - |
| | <hr/> | <hr/> | <hr/> |
| Total Training & Development Expenses | \$ 22,000 | \$ 12,101 | \$ 11,261 |
| | <hr/> | <hr/> | <hr/> |

University Sport New Zealand Inc.
Notes to the Financial Statements (Continued)
For the Year Ended 31st December 2006

| | Budget | 2006 | 2005 |
|---------------------------|-----------|-----------|-----------|
| 10. Sports Council | | | |
| Debating | 1,000 | 1,000 | - |
| Fencing | 125 | 125 | - |
| Hockey | 1,000 | 1,000 | 2,000 |
| Rowing | 2,075 | 2,075 | 2,000 |
| Rugby Union | - | - | 51 |
| Shooting | - | - | 44 |
| Soccer | 1,000 | 1,000 | 2,071 |
| Rugby League | 2,000 | 2,000 | 2,000 |
| Volleyball | 1,000 | 1,000 | 2,000 |
| Golf | 1,500 | 1,500 | 2,000 |
| Triathlon | 300 | 300 | - |
| | \$ 10,000 | \$ 10,000 | \$ 12,166 |

11. Taxation

University Sport New Zealand is exempt from income tax under section CB 4 (i) of the Income Tax Act 1994 due to its status as an amateur sports body.

12. Fixed Asset Schedule

The following gives details of the cost of assets and depreciation written off to date:

| <u>This Year</u> | <u>Cost or Valuation</u> | <u>Depreciation For Year</u> | <u>Accumulated Depreciation</u> | <u>Book Value 2006</u> |
|------------------------------|--------------------------|------------------------------|---------------------------------|------------------------|
| Computer Equipment | 29,411 | 3,010 | 26,149 | 3,262 |
| Office Furniture & Equipment | 49,528 | 1,373 | 44,003 | 5,525 |
| | 78,939 | 4,383 | 70,152 | 8,787 |
| | | | | |
| <u>Last Year</u> | <u>Cost or Valuation</u> | <u>Depreciation For Year</u> | <u>Accumulated Depreciation</u> | <u>Book Value 2005</u> |
| Computer Equipment | 42,119 | 2,666 | 35,847 | 6,272 |
| Office Furniture & Equipment | 50,543 | 788 | 48,275 | 2,268 |
| | 92,662 | 3,454 | 84,122 | 8,540 |

University Sport New Zealand Inc.
Notes to the Financial Statements (Continued)
For the Year Ended 31st December 2006

13. Cash Flow Reconciliation

| | 2006 | 2005 |
|---|-------------------|-----------------|
| Net Surplus (Deficit) for Year (as per Statement of Financial Performance) | 40,712 | 18,978 |
| Plus: | | |
| Transfer to WUSG Reserve | - | 41,853 |
| Net Decrease in Interest Receivable | 115 | - |
| Net Increase in Income in Advance | 18,154 | - |
| Net Increase in Accounts Payable | - | - |
| Net Increase in Sports Council Liabilities | 20 | 12,257 |
| Net Receipt of GST | - | 4,694 |
| Net Decrease in Accounts Receivable & Prepayments | - | 16,736 |
| Depreciation | 4,383 | 3,454 |
| | 22,672 | 78,994 |
| | 63,384 | 97,972 |
| Less: | | |
| Transfer from WUSG Reserve | 5,601 | - |
| Net Increase in Interest Receivable | - | 289 |
| Net Increase in Accounts Receivable & Prepayments | 63,649 | - |
| Net Decrease in Accounts Payable | 534 | 15,102 |
| Net Decrease in Income in Advance | - | 9,252 |
| Net Payment of GST | 8,667 | - |
| Net Decrease in Sports Council Liabilities | - | - |
| | 78,481 | 24,643 |
| Net Cash Flows From Operating Activities | (\$15,067) | \$73,329 |
| (as per Cash Flow Statement) | | |

14. Contingent Liabilities and Capital Commitments

The Society is liable for the sublease of the current premises situated at 73-89 Boulcott Street, Wellington.

| | 2006 | 2005 |
|---------------|-------------|-------------|
| Within 1 year | 15,234 | 1,734 |
| 1 - 2 years | 20,312 | - |
| 2 - 5 years | 3,385 | - |

University Sport New Zealand Inc.
Notes to the Financial Statements (Continued)
For the Year Ended 31st December 2006

The Society is also liable for the finance lease of a photocopier with Fuji Xerox New Zealand Limited.

| | 2006 | 2005 |
|---------------|-------------|-------------|
| Within 1 year | 1,572 | - |
| 1 - 2 years | 1,572 | - |
| 2 - 5 years | 524 | - |

At Balance Date the Society had no other capital commitments or contingent liabilities (2005 Nil).

15. Nature of Business

University Sport New Zealand is one of two national University Student Bodies. University Sport New Zealand is supported both financially, through student levies and actively by student participation in university tournaments, USNZ tours and coaching activities, and the World University Games.

University Sport New Zealand administers the affairs and oversees the programmes of these tournaments and events.

16. Gaming Trust Grants Received by USNZ in 2006

The following financial grants were received from Gaming Trusts in 2006:

| | | |
|-----------------|-----------|-----------------------------------|
| NZCT | \$5,000* | NZ University Cricket Champs 2006 |
| NZCT | \$50,000 | NZ University Games 2006 |
| Lion Foundation | \$10,000 | NZ University Games 2006 |
| NZCT | \$10,000 | NZ University Blues Awards 2006 |
| NZCT | \$34,800 | World University Champs 2006 |
| Southern Trust | \$10,000 | Uni Snow Games 2006 |
| Oxford Trust | \$1,347 | World University Winter Games |
| First Sovereign | \$3,500** | NZU Touch Tour 2006 |

* \$1,408 returned to NZCT unspent

** \$3,500 returned to First Sovereign unspent