

**Halberg Foundation
Financial Statements
For the year ended 30 June 2020**

Halberg Foundation

Directory for the year ended 30 June 2020

| | |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Founder | Sir Murray Halberg |
| Executive Board | Carolyn Steele (Chair) Kevin Malloy (Deputy Chair) Meg Matthews (Chair Audit & Risk Committee) Bryan Andrews Dean Bracewell Raylene Bates Matthew Cooper |
| Chief Executive | Shelley McMeeken |
| Nature of Business | The Halberg Foundation is a charitable organisation founded in 1963 by Olympic legend, Sir Murray Halberg (ONZ) which aims to enhance the lives of physically disabled young people through play, sport and recreation. The core work of the Halberg includes a team of regional Advisers who connect physically disabled young people to sports and recreation opportunities. The Advisers also deliver an inclusive training course and work with schools and sport and recreation organisations on inclusive programmes and events. Halberg hosts the Halberg Games a national, three-day sports competition for physically disabled young people. |
| Registered Office & Postal Address | PO Box 11-487, Ellerslie, Auckland 1542 Level 5, 56 Cawley Street, Ellerslie, Auckland 1051 |
| Telephone | 09-579-9931 |
| Charities Commission Number | CC3558 |
| Date of Incorporation | 30 June 2008 (established 1963) |
| Auditors | Deloitte Limited |
| Solicitors | Buddle Findlay |

Halberg Foundation

Statement of Comprehensive Income and Expenditure for the year ended 30 June 2020

| | Notes | 2020 | 2019 |
|--------------------------------------------------------------|-------|-----------|-----------|
| Revenue | | | |
| Revenue from non-exchange transactions | 4 | 2,385,127 | 2,420,049 |
| Revenue from exchange transactions | 4 | 440,647 | 451,484 |
| Total Revenue | | 2,825,774 | 2,871,533 |
| Expenses | | | |
| Disability sport - delivery | | 1,286,384 | 1,144,182 |
| Disability sport - activity fund | | 157,814 | 169,975 |
| Occupancy, depreciation and administration | | 481,833 | 592,541 |
| Marketing & communication | 13 | 103,986 | 112,630 |
| Function & events expenses | | 404,476 | 414,000 |
| Function & events support | | 184,917 | 212,193 |
| Fundraising & sponsorship | | 145,327 | 161,632 |
| Total expenses | | 2,764,737 | 2,807,154 |
| Surplus before finance income | | 61,037 | 64,379 |
| Finance income | | 23,311 | 26,860 |
| Endowment Fund impairment | | - | (37,033) |
| Surplus for the year | | 84,348 | 54,206 |
| Other comprehensive revenue and expenses | | - | - |
| Total comprehensive revenue and expenses for the year | | 84,348 | 54,206 |

The notes to the Financial Statements form part of and are to be read in conjunction with this statement.

Halberg Foundation

Statement of Changes in Net Assets / Equity for the year ended 30 June 2020

| | Contributed capital | Accumulated revenue and expense | Total |
|------------------------------------------------------|--------------------------------|------------------------------------------------|------------------|
| Balance 1 July 2018 | 1,000,000 | 244,518 | 1,244,518 |
| Total comprehensive revenue and expense for the year | - | 54,206 | 54,206 |
| Balance 30 June 2019 | 1,000,000 | 298,724 | 1,298,724 |
| Balance 1 July 2019 | 1,000,000 | 298,724 | 1,298,724 |
| Total comprehensive revenue and expense for the year | - | 84,348 | 84,348 |
| Balance 30 June 2020 | 1,000,000 | 383,072 | 1,383,072 |

The notes to the Financial Statements form part of and are to be read in conjunction with this statement.

Halberg Foundation

Statement of Financial Position as at 30 June 2020

| | Notes | 2020 | 2019 |
|----------------------------------------|-------|-------------------------|-------------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 5 | 584,212 | 387,098 |
| Term deposits | 6 | 800,000 | 800,000 |
| Prepayments | | 6,550 | 26,818 |
| Receivables from exchange transactions | 7 | 85,909 | 102,916 |
| Accrued non-exchange revenue | | - | 130,001 |
| Total current assets | | <u>1,476,671</u> | <u>1,446,833</u> |
| Non current assets | | | |
| Investment in Halberg Endowment Fund | 14 | 262,967 | 262,967 |
| Property, plant & equipment | 8 | 52,897 | 48,964 |
| Total non current assets | | <u>315,864</u> | <u>311,931</u> |
| TOTAL ASSETS | | <u><u>1,792,535</u></u> | <u><u>1,758,764</u></u> |
| LIABILITIES | | | |
| Current liabilities | | | |
| Payables from exchange transactions | 9 | 133,327 | 157,664 |
| Non-exchange liabilities | 10 | 129,250 | 135,049 |
| Lead agency funding | 11 | 87,528 | 87,482 |
| Employee benefit liability | 12 | 59,358 | 79,845 |
| Total current liabilities | | <u>409,463</u> | <u>460,040</u> |
| TOTAL LIABILITIES | | <u>409,463</u> | <u>460,040</u> |
| NET ASSETS | | <u><u>1,383,072</u></u> | <u><u>1,298,724</u></u> |
| EQUITY | | | |
| Contributed capital | 19 | 1,000,000 | 1,000,000 |
| Accumulated revenue and expense | | 383,072 | 298,724 |
| TOTAL EQUITY | | <u><u>1,383,072</u></u> | <u><u>1,298,724</u></u> |

The notes to the Financial Statements form part of and are to be read in conjunction with this statement.



Carolyn Steele
Executive Board Chair
12 October 2020



Meg Matthews
Executive Board Member
12 October 2020

Halberg Foundation

Statement of Cash Flows for the year ended 30 June 2020

| | Notes | 2020 | 2019 |
|----------------------------------------------------------------|-------|-------------|-------------|
| Cash flows from operating activities | | | |
| Proceeds from grants, donations and other non-exchange revenue | | 2,512,267 | 2,430,321 |
| Proceeds from ticket sales and other exchange revenue | | 456,248 | 426,375 |
| Payments to suppliers and employees | | (2,614,753) | (2,605,493) |
| Lead agency funding received | | 333,000 | 333,000 |
| Lead agency funding paid | | (332,954) | (353,068) |
| Grants distributed | | (160,752) | (148,340) |
| Net cash generated by/(used in) operating activities | | 193,056 | 82,795 |
| Cash flows from investing activities | | | |
| Interest received | | 24,718 | 26,641 |
| Payments for property, plant and equipment | | (20,660) | (27,938) |
| Investment in controlled entity | | - | - |
| Net cash generated by/(used in) investing activities | | 4,058 | (1,297) |
| Cash flows from financing activities | | | |
| Net cash generated by financing activities | | - | - |
| Net increase/(decrease) in cash and cash equivalents | | 197,114 | 81,498 |
| Cash and cash equivalents at the beginning of the year | 5 | 387,098 | 305,600 |
| Cash and cash equivalents at the end of the year | 5 | 584,212 | 387,098 |

The notes to the Financial Statements form part of and are to be read in conjunction with this statement.

Halberg Foundation

Notes to the financial statements for the year ended 30 June 2020

1. General information

Halberg Foundation ("the Foundation") is a registered charity under the Charities Act 2005 and is domiciled in Auckland, New Zealand. The Foundation is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act (2013).

The Halberg Foundation was set up in 1963 by Sir Murray Halberg for the benefit of children with disabilities. The purpose of the Foundation is to pay or apply in New Zealand the income and the capital of the Foundation in such amounts, at such times, and subject to such terms and conditions, as the Executive Board may decide for the benefit, education, advancement in life, or personal support in any way whatsoever of children with disabilities (including, without limitation, to enhance the lives of physically disabled younger New Zealanders by enabling them to participate in sport and recreation).

The purpose of the Foundation is to enhance the lives of physically disabled New Zealanders by enabling them to participate in play, sport and recreation.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with Public Benefit Entity Accounting Standards Reduced Disclosure Requirements ("PBE Standards RDR") as appropriate for Tier 2 not-for-profit public benefit entities, for which all reduced disclosure regime exemptions have been adopted. The Foundation qualifies as a Tier 2 reporting entity as for the two most recent reporting periods it has had between \$2m and \$30m operating expenditure.

The Foundation is required by its Trust Deed and the Charities Act 2005 to prepare general purpose financial statements.

These financial statements were authorised for issue by the Executive Board on 12 October 2020.

(b) Measurement basis

The financial statements have been prepared on a historical cost basis and are presented in New Zealand dollars.

(c) Use of judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgements made in applying accounting policies that have had the most significant effects on the amounts recognised in the financial statements include the following:

- Revenue recognition – non-exchange revenue (conditions vs. restrictions)
- Whether there is control over an investee
- Whether the Foundation is acting as an agent of Sport NZ for lead agency funding received
- Whether the investment in Halberg Endowment Fund is impaired

(d) Functional and 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.

Halberg Foundation

Notes to the financial statements for the year ended 30 June 2020

3. Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Foundation.

(a) Revenue

Revenue is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to the Foundation. Revenue is measured at the fair value of consideration received or receivable.

Revenue from non-exchange transactions

Non-exchange transactions are those where the Foundation receives an inflow of resources (i.e. cash and other tangible or intangible items) but provides no (or nominal) direct consideration in return. This includes revenue from grants, donations, fundraisers, and sponsorships. No revenue is recognised for services or donations-in-kind.

Sponsorships, donations, fundraisers, and grants

The recognition of non-exchange revenue from sponsorships, donations, fundraisers, and grants depends on the nature of any stipulations attached to the funds received.

Stipulations that are 'conditions' specifically require the Foundation to return the funds received if they are not utilised in the way stipulated. Stipulations that are 'restrictions' do not specifically require the Foundation to return the funds received if they are not utilised in the way stipulated.

Revenue is recognised when any conditions attached to the sponsorship, donation, fundraiser, or grant have been complied with. Where there are unfulfilled conditions attached to the sponsorship, donation, fundraiser, or grant, the amount relating to the unfulfilled condition is recognised as a liability and released to revenue as the conditions are fulfilled.

If no conditions are attached to the sponsorship, donation, fundraiser, or grant, revenue is recognised when the money is received.

Sponsorships

Sponsorship revenue includes revenue from partners.

Donations

Donations include donations from general public and other organisations.

Fundraising revenue

Fundraising revenue includes revenue received from organised events.

Grants

Grants includes grants from Sport NZ, charitable organisations, wage subsidies received from the Ministry of Social Development in response to the novel COVID-19 pandemic virus and other businesses.

Revenue from exchange transactions

Revenue from exchange transactions consists of ticket proceeds. Ticket proceeds is earned from selling seats to the annual Halberg Awards and other events.

Revenue received from events is recognised in surplus or deficit when the event occurs. Amounts received in advance for events held in future are recognised as a liability until such time as the event occurs. It is measured at the fair value of the consideration received or receivable.

(b) Finance income

Finance income is earned on short term deposits held with Westpac and recognised on an accrual basis using the effective interest method.

Halberg Foundation

Notes to the financial statements for the year ended 30 June 2020

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand.

(d) Investment in Halberg Endowment Fund

During the year ended 30 June 2016 the Foundation contributed \$300,000 towards the establishment of the Halberg Endowment Fund ("the Fund"). The Foundation has control over the Fund as the Executive Board of the Foundation appoints the Fund's Board of Trustees.

The investment in the Fund is recognised as a non-cash generating asset and is stated at the recoverable amount. The investment in the Fund is assessed for indicators of impairment at least annually.

(e) Property, plant & equipment

Items of property plant and equipment are initially measured at cost, except those acquired through non-exchange transactions which are instead measured at fair value at date of acquisition.

All of the Foundation's items of property, plant and equipment are subsequently measured in accordance with the cost model, being cost (or fair value for items acquired through non-exchange transactions) less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in surplus or deficit.

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognised in surplus or deficit on a diminishing value basis over the estimated useful life an item of property, plant and equipment. The diminishing value depreciation rates are:

Computer equipment

| | |
|----------------------|-----|
| Laptops and tablets | 50% |
| Networking equipment | 50% |
| Projectors | 25% |

Office equipment

| | |
|-----------------|----------|
| Office fit out | 10 - 16% |
| Furniture | 16 - 25% |
| Other equipment | 40 - 67% |

Motor vehicles

| | |
|-------------|-----|
| Cars (used) | 30% |
| Trailers | 13% |

(f) Accounts payable

Trade payables and other accounts payable are recognised when the Foundation becomes obliged to make future payments resulting from the purchase of goods and services.

(g) Non-exchange liabilities

Non-exchange liabilities relate to grants, donations, and sponsorships received to which there are stipulated conditions attached. Non-exchange revenue in relation to this balance is recognised at the point-in-time as each stipulated condition is satisfied.

Halberg Foundation

Notes to the financial statements for the year ended 30 June 2020

(h) Lead agency funding

Where the Foundation holds cash which it considers to be assets held in trust on behalf of others as Lead Agency, the funds received are recorded within cash at bank and a corresponding liability is recorded on the balance sheet until distributed to third parties. As these amounts are held in trust on behalf of others, the Foundation is acting as an agent and no amounts are recognised within the surplus or deficit.

(i) Financial instruments

The Foundation initially recognises financial instruments when the Foundation becomes a party to the contractual provisions of the instrument.

The Foundation derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. The Foundation derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the 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.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, receivables, and lead agency funding. Cash and cash equivalents represent highly liquid investments that are readily convertible into a known amount of cash with an insignificant risk of changes in value, with maturities of 3 months or less.

Amortised cost financial liabilities

Financial liabilities classified as amortised cost are non-derivative financial liabilities that are not classified as fair value through surplus or deficit financial liabilities.

Financial liabilities classified as amortised cost are subsequently measured at amortised cost using the effective interest method.

Financial liabilities classified as amortised cost comprise payables, lead agency funding and grants approved but not yet paid.

(j) Goods and services taxation

These financial statements have been prepared on a GST exclusive basis of accounting with the exception of receivables and payables.

(k) Operating leases

Payments made under operating leases are recognised in surplus or deficit on a straight-line basis over the term of the lease.

(l) Income tax

No income taxation is payable by the Foundation in terms of Section 61 of the Income Tax Act which exempts charitable trusts.

Halberg Foundation

Notes to the financial statements for the year ended 30 June 2020

(m) Activity fund

The Activity Fund is a grants programme that helps physically disabled young New Zealanders to overcome financial barriers that prevent them from participating in sport and recreation. The Activity Fund is generously supported primarily by the Eagles Golfing Society.

(n) Government Grant

Halberg Foundation has recognised the New Zealand Government wage subsidy grant received as part of non exchange revenue per note 4 in accordance with PBE IPSAS 23.

(o) Changes in accounting policies

There have been no changes the in accounting policies during the year.

(p) Prior year comparatives

Where necessary certain prior year comparatives have been restated to ensure consistency with current year

(q) Going Concern

On 30 January 2020, the spread of novel coronavirus (COVID-19) was declared a public health emergency by the World Health Organisation. This has impacted the global economic environment including New Zealand. At the date of this report, management have implemented a number of initiatives including reduction in operating expenditure, restructuring and the utilisation of the New Zealand Government wage subsidy. When preparing the financial statements, management has made an assessment of the Foundation's ability to continue as a going concern. They have assessed that these circumstances do not cast significant doubt on the Foundations ability to continue as a going concern, on the basis that mitigation plans have been implemented, the Foundation has available reserves and continued support from key funders.

4. Revenue

Revenue earned from non-exchange and exchange transactions is detailed below:

| | 2020 | 2019 |
|-----------------------------|------------------|------------------|
| Non-exchange revenue | | |
| Sponsorship | 451,300 | 436,239 |
| Donations | 341,537 | 347,324 |
| Fundraising revenue | 94,784 | 179,453 |
| Grants | 1,372,038 | 1,457,033 |
| Government grants | 125,468 | - |
| | <u>2,385,127</u> | <u>2,420,049</u> |
| Exchange revenue | | |
| Ticket proceeds | 381,716 | 401,691 |
| Other revenue | 58,931 | 49,793 |
| | <u>440,647</u> | <u>451,484</u> |

The government grants revenue is funding received from the Ministry of Social Development in relation to the first COVID-19 Wage Subsidy provided which was distributed to Halberg Foundation employees.

5. Cash and cash equivalents

| | 2020 | 2019 |
|-----------------------------------|---------|---------|
| Cash at bank | 584,212 | 387,098 |
| Cash held for restricted purposes | 87,528 | 87,482 |

Cash held for restricted purposes relates to lead agency funding received but not yet paid (see also note 11).

Halberg Foundation

Notes to the financial statements for the year ended 30 June 2020

6. Term deposits

| | | |
|---------------------|---------|---------|
| Short-term deposits | 800,000 | 800,000 |
|---------------------|---------|---------|

There are two short term deposits, one for \$400,000 with a term of 180 days that matured on 3 July 2020 and one for \$400,000 with a term of 6 months that is due to mature on 27 November 2020.

7. Receivables from exchange transactions

Receivables from exchange transactions are as detailed below:

| | 2020 | 2019 |
|---------------------|--------|---------|
| Trade receivables | 56,901 | 53,883 |
| GST receivable | 23,052 | 41,671 |
| Interest receivable | 5,956 | 7,362 |
| | 85,909 | 102,916 |

8. Property, plant and equipment

| | Computer Equipment | Office Equipment | Motor Vehicles | Total |
|---------------------------------------|--------------------|------------------|----------------|----------------|
| Cost | | | | |
| Balance 1 July 2018 | 71,915 | 52,880 | 15,652 | 140,447 |
| Additions | 12,456 | 11,226 | 4,256 | 27,938 |
| Balance 30 June 2019 | 84,371 | 64,106 | 19,908 | 168,385 |
| Balance 1 July 2019 | 84,371 | 64,106 | 19,908 | 168,385 |
| Additions | 7,516 | 13,145 | - | 20,661 |
| Disposals | - | - | (15,652) | (15,652) |
| Balance 30 June 2020 | 91,887 | 77,251 | 4,256 | 173,394 |
| Accumulated Depreciation | | | | |
| Balance 1 July 2018 | 61,553 | 24,219 | 14,831 | 100,603 |
| Depreciation expense for the year | 11,589 | 6,874 | 355 | 18,818 |
| Balance 30 June 2019 | 73,142 | 31,093 | 15,186 | 119,421 |
| Balance 1 July 2019 | 73,142 | 31,093 | 15,186 | 119,421 |
| Depreciation expense for the year | 7,546 | 7,763 | 1,419 | 16,728 |
| Accumulated depreciation on disposals | - | - | (15,652) | (15,652) |
| Balance 30 June 2020 | 80,688 | 38,856 | 953 | 120,497 |
| Net Book Value | | | | |
| Balance 30 June 2019 | 11,229 | 33,012 | 4,722 | 48,964 |
| Balance 30 June 2020 | 11,199 | 38,395 | 3,303 | 52,897 |

Halberg Foundation

Notes to the financial statements for the year ended 30 June 2020

9. Payables from exchange transactions

Payables from exchange transactions are as detailed below:

| | 2020 | 2019 |
|--------------------------------|----------------|----------------|
| Trade payables and credit card | 60,380 | 150,239 |
| Accrued expenses | 72,947 | 7,425 |
| | <u>133,327</u> | <u>157,664</u> |

10. Non-exchange liabilities

Non-exchange liabilities are detailed below:

| | 2020 | 2019 |
|--------------------------------------------|----------------|----------------|
| Deferred revenue from grants | 67,201 | 70,062 |
| Activity Fund grants approved not yet paid | 62,049 | 64,987 |
| | <u>129,250</u> | <u>135,049</u> |

11. Lead agency funding

| | 2020 | 2019 |
|-------------------------|---------------|---------------|
| Balance brought forward | 87,482 | 107,550 |
| Payments received | 333,000 | 333,000 |
| Grants paid | (332,954) | (353,068) |
| Closing balance | <u>87,528</u> | <u>87,482</u> |

Lead agency funding received in advance is contractually restricted to be distributed in accordance with specific guidelines outlined by Sport New Zealand. Sport New Zealand has allocated \$333,000 (2019: \$333,000) during the year for Halberg to distribute to third parties it identifies as important to supporting the delivery of outcomes to physically disabled New Zealanders. Sport New Zealand has confirmed that Halberg Foundation as the lead agency is effectively holding these funds in trust for distribution to third parties rather than on the Halberg Foundation's own account.

12. Employee benefits

The liabilities recognised for employee benefits comprises annual leave totalling \$59,358 (2019: \$79,845).

13. Marketing & Communication

| | 2020 | 2019 |
|---------------|----------------|----------------|
| Marketing | 81,660 | 97,582 |
| Communication | 22,326 | 15,048 |
| | <u>103,986</u> | <u>112,630</u> |

Halberg Foundation

Notes to the financial statements for the year ended 30 June 2020

14. Investment in Halberg Endowment Fund

| | 2020 | 2019 |
|-----------------|-------------|-------------|
| Opening balance | 262,967 | 300,000 |
| Impairment | - | (37,033) |
| Closing balance | 262,967 | 262,967 |

In 2019, Halberg identified an impairment of \$37,033 which has reduced the carrying value of the investment to align with the total net assets of the Endowment Fund. Refer to Halberg's accounting policy at note 3d. No impairment has been identified in 2020.

15. Operating lease commitments

The future non-cancellable minimum lease payments of operating leases as lessee at reporting date are detailed in the table below:

| | 2020 | 2019 |
|---------------------------------------------------|-------------|-------------|
| Not later than one year | 227,076 | 240,335 |
| Later than one year and not later than five years | 53,720 | 240,180 |
| Later than five years | - | - |
| Total non-cancellable operating lease payments | 280,796 | 480,515 |

16. Related party transactions

Halberg is the controlling entity of the Halberg Endowment Fund ("the Fund"). During the year Halberg paid \$1,622 of expenses on behalf of the Fund (2019: \$3,750) and was paid \$10,000 (2019: \$10,000) in administration fees from the Fund. As at period end, the Fund owes Halberg Foundation \$50,901 (2019: \$33,466) included in trade payables.

Key Management Personnel Remuneration

The Group classifies its key management personnel in the following classes:

- Executive Board
- Senior Management

The Executive Board members are not paid an annual fee.

The Senior Management members are employed as employees on normal employment terms and are responsible for reporting to the Board.

| | 2020 | | 2020 | | 2019 | | 2019 |
|-------------------|--------------|--|-------------|----|--------------|--|-------------|
| | Remuneration | | FTEs | | Remuneration | | FTEs |
| Senior Management | \$ 622,982 | | 5 | \$ | 553,607 | | 4.5 |

17. Contingent assets

As at 30 June 2020 there are no contingent assets (2019: nil).

Halberg Foundation

Notes to the financial statements for the year ended 30 June 2020

18. Contingent liabilities and commitments

As at 30 June 2020 contingent liabilities are nil (2019: nil) and commitments are nil (2019: nil).

19. Contributed capital

Contributed capital consists of funds contributed with the establishment of the Halberg Foundation and is classified as net assets/equity.

20. Events subsequent to reporting date

Subsequent to year-end, new cases of community transmission of COVID-19 were identified in Auckland. Auckland was placed into alert level 3 lockdown on the 13th of August 2020 and the rest of New Zealand into alert level 2. Auckland moved to alert level 2.5 on the 31st of August 2020 and alert level 1 on the 8th of October 2020. To date, this has not had a significant impact on the Foundation's going concern assessment, refer note 3(q).

Independent Auditor's Report

To the Trustees of Halberg Foundation

Opinion

We have audited the financial statements of Halberg Foundation (the 'entity'), which comprise the statement of financial position as at 30 June 2020, and the statement of comprehensive revenue and expense, 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, on pages 2 to 14, present fairly, in all material respects, the financial position of the entity as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards), and we have fulfilled our other ethical responsibilities in accordance with these requirements

Other than in our capacity as auditor and the provision of financial statement compilation services, we have no relationship with or interests in the entity. These services have not impaired our independence as auditor of the entity.

Executive Board's responsibilities for the financial statements

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

In preparing the financial statements, the Executive Board is responsible for assessing the entity'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 Executive Board either intend to liquidate the entity or to cease operations, or has 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 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 and ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8>

This description forms part of our auditor's report.

Restriction on use

This report is made solely to the Executive Board, as a body. Our audit has been undertaken so that we might state to the Executive Board 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 Executive Board as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte Limited

Auckland, New Zealand
12 October 2020

This audit report relates to the financial statements of Halberg Foundation (the 'entity') for the year ended 30 June 2020 included on the entity's website. The Executive Board is responsible for the maintenance and integrity of the entity's website. We have not been engaged to report on the integrity of the entity's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 12 October 2020 to confirm the information included in the audited financial statements presented on this website.