

Financial Statements

Triathlon New Zealand Incorporated
For the year ended 30 June 2017

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Directory

Triathlon New Zealand Incorporated For the year ended 30 June 2017

Nature of business

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

Board Members

Arthur Klap - President

Brendon McDermott

Graham Perks

Jo Tisch

Mark Cross

Evelyn Williamson

Neil Millar

Physical Address

Sport Central, Ground Floor, Eden 4, 14 Normanby Road, Mt Eden, Auckland, Auckland, New Zealand, 1024

Postal Address

PO Box 67088, Mt Eden, Auckland, New Zealand, 1349

Approval of Financial Statements

Triathlon New Zealand Incorporated For the year ended 30 June 2017

The Board members are pleased to present the approved financial statements of Triathlon New Zealand Incorporated for year ended 30 June 2017.

The Board and management accept responsibility for the preparation of the financial statements and judgements used in them, and hereby adopt the financial statements as presented. They also accept the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting and service performance reporting. In the opinion of the Board and management, the financial statements for the year ended 30 June 2017 fairly reflect the financial position, financial performance and cash flows of Triathlon New Zealand Incorporated.

APPROVED



Arthur Klap

President



Brandon McDermott

Board Member

Date 22/9/17

Statement of Comprehensive Revenue and Expenses

Triathlon New Zealand Incorporated For the year ended 30 June 2017

	NOTES	2017	2016
Revenue			
Revenue from non-exchange transactions			
HPSNZ funding		1,010,403	1,475,398
Sport New Zealand funding		353,500	370,550
Other grants / non exchange contract revenue	2	382,046	566,959
Total Revenue from non-exchange transactions		1,745,949	2,412,907
Revenue from exchange transactions			
Membership and Club Fees		44,345	15,898
Events and Courses		325,224	404,845
Sponsorship		553,357	514,391
Other operating revenue		142,147	215,963
Interest Received		1,888	4,343
Total Revenue from exchange transactions		1,066,961	1,155,440
Total Revenue		2,812,910	3,568,347
Expenses			
Employee and volunteer related costs		1,004,404	1,465,069
Events and Courses		232,411	389,376
Grants and donations made	3	130,304	137,741
Depreciation and amortisation	7	14,747	25,732
Interest expense		13	613
Other expenses	3	1,187,985	1,623,894
Total Expenses		2,569,864	3,642,425
Surplus/(Deficit) for the Year		243,045	(74,078)

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

Statement of Changes in Net Assets

Triathlon New Zealand Incorporated
For the year ended 30 June 2017

	NOTES	2017	2016
Equity			
Accumulated comprehensive revenue and expense			
Surplus/(Deficit) for the year		243,045	(74,078)
Opening Members Equity		192,476	266,554
Total Accumulated comprehensive revenue and expense		435,521	192,476
Total Equity		435,521	192,476

Refer to Breakdown of Reserves Note 8 for breakdown of Total Equity.

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

Statement of Financial Position

Triathlon New Zealand Incorporated

As at 30 June 2017

	NOTES	30 JUN 2017	30 JUN 2016
Assets			
Current Assets			
Cash and cash equivalents	5	684,327	275,293
Receivables from exchange contracts		34,316	62,019
Receivables from non-exchange contracts		4,644	10,920
Inventory - Stock of bikes	6	40,826	15,441
Prepayments		146,636	273,812
Total Current Assets		910,749	637,485
Non-Current Assets			
Property, Plant and Equipment	7	47,905	41,848
Other non-current assets		1,768	1,915
Total Non-Current Assets		49,672	43,763
Total Assets		960,421	681,248
Liabilities			
Current Liabilities			
Trade and other creditors	4	127,554	195,699
Goods and services tax		11,743	37,021
Employee entitlements		24,778	34,719
Income in advance		360,825	221,333
Total Current Liabilities		524,900	488,772
Total Liabilities		524,900	488,772
Net Assets		435,521	192,476
Accumulated Funds			
Accumulated comprehensive revenue and expense	8	435,521	192,476
Total Accumulated Funds		435,521	192,476

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

Statement of Cash Flows

Triathlon New Zealand Incorporated For the year ended 30 June 2017

	NOTES	2017	2016
Cash Flows from Operating Activities			
Receipts from Government Grants		1,475,495	2,085,164
Receipts from Fundraising		399,417	342,086
Receipts from Donations and other funding		365,674	530,801
Receipts from membership fees		37,628	9,035
Receipts from other grants and other income		579,729	687,677
Goods and Services Tax (net)		(25,278)	74,399
Payments to Employees		(877,218)	(1,350,793)
Payments to Suppliers		(1,527,499)	(2,272,820)
Interest Paid		-	-
Interest Received		1,888	4,343
Total Cash Flows from Operating Activities		429,836	109,891
Cash Flows from Investing Activities			
Receipts from sale of property, plant and equipment		7,031	48,093
Payments to acquire property, plant and equipment		(27,833)	(26,476)
Total Cash Flows from Investing Activities		(20,802)	21,617
Net Increase/ (Decrease) in Cash		409,034	131,508
Cash Balances			
Cash and cash equivalents at beginning of period		275,293	143,785
Cash and cash equivalents at end of period	5	684,327	275,293
Net change in cash for period		409,034	131,508

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

Statement of Accounting Policies

Triathlon New Zealand Incorporated For the year ended 30 June 2017

1.1 Basis of Preparation

The reporting entity is Triathlon New Zealand Incorporated ("Triathlon New Zealand Incorporated"). Triathlon New Zealand Incorporated is domiciled in New Zealand and is an incorporated society registered under the Incorporated Societies Act 1908. The significant accounting policies used in the preparation of these Financial Statements are set out below. These Financial Statements have been prepared on the basis of historical cost, as modified by the fair value measurement of non-derivative financial instruments. These Financial Statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. For the purposes of complying with NZ GAAP, Triathlon New Zealand Incorporated is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large. The Board has elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions.

1.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to Triathlon New Zealand Incorporated and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

Revenue from non-exchange transactions

Donations

Donations are recognised as revenue upon receipt and include donations from the general public, donations received for specific programme or services or donations in-kind. Donations in-kind include donations received for apparel, media, motor vehicles, printing and services and is recognised in revenue and expense when the service or good is received. Donations in-kind are measured at their fair value as at the date of receipt, ascertained by reference to the expected cost that would be otherwise incurred by Triathlon New Zealand Incorporated.

Grant revenue

Grant revenue includes grants given by government entities, charitable organisations, philanthropic organisations and businesses. Grant revenue is recognised when the conditions attached to the grant 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.

Revenue from exchange transactions

Membership fees

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

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

Event and courses income

Entrance fees for events and courses are recorded as revenue when the function or event takes place.

Interest income

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

Sponsorship Income

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

1.3 Financial instruments

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

Triathlon New Zealand Incorporated derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or Triathlon New Zealand Incorporated has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

- Triathlon New Zealand Incorporated has transferred substantially all the risks and rewards of the asset; or
- Triathlon New Zealand Incorporated has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial assets

Financial assets within the scope of NFP PBE IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

The categorisation determines subsequent measurement and whether any resulting income and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses. Triathlon New Zealand Incorporated's financial assets are classified as either financial assets at fair value through surplus or deficit, or loans and receivables. Triathlon New Zealand Incorporated's financial assets include: cash and cash equivalents and receivables from exchange transactions.

All financial assets except for those at fair value through surplus or deficit are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include items that are either classified as held for trading or that meet certain conditions and are designated at fair value through surplus or deficit upon initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. Triathlon New Zealand Incorporated's cash and cash equivalents, receivables from exchange transactions, inventory - Stock of Bikes and non-equity investments fall into this category of financial instruments.

Financial liabilities

Triathlon New Zealand Incorporated's financial liabilities include trade and other creditors (excluding GST and PAYE), employee entitlements and income in advance (in respect to grants whose conditions are yet to be complied with).

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

1.4 Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.5 Inventories - Stock of Bikes

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

1.6 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Depreciation is charged on a diminishing value or straight line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset over its remaining useful life:

- Motor vehicles 26% - 30%
- Office & Sundry equipment 10% - 48%
- Computer equipment 48% - 50%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset.

1.7 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits or service potential embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

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

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

The amortisation periods for assets are as follows:

- Trademarks over 20 Years

1.8 Income Tax

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

1.9 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 receivables or payables in the statement of financial position.

1.10 Leases

Payments on operating lease agreements, where the lessor retains substantially the risk and rewards of ownership of an asset, are recognised as an expense on a straight-line basis over the lease term.

Interest charges under finance leases are apportioned over the terms of the respective leases.

Capitalised leased assets are depreciated over their expected useful lives in accordance with rates established for similar assets.

1.11 Employee benefits

Wages, salaries, annual leave and sick leave

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

1.12 Equity

Equity is the community's interest in Triathlon New Zealand Incorporated, measured as the difference between total assets and total liabilities. Equity is made up of the following components:

Accumulated comprehensive revenue and expense

Accumulated comprehensive revenue and expense is Triathlon New Zealand Incorporated's accumulated surplus or deficit since its formation, adjusted for transfers to/from specific reserves.

1.13 Significant accounting judgements, estimates and assumptions

The preparation of Triathlon New Zealand Incorporated's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

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

Operating lease commitments

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

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Triathlon New Zealand Incorporated based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of Triathlon New Zealand Incorporated. Such changes are reflected in the assumptions when they occur.

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to determine potential future use and value from disposal:

- The condition of the asset
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

The estimated useful lives of the asset classes held by Triathlon New Zealand Incorporated are listed in 'Property, plant and equipment' above.

1.14 Going Concern

These financial statements have been prepared using the going concern assumption. The continued success of Triathlon NZ is dependent on on-going support from funding bodies, including Sport NZ and other sponsors. In addition, the 2016/2017 financial year saw a constitutional change that introduced membership fees to support financial sustainability. This is still in its infancy. Triathlon NZ has reduced its operating costs significantly in the last four years in line with lower funding levels, and has restructured the scope of its operations to match lower available funding levels.

During the 2017/2018 financial year, Triathlon NZ will continue to concentrate on managing expenditure and securing further funding, including membership fees and race licences. Triathlon NZ is confident that it can secure the required funding and operating cost reductions to continue to operate for a period of 12 months from the date of approving these financial statements.

Notes to the Financial Statements

Triathlon New Zealand Incorporated For the year ended 30 June 2017

1. Accounting Policies

Refer to Statement of Accounting Policies.

	2017	2016
2. Revenue from non-exchange transactions		
High Performance Sport New Zealand funding	1,010,403	1,475,398
Sport New Zealand community sport and other funding	353,500	370,550
Other grants, donations and similar revenue		
Funding - Black Gold	130,000	250,000
Funding - Lion Foundation	25,000	69,879
Funding - NZCT	117,520	120,000
Funding - Other Trusts	47,526	37,966
Funding - Pub Charity	40,000	52,918
Grants - Local Regional Council	22,000	36,196
Total Other grants, donations and similar revenue	382,046	566,959
Total Revenue from non-exchange transactions	1,745,949	2,412,907

Grants income includes \$130,000 of donations received from NZOC for programmes in support of emerging athletes. These funds will be spent in the year ending 30 June 2018, but are required to be recognised under the accounting standards as income in the current year.

	2017	2016
3. Analysis of Expenses - total expenses includes the following specific expenses:		
Grants - high performance funding		
Grants and Donations made		
Grants PM Scholarships	14,995	-
Grants forwarded to Coaches	26,681	10,658
Grants forwarded to Athletes	88,628	127,083
Total Grants and Donations made	130,304	137,741
Total Grants - high performance funding	130,304	137,741
Within other expenses the following is included:		
Audit Fees	10,530	10,250
Leasing, rental and other interest costs	81,751	88,618

	2017	2016
4. Categories of financial assets and liabilities (carrying amounts)		
Financial Assets (within statement of financial position)		
Cash & cash equivalents and receivables from exchange transactions	718,643	337,312
Total Financial Assets (within statement of financial position)	718,643	337,312
Financial liabilities - at amortised cost		
Trade and other creditors	(127,554)	(195,699)
Employee entitlements	(24,778)	(34,719)
Income in Advance (conditions attached)	(360,825)	(221,333)
Total Financial liabilities - at amortised cost	(513,157)	(451,751)
	2017	2016
5. Cash and cash equivalents		
Cash at bank and other	684,327	264,147
Foreign currency gain on bank accounts	-	11,147
Total Cash and cash equivalents	684,327	275,293
	2017	2016
6. Inventories - Stock of Bikes		
Inventory - Stock of Bikes	40,826	15,441
Total Inventories - Stock of Bikes	40,826	15,441
	2017	2016
7. Property, Plant and Equipment		
Motor Vehicles		
Vehicles owned	5,439	3,265
Accumulated depreciation - vehicles owned	(3,717)	(2,995)
Total Motor Vehicles	1,722	271
Office Equipment and Other Assets		
Office equipment owned	141,723	193,017
Accumulated depreciation - office equipment	(119,170)	(161,553)
Total Office Equipment and Other Assets	22,552	31,464
Computer Equipment		
Computer equipment owned	23,630	24,832
Accumulated depreciation - computer equipment	-	(14,719)
Total Computer Equipment	23,630	10,113
Total Property, Plant and Equipment	47,905	41,848

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

As At 30 June 2016:

	Office Equipment and Other Assets	Computer Equipment	Motor Vehicles	Totals
Opening balance - Book Value	74,610	246	2,141	76,997
Additions	6,476	20,000	0	26,476
Disposals	34,179	16	1,698	35,893
Depreciation	15,443	10,117	172	25,732
Net book value	\$31,464	\$10,113	\$271	\$41,848

As At 30 June 2017:

	Office Equipment and Other Assets	Computer Equipment	Motor Vehicles	Totals
Opening balance - Book Value	31,464	10,113	271	41,848
Additions	2,029	23,630	2,174	27,833
Disposals	1,540	5,489	0	7,029
Depreciation	9,400	4,624	723	14,747
Net book value	\$22,553	\$23,630	\$1,722	\$47,905

2017 2016

8. Breakdown of Reserves**Members Equity**

Sports Services General Fund	497,040	164,864
High Performance Fund	(61,519)	27,612
Total Members Equity	435,521	192,476

2017 2016

9. Commitments**Non-cancellable operating lease commitments**

Not later than one year	46,370	93,742
Later than one year and no later than five years	151,031	284,443
Later than five years	67,861	138,218
Total Non-cancellable operating lease commitments	265,263	516,403

Operating commitments include Office Rent in Auckland and Cambridge, Computer Leasing and Phone Leases.

10. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 30 June 2017. (2016: Nil).

	2017	2016
11. In-Kind Goods or Services Provided		
In-kind goods or services		
Suzuki - Vehicles	66,240	82,800
Cube - Printing and signage	15,000	25,000
Asics - Shoes for prizes and giveaways	23,000	23,000
Pure - Aid stations and product giveaways	5,000	20,000
Ora - Website hosting	-	11,000
2XU - Team wear and spot prizes	60,000	5,000
Sundry - Other goods and services	500	5,505
Total In-kind goods or services	169,740	172,305

Included within Sponsorship Revenue and Operational Expenditure.

	2017	2016
12. Related Parties		
Receivables - GST Inclusive		
Nil	-	-
Total Receivables - GST Inclusive	-	-
Payables - GST Inclusive		
Arthur Klap - Sports Impact Limited - reimbursement of board travel expenses	2,190	545
Brendon McDermott - Sport Southland - reimbursement of board travel expenses	953	497
Graham Perks - reimbursement of board travel expenses	-	94
Evelyn Williamson - NZOC - annual membership fees	173	-
Neil Millar - Minter Ellison Rudd Watts - legal fees	592	-
Total Payables - GST Inclusive	3,909	1,136
Revenue		
Arthur Klap - membership fees	-	22
Garry Boon - membership fees	-	22
Graham Perks - club affiliation & Tribe membership fees	1,020	-
Jo Tisch - Sport BOP - Coachforce, Team Shorebreak & Tauranga Tri Club - club affiliation fees	10,500	500
Evelyn Williamson - NZOC - Black Gold Donations & Rio Games cost reimbursement	157,405	-
Neil Millar - club affiliation & event endorsement fees	1,184	-
Total Revenue	170,108	543
Expenses		
Arthur Klap - Sports Impact Limited - reimbursement of board travel expenses & ITU Congress costs	15,349	3,122
Brendon McDermott - Sport Southland - Triseries Wanaka traffic management & reimbursement of board travel expenses	7,365	9,096
Graham Perks - reimbursement of board travel expenses	316	617
Jo Tisch - reimbursement of board travel expenses	332	5,000
Evelyn Williamson - NZOC - annual membership fees	173	-
Neil Millar - North Harbour Tri Club - 2017 Aquathlon Fees & Minter Ellison Rudd Watts - legal fees	2,393	-
Total Expenses	25,928	17,835

Key management personnel

The key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are the members of the governing body which is comprised of the Board of Directors, Chief Executive and employees having the authority and responsibility for planning and controlling the activity of Triathlon New Zealand Incorporated, which constitutes the governing body of Triathlon New Zealand Incorporated. No remuneration is paid to members of the Board of Directors. The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration is as follows:

	2017	2016
Key management remuneration		
Total remuneration	362,545	537,568
Number of persons	3.6	4.36

13. Events After the Balance Date

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

Independent Auditor's Report

To the Members of Triathlon New Zealand Incorporated

RSM Hayes Audit

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Opinion

We have audited the financial statements of Triathlon New Zealand Incorporated, which comprise:

- the statement of financial position as at 30 June 2017;
- the statement of comprehensive revenue and expenses for the year then ended;
- the statement of changes in net assets;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies.

In our opinion, the accompanying financial statements on pages 5 to 18 present fairly, in all material respects, the financial position of Triathlon New Zealand Incorporated as at 30 June 2017, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime 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 entity 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, Triathlon New Zealand Incorporated.

Other information

The board members are responsible for the other information. The other information comprises the directory and approval of financial statements on pages 3 to 4 (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the members for the financial statements

The board members are responsible, on behalf of Triathlon New Zealand Incorporated, 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 those charged with governance 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, board members are responsible, on behalf of the entity, 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 committee members either intend to liquidate the entity 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 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. A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at:

https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page8.aspx

Who we report to

This report is made solely to the members, as a body. 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 incorporated society and the members as a body, for our work, for this report, or for the opinions we have formed.

