



New Zealand Olympic Committee Incorporated
Financial statements
for the year ended 31 December 2017

New Zealand Olympic Committee Incorporated
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For the year ended 31 December 2017

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Financial Report for 2017

The 2017 financial year for NZOC resulted in a surplus of \$1.152m. As expected in a non major Games year, our goal was to make a surplus and rebuild our reserves. Net assets are \$2.384m, which includes cash and investments of \$2.024m.

Income \$7.257m, down \$4.506m due to no major Games this year

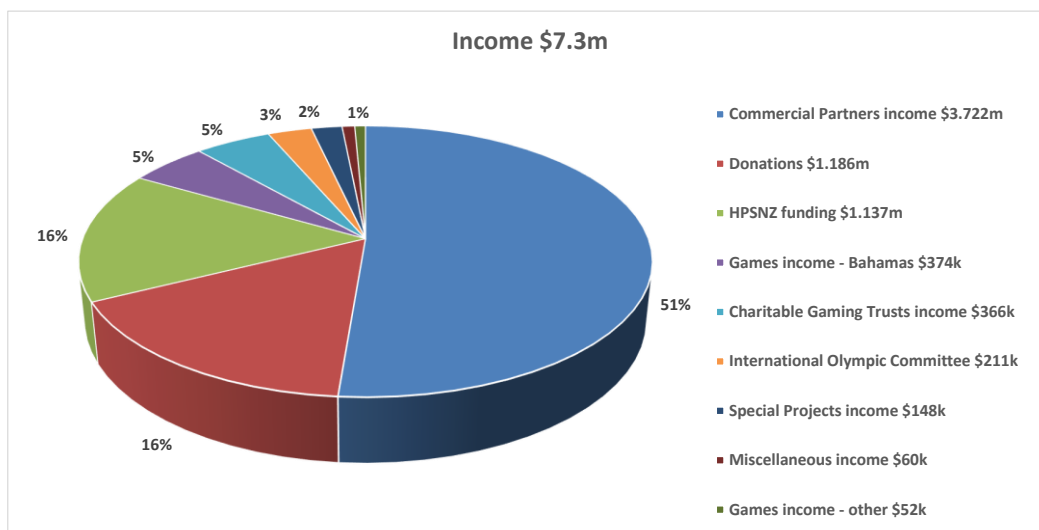
Operating income of \$7.257m includes revenue from: Commercial partners, donations, charitable gaming trusts, IOC and High Performance Sport NZ. Bahamas Youth Commonwealth Games revenue includes Team fee contributions, travel subsidy and team village accommodation VIK.

Our largest source of income at 51% is from Commercial Partners including major sponsor ANZ. Other NZ Partners are APN Outdoor, GMP Pharmaceuticals, House of Travel, Jennian Homes and PEAK. We are pleased to welcome new domestic partners in 2017 Barfoot and Thompson and broadcast partner TVNZ. Our Worldwide partners are Coca-Cola, Atos, Dow, GE, Omega, Panasonic, P&G, Samsung and Visa. During 2017 we welcomed new worldwide partners Toyota, Bridgestone, Alibaba and Intel.

A growing source of income is our philanthropic programme, due to the successful implementation of our Olympic Council 2020 programme and support from BlackGold donors.

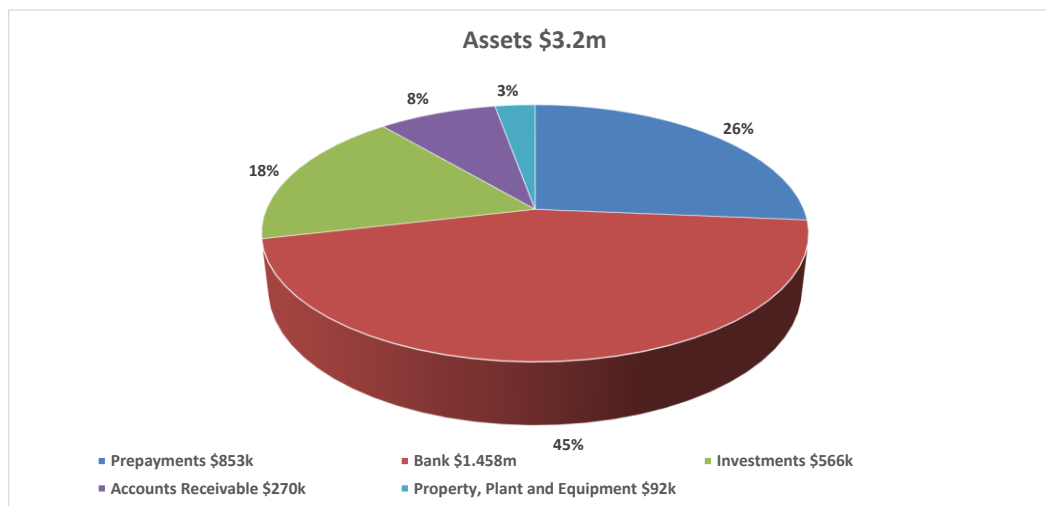
Charitable funding received or drawn down in 2017 include Infinity Foundation, Lion Foundation, Southern Trust and Pub Charity. This source of funding has been vital to the ongoing success of our Olympic Ambassador education programme in schools.

We would like to thank and acknowledge all Community and Corporate Partners for their continuing support.



Total Assets \$3.239m

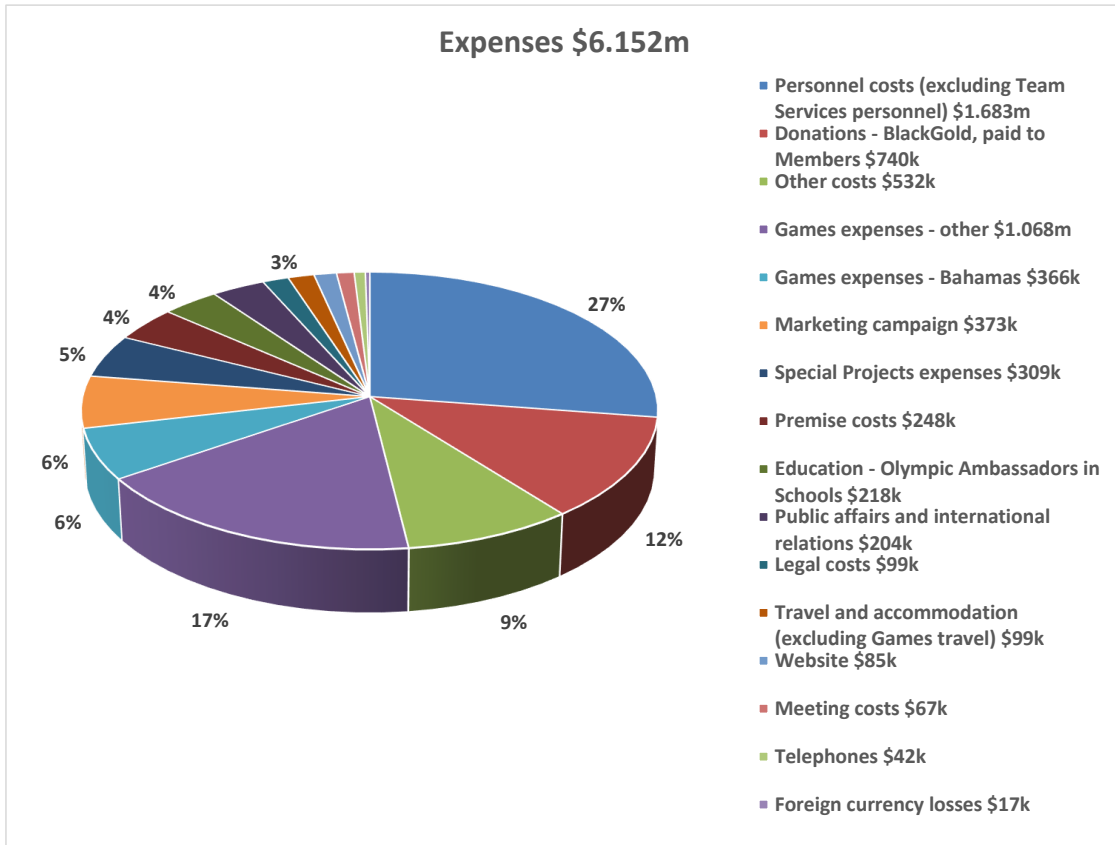
Total assets of \$3.239m include: bank \$1.458m (45%), investments \$566k (18%), prepayments \$853k (26%), accounts receivable \$270k (8%) and fixed assets \$92k (3%).



Financial Report for 2017

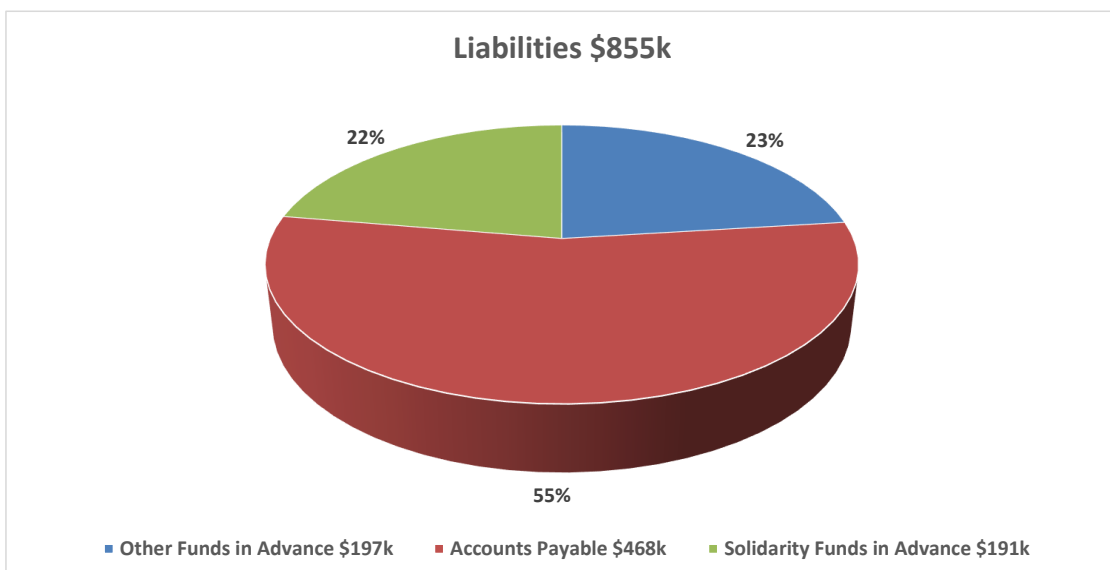
Expenditure \$6.152m, an decrease of \$6.765m due to no major Games this year

Operating expenditure at \$6.152m includes personnel, Games costs, BlackGold donations, Bahamas Games costs, marketing campaign, special projects, Olympic ambassadors, public affairs, premise costs, legal, travel, meetings, website and other miscellaneous costs.



Total Liabilities \$855k

Total liabilities of \$855k include: accounts payable \$468k (55%), IOC Solidarity funds in advance \$191k (22%) and other funds in advance \$197k (23%).



New Zealand Olympic Committee Incorporated
Statement of Comprehensive Revenue and Expense
For the Year Ended 31 December 2017

	Note	Group 2017 \$	Group 2016 \$	NZOC 2017 \$	NZOC 2016 \$
Revenue from exchange transactions					
Commercial Partners income		3,722,179	2,779,070	3,722,179	2,779,070
Fundraising income		-	319,780	-	319,780
Games income - Bahamas	6	374,143	-	374,143	-
Games income - other		51,625	4,231,322	51,625	4,231,322
High Performance Sport NZ funding		1,137,500	2,140,426	1,137,500	2,140,426
Special Projects income		147,544	372,075	147,544	372,075
		5,432,991	9,842,673	5,432,991	9,842,673
Revenue from non-exchange transactions					
Charitable Gaming Trusts income		366,150	331,758	366,150	331,758
Donations		1,072,017	550,201	1,186,410	630,452
Donations - Games		-	723,562	-	723,562
International Olympic Committee		210,615	202,969	210,615	202,969
Miscellaneous Income		60,484	30,884	60,484	30,884
		1,709,266	1,839,374	1,823,659	1,919,625
Total revenue	7	7,142,257	11,682,046	7,256,650	11,762,297
Expenses					
Donations - BlackGold, paid to Members		740,000	280,000	740,000	280,000
Education - Olympic Ambassadors in Schools		218,163	286,024	218,163	286,024
Foreign currency losses		17,100	81,465	17,100	81,465
Fundraising costs		-	355,869	-	355,869
Games expenditure - Bahamas	6	365,879	-	365,879	-
Games expenditure - Other		1,068,268	8,196,862	1,068,268	8,196,862
Legal costs		99,087	103,189	99,087	103,189
Marketing campaign		373,199	584,685	373,199	584,685
Meeting costs		66,736	54,909	66,736	54,909
Other costs		534,769	459,755	532,274	454,151
Personnel costs (excluding Team Services personnel)		1,683,929	1,550,202	1,683,929	1,550,202
Premise costs		247,922	240,668	247,922	240,668
Public affairs and international relations		204,293	89,470	204,293	89,470
Special Projects expenses		308,833	453,418	308,833	453,418
Telephones		42,200	46,746	42,200	46,746
Travel and accommodation (excluding Games travel)		99,189	90,641	99,189	90,641
Website		85,326	48,265	85,326	48,265
Total expenses	8	6,154,893	12,922,168	6,152,398	12,916,564
Surplus/(deficit) before net financing costs		987,364	(1,240,122)	1,104,252	(1,154,267)
Finance income		110,690	83,225	51,542	7,188
Finance expenses		4,038	4,230	4,038	4,230
Net financing income	9	106,652	78,996	47,504	2,958
Surplus/(deficit) for the year		1,094,016	(1,161,126)	1,151,755	(1,151,309)
Other comprehensive income					
Unrealised Gains on Investments	10	20,449	69,767	-	-
Total other comprehensive income		20,449	69,767	-	-
Total comprehensive income for the year		1,114,465	(1,091,359)	1,151,755	(1,151,309)
Solidarity Funding					
Funds received from IOC for National Sporting Organisations and Athletes	4 (b)	586,907	468,778	586,907	468,778
Less distributions to National Sporting Organisations and Athletes		(586,907)	(468,778)	(586,907)	(468,778)
		-	-	-	-

This statement must be read in conjunction with the notes to the accounts.

New Zealand Olympic Committee Incorporated
Statement of Changes in Net Assets/Equity
For the Year Ended 31 December 2017

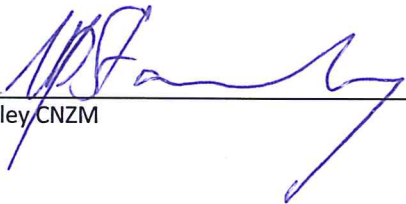
	Group 2017 \$	Group 2016 \$	NZOC 2017 \$	NZOC 2016 \$
Opening balance	2,650,663	3,742,022	1,232,020	2,383,329
Surplus/(deficit) for the year	1,094,016	(1,161,126)	1,151,755	(1,151,309)
Other comprehensive income Unrealised Gain on Investments Reserve	20,449	69,767	-	-
Total net assets/equity	3,765,128	2,650,663	2,383,775	1,232,020

This statement must be read in conjunction with the notes to the accounts

New Zealand Olympic Committee Incorporated
Statement of Financial Position
As at 31 December 2017

	Note	Group 2017 \$	Group 2016 \$	NZOC 2017 \$	NZOC 2016 \$
Current assets					
Cash and Cash equivalents	11	1,457,588	1,249,737	1,457,588	1,246,083
Investments	14	1,935,115	1,911,675	566,421	516,437
Accounts receivable	12	270,152	191,954	270,152	191,954
Prepayments	13	853,248	363,874	853,248	363,874
Total current assets		4,516,103	3,717,240	3,147,409	2,318,348
Non-current assets					
Property, plant and equipment	18	91,658	66,294	91,658	66,294
Total non-current assets		91,658	66,294	91,658	66,294
Total assets		4,607,761	3,783,533	3,239,067	2,384,642
Current liabilities					
Accounts payable	19	467,521	649,951	467,520	649,951
Solidarity funds in advance	20	190,734	141,705	190,734	141,705
Other funds in advance	20	184,377	341,215	197,038	360,966
Total current liabilities		842,633	1,132,871	855,292	1,152,622
Total net assets		3,765,128	2,650,663	2,383,775	1,232,020
Accumulated revenue and expense		2,265,128	1,150,663	1,883,775	732,020
Edgar Olympic Foundation Endowment Fund	21	1,000,000	1,000,000	-	-
Yvette Williams Scholarship Fund	22	500,000	500,000	500,000	500,000
Total net assets/equity		3,765,128	2,650,663	2,383,775	1,232,020

Authorised for and on behalf of the Board on 22 March 2018


Mike Stanley CNZM
President


Kereyn Smith MNZM
CEO and Secretary General

This statement must be read in conjunction with the notes to the accounts

New Zealand Olympic Committee Incorporated
Statement of Cash Flows
For the Year Ended 31 December 2017

Note	Group 2017 \$	Group 2016 \$	NZOC 2017 \$	NZOC 2016 \$
Cash flows from/(to) operating activities				
Receipts from exchange transactions	5,432,991	9,842,673	5,432,991	9,842,673
Receipts from non-exchange transactions	2,061,137	1,921,873	2,168,440	2,081,875
Payments to suppliers	(5,638,773)	(10,432,381)	(5,636,279)	(10,426,777)
Payments to employees	(1,683,929)	(1,550,202)	(1,683,929)	(1,550,202)
Foreign exchange gains & (losses)	(17,100)	(81,465)	(17,100)	(81,465)
Net cash inflow/(outflow) from operating activities	154,326	(299,502)	264,123	(133,896)
Cash flows from/(to) investing activities				
Interest and dividends received	110,690	83,226	51,542	7,188
Increase/(decrease) in investments	(2,989)	(485,284)	(49,982)	(516,437)
Purchase of property, plant and equipment	(54,176)	(20,872)	(54,178)	(20,871)
Net cash inflow/(outflow) from investing activities	53,525	(422,930)	(52,618)	(530,120)
Net increase/(decrease) in cash and cash equivalents	207,851	(722,432)	211,505	(664,016)
Cash and cash equivalents at the beginning of the year	1,249,737	1,972,169	1,246,083	1,910,099
Cash and cash equivalents at the end of the year	1,457,588	1,249,737	1,457,588	1,246,083

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This statement must be read in conjunction with the notes to the accounts

New Zealand Olympic Committee Incorporated

Notes to the Financial Statements

For the Year Ended 31 December 2017

1 Reporting Entity

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

The NZOC is a public benefit not-for-profit entity for the purposes of financial reporting, in accordance with the Financial Reporting Act 2013.

These consolidated financial statements for the year ended 31 December 2017 comprise the controlling entity and its controlled entities (together referred to as the 'Group') and individually as 'Group entities'.

2 Basis of Preparation

The consolidated financial statements of the NZOC are presented. The consolidated financial statements comprise New Zealand Olympic Committee Incorporated (the 'Parent') and the controlled entities, Edgar Olympic Foundation and NZOC America Inc (together, the 'Group').

The purpose of controlled entities is to provide sustainable income for the long-term operations of the Parent. The Parent consolidates the controlled entities because it either has control over the entity or it owns 100% of the issued share capital.

a. Statement of Compliance and Basis of Preparation

These financial statements have been prepared in accordance with Generally Accepted Accounting Practices in New Zealand (NZ GAAP). They comply with Public Benefit Entity Standards Reduced Disclosure Regime ('PBE Standards RDR'), as appropriate for Tier 2 not-for-profit public benefit entities (except that Group and NZOC results are disclosed).

The Group qualifies as a Tier 2 reporting entity as for the current and prior periods it has had between \$2m and \$30m operating expenditure.

These financial statements were authorised for issue by the Board of Trustees on 22 March 2018.

b. Measurement Basis

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position, which are measured at fair value:

- Available-for-sale financial instruments
- The initial measurement of assets received from non-exchange transactions.

c. Functional and Presentation Currency

The financial statements are presented in New Zealand dollars (\$), which is the controlling entity's functional and Group's presentation currency.

There has been no change in the functional currency of the Group or any significant controlled entities of the Group during the year.

3 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.

a. Judgements

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

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

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

New Zealand Olympic Committee Incorporated
Notes to the Financial Statements
For the Year Ended 31 December 2017

3 Use of Judgements and Estimates (continued)

a. Judgements (continued)

Useful lives of Property, plant and equipment ('PPE')

Management makes a judgement on the estimated useful life of all items of PPE at the time of the purchase of the asset. The PPE register is reviewed annually and where there is indication that an asset's life is different, the remaining useful life is adjusted accordingly.

b. Critical Accounting Estimates and Assumptions

The preparation of financial statements in conformity with PBE standards 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.

There are no critical accounting, estimates and assumptions.

4 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 Group.

The significant accounting policies of the Group are detailed below:

a. Basis of Consolidation

Controlled entities are entities controlled by the NZOC, being where the NZOC has power to govern the financial and operating policies of another entity so as to benefit from that entity's activities. The financial statements of the Group's controlled entities are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Subsequent changes in a controlled entity that do not result in a loss of control are accounted for as transactions with controllers of the controlling entity in their capacity as controllers, within net assets/equity.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

b. Revenue

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

The following specific recognition criteria in relation to the Group's revenue streams must also be met before revenue is recognised.

Revenue from exchange transactions

(i) Membership fees

Membership fees are invoiced annually after the General Assembly and recognised as revenue.

(ii) Other exchange revenue

Revenue from the sale of goods or provision of services in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

New Zealand Olympic Committee Incorporated
Notes to the Financial Statements
For the Year Ended 31 December 2017

4 Significant Accounting Policies (continued)

b. Revenue from exchange transactions (continued)

(iii) Commercial partners and fundraising

Income is recognised when invoiced unless it is specifically linked to a future event, in which case it is carried forward in the statement of financial position as income in advance. Invoices are raised when a sponsorship agreement is executed. Commercial partnership agreements are deemed executed through the actions of both parties contained in the agreement.

(iv) IOC Top Monies Sponsorship Programme

The IOC Top Monies Sponsorship Programme income is recognised over the quadrennial, which is 30% in 2017, 25% in 2018 and 2019, and 20% in 2020. The Board is of the opinion this policy better reflects the programmes and initiatives the NZOC undertakes over the four-year term of the sponsorship agreement.

(ii) Revenue from non-exchange transactions

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

With the exception of services-in-kind, inflows of resources from non-exchange transactions are only recognised as assets where both:

- It is probable that the associated future economic benefit or service potential will flow to the entity, and
- Fair value is reliably measurable.

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

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

Grants and Donations

Grants and Donations are recognised when they become receivable unless the Group has a liability to repay the grant or donation if the conditions attached to the grant or donation are not fulfilled. A liability is recognised to the extent that such conditions are unfulfilled at the end of the reporting period.

(iii) Facilitation of External Funding

The NZOC does not recognise as income any funding received on behalf of other sporting organisations for which the NZOC is merely acting as a facilitator and receives no financial gain.

c. Employee Benefits

Short-term benefits

Employee benefits that the Group or Parent expects to be settled within 12 months of reporting date are measured at nominal values based on accrued entitlements at current rates of pay on an undiscounted basis.

These include salaries and wages accrued up to reporting date, and annual leave earned but not yet taken at reporting date and expected to be settled within 12 months.

Defined contribution pension plans - KiwiSaver

Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit or loss when they are due.

d. Finance Income and Expenses

Finance income comprises interest income, dividend income, changes in the fair value of available-for-sale financial assets that may be reclassified to the statement of comprehensive revenue and expenditure, and foreign currency gains. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expenses comprise foreign currency losses and changes in the fair value of available-for-sale financial assets that may be reclassified to profit or loss.

New Zealand Olympic Committee Incorporated
Notes to the Financial Statements
For the Year Ended 31 December 2017

4 Significant Accounting Policies (continued)

e. Financial Instruments

Financial instruments are recognised by the Group when it becomes a party to the contractual provisions of the instrument.

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

Financial Assets

The Group 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. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group classifies financial assets into the following categories: cash and receivables and available-for-sale financial assets that may be reclassified to profit and loss.

Financial Liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. The Group also derecognises financial assets and financial liabilities when there have been significant changes to the terms and/or the amount of contractual payments to be received/paid.

Financial instruments are initially measured at fair value, and for those financial instruments not subsequently measured at fair value through surplus or deficit, directly attributable transaction costs. Subsequent measurement is dependent on the classification of the financial instrument, and is specifically detailed in the accounting policies below.

(i) Cash and Receivables

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

Receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses (refer Note 4(f)). They comprise trade and other receivables, which are stated at expected realisable value.

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 three months or less.

(ii) Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets.

Available-for-sale financial assets are subsequently measured at fair value with gains or losses (other than foreign exchange gains or losses) recognised in other comprehensive revenue and expense and presented in the available-for-sale fair value reserve within net assets/equity, less impairment (refer Note 4(f)).

Upon derecognition, the accumulated gain or loss within net assets/equity is reclassified to surplus or deficit.

Available-for-sale financial assets comprise equity securities, debt securities and bonds.

(iii) 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 cash and cash equivalents (bank overdrafts), trade and other payables, borrowings and finance lease payable.

New Zealand Olympic Committee Incorporated
Notes to the Financial Statements
For the Year Ended 31 December 2017

4 Significant Accounting Policies (continued)

f. Impairment of Non-derivative Financial Assets

A financial asset not subsequently measured at fair value through surplus or deficit is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

g. Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

h. Property, Plant and Equipment

Property, plant and equipment are shown at cost, less accumulated depreciation and impairment losses. Where material parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation

Depreciation is provided on a straight-line or diminishing value basis on all property, plant and equipment at rates that will write off the cost of the assets to their estimated residual values over their useful lives. Depreciation is charged to the profit and loss. The useful lives and associated depreciation rates of major classes of assets have been estimated for current and prior period as follows:

Asset Classification and Depreciation Rates

	Depreciation Rates
Computer Equipment	33.0 - 33.3%
Office Equipment	10.0 - 33.3%
Fixtures and Fittings	15.0 - 33.0%
Games Plant	20.0 - 33.0%

i. Deferred Expenditure

Items of expenditure are deferred to the extent that they are: (i) recoverable out of future revenue, do not relate solely to revenue which has already been brought to account and will contribute to the future earning capacity of the Committee; or (ii) paid in advance in relation to expenditure programs of subsequent years. Deferred expenditure is amortised over the shorter of the period in which the related benefits are expected to be realised or four years. Expenditure deferred in previous periods is reviewed annually to determine the amount (if any) that is no longer recoverable or relates to expenditure programs of prior years. All such amounts are recognised as an expense in that period.

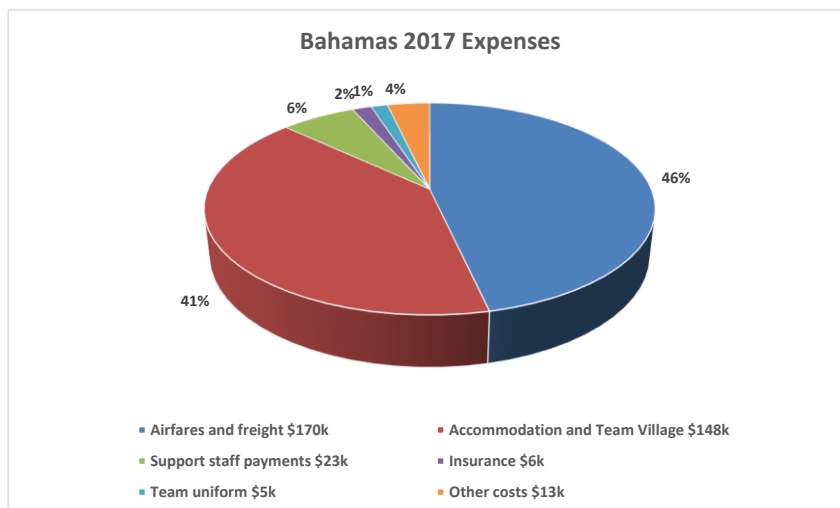
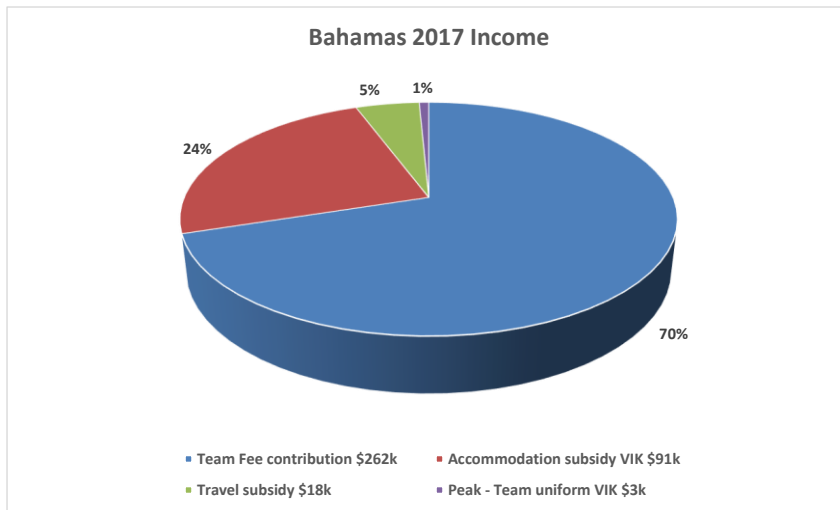
5 Changes in Accounting Policy

There are no changes in accounting policy for the year ended 31 December 2017.

New Zealand Olympic Committee Incorporated
Notes to the Financial Statements
For the Year Ended 31 December 2017

6 Games Financials

Group & NZOC 2016	Bahamas Youth Commonwealth Games	Group & NZOC 2017
\$	Income	\$
-	Team Fee contribution	262,200
-	Accommodation subsidy VIK	90,720
-	Travel subsidy	18,423
-	Peak - Team uniform VIK	2,800
<hr/>		<hr/>
-		374,143
	Expenses	
-	Airfares and freight	170,066
-	Accommodation and Team Village	148,112
-	Support staff payments	23,400
-	Insurance	5,975
-	Team uniform	5,172
-	Other costs	13,284
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-		366,009
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-	Net income	8,134



New Zealand Olympic Committee Incorporated
Notes to the Financial Statements
For the Year Ended 31 December 2017

7	Group 2016 \$	NZOC 2016 \$	Revenue	Note	Group 2017 \$	NZOC 2017 \$
			Revenue from exchange transactions:			
			<u>Commercial Partners income</u>			
	770,221	770,221	Worldwide Global Partners		2,233,469	2,233,469
	2,008,849	2,008,849	NZ Commercial Partners		1,488,710	1,488,710
	<u>2,779,070</u>	<u>2,779,070</u>			<u>3,722,179</u>	<u>3,722,179</u>
	<u>319,780</u>	<u>319,780</u>	<u>Fundraising</u>		<u>-</u>	<u>-</u>
			<u>Games income</u>			
	-	-	Bahamas 2017 Youth Commonwealth Games		374,143	374,143
	-	-	Gold Coast 2018 Commonwealth Games		51,625	51,625
	4,071,505	4,071,505	Rio 2016 Olympic Games		-	-
	159,817	159,817	Lillehammer 2016 Youth Olympic Games		-	-
	<u>4,231,322</u>	<u>4,231,322</u>			<u>425,768</u>	<u>425,767</u>
			<u>High Performance Sport NZ funding</u>			
	1,976,438	1,976,438	Rio 2016 Olympic Games		-	-
	163,988	163,988	Selection		100,000	100,000
	-	-	PyeongChang 2018 Winter Olympic Games		250,878	250,878
	-	-	Gold Coast 2018 Commonwealth Games		651,513	651,513
	-	-	Tokyo 2020 Olympic Games		135,109	135,109
	<u>2,140,426</u>	<u>2,140,426</u>			<u>1,137,500</u>	<u>1,137,500</u>
			<u>Special Projects income</u>			
	372,075	372,075	NZ Club at Rio		-	-
	-	-	Other		147,545	147,545
	<u>372,075</u>	<u>372,075</u>			<u>147,545</u>	<u>147,545</u>
	9,842,673	9,842,673	Total exchange revenue		5,432,991	5,432,991
			Revenue from non-exchange transactions:			
			<u>Charitable Gaming Trusts income</u>			
	150,000	150,000	Southern Trust		188,477	188,477
	100,000	100,000	New Zealand Community Trust		-	-
	45,000	45,000	Trillian Trust		-	-
	200,000	200,000	Infinity Foundation		173,230	173,230
	9,988	9,988	Pub Charity		9,306	9,306
	50,000	50,000	Lion Foundation		50,000	50,000
	<u>554,988</u>	<u>554,988</u>			<u>421,013</u>	<u>421,013</u>
	<u>550,201</u>	<u>650,201</u>	<u>Donations</u>		<u>1,072,017</u>	<u>1,199,067</u>
	<u>723,562</u>	<u>723,562</u>	<u>Donations - Games</u>		<u>-</u>	<u>-</u>
			<u>International Olympic Committee</u>			
	202,969	202,969	Solidarity funding for NZOC initiatives		210,615	210,615
			<u>Miscellaneous income</u>			
	22,934	22,934	Other		51,934	51,934
	7,950	7,950	Membership fees		8,550	8,550
	<u>30,884</u>	<u>30,884</u>			<u>60,484</u>	<u>60,484</u>
			<u>Deferred income</u>			
	(173,230)	(173,230)	Infinity Foundation		-	-
	(50,000)	(50,000)	Lion Foundation		-	-
	-	(19,750)	Edgar Olympic Foundation		-	(12,657)
	-	-	Southern Trust		(54,863)	(54,863)
	<u>(223,230)</u>	<u>(242,980)</u>			<u>(54,863)</u>	<u>(67,520)</u>
	1,839,374	1,919,624	Total non-exchange revenue		1,709,266	1,823,659
	11,682,049	11,762,298	Total revenue	16	7,142,257	7,256,650

New Zealand Olympic Committee Incorporated
Notes to the Financial Statements
For the Year Ended 31 December 2017

7 Revenue (continued)					
As a result of conditions of the donation from Edgar Olympic Foundation and funding from Southern Trust, income is deferred from 2017 to the 2018 financial year.					
8	Group 2016 \$	NZOC 2016 \$	Note	Group 2017 \$	NZOC 2017 \$
			Total Expenses		
			<i>Total expenses include the following:</i>		
	180,000	180,000	Office rental	180,000	180,000
	22,778	22,778	Depreciation	18 28,812	28,812
	22,636	22,636	Audit fees	20,827	20,827
	-	-	Loss on disposal of assets	1,951	1,951
9	Group 2016 \$	NZOC 2016 \$	Finance Income and Expenses	Group 2017 \$	NZOC 2017 \$
			Finance income		
			<i>Interest income on loans and receivables</i>		
	7,188	7,188	Interest on term deposits and bank balance	51,542	51,542
			<i>Income from financial assets available for sale</i>		
	27,009	-	Interest income	29,895	-
	50,015	-	Dividends	45,122	-
	(987)	-	Realised gain/(loss) on investments	(15,869)	-
	<u>83,225</u>	<u>7,188</u>	Total finance income	<u>110,690</u>	<u>51,542</u>
			Finance expense		
	(4,230)	(4,230)	Interest expense	(4,038)	(4,038)
	<u>78,995</u>	<u>2,958</u>	Net finance income/(expense)	<u>106,652</u>	<u>47,504</u>
10	Group 2016 \$	NZOC 2016 \$	Other Comprehensive Income	Group 2017 \$	NZOC 2017 \$
			Unrealised gain on investments	20,449	-
	<u>69,767</u>	<u>-</u>	Total other comprehensive income	<u>20,449</u>	<u>-</u>
11	Group 2016 \$	NZOC 2016 \$	Cash and Cash Equivalents	Group 2017 \$	NZOC 2017 \$
			Cash	157,305	157,305
	438,737	438,737	NZOC America Inc cash at bank	-	-
	3,654	-	Term deposits/on-call savings 90 days or less	1,300,283	1,300,283
	<u>807,346</u>	<u>807,346</u>	Total cash and cash equivalents	<u>1,457,588</u>	<u>1,457,588</u>
	<u>1,249,737</u>	<u>1,246,083</u>			

Per-annum annual interest rate ranges applicable to components of cash and cash equivalents:
Bank deposits 1% - 3%
Term deposits 2% - 4%

New Zealand Olympic Committee Incorporated
Notes to the Financial Statements
For the Year Ended 31 December 2017

	Group 2016	NZOC 2016		Group 2017	NZOC 2017
12	\$	\$	Receivables	\$	\$
	191,954	191,954	Receivables for exchange transactions		
	-	-	Trade receivables from exchange transactions	36,491	36,491
	191,954	191,954	Accrued Income	233,661	233,661
			Total trade receivables from exchange transactions	270,152	270,152
	-	-	Receivables for non-exchange transactions		
			Total trade receivables from non-exchange transactions	-	-
	191,954	191,954	Total receivables	270,152	270,152

The carrying value of account receivables approximates their fair value. Trade receivables are subject to normal trade terms and are interest free.

	Group 2016	NZOC 2016		Group 2017	NZOC 2017
13	\$	\$	Prepayments and Other Assets	\$	\$
	94,577	94,577	Prepayments - Corporate Services	179,095	179,095
	179,632	179,632	Prepayments - Gold Coast 2018 Commonwealth	426,797	426,797
	55,397	55,397	Prepayments - PyeongChang 2018 Winter Olympics	220,789	220,789
	34,268	34,268	Prepayments - Other Games	26,567	26,567
	363,874	363,874	Total prepayments and other assets	853,248	853,248

	Group 2016	NZOC 2016		Group 2017	NZOC 2017
14	\$	\$	Investments	\$	\$
	516,437	516,437	ANZ Balanced Portfolio Investment	566,421	566,421
	1,395,238	-	Edgar Olympic Foundation - Forsyth Barr Investment	1,368,694	-
	1,911,675	516,437		1,935,115	566,421
	1,323,389	431,028	Current	1,053,169	566,421
	588,286	85,409	Non-current	881,946	
	1,911,675	516,437	Total investments	1,935,115	566,421

The Yvette Williams Scholarship Fund has been invested during 2016 into an ANZ Balanced Portfolio Investment. The funds are made up of International Fixed Interest and Equities, Australasian Equities, NZ Fixed Interest and Cash. The NZOC Board's goal is for the portfolio to achieve a 5% return per annum.

The Edgar Olympic Foundation investments are managed by Forsyth Barr Limited. The funds are made up of NZ equities, fixed interest, property and cash.

New Zealand Olympic Committee Incorporated
Notes to the Financial Statements
For the Year Ended 31 December 2017

	Group 2016	NZOC 2016		Note	Group 2017	NZOC 2017
15	\$	\$	Financial Instruments		\$	\$
			2016			
	1,249,737	1,246,083	Bank	11	1,457,588	1,457,588
	191,954	191,954	Trade receivables	12	270,152	270,152
	516,437	516,437	ANZ Balanced Portfolio	14	566,421	566,421
	1,395,238	-	Forsyth Barr	14	1,368,694	-
	(330,520)	(330,520)	Trade payables	19	(386,474)	(386,474)
	3,022,846	1,623,954			3,276,381	1,907,687

Available-for-sale financial assets (investments) comprise debt and equity securities in publicly traded entities. Fair values are based on quoted market prices in the active market of the security at reporting date.

	Group 2016	NZOC 2016		Group 2017	NZOC 2017
16	\$	\$	Employee Benefit Liabilities	\$	\$
	126,254	126,254	Holiday pay accrual	89,231	89,231
	126,254	126,254	Total employee benefit costs	89,231	89,231

	Group 2016	NZOC 2016		Group 2017	NZOC 2017
17	\$	\$	Capital and Operating Lease Commitments	\$	\$
			Leases as lessee		
			<i>Non-cancellable operating lease rentals are payable as follows:</i>		
	187,620	187,620	Less than one year	229,265	229,265
	405,000	405,000	Between one and five years	231,039	231,039
	592,620	592,620	Total leases	460,304	460,304

The NZOC commenced an operating lease for the premises located at 350 Parnell Road, Parnell, Auckland, in April 2015 which expires in April 2024. The annual rent under this agreement is \$180,000 (excluding GST).

New Zealand Olympic Committee Incorporated
Notes to the Financial Statements
For the Year Ended 31 December 2017

18	Property, Plant and Equipment	Computer Equipment \$	Office Equipment \$	Furniture & Fittings \$	Games Plant \$	Total \$
	2017					
	Opening cost	173,168	69,657	78,508	44,246	365,579
	Additions	32,440	20,238	3,449	-	56,127
	Disposals	(10,169)	(16,795)	(35,133)	(1,313)	(63,410)
	Closing cost	195,439	73,100	46,824	42,933	358,296
	2016					
	Opening cost	156,381	65,572	78,508	44,246	344,707
	Additions	16,787	4,085	-	-	20,872
	Disposals	-	-	-	-	-
	Closing cost	173,168	69,657	78,508	44,246	365,579
	2017 - Accumulated depreciation					
	Opening accumulated depreciation	129,425	62,327	63,667	43,866	299,285
	Current year depreciation	22,010	3,932	2,762	108	28,812
	Disposals	(9,690)	(16,460)	(33,996)	(1,313)	(61,459)
	Closing accumulated depreciation	141,745	49,799	32,433	42,662	266,638
	2016 - Accumulated depreciation					
	Opening accumulated depreciation	113,043	59,550	60,203	43,711	276,507
	Current year depreciation	16,382	2,777	3,464	155	22,778
	Closing accumulated depreciation	129,425	62,327	63,667	43,866	299,285

Group & NZOC
2016
\$

66,294
20,872
0
(22,778)
66,294

Property, Plant and Equipment

Summary

Opening net book value
Additions
Disposals
Depreciation
Net book value

Group & NZOC
2017
\$

66,294
56,127
(1,951)
(28,812)
91,658

Group & NZOC
2016
\$

330,520
193,177
126,254
649,951

Trade Payables and Accruals

Trade payables
Non-trade payables and accrued expenses
Holiday pay
Total trade payables and accruals

Group & NZOC
2017
\$

297,243
81,046
89,231
467,520

Trade payables are non-interest bearing and are normally settled on 30-day terms; therefore, the carrying value of trade and other payables approximates their fair value.

20	Group 2016 \$	NZOC 2016 \$	Funds in Advance	Group 2017 \$	NZOC 2017 \$
			Solidarity Funds in Advance		
	39,407	39,407	ONOC for National Activities Programme	39,493	39,493
	15,669	15,669	IOC for Rio 2016 Scholarships	-	-
	65,154	65,154	IOC for Women In Sport Trophy winner initiative	32,439	32,439
	21,476	21,476	IOC for other projects	38,439	38,439
	-	-	IOC for other Games	80,363	80,363
			Other Funds in Advance		
			Trusts		
	173,230	173,230	Infinity Foundation	-	-
	50,000	50,000	Lion Foundation	-	-
	-	-	Southern Trust	54,863	54,863

New Zealand Olympic Committee Incorporated
Notes to the Financial Statements
For the Year Ended 31 December 2017

	Group 2016	NZOC 2016		Group 2017	NZOC 2017
	\$	\$		\$	\$
20			Funds in Advance (continued)		
			<i>Other</i>		
	-	19,750	Edgar Olympic Foundation		12,657
	57,705	57,705	Gold Coast 2018 Commonwealth Games	50,831	50,831
	-	-	PyeongChang 2018 Winter Olympic Games	52,027	52,027
	35,280	35,280	Yvette Williams Scholarship	-	-
	25,000	25,000	Other	26,660	26,660
	482,921	502,671	Total funds in advance	375,115	387,772

	Group & NZOC 2016		Group & NZOC 2017
	\$		\$
21		Edgar Olympic Foundation - Endowment Fund	
	1,000,000	Opening balance	1,000,000
	1,000,000	Closing balance	1,000,000

The Edgar Olympic Foundation (EOF) was set up as a charitable trust in February 2009 to provide financial assistance to bona fide charitable purposes which further or are connected with the charitable objects of the NZOC. The funds are invested with Forsyth Barr in a mixture of NZ equities, property, fixed interest and cash. An annual application for funding is sent from the NZOC to the EOF trustees for consideration and approval. In 2017 this funding was \$105,000 (2016: \$100,000).

	Group & NZOC 2016		Group & NZOC 2017
	\$		\$
22		Yvette Williams Scholarship Fund	
	500,000	Opening balance	500,000
	500,000	Closing balance	500,000

The Glen Family Foundation donated \$500,000 in November 2013. It was named the 'Yvette Williams Scholarship' with a purpose of continuing the Yvette Williams legacy. The NZOC awards a scholarship annually to an athlete/team who demonstrates the same qualities as Yvette as an athlete and to assist them compete and perform internationally. In 2016 the fund was invested in an ANZ Portfolio Investment to generate higher returns. In 2017 the earnings were \$49,985 (2016: \$16,436).

23 **Capital Commitments**
The Group had no capital commitments (2016: \$nil)

24 **Related Party Transactions**
Related party transactions with controlled entities
The Parent has a related party relationship with Edgar Olympic Foundation (EOF) and NZOC America Inc (NZOCA Inc). The New Zealand Olympic Committee Inc, as Parent, consolidates the EOF and NZOCA Inc because it is the sole beneficiary of their activities. EOF made donations to NZOC of \$105,000 (2016: \$100,000). NZOCA Inc made no donations to NZOC in 2017 (2016: \$544,561)

25 **Key Management Personnel**
The Group classifies its key management personnel into one of two classes:

Board members: there are 11 Board members on the NZOC Board.
No payments or fees were made to the Board members during 2017 (2016: \$nil).

	Group & NZOC 2016		Group & NZOC 2017
	\$		\$
	1,142,101	The Senior management team (SMT) is made up of 6 personnel and is responsible for reporting to the Board.	
		Wages and salaries paid to SMT	1,098,280

26 **Contingent Liabilities**
The Group and NZOC had no contingent liabilities as at 31 December 2017 (2016: \$nil).

27 **Events After the Reporting Date**
There were no significant events after the reporting date.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NEW ZEALAND OLYMPIC COMMITTEE INCORPORATED**

Opinion

We have audited the financial statements of New Zealand Olympic Committee Incorporated (“NZOC”) and its controlled entities (together, “the Group”), which comprise the separate NZOC and consolidated Group’s Statements of Financial Position as at 31 December 2017, and both the separate NZOC and consolidated Group’s Statements of Comprehensive Revenue and Expense, Statements of Changes in Net Assets/Equity and Statements of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate NZOC and consolidated Group financial statements present fairly, in all material respects, the financial position of NZOC and Group as at 31 December 2017, and both NZOC’s and Group’s financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime (“PBE Standards RDR”) issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (“ISAs (NZ)”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of NZOC and the Group 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.

In addition to audit services, we also provide taxation services to the Group. We have no relationship with, or interests in, New Zealand Olympic Committee Incorporated or any controlled entity.

Other Information

The NZOC Board is responsible for other information. The other information comprises the Financial Report, but does not include the financial statements and our Auditor’s Report thereon.

Our opinion on the separate NZOC and consolidated Group 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 NZOC’s and Group’s financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with NZOC’s and Group’s financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

The Boards’ Responsibilities for the Financial Statements

The Board is responsible on behalf of NZOC and the Group for the preparation and fair presentation of the financial statements in accordance with PBE Standards RDR, and for such internal control as the Board determines 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 Board is responsible on behalf of NZOC and the Group for assessing the ability of NZOC and the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate either NZOC or the Group 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 separate NZOC and consolidated Group's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the financial statements.

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

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

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

Who we report to

This report is made solely to NZOC's members, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than to NZOC and NZOC's members, as a body, for our audit work, for this report or for the opinions we have formed.



BDO Auckland
Auckland
New Zealand
26 March 2018