

Financial Statements

**Hockey New Zealand Incorporated and Group
For the year ended 31 December 2020**

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HOCKEY NEW ZEALAND INCORPORATED AND GROUP**

Opinion

We have audited the consolidated financial statements of Hockey New Zealand Incorporated ("the Society") and its controlled entities (together, "the Group"), which comprise the Society's and the Group's Statements of Financial Position as at 31 December 2020, and the Society's and the Group's Statements of Comprehensive Revenue and Expenses, Statements of Changes in Net Assets, and Cash Flow Statements for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying Society and Group financial statements present fairly, in all material respects, the financial position of the Society and Group as at 31 December 2020, and the Society's and the 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 the Society and the Group 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 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, the Society or the Group.

Other Information

The Board is responsible for the other information. The other information obtained at the date of this auditor's report is information contained in the annual report, but does not include the Society and the Group's financial statements, and our auditor's report thereon.

Our opinion on the Society and the Group's 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 Society and the 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 the Society and the 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 on the other information 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.

The Board's Responsibilities for the Consolidated Financial Statements

The Board is responsible on behalf of the Society and the Group for the preparation and fair presentation of the consolidated financial statements in accordance with PBE Standards RDR, and

for such internal control as the 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 consolidated financial statements, the Board is responsible on behalf of the Society and Group for assessing the Society and Group'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 Board either intend to liquidate the Society or Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at: <https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-7/>.

This description forms part of our auditor's report.

Who we Report to

This report is made solely to the Society'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 the Society and the Society's members, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Auckland

BDO Auckland
Auckland
New Zealand
23 March 2021

Directory

Hockey New Zealand Incorporated and Group For the year ended 31 December 2020

Nature of business

Hockey New Zealand is the national sporting body for Field Hockey in New Zealand. We foster all levels of the sport, from children and beginners right through to our elite national sides, the Black Sticks Men and Women. Hockey New Zealand provides the governance and support to 32 regional hockey associations throughout New Zealand as well as established council's that further support and manage the development of hockey.

Board Members

Mike Bignell (Chair)

Andrew Gaze (resigned April 2020)

Andrew Rowe

Anthony Mark Morris

Hamish Clentworth (elected April 2020)

Kristy Redfern

Louisa Graham (appointed April 2020)

Shane Collins

Sharon Williamson

Physical Address

14 Normanby Road, Eden 4, Eden Business Park, Mt Eden, Auckland, 1024

Postal Address

PO Box 67-088, Mt Eden, Auckland, 1349

Approval of Financial Statements

Hockey New Zealand Incorporated and Group For the year ended 31 December 2020

The Board are pleased to present the approved financial statements of Hockey New Zealand Incorporated and Group for year ended 31 December 2020.

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. In the opinion of the Board and management, the financial statements for the year ended 31 December 2020 fairly reflect the financial position, financial performance and cash flows of Hockey New Zealand Incorporated and Group.

APPROVED



Mike Bignell

Chairman

Date: 19 March 2021



Andrew Rowe

Board Member

Date: 19 March 2021

Statement of Comprehensive Revenue and Expenses

Hockey New Zealand Incorporated and Group

For the year ended 31 December 2020

| | NOTES | 2020 | | 2019 | |
|--|-------|------------------|------------------|------------------|------------------|
| | | HOCKEY NZ | GROUP | HOCKEY NZ | GROUP |
| Revenue | | | | | |
| Revenue from non-exchange transactions | | | | | |
| Sport New Zealand other funding | 2 | 3,503,132 | 3,503,132 | 2,954,742 | 2,954,742 |
| Other grants / non exchange contract revenue | 2 | 1,015,114 | 1,067,154 | 2,293,097 | 2,264,613 |
| Total Revenue from non-exchange transactions | | 4,518,246 | 4,570,286 | 5,247,839 | 5,219,355 |
| Revenue from exchange transactions | | | | | |
| Affiliation Fees | | 307,138 | 307,138 | 915,683 | 915,683 |
| Functions and events | | 399,250 | 399,250 | 1,193,356 | 1,269,219 |
| Other operating revenue | 3 | 1,422,216 | 1,452,588 | 1,663,261 | 1,839,529 |
| Interest Earned | | 592 | 20,528 | 1,601 | 27,943 |
| Dividend Income | | - | 14,919 | - | 27,036 |
| Total Revenue from exchange transactions | | 2,129,196 | 2,194,423 | 3,773,901 | 4,079,410 |
| Total Revenue | | 6,647,442 | 6,764,709 | 9,021,740 | 9,298,765 |
| Expenses | | | | | |
| High Performance | | 2,984,999 | 2,984,999 | 4,758,295 | 4,758,295 |
| Sport Development | | 715,137 | 715,137 | 1,113,214 | 1,113,214 |
| Events & Competitions | | 1,251,827 | 1,251,827 | 1,626,701 | 1,626,701 |
| Commercial | | 616,953 | 616,953 | 678,365 | 678,365 |
| Administration | | 1,004,021 | 1,004,021 | 960,660 | 960,660 |
| Grants Issued & Related Costs | | - | 190,756 | - | 104,264 |
| Total Expenses | 4 | 6,572,937 | 6,763,693 | 9,137,235 | 9,241,499 |
| (Deficit)/Surplus for the Year | | 74,505 | 1,016 | (115,495) | 57,266 |
| Total Other Comprehensive Income Revenue and Expenses | | 74,505 | 1,016 | (115,495) | 57,266 |

These Financial statements should be read in conjunction with the following "Notes to the Financial Statements".

Statement of Changes in Net Assets/Equity

Hockey New Zealand Incorporated and Group

For the year ended 31 December 2020

| | NOTES | 2020 | | 2019 | |
|--|-------|----------------|------------------|----------------|------------------|
| | | HOCKEY NZ | GROUP | HOCKEY NZ | GROUP |
| Equity | | | | | |
| Accumulated Comprehensive Revenue and Expenses | | | | | |
| (Deficit)/Surplus for the year | | 74,505 | 1,016 | (115,495) | 57,266 |
| Retained Earnings brought forward | | 681,547 | 2,325,990 | 797,042 | 2,268,724 |
| Total Accumulated Comprehensive Revenue & Expenses | | 756,052 | 2,327,006 | 681,547 | 2,325,990 |
| Other Reserves | 9 | - | 50,000 | - | 50,000 |
| Total Equity | | 756,052 | 2,377,006 | 681,547 | 2,375,990 |

These Financial statements should be read in conjunction with the following "Notes to the Financial Statements".

Statement of Financial Position

Hockey New Zealand Incorporated and Group

As at 31 December 2020

| | NOTES | 2020 | | 2019 | |
|---|-------|------------------|------------------|------------------|------------------|
| | | HOCKEY NZ | GROUP | HOCKEY NZ | GROUP |
| Assets | | | | | |
| Current Assets | | | | | |
| Cash and Cash Equivalents | 6 | 1,491,957 | 1,603,246 | 747,124 | 835,741 |
| Investments | 7 | - | 1,633,969 | - | 1,678,426 |
| Receivables from exchange contracts | 5 | 162,297 | 162,297 | 756,847 | 737,746 |
| Prepayments and Other Debtors | | 28,567 | 28,567 | 83,423 | 83,423 |
| Accrued Income | | 0 | 0 | 94,000 | 44,000 |
| Total Current Assets | | 1,682,821 | 3,428,079 | 1,681,394 | 3,379,336 |
| Non-Current Assets | | | | | |
| Property, Plant and Equipment | 8 | 85,874 | 85,874 | 105,440 | 105,440 |
| Total Non-Current Assets | | 85,874 | 85,874 | 105,440 | 105,440 |
| Total Assets | | 1,768,695 | 3,513,953 | 1,786,834 | 3,484,776 |
| Liabilities | | | | | |
| Current Liabilities | | | | | |
| Trade and Other Creditors | 5 | 337,456 | 337,510 | 213,029 | 212,729 |
| Accruals | | 291,360 | 291,360 | 402,182 | 402,182 |
| Employee Entitlements | | 88,222 | 90,405 | 98,705 | 100,437 |
| Income in Advance | | 295,605 | 417,672 | 391,371 | 393,438 |
| Total Current Liabilities | | 1,012,643 | 1,136,947 | 1,105,287 | 1,108,786 |
| Total Liabilities | | 1,012,643 | 1,136,947 | 1,105,287 | 1,108,786 |
| Net Assets | | 756,052 | 2,377,006 | 681,547 | 2,375,990 |
| Accumulated Funds | | | | | |
| Accumulated Comprehensive Revenue and Expense | | 756,052 | 2,327,006 | 681,547 | 2,325,990 |
| Other Reserves | 9 | - | 50,000 | - | 50,000 |
| Total Accumulated Funds | | 756,052 | 2,377,006 | 681,547 | 2,375,990 |

These Financial statements should be read in conjunction with the following "Notes to the Financial Statements".

Statement of Cash Flows

Hockey New Zealand Incorporated and Group
For the year ended 31 December 2020

| | NOTES | 2020 | | 2019 | |
|--|-------|-------------|-------------|-------------|-------------|
| | | HOCKEY NZ | GROUP | HOCKEY NZ | GROUP |
| Cash Flow from Operating Activities | | | | | |
| Cash Receipts from Operations | | 6,848,450 | 7,050,490 | 9,197,852 | 9,295,232 |
| Interest income | | 592 | 20,528 | 1,601 | 27,943 |
| Dividend Income | | - | 14,919 | - | 27,036 |
| Cash Payments to suppliers and employees | | (6,070,996) | (6,360,048) | (9,385,821) | (9,461,613) |
| Total Cash Flows from Operating Activities | | 778,046 | 725,889 | (186,368) | (111,402) |
| Cash Flow from Investing Activities | | | | | |
| Sale/(Purchase) of investments | | - | 74,829 | - | (42,822) |
| Payments made to purchase fixed assets | | (33,213) | (33,213) | (52,216) | (52,216) |
| Total Cash Flows from Investing Activities | | (33,213) | 41,616 | (52,216) | (95,038) |
| Net Increase/(Decrease) in Cash | | | | | |
| | | 744,833 | 767,505 | (238,584) | (206,440) |
| Cash Balances | | | | | |
| Cash and cash equivalents at beginning of period | | 747,124 | 835,741 | 985,708 | 1,042,181 |
| Cash and cash equivalents at end of period | 6 | 1,491,957 | 1,603,246 | 747,124 | 835,741 |
| Net change in cash for period | | 744,833 | 767,505 | (238,584) | (206,440) |

These Financial statements should be read in conjunction with the following "Notes to the Financial Statements"

Notes to the Financial Statements

Hockey New Zealand Incorporated and Group

For the year ended 31 December 2020

1.1 Basis of Preparation

The reporting entity is Hockey New Zealand Incorporated ("Hockey NZ") and its controlled entities, the Hockey Foundation and Hockey New Zealand Major Events Limited (non-trading) (together, "the Group"). Hockey NZ 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 financial instruments measured at fair value through surplus or deficit. 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 Reduced Disclosure Regime ("PBE IPSAS RDR") and other applicable financial reporting standards as appropriate for Tier 2 Not-For-Profit entities and disclosure concessions have been applied. The Group qualifies as a Tier 2 reporting entity as for the two most recent reporting periods it is not publically accountable and not defined as large (operating expenditure has been between \$2m and \$30m in the current and prior period).

Accounting policies

The accounting policies detailed in the following notes have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Group.

There have been no new accounting standards adopted by the Group for the year ended 31 December 2020, and there are no accounting standards affecting the financial statements for the year ending 31 December 2021.

1.2 Basis of Consolidation

a) Subsidiaries

Subsidiaries are entities controlled by Hockey NZ. Control exists when Hockey NZ has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The financial results of the Hockey Foundation have been consolidated as the majority of the trustees of the Hockey Foundation are appointed by the Hockey NZ's Board and therefore Hockey NZ effectively controls the Hockey Foundation Board. It should also be noted, that the operating expenses of the Hockey Foundation are met by the Hockey NZ. Grants were approved by the Hockey Foundation to Hockey NZ in 2020 of \$30,000 (2019: \$50,000).

Hockey New Zealand Major Events Limited is a non trading 100% owned subsidiary of Hockey NZ.

b) Transactions Eliminated on Consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions are eliminated on preparing the consolidated financial statements.

1.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to Hockey NZ 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

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. Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow. The following specific recognition criteria in relation the Group's non-exchange transaction revenue streams must also be met before revenue is recognised:

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 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 acquisition, ascertained by reference to the expected cost that would be otherwise incurred by Hockey NZ.

Grant revenue

Grant revenue includes grants given by 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 and there is a requirement to repay any unspent monies, the amount relating to the unfulfilled condition is recognised as a liability and released to revenue as the conditions are fulfilled.

New Zealand Government COVID-19 wage subsidies

During the year ended 31 December 2020, the Group received COVID-19 wage subsidies from the New Zealand Government. The wage subsidies are not recognised until there is reasonable assurance that the Group will comply with the eligibility criteria attached to them and that the wage subsidies will be received. The wage subsidies are recognised in profit or loss, within other revenue, on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the wage subsidies are intended to compensate.

Revenue from exchange transactions

Affiliation fees

Affiliation fees are recognised on a straight line basis over the period to which they relate.

Functions & Events income

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

Interest and dividend income

Interest revenue is recognised as it accrues, using the effective interest method. Dividend income is recognised when the dividend is declared.

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.

1.4 Financial instruments

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

Hockey NZ 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 Hockey NZ 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:

- Hockey NZ has transferred substantially all the risks and rewards of the asset; or
- Hockey NZ has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

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 reliably estimated.

Financial assets

Financial assets can be 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. Hockey NZ's financial assets are classified as either financial assets at fair value through surplus or deficit, or loans and receivables. Hockey NZ's financial assets include: cash and cash equivalents, receivables from exchange transactions and investments.

Subsequent measurement

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. Investments equities fall into this category of financial instruments.

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. Hockey NZ's cash and cash equivalents, short-term investments, receivables from exchange transactions and non-equity investments fall into this category of financial instruments.

Impairment of financial assets

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.

Hockey NZ assesses at the end of reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortised cost, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the surplus or deficit for the reporting period.

In determining whether there is any objective evidence of impairment, Hockey NZ first assesses whether there is objective evidence of impairment of financial assets that are individually significant, and individually or collectively significant for financial assets that are not individually significant. If Hockey NZ determines that there is no objective evidence of impairment for an individually assessed financial asset, it includes the asset in a group of financial asset's with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment for impairment.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. If the reversal results in the carrying amount exceeding its amortised cost, the amount of the reversal is recognised in surplus or deficit.

Financial liabilities

Hockey NZ's financial liabilities include trade and other creditors.

All financial liabilities are initially recognised at fair value and are measured subsequently at amortised cost using the effective interest method.

1.5 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.

1.6 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation or amortisation 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 less any estimated residual value over its remaining useful life:

- Office equipment 14.4% - 67%
- Computer equipment 20% - 48%

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 Income Tax

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

1.8 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 other receivables or other payables in the statement of financial position.

1.9 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.

1.10 Employee benefits

Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, annual 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.

1.11 Equity

Equity is the community's interest in Hockey NZ, 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 Hockey NZ's accumulated surplus or deficit since its formation, adjusted for transfers to/from specific reserves.

1.12 Other reserves

The Group's other reserve relate to the Gilmore bequest, which is to be used for under 19 Girls Players and Umpire Scholarships.

1.13 Significant accounting judgements, estimates and assumptions

The preparation of Hockey NZ's consolidated 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. Key judgements, estimates and assumptions include:

Operating lease commitments

Hockey NZ has entered into a number of operating leases.

Hockey NZ 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.

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 make a judgement on the value received (where the revenue stream is not received in cash or not easily measurable) and as to the existence of any conditions and restrictions attached to the revenue stream.

Agency Relationship

Hockey NZ is considered to be acting as an agent when it does not have exposure to the significant risks and rewards associated with the sale of goods or the rendering of services. One feature indicating that Hockey NZ is acting as an agent is that Hockey NZ cannot control the use of, or otherwise benefit from, the collected assets in the pursuit of its objectives. The amounts Hockey NZ collected from a third party as an agent will not give rise to an increase in net assets or revenue, instead the revenue will be presented net of the corresponding cost.

Hockey NZ act as an agent for High Performance Sports New Zealand as disclosed in note 2.

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 Hockey NZ are listed in 'Property, plant and equipment' above.

COVID-19 pandemic

In December 2019, a new virus, COVID-19, was detected in Wuhan, China. The virus was soon common in other countries and on 11 March 2020, the World Health Organisation declared that the outbreak be considered a pandemic.

The outbreak of this pandemic has resulted in a substantial reduction in economic activity throughout the world as governments have introduced measures (such as the closure of national borders, the closure of non-essential businesses, the cancellation of public events and imposition of restrictions on individuals) in an attempt to reduce the transmission of the virus.

In late March 2020, the New Zealand Government ordered a four week lockdown, during which non-essential businesses and organisations were not allowed to operate and individuals (other than essential workers and those undertaking essential business) were required to stay at home.

During the initial four-week lockdown period, the Group was operating at limited capacity, which resulted in revenue falling below forecast levels. Since the end of the lockdown period, the Group has been able to operate under restricted environment.

The pandemic has also impacted a number of financial statement areas as outlined below:

Going concern

The Trustees have concluded that the Group remains a going concern as evidenced by the Group's current financial position and current cashflow forecasts. These assumptions are supported by profitable trading subsequent to the initial lockdown in 2020.

To date, the Group has taken the following steps to reduce the impact of COVID-19 on its operations:

- Reduced expenditure in non-critical business areas.
- Taken advantage of the wage subsidy made available by the New Zealand Government (refer note 2).

Notes to Financial Statements

Hockey New Zealand Incorporated and Group For the year ended 31 December 2020

| 2. Revenue from non-exchange transactions | 2020 | | 2019 | |
|--|-----------|-----------|-----------|-----------|
| | HOCKEY NZ | GROUP | HOCKEY NZ | GROUP |
| Sport New Zealand community sport, HPSNZ and other funding | 3,503,132 | 3,503,132 | 2,954,742 | 2,954,742 |
| Other grants and donations | 1,015,114 | 1,067,154 | 2,293,097 | 2,264,613 |
| Total Revenue from non-exchange transactions | 4,518,246 | 4,570,286 | 5,247,839 | 5,219,355 |

Included in other grants and donations is funding of \$250,000 (2019: \$916,667) from the Glenn Family Foundations in relation to support of the Black Sticks squads. A corresponding cost is included in High Performance expenses in the Statement of Comprehensive Revenue and Expenses.

Hockey NZ received player enhancement grant funding from High Performance Sport New Zealand of \$630,000 (2019: \$630,000), with \$630,000 passed to the Black Sticks squad in the year. As Hockey NZ acts in an agency capacity, the funding and costs have been recognised on a net basis in the Statement of Comprehensive Revenue and Expenses.

Included in other grants and donations is \$196,829 of government grants obtained relating to supporting the payroll of the Group employees. The Group had to commit to spending the assistance on payroll expenses, and not reduce employee head count below prescribed levels for a specified period of time. The Group does not have any unfulfilled obligations relating to this program.

| 3. Other operating revenue | 2020 | | 2019 | |
|---|-----------|-----------|-----------|-----------|
| | HOCKEY NZ | GROUP | HOCKEY NZ | GROUP |
| Included within Other Operating Revenue and Other Expenses. | | | | |
| In-Kind Goods or Services Provided - Vehicles, Apparel, Gear, Printing and Other Goods and Services | 393,684 | 393,684 | 383,651 | 383,651 |
| Sponsorship Income - Cash | 860,150 | 860,150 | 1,075,551 | 1,075,551 |
| Other operating revenue | 168,382 | 198,754 | 204,059 | 380,327 |
| Total other operating revenue | 1,422,216 | 1,452,588 | 1,663,261 | 1,839,529 |

| 4. Analysis of Expenses - total expenses includes the following specific expenses: | 2020 | | 2019 | |
|--|-----------|-----------|-----------|-----------|
| | HOCKEY NZ | GROUP | HOCKEY NZ | GROUP |
| Leasing, rental and other interest costs | 61,011 | 61,011 | 98,210 | 98,210 |
| Personnel Cost (including volunteer and contractors related cost) | 2,774,220 | 2,811,039 | 2,343,816 | 2,353,570 |
| Depreciation and amortisation | 52,779 | 52,779 | 53,579 | 53,579 |

| 5. Categories of financial assets and liabilities (carrying amounts) | 2020 | | 2019 | |
|--|-----------|-----------|-----------|---------|
| | HOCKEY NZ | GROUP | HOCKEY NZ | GROUP |
| Financial Assets (within statement of financial position) | | | | |
| <i>Loans and receivables</i> | | | | |
| Cash and deposits at bank with maturities of less than 3 months | 1,491,957 | 1,603,246 | 747,124 | 835,741 |
| Investments | - | 805,213 | - | 864,426 |
| <i>Fair Value through Surplus or Deficit</i> | | | | |
| Investments | - | 828,756 | - | 814,002 |

| | 2020 | | 2019 | |
|--|------------------|------------------|------------------|------------------|
| Receivables from exchange transactions | | | | |
| Sundry Debtors | 175,983 | 175,983 | 773,033 | 765,792 |
| Provision for Doubtful Debts | (13,686) | (13,686) | (16,186) | (16,186) |
| Total Loans and receivables | 1,654,254 | 3,399,512 | 1,503,971 | 3,263,775 |
| Total Financial Assets (within statement of financial position) | 1,667,940 | 3,413,198 | 1,520,157 | 3,279,961 |
| Financial Liabilities - at amortised cost | | | | |
| Trade and other creditors | 337,456 | 337,510 | 213,029 | 213,133 |
| Total Financial liabilities - at amortised cost | 337,456 | 337,510 | 213,029 | 213,133 |

| | 2020 | | 2019 | |
|--|------------------|------------------|----------------|----------------|
| 6. Cash and cash equivalents | HOCKEY NZ | GROUP | HOCKEY NZ | GROUP |
| Cash at bank and deposits | 1,491,957 | 1,603,246 | 747,124 | 835,741 |
| Total Cash and cash equivalents | 1,491,957 | 1,603,246 | 747,124 | 835,741 |

| | 2020 | | 2019 | |
|---|-----------|------------------|-----------|------------------|
| 7. Investments | HOCKEY NZ | GROUP | HOCKEY NZ | GROUP |
| Cash investments at bank and financial institutions | - | 519,882 | - | 434,977 |
| Fixed interest deposits | - | 285,331 | - | 429,448 |
| Property | - | 34,220 | - | 36,250 |
| Equity securities (New Zealand and internationally publicly listed and other) | - | 794,536 | - | 777,751 |
| Total Investments | - | 1,633,969 | - | 1,678,426 |
| Current | - | 1,633,969 | - | 1,678,426 |
| Total Investments | - | 1,633,969 | - | 1,678,426 |

| | 2020 | | 2019 | |
|--|---------------|---------------|----------------|----------------|
| 8. Property, Plant and Equipment | HOCKEY NZ | GROUP | HOCKEY NZ | GROUP |
| Office Equipment | | | | |
| Office equipment owned | 451,283 | 451,283 | 440,686 | 440,686 |
| Accumulated depreciation - office equipment | (425,988) | (425,988) | (392,490) | (392,490) |
| Total Office Equipment | 25,295 | 25,295 | 48,196 | 48,196 |
| Computer Equipment | | | | |
| Computer equipment owned | 376,736 | 376,736 | 354,119 | 354,119 |
| Accumulated depreciation and amortisation - computer equipment | (316,157) | (316,157) | (296,875) | (296,875) |
| Total Computer Equipment | 60,579 | 60,579 | 57,244 | 57,244 |
| Total Property, Plant and Equipment | 85,874 | 85,874 | 105,440 | 105,440 |

| | 2020 | | 2019 | |
|---|---------------|---------------|----------------|----------------|
| Reconciliation of the carrying amount at the beginning and end of period (Parent & Group): | | | | |
| Office Equipment | | | | |
| Opening Balance | 48,196 | 48,196 | 65,535 | 65,535 |
| Additions | 10,597 | 10,597 | 20,151 | 20,151 |
| Disposals | - | - | - | - |
| Depreciation and Amortisation | (33,498) | (33,498) | (37,490) | (37,490) |
| Net Book Value | 25,295 | 25,295 | 48,196 | 48,196 |
| Computer Equipment | | | | |
| Opening Balance | 57,244 | 57,244 | 41,268 | 41,268 |
| Additions | 46,125 | 46,125 | 32,825 | 32,825 |
| Disposals | (23,509) | (23,509) | - | - |
| Depreciation and Amortisation | (19,281) | (19,281) | (16,849) | (16,849) |
| Net Book Value | 60,579 | 60,579 | 57,244 | 57,244 |
| Total Net Book Value | 85,874 | 85,874 | 105,440 | 105,440 |

| | 2020 | | 2019 | |
|---|------------------|---------------|------------------|---------------|
| 9. Hockey Foundation - Breakdown of Other Reserves | HOCKEY NZ | GROUP | HOCKEY NZ | GROUP |
| Chica Gilmore | | | | |
| Balance at start of year | - | 50,000 | - | 50,000 |
| Donations received | - | - | - | - |
| Grants paid | - | - | - | - |
| Balance at end of year | - | 50,000 | - | 50,000 |
| Total Other Reserves | - | 50,000 | - | 50,000 |

The Chica Gilmore bequest is to be used for Under 19 Girls Players and Umpires Scholarships.

| | 2020 | | 2019 | |
|--|------------------|----------------|------------------|----------------|
| 10. Commitments | HOCKEY NZ | GROUP | HOCKEY NZ | GROUP |
| Non-Cancellable operating lease commitments | | | | |
| Not later than one year | 140,005 | 140,005 | 136,739 | 136,739 |
| Later than one year and no later than five years | 322,423 | 322,423 | 448,880 | 448,880 |
| Later than five years | - | - | - | - |
| Total Non-Cancellable operating lease commitments | 462,428 | 462,428 | 585,619 | 585,619 |

Operating commitments include Office Rent in Auckland, Computer Leasing and Eftpos Terminal Hire.

11. Related Parties (Parent & Group)

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 Members, Chief Executive and employees having the authority and responsibility for planning and controlling the activity of Hockey NZ, which constitutes the governing body of Hockey NZ. The members of the governing body of the Hockey Foundation is comprised of its Board Members. No remuneration is paid to members of either Board. The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration is as follows:

| | 2020 | | 2019 | |
|------------------------------------|------------------|--------------|------------------|--------------|
| Key management remuneration | HOCKEY NZ | GROUP | HOCKEY NZ | GROUP |
| Total remuneration | 895,384 | 895,384 | 887,937 | 887,937 |
| Number of persons | 7 | 7 | 7 | 7 |

12. Contingent Liabilities and Guarantees (Parent & Group)

There are no contingent liabilities or guarantees as at the reporting date. (2019: nil)