

GYMSPORTS NEW ZEALAND INCORPORATED

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

GYMSPORTS NEW ZEALAND INCORPORATED

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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GYMSPORTS NEW ZEALAND INCORPORATED

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

Directory

Registered office	PO Box 9485 Newmarket Auckland 1149
Nature of business	National Sporting Body
Officers of the board	Denis Mowbray Virginia Cathro Eugen Trombitas Cheryl Bowie Andrew Miller Tracy Diack (resigned May-2016) Carolyn Stiles (resigned Dec-2016) Jane Borren (May-2016 onward)
Charities Commission Registration number	CC47919
Incorporated Society registration number	220680
Independent auditor	RSM Hayes Audit 1 Broadway Newmarket Auckland
Solicitor	Maria Clarke Lawyers
Banker	ANZ

GYMSPORTS NEW ZEALAND INCORPORATED

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

Statement of Responsibility for Financial Statements

The Gymsports New Zealand Incorporated Board members are pleased to present the approved financial statements for the financial year end 31 December 2016, and the independent auditor's report thereon.

The Board and management accept responsibility for the preparation of the financial statements and judgments used in them, and hereby adopt the financial statements as presented. They also accept the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting and service performance reporting. In the opinion of the Board and management, the financial statements for the year ended 31 December 2016, fairly reflect the financial position, financial performance, and cash flows of Gymsports New Zealand Incorporated.

APPROVED

Denis Mowbray
Board Chairperson

Date.....

Tony Compier
Chief Executive

Date.....

GYMSPORTS NEW ZEALAND INCORPORATED

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Independent Auditor's Report

GYMSPORTS NEW ZEALAND INCORPORATED

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Independent Auditor's Report

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Statement of Comprehensive Revenue and Expense

	Notes	2016	2015 Restated
Revenue from exchange transactions	5	2,317,414	2,050,386
Revenue from non-exchange transactions	6	974,667	1,052,200
Total revenue		3,292,081	3,102,586
Employee costs		1,143,627	1,154,926
Depreciation and amortisation	12, 13	48,346	43,371
Other expenses	7	2,192,817	1,852,485
Total expenses		3,384,790	3,050,782
Interest income		26,832	36,986
Total finance income		26,832	36,986
Net surplus / (deficit) for the year		(65,877)	88,790

GYMSPORTS NEW ZEALAND INCORPORATED

ANNUAL FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2016

Statement of Financial Position

	Notes	2016	2015 Restated
ASSETS			
Current assets			
Trade receivables	8	101,490	66,551
Prepayments		47,219	5,606
Cash and cash equivalents	9	347,361	299,554
Inventories	10	59,732	96,872
Short term investments		750,000	755,173
		<u>1,305,803</u>	<u>1,223,756</u>
Non-current assets			
Property, plant and equipment	12	112,051	111,219
Intangible assets	13	7,572	-
		<u>119,622</u>	<u>111,219</u>
TOTAL ASSETS		<u><u>1,425,425</u></u>	<u><u>1,334,975</u></u>
LIABILITIES			
Current liabilities			
Payables from exchange transactions	14	253,141	202,354
Deferred revenue from non-exchange transactions	15	422,067	326,805
Employee benefits		83,508	71,956
GST Payable		35,462	36,736
		<u>794,179</u>	<u>637,851</u>
TOTAL LIABILITIES		<u><u>794,179</u></u>	<u><u>637,851</u></u>
Net assets		<u><u>631,247</u></u>	<u><u>697,124</u></u>
NET ASSETS/EQUITY			
Accumulated surplus		697,124	608,334
Current year surplus (deficit)		(65,877)	88,790
TOTAL NET ASSETS/EQUITY		<u><u>631,247</u></u>	<u><u>697,124</u></u>

Statement of Changes in Net Assets / Equity

	Notes	Accumulated surplus	Development fund reserve	Total Net assets / equity
Balance As at 1 January 2015 (restated)		196,283	412,051	608,334
Total comprehensive revenue and expense for the period		58,840		58,840
		255,123	412,051	667,174
Adjustment for changes in accounting policies due to the initial application of Tier 2 PBE IPSAS Standards - Reduced Disclosure Regime	20	29,950		29,950
Restated total reserves as at 31 December 2015		285,073	412,051	697,124
Total comprehensive revenue and expense for the period		(65,877)		(65,877)
Transfers from reserves	4 (i)	412,051	(412,051)	-
Balance as at 31 December 2016		631,247	-	631,247

Statement of Cash Flows

	Notes	2016	2015 Restated
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from non-exchange transactions		2,377,030	2,067,408
Cash received from exchange transactions		974,667	1,202,546
Interest received		27,539	35,831
GST		(1,169)	2,409
Payments to suppliers		(2,146,610)	(1,961,725)
Payments to employees		(1,132,074)	(1,151,346)
Cash inflow / (outflow) from operating activities		99,383	195,123
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of investments		(750,000)	(755,173)
Proceeds from sale of investments		755,173	500,000
Purchase of property, plant and equipment		(56,749)	(46,556)
Cash inflow / (outflow) from investing activities		(51,576)	(301,729)
Net increase / (decrease) of cash and cash equivalents		47,807	(106,606)
Cash and cash equivalents at the beginning of the year		299,554	406,160
Cash and cash equivalents at the end of the year	9	347,361	299,554

Statement of Accounting Policies

1. REPORTING ENTITY

Gymsports New Zealand Incorporated (The entity) is incorporated in New Zealand and registered under the Charities Act 2005. The Entity is governed by the constitution, Incorporated Societies Act 1908 and the Charities Act 2005.

The financial statements have been approved and were authorised for issue by the Board members on the date specified on Page 2.

2. BASIS OF PREPARATION

a) Statement of compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not for Profit entities. For the purpose of complying with NZ GAAP, the entity is a public benefit not for profit entity and is eligible to apply Tier 2 Not for Profit PBE IPSAS on the basis that it does not have public accountability and is not defined as large.

The Board members have elected to report in accordance with Tier 2 Not for Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions.

b) Measurement basis

The financial report is presented on a historical cost basis, and in New Zealand dollars with all values rounded to the nearest dollar. There has been no change in the entity's functional currency.

c) Changes in accounting policies

There have been no changes in the accounting policies of the entity for the year ended 31 December 2016 other than the adoption of the Tier 2 PBE IPSAS Standards - Reduced Disclosure Regime. Refer note 2 a) and note 20 for full details.

d) Comparative figures

Where necessary, comparative figures have been restated due to the reclassification of some items between different categories noted in the financial statements. These reclassifications have no impact on the net surplus/(deficit).

3. SIGNIFICANT JUDGEMENTS AND ESTIMATES

In the process of applying the entity's accounting policies, managements has made the following adjustments and estimates, which have the most significant effect on the amounts recognised in the financial statements.

Statement of Accounting Policies

3. SIGNIFICANT JUDGEMENTS AND ESTIMATES (con'd)

a) Assumptions and estimation uncertainty

i. Useful lives and residual values

The useful lives and residual values of assets are assessed using the condition and nature of the asset to determine potential future use and value from disposal.

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 Entity except as explained in Note 20, which addresses changes in accounting policies.

The financial statements of the controlled entities are prepared for the same reporting period as the Entity, using consistent accounting policies.

a) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the entity and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognised:

i. Revenue from non-exchange transactions

Government grants and funding

Revenues from non-exchange transactions with the government and government agencies is recognised when the entity obtains control of the transferred asset, and:

- it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably; and
- the transfer is free from conditions that require the asset to be refunded or returned to the government if the conditions are not fulfilled.

To the extent that there is a condition attached that would give rise to a liability to repay the grant amount or to return the granted asset, a deferred revenue liability is recognised instead of revenue. Revenue is then recognised only once the entity has satisfied these conditions.

Statement of Accounting Policies

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a) Revenue recognition (con'd)

ii. Revenue from exchange transactions

Sale of goods

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.

If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

Rendering of services from education, tours and events and affiliations

Revenue from services rendered is recognised in surplus or deficit in proportion to the stage-of-completion of the transaction at the reporting date. The stage of completion is assessed by reference to the proportion of time remaining under the original service agreement at reporting date.

Amounts received in advance for services to be provided in future periods are recognised as a liability until such time as the service is provided.

Interest income

For all the entity's financial instruments measured at amortised cost, interest income is recorded using the effective interest rate. Effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Interest income is included in finance income in the statement of comprehensive revenue and expense.

b) Employee benefits

i. Wages, salaries, and annual leave

Liabilities for wages and salaries (including non-monetary benefits), and annual leave are recognised in surplus or deficit during the period in which the employee rendered the related services, and are generally expected to be settled within 12 months of the reporting date. The liabilities for these short-term benefits are measured at the amounts expected to be paid when the liabilities are settled.

Statement of Accounting Policies

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

c) Income tax

i. Current income tax

The entity is not required to provide for income tax as its income is fully exempt from tax under section CW46 of the Income Tax Act 2007.

ii. Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- In the case of receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Financial instruments

The entity initially recognises financial instruments when the entity becomes a party to the contractual

The entity derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when there has been significant changes to the terms and/or the amount of contractual payments to be received/paid, 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 entity is recognised as a separate asset or liability.

The entity derecognises a financial liability when its contractual obligations are discharged, cancelled, or expired.

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

The entity's financial assets include: cash and short term deposits, trade receivables, loans and other receivables; and trade payables.

Statement of Accounting Policies

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d) Financial instruments (con'd)

The entity classifies financial liabilities into the following categories: amortised cost.

i. Initial recognition

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through surplus or deficit, transaction costs that are attributable to the acquisition of the financial asset.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs. The entities financial liabilities include trade payables.

ii. Subsequent measurement

Subsequent measurement is dependent on the classification of the financial instrument, and is specifically detailed in the accounting policies below.

Loans and receivables

This category generally applies to trade and other receivables and cash and cash equivalents. Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. This category of financial assets is the most relevant to the entity.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

The effective interest rate amortisation is included in finance income in the statement of comprehensive revenue and expense.

The losses arising from impairment are recognised in the statement of comprehensive revenue and expense in finance costs for loans and in cost of sales or other operating expenses for receivables.

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

Statement of Accounting Policies

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d) Financial instruments (con'd)

Financial liabilities at amortised cost:

This is the category of financial liabilities that is most relevant to the entity. After initial recognition, trade and other payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in surplus or deficit when the liabilities are derecognised as well as through the effective interest rate amortisation process. The effective interest rate amortisation is included as finance costs in the statement of comprehensive revenue and expense.

Trade and other payables are unsecured and are usually paid within 30 days of recognition. Due to their short-term nature they are not discounted.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

This category generally applies to payables.

e) Inventories

Inventory is initially measured at cost, except items acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

Inventories are subsequently measured at the lower of cost and net realisable value. The cost of inventories is based on first-in first-out principle/weighted average cost and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Inventory comprises badges, ribbons and clothing merchandise.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Statement of Accounting Policies

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

f) Property, plant and equipment

i. Initial recognition and subsequent expenditure

Property, plant and equipment is measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of property plant and equipment is recognised only when it is probable that future economic benefit or service potential associated with the item will flow to the entity, and if the item's cost or fair value can be measured reliably.

Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

ii. Subsequent measurement

Subsequent to initial recognition, plant and equipment are measured at cost, net of accumulated depreciation and impairment losses, if any.

iii. Depreciation

Depreciation is charged over the useful life of the asset on a straight-line basis or diminishing value basis as detailed below:

Office equipment	20% SL
Computer equipment	48% DV
Computer equipment new	33% SL
Motor vehicles	20% SL
PPE	20% SL

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

An asset's carrying amount is written down immediately to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount.

iv. Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits or service potential are expected from its use or disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in surplus or deficit.

Statement of Accounting Policies

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

g) Intangible assets

Intangible assets are initially measured at cost.

All of the entity's intangible assets are subsequently measured in accordance with the cost model, being cost less accumulated amortisation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset.

The entity has no intangible assets with indefinite useful lives

Amortisation is recognised in surplus or deficit on a diminishing value basis over the estimated useful lives of each amortisable intangible asset. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

The estimated useful lives/diminishing value amortisation rates are:

Trademarks	10%
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h) Equity

i. Accumulated surplus

Accumulated surplus is the entity's accumulated surplus or deficit since the formation of the entity, adjusted for transfers to/from specific reserves.

i) Development fund reserve

Historically, this reserve was retained for the purpose of funding regional and national development. However, given it is no longer serving this purpose, the reserve has been transferred to accumulated surplus as noted in the Statement of Changes in Net Assets / Equity.

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Notes to the financial statements

5. REVENUE FROM EXCHANGE TRANSACTIONS

	2016	2015 Restated
<u>Sale of goods</u>		
Merchandise	184,967	160,123
<u>Rendering of services</u>		
Tours and Events	1,187,395	961,575
Affiliations	741,219	676,926
Provision of education	129,975	205,407
Sponsorship	46,000	34,521
Other	27,858	11,834
Total revenue from exchange transactions	2,317,414	2,050,386

6. REVENUE FROM NON-EXCHANGE TRANSACTIONS

Grants	928,805	1,041,436
High Performance	45,862	10,764
Total revenue from non exchange transactions	974,667	1,052,200

7. OTHER EXPENSES

Other expenses consist of the following expenses:

	Note		
Tours and Events		1,426,645	1,149,341
Merchandise Expense	10	128,217	87,738
Admin Expenses		586,146	561,702
Building lease		51,809	53,704
Total other expenses		2,192,817	1,852,485

8. TRADE RECEIVABLES

Trade receivables	93,701	58,055
Accrued income	7,789	8,496
Total trade receivables	101,490	66,551

GYMSPORTS NEW ZEALAND INCORPORATED

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Notes to the financial statements

	2016	2015 Restated
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9. CASH AND CASH EQUIVALENTS

Current assets

Bank accounts	347,361	299,554
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Cash and cash equivalents in the statement of cash flows

	347,361	299,554
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The entity has a \$40,000 credit card facility with the ANZ Bank of New Zealand Limited.

10. INVENTORIES

Finished goods	59,732	96,872
Total Inventory	59,732	96,872

During the reporting period a number of items of the entity's finished goods were written down by \$32,550 to net realisable value. (impairment 2015: nil). This impairment cost is included in Merchandise Expenses in note 7.

There were no reversals of previously written down inventory items (2015: Nil).

There are no items of inventory pledged as security against any of the Entity's liabilities (2015: nil).

11. FINANCIAL INSTRUMENTS

Categories of Financial Assets and Liabilities

The tables below show the carrying amount of the entity's financial assets and financial liabilities as disclosed within the Statement of Financial Position:

	2016	2015 Restated
<i>Financial Assets (Loans and receivables)</i>		
Cash and cash equivalent (assets)	347,361	299,554
Receivables from exchange transactions	101,490	66,551
Short term investments maturing within 12 months of balance date	750,000	755,173
Total Financial Assets	1,198,851	1,121,278

GYMSPORTS NEW ZEALAND INCORPORATED

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Notes to the financial statements

11. FINANCIAL INSTRUMENTS (cont'd)

Categories of Financial Assets and Liabilities (cont'd)

Financial Liabilities (Held at Amortised Cost)

Trade and other payables	253,141	202354
Employee benefits	83,508	71956
Income in advance (conditions attached)	422,067	326805
Total Financial Liabilities	758,717	601,115

12. PROPERTY, PLANT AND EQUIPMENT

2015

	<i>Opening 1/1/15</i>	<i>Additions</i>	<i>Disposals</i>	<i>Depreciation</i>	<i>Closing 31/12/15</i>
Office equipment	4,078	12,610	-	1,991	14,697
Vehicles	82,912	-	-	24,614	58,298
Computer equipment	13,497	33,947	-	13,517	33,927
PPE	7,548	-	-	3,251	4,297
Total	108,035	46,557	-	43,373	111,219

2016

	<i>Opening 1/1/16</i>	<i>Additions</i>	<i>Disposals</i>	<i>Depreciation</i>	<i>Closing 31/12/16</i>
Office equipment	14,697	5,571	-	4,234	16,034
Vehicles	58,298	43,478	-	28,237	73,539
Computer equipment	33,927	-	-	13,291	20,636
PPE	4,297	-	-	2,454	1,843
Total	111,219	49,049	-	48,217	112,051

13. INTANGIBLE ASSETS

2016 (2015:Nil)

	<i>Opening 1/1/16</i>	<i>Additions</i>	<i>Disposals</i>	<i>Depreciation</i>	<i>Closing 31/12/16</i>
Trademarks	-	7,700	-	128	7,572
Total	-	7,700	-	128	7,572

Amortisation expense is included in the depreciation and amortisation line item of the statement of comprehensive revenue and expense.

There are no intangible assets with restrictions to title, nor pledged as security, over the entity's liabilities (2015:nil).

GYMSPORTS NEW ZEALAND INCORPORATED

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Notes to the financial statements

	2016	2015 Restated
14. TRADE AND OTHER PAYABLES		
Trade payables	121,139	70,427
Other payables and accruals	132,002	131,927
	<u>253,141</u>	<u>202,354</u>

Trade payables are non-interest bearing and are normally settled on 60-day terms.

15. DEFERRED REVENUE FROM NON-EXCHANGE TRANSACTIONS

Sport New Zealand	405,009	240,009
Other	17,059	86,796
	<u>422,067</u>	<u>326,805</u>

16. OPERATING LEASE COMMITMENTS

There are no non-cancellable operating commitments to disclose at 31 December 2016 (2015: Nil)

17. CAPITAL COMMITMENTS

Other commitments

There are no commitments for capital expenditure noted at 31 December 2016 (2015: Nil)

18. RELATED PARTY TRANSACTIONS

i. Transactions and balances

There were no related party transactions noted for the the period ended 31 December 2016 (2015: Nil)

GYMSPORTS NEW ZEALAND INCORPORATED

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Notes to the financial statements

18. RELATED PARTY TRANSACTIONS (cont'd)

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free.

ii. Compensation of key management personnel

Key management personnel include the Board, and the Executive Management Team (which includes the Chief Executive). The total remuneration of key management personnel and number of individuals, on a full-time equivalent basis, receiving remuneration from the Entity are:

		2016	2015 Restated
Executive management team	4 FTE's	418,075	364,912
		418,075	364,912

The members of the board did not receive any remuneration for services provided during the period

19. EVENTS AFTER THE REPORTING PERIOD

There were no material events post balance date that would have a material impact on the Financial Statements

20. CHANGES IN ACCOUNTING POLICIES, ESTIMATES, AND PRIOR PERIOD RESTATEMENT

This is the first set of financial statements of the entity that is presented in accordance with PBE Standards. The entity has previously reported under IFRS Differential Reporting (Diff Rep).

The accounting policies adopted in these financial statements are consistent with those of the previous year, except for instances when the accounting or reporting requirements of a PBE Standard are different to requirements under the previous Differential Reporting as outlined on the following pages.

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**ANNUAL FINANCIAL STATEMENTS
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Notes to the financial statements

20. CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND PRIOR PERIOD RESTATEMENT (CONT'D)

i. Explanation to the transition to PBE Standards RDR (cont'd)

The changes to accounting policies and disclosures caused by first time application of PBE accounting standards are as follows:

	As per Diff Reporting	DR / (CR) Adjustment 1	Adjustment 2	Adjustment 3	As per PBE IPSAS-RDR
31 December 2015					
Non Exchange Revenue	1,123,914	(71,714)			1,052,200
Exchange Revenue	2,200,732		(150,346)		2,050,386
Revenue received in advance	356,755	(29,950)			326,805
Other expenses	2,104,495	(101,664)	(150,346)		1,852,485
Cash and cash equivalents	1,054,707			(755,153)	299,554
Short term investments	0			755,153	755,153

Adjustment 1

Revenue received from Prime Minister scholarships was received on behalf of the recipients. It was not received on behalf of and for the benefit of Gymsports. This revenue was removed as Gymsports is acting as agent on behalf of the recipients.

Adjustment 2

The entity is acting as agent on behalf of the clubs with regard to the moveMprove funds as these funds are received on behalf of the individual clubs and for their benefit. Gymsports does not have control over these funds. These funds were removed from revenue, and Gymsports has only recognised a management/agent fee for this service.

Adjustment 3

Under PBE Standards, cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Term Deposits with a maturity date of three months or more were reallocated to "Short term investments" from "Cash and Cash Equivalents".

GYMSPORTS NEW ZEALAND INCORPORATED

**ANNUAL FINANCIAL STATEMENTS
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Notes to the financial statements

20. CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND PRIOR PERIOD RESTATEMENT (CONT'D)

i. Explanation to the transition to PBE Standards RDR (cont'd)

PBE IPSAS 1: Presentation of Financial Statements

In the financial statements of the previous financial year, receivables were presented as a single total in the statement of financial position. However, PBE IPSAS 1 requires receivables from non-exchange transactions and receivables from exchange transactions to be presented separately in the statement of financial position. This requirement affected the presentation of both current and comparative receivables figures.

PBE IPSAS 2: Cashflow Statements

A Statement of Cashflows has been prepared