

New Zealand Softball Association Inc.

Performance Report

For the year ended 31 May 2017

Contents

	Page
Entity Information	2
Statement of Service Performance	4
Statement of Financial Performance	6
Statement of Financial Position	7
Statement of Cash Flows	8
Statement of Accounting Policies	9-11
Notes to the Performance Report	12-19
Independent Auditor's Report	20-22

Entity Information

For the year ended 31 May 2017

Legal Name of Entity: New Zealand Softball Association Inc.

Type of Entity and Legal Basis (if any): New Zealand Softball Association Inc. is an Incorporated Society registered under the Incorporated Societies Act 1908.

Incorporated Society Registration Number with Companies Office: WN/215729

New Zealand Softball Association Inc.'s Purpose / Mission

Vision Statement

Softball is a champion sport on and off the diamond.

Mission Statement

To offer leadership, support and deliver an accessible sport that promotes enjoyment, success and lifelong participation.

Our Values

Leadership, courage, integrity, passion and respect.

Its operations are governed by its constitution that aligns with and supports the requirements in the Incorporated Societies Act 1908.

Entity Structure

New Zealand Softball Association Inc. ("the Society") is an incorporated society and is the national governing body of softball in New Zealand and is committed to leading the development of our game.

The Society is governed by a Board of Directors comprising seven members and a Chief Executive. The members of the governing body are as follows:

- Michael Hooper (Chair)
- Trafford Wilson
- Aran Bailey
- Raewyn Clarke
- Rhys Casley
- Lynda O'Cain
- Claire Beard

The Board of Directors meet seven times a year.



In addition, the Society has an Audit and Risk committee that comprises of three members of the Board of Directors.

The Society is structured in order to support its key strategic objectives as follows:

- Grow and develop participation
- Growing our business
- Connecting softball nationally
- Create champion athletes and coaches on the international stage

Main Sources of the Entity's Cash and Resources

New Zealand Softball Association Inc.'s primary source of funding is through receipt of grants.

Additional sources of funding include:

- Government funding
- Sponsorship
- Capitation fees

Statement of Service Performance

For the year ended 31 May 2017

Description of the Entity's Outcomes

Key strategic objectives and outcomes New Zealand Softball Association Inc. aims to achieve, influence and deliver include:

Grow and develop participation

- Develop baseline participation information
- Develop and package a variety of game and competition formats targeted at different audiences
- Target key sectors within our game and build successful development programmes and frameworks

Growing our business

- Re-package softball competitions and events programme
- Cultivate strategic and community partnerships
- Develop international relationships
- Build on national brands to increase our public profile and financial opportunities

Connecting Softball Nationally

- Provide resources to build sustainable clubs/associations
- Develop and implement a national facilities strategy
- Develop resources and opportunities to enhance and recognise our people

Create champion athletes and coaches on the international stage

- Create an optimal high performance environment
- Develop international exchange opportunities
- Build the relationship with HPSNZ and other potential partnerships

Outcomes and measures of quality and objectives in respect to delivery	Actual This Year	Budget This Year	Actual Last Year
14% increase in registered umpires	201	190	177
3% increase in registered scorers	124	122	120
11% increase in association participation at national age grade tournaments	81	75	73
37% increase in social media engagement year on year (made up of five social media followers from YouTube, Facebook, Twitter, Instagram and Pintrest)	18,722	15,000	13,704
6% increase in association and club participation at national senior tournaments	50	47	47
25% increase in male national teams	5	4	4
50% increase in fiscal commercial partners	6	5	4

Additional Output Measures

- More teams competed at Softball NZ national tournaments year on year
- National age grade development and talent ID camps
- 10 national products across both genders, more than ever before
- NZ male programme ranked number 1 in the world by governing body WBSC
- NZ female programme ranked number 5 in the world by governing body WBSC
- Establishment of seed funding for the female game
- Fourth consecutive year surplus achieved for the organisation
- Third successful international televised event hosted in 3 years
- Inaugural Challenge Cup including 6 international men's teams
- Year 1 of Sport NZ community plan underway
- National Zero Tolerance Policy
- National Umpire Strategic plan
- National Coaching Strategy
- Mike White National Pitching Clinics

Statement of Financial Performance

For the year ended 31 May 2017

	Notes	Actual This Year \$	Actual Last Year \$
Revenue	1		
Grants, donations, fundraising and other similar revenue		1,300,984	1,382,260
Fees, subscriptions and other revenue from members		731,454	590,264
Interest, dividends and other investment revenue		14,630	20,342
Other revenue		34,606	4,245
Total Revenue		2,081,674	1,997,111
Expenses	2		
Other expenses		2,008,310	1,938,445
Total Expenses		2,008,310	1,938,445
Surplus/(Deficit) for the period		73,364	58,666

This financial statement should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 31 May 2017

	Notes	Actual This Year \$	Actual Last Year \$
Assets			
Current Assets			
Bank and Cash	3	793,122	896,619
Debtors and Prepayments		162,493	73,228
Investments	3	369,291	357,928
Total Current Assets		1,324,906	1,327,775
Non-Current Assets			
Property, Plant and Equipment	4	12,607	14,880
Total Non-Current Assets		12,607	14,880
Total Assets		1,337,513	1,342,655
Current Liabilities			
Creditors and accruals	3	64,482	49,054
Employee entitlements	3	51,546	54,207
Unused donations and grants with conditions	3	569,306	672,596
Other current liabilities		15,836	3,819
Total Current Liabilities		701,170	779,676
Total Liabilities		701,170	779,676
Net Assets		636,343	562,979
Accumulated Funds	5		
Accumulated surplus		581,000	493,801
Reserves		55,343	69,178
Total Accumulated Funds		636,343	562,979


Tony Giles – Chief Executive


Aran Bailey - Director

Dated 31 July 2017

This financial statement should be read in conjunction with the accompanying notes

Statement of Cash Flows

For the year ended 31 May 2017

	Actual This Year	Actual Last Year
	\$	\$
Cash Flows from Operating Activities		
Cash was received from		
Donations, fundraising and other similar receipts	1,365,973	1,433,340
Fees, subscriptions and other receipts from members	516,334	566,064
Interest, dividends and other investment receipts	14,630	20,342
Net GST	12,017	6,282
Cash was applied to:		
Payments to suppliers and employees	(1,992,763)	(1,861,458)
Net Cash Flows from Operating Activities	(83,809)	164,570
Cash Flows from Investing and Financing Activities		
Cash was received from:		
Loan drawdowns	-	-
Cash was applied to:		
Acquisition of property, plant and equipment	(8,325)	(16,003)
Net movement in investment balances	(11,363)	(12,765)
Net Cash Flows from Investing and Financing Activities	(19,688)	(28,768)
Net Increase / (Decrease) in Cash	(103,497)	135,802
Opening Cash	896,619	760,817
Closing Cash	793,122	896,619
This is represented by:		
Bank & Cash	793,122	896,619

This financial statement should be read in conjunction with the accompanying notes.

Statement of Accounting Policies

For the year ended 31 May 2017

Basis of Preparation

The Society has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has not exceeded total annual expenses of \$2,000,000 for the last two annual reporting periods consecutively. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the Society will continue to operate as a going concern in the foreseeable future.

Revenue

Revenue is accounted for as follows:

Membership income

Capitation Fees are recorded as revenue when the cash is received. Capitation Fees are due in February based on team playing numbers for the season as per the Certificate of Playing Strength received.

Tour levies are initially recorded as income in advance and recognised in revenue when the tour occurs.

Fundraising and Grants

Fundraising and Grant income is accounted for depending on whether or not it has a "use or return" condition attached. Where no use or return conditions are attached, the revenue is recorded as income when the cash is received. Where income includes a use or return condition, it is initially recorded as a liability on receipt. The income is then subsequently recognised within the Statement of Financial Performance as the performance conditions are met.

Statement of Accounting Policies

Event Income

Tournament entry fees are recorded as revenue when the event occurs.

Interest and dividend income

Interest income is recognised on an accruals basis.

Other Income

All other income is accounted for on an accruals basis and accounted for in accordance with the substance of the transaction.

Income Tax

The Society is exempt from income tax as its purpose is to promote softball for the recreation or entertainment of the general public. This exemption is specifically provided by section CW46 of the Income Tax Act 2007.

Bank and Cash

Bank and Cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Goods and Services Tax (GST)

All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

Debtors

Debtors are carried at estimated realisable value after providing against debts where collection is doubtful.

Property, plant and equipment

Property, plant and equipment are shown at cost or valuation less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is provided on a diminishing value on all equipment, at rates that will write off the cost

Statement of Accounting Policies

of the assets to their estimated residual values over their useful lives. The depreciation rates and useful lives associated with major classes of assets have been estimated as follows:

Training equipment	48%
Office equipment	48%
Computer hardware	48%

Employee Costs

Employee entitlements are measured at undiscounted nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date and annual leave earned but not taken at balance date.

Changes in Accounting Policies

There have been no changes in accounting policies during the annual reporting period.

Notes to the Performance Report

Note 1 - Analysis of Revenue

	This Year \$	Last Year \$
Grants, donations, fundraising and other similar revenue		
Funding – Sport development (Sport NZ)	325,194	259,590
Funding – Black Sox (coaching) (HPSNZ)	45,000	45,333
Funding – Black Sox (tours and camps) (HPSNZ)	196,543	229,784
Funding – White Sox (tours and camps) (HPSNZ)	18,700	-
Grants – administration and Softball Officers (NZCT)	311,760	342,150
Other Grants	199,342	261,156
Sponsorship	176,372	216,388
Funding – Kiwisport	17,580	17,580
Other Coaching Income	-	10,188
Other Income	10,493	91
Total	1,300,984	1,382,260
Fees, subscriptions and other revenue from members		
Membership (Capitation) Fees	148,208	146,603
International Youth Levy	5,265	4,480
White Sox Programme Levy	20,900	20,650
Affiliation Fees	4,596	4,200
Tournaments	49,805	50,544
Coaching	687	-
National team tours and camps	501,994	363,787
Total	731,454	590,264

Notes to the Performance Report

Note 2 – Analysis of Expenses

	This Year \$	Last Year \$
Other Expenses		
AGM	13,995	13,973
Audit	10,818	8,313
Board	18,167	25,061
Coaching	198,374	257,134
Depreciation	10,597	12,093
Tours and camps	837,153	738,678
Office	57,629	60,816
Promotions	2,756	13,213
Salaries	536,333	441,802
Tournaments	102,712	110,694
Merchandise	12,952	-
Accommodation and meals	21,894	23,589
ACC	4,912	5,395
Bad Debts	(773)	3,893
Bank Fees	1,196	973
Cost of stock	-	4,577
Accounting	3,260	1,035
Training & Development	800	431
General expenses	3,871	2,661
Insurance	9,057	11,472
Legal	-	465
Manual purchases	3,104	2,296
Motor vehicle lease costs	49,738	51,996
Player payments (Black Sox)	-	68,000
International Events (played in NZ)	43,405	-
Projects (National Softball Game Development Plan)	-	9,589
FBT	11,151	9,704
Scorers	3,386	2,041
Travel	43,479	45,289
Sponsor servicing	5,694	12,744
Miscellaneous Expenses	2,649	518
Total	2,008,310	1,938,445

Notes to the Performance Report

Note 3 – Analysis of Assets and Liabilities

Assets

	This Year	Last Year
	\$	\$
Cash & Deposits		
Current Account	576,935	431,196
Call Account	3,720	3,698
Saver Account	471	471
Cash Imprest	450	450
Term Deposits < 90 days	211,546	460,804
Total	793,122	896,619

Investments

Term Deposits > 90 days	369,291	357,928
Total	369,291	357,928

Liabilities

Creditors and accruals

Trade Creditors	55,982	41,132
Accruals	8,500	7,922
Total	64,482	49,054

Employment Entitlements

Accrued annual leave	36,671	38,634
Accrued salaries and wages	14,875	15,573
Total	51,546	54,207

Unused donations and grants with conditions

High Performance Funding	381,958	256,431
Scholarship Funding	-	25,770
Grants	57,233	237,886
Legacy Funding	-	13,694
Levies	45,115	106,815
Sponsorship	85,000	32,000
Total	569,306	672,596

Notes to the Performance Report

Note 4 - Property, Plant and Equipment

This Year

Asset Class

	Opening Carrying Amount	Purchases	Sales/ Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
	\$	\$	\$	\$	\$
Office equipment and Computers	14,879	-	-	(7,142)	7,737
Training Equipment	-	8,325	-	(3,455)	4,869
Total	14,879	8,325	-	(10,597)	12,607

Last Year

Asset Class

	Opening Carrying Amount	Purchases	Sales/ Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
	\$	\$	\$	\$	\$
Office equipment and Computers	10,799	16,003	-	(11,925)	14,877
Training Equipment	169	-	-	(169)	-
Total	10,970	16,003	-	(12,094)	14,879

Significant Donated Assets Recorded - Source and Date of Valuation

New Zealand Softball Association Inc. has not received any significant donated assets during the course of the year that were recorded (2016: Nil).

Significant Donated Assets - Not Recorded

New Zealand Softball Association Inc. has not received any significant donated assets during the course of the year that were not recorded (2016: Nil).

Notes to the Performance Report

Note 5 - Accumulated Funds

This Year

Description	Accumulated Surpluses	Reserves	Total
	\$	\$	\$
Opening Balance	493,801	69,178	562,979
Surplus/(Deficit)	73,364	-	73,364
Transfer to Reserves	(26,165)	26,165	-
Transfer from Reserves	40,000	(40,000)	-
Total	581,000	55,343	636,343

Last Year

Description	Accumulated Surpluses	Reserves	Total
	\$	\$	\$
Opening Balance	451,515	52,798	504,313
Surplus/(Deficit)	58,666	-	58,666
Transfer to Reserves	(25,130)	25,130	-
Transfer from Reserves	8,750	(8,750)	-
Total	493,801	69,178	562,979

Notes to the Performance Report

Breakdown of Reserves		Actual This Year	Actual
		\$	Last Year
			\$
Name	Nature and Purpose		
International Youth Levy Reserve	The International Youth Levy Reserve is held within Accumulated Funds and is available to be allocated on request to Junior Black Sox and Junior White Sox teams attending World Championships (current year levy \$5,265 and nil allocated).	33,854	28,589
White Sox Programme Levy Reserve	The White Sox Programme Levy Reserve is held within Accumulated Funds and is available to be allocated on request to White Sox team tours (current year levy \$20,900 and (\$40,000) allocated to White Sox World Champs in Surrey City).	21,489	40,589
Total		55,343	69,178



Notes to the Performance Report

Note 6 – Commitments and contingencies

	At Reporting date This Year	At Reporting date Last Year
	\$	\$
Commitments to lease or rent assets		
Future vehicle operating lease payments (leases to 31 October 2019 and 31 May 2020)	131,184	43,101
Office Premises (the lease has a right of renewal on 1 August 2017 with a final expiry date of 31 July 2020)	24,320	32,000

Commitment to purchase property, plant and equipment

There are no commitments at balance date (2016: Nil).

Commitments to provide loans or grants

There are no commitments at balance date (2016: Nil).

Contingent liability

There are no contingencies at balance date (2016: Nil).

Guarantees provided

There are no guarantees provided at balance date (2016: Nil).



Notes to the Performance Report

Note 7 - Related Party Transactions

Description of Related Party Relationship	Description of the Transaction (whether in cash or amount in kind)	This Year	Last Year	This Year	Last Year
		\$ Value of Transaction s	\$ Value of Transaction s	\$ Amount Outstanding	\$ Amount Outstanding
Time Trust Group (Time Out Holdings sole trustee of Time Trust)	The Association expended nil (2016 \$2,151) in the financial year towards finalising the activities of the Time Trust.	-	2,151	-	-

Note 8 - Events After the Reporting Date

There were no events that have occurred after the reporting date that would have a material impact on the Performance Report. (2016: Nil)





Independent Auditor's Report

Audit

Grant Thornton New Zealand Audit Partnership

L15 Grant Thornton House
215 Lambton Quay
PO Box 10712
Wellington 6143

Telephone +64 (0)4 474 8500
Fax +64 (0)4 474 8509
www.grantthornton.co.nz

To the Members of New Zealand Softball Association Inc.

Report on the Performance Report

Opinion

We have audited the performance report of New Zealand Softball Association Inc. on pages 2 to 19, which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 31 May 2017, the statement of financial position as at 31 May 2017, and notes to the performance report, including the summary of significant accounting policies and other explanatory information.

In our opinion:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b) the accompanying performance report presents fairly, in all material respects:
 - the entity information for the year then ended;
 - the service performance for the year then ended; and
 - the financial position of New Zealand Softball Association Inc. as at 31 May 2017 and its financial performance, and cash flows for the year then ended

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand)

(ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Performance Report* section of our report. We are independent of New Zealand Softball Association Inc. 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.

Our firm carries out other assignments for New Zealand Softball Association Inc. in the area of other assurance engagements. The firm has no other interest in the New Zealand Softball Association Inc.

Responsibilities of the Board for the Performance Report

The Board is responsible for:

- (a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- (b) the preparation and fair presentation of the performance report on behalf of New Zealand Softball Association Inc. which comprises:
 - the entity information;
 - the statement of service performance; and
 - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued on New Zealand by the New Zealand Accounting Standards Board, and

- (c) for such internal control as the Board determines is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Board is responsible on behalf of New Zealand Softball Association Inc. for assessing New Zealand Softball Association Inc.'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 New Zealand Softball Association Inc. or to cease operations, or have no realistic alternative but to do so.



Auditor's Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the performance report is 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) and ISAE (NZ) 3000 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this performance report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the performance report, 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 New Zealand Softball Association Inc.'s internal control.
- 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 New Zealand Softball Association Inc.'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 performance report 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 New Zealand Softball Association Inc. to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

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.

Restriction on use of our report

This report is made solely to the members of the members, as a collective body. Our audit work has been undertaken so that we might state to the members, as a collective body, those matters which we are required to state to them in our audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than New Zealand Softball Association Inc. and its members, as a collective body, for our audit work, for this report or for the opinion we have formed.

Grant Thornton New Zealand Audit Partnership



B Smith

Partner

Wellington, New Zealand

31 July 2017