

Statement of Financial Performance
for the financial year ended 31 May 2013

	Note	2013 nz \$	2012 nz \$
Revenue			
Affiliation Fees		4,200	4,400
Capitation Fees		148,513	152,993
Coaching	7	56,851	90,330
Training Camps	7	14,685	40,210
International Youth Levy	13	4,995	5,295
White Sox Programme Levy	14	21,375	22,500
Interest		33,776	35,482
Other Income	7	629,006	209,472
International Tours	7	631,648	472,040
Sponsorship and support	7	992,923	990,490
Tournaments	7	49,194	54,592
		<u>2,587,166</u>	<u>2,077,804</u>
Expenses			
AGM	12	21,579	9,069
Audit		7,591	7,757
Board	12	39,056	49,269
Coaching		270,656	357,468
Depreciation	5	7,859	7,408
International Tours		748,413	629,992
Office	12	75,477	75,314
Other	12	833,622	347,269
Promotions		27,705	28,301
Salaries		360,126	380,156
Tournaments		86,146	91,634
Training Camps		169,712	60,121
		<u>2,647,942</u>	<u>2,043,758</u>
Surplus/(Deficit) from Continuing Softball Operations		(60,776)	34,046
Less Write-off of loan made to related party	18	-	-
Surplus/(Deficit) for Year		<u>(60,776)</u>	<u>34,046</u>


Statement of Movements in Equity
for the financial year ended 31 May 2013


Balance as at 1 June 2012	439,524	405,478
Plus Surplus/(Deficit) for Year	<u>(60,776)</u>	<u>34,046</u>
Closing Equity 31 May 2013	<u>378,748</u>	<u>439,524</u>

These statements are to be read in conjunction with the notes to the financial statements

Statement of Financial Position
as at 31 May 2013

	Note	2013 nz \$	2012 nz \$
Current Assets			
ANZ Bank	8	277,237	410,116
Cash Imprest		450	450
Prepayments		103,863	102,666
Sundry Debtors		14,022	10,997
GST Receivable		12,891	8,687
Loans to Associations	6,18	16,176	-
Stock		9,014	9,321
Total Current Assets		433,653	542,237
Investments			
ANZ Bank	9	469,118	683,118
Total Investments		469,118	683,118
Fixed Assets	5	22,518	22,169
Total Assets		925,289	1,247,524
Current Liabilities			
Sundry Creditors		160,228	147,607
Income in Advance		386,313	660,393
Total Current Liabilities		546,541	808,000
Net Assets		378,748	439,524
Represented By:			
Total Equity		378,748	439,524


Fay Freeman
Acting General Manager
Dated 22 July 2013


Anthony Lawler
Director

These statements are to be read in conjunction with the notes to the financial statements

**Notes to the Financial Statements
for the year ended 31 May 2013**

1. Reporting Entity

The New Zealand Softball Association Inc. is an incorporated society registered under the Incorporated Societies Act 1908. The financial statements have been prepared according to generally accepted accounting practice. These are the financial statements of the New Zealand Softball Association (Inc) and do not represent any individual clubs or regions. Clubs and regions are governed independently.

2. Measurement Base

The general accounting policies recognised as appropriate for the measurement and reporting of results and the financial position and unless otherwise stated on a historical basis are followed.

3. Differential Reporting

The New Zealand Softball Association (Inc) is a qualifying entity within the New Zealand Institute of Chartered Accountants Differential Reporting framework. The Association qualifies under the size criteria and not public accountability. The Association has taken advantage of all reporting concessions available to it.

4. Significant Accounting Policies

a) Accounts Receivable

Accounts Receivable are stated at expected realisable value.

b) Stock

Stock is valued at the lower of cost (using a first-in-first-out basis) and net realisable value. In arriving at net realisable value an allowance has been made for obsolescence and deterioration.

c) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation.

d) Depreciation

Depreciation is provided on a Diminishing Value Basis. Depreciation is applied on a monthly basis from when any capital addition is made. No depreciation is claimed if the assets are disposed of during the year. Replacement uniforms are expensed rather than depreciated.

The principal rates in use are: Training Equipment 33 - 39.6% DV Office Equipment 20 - 48% DV

e) Goods and Services Tax

The Financial Statements have been prepared on a Goods and Services Tax exclusive basis, except for receivables and payables, which are presented on a GST inclusive basis.

f) Sponsorship Income

All sponsorship income is recognised on a seasonal basis, with the exception of funding for specific projects, which are allocated according to the timing of the projects.

g) Income in Advance

Income in advance is recognised for funds already received which relate to events, tours and activities occurring after balance date.

h) Investments

All investments are shown at cost other than when in the opinion of the Board there has been a permanent impairment in the value of the investment and in this instance the investment is shown at net realisable value.

i) Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in the previous year.

**Notes to the Financial Statements continued
for the year ended 31 May 2013**

5. Fixed Assets

	Uniforms / Training Equipment nz \$	Fittings & Office Equipment nz \$	Total nz \$
2013			
Opening net book value	7,002	15,166	22,169
Additions	-	8,208	8,208
Disposals	-	-	-
Depreciation Expense	(209)	(7,650)	(7,859)
Closing Net Book Value	6,793	15,724	22,518
Comprised of :			
Cost	23,605	130,995	154,600
Accumulated depreciation	16,812	115,271	132,083
	6,793	15,724	22,518
2012			
Opening net book value	7,323	16,094	23,418
Additions	-	6,159	6,159
Disposals	-	-	-
Depreciation Expense	(321)	(7,087)	(7,408)
Closing Net Book Value	7,002	15,166	22,169
Comprised of :			
Cost	23,605	122,787	146,392
Accumulated depreciation	16,603	107,621	124,224
	7,002	15,166	22,169

6. Loans to Associations

	2013 nz \$	2012 nz \$
Amounts due in less than one year	16,176	-
Sub Total Current Portion	16,176	-
Amounts due in 1-2 years	-	-
Sub Total Long Term Portion	-	-
	16,176	-

New Zealand Softball Assn Inc. has entered into a loan agreement with Canterbury Softball Assn Inc. The loan to Canterbury Softball of \$16,176 (2012 nil) is unsecured. Interest will be charged annually commencing 15 February 2014 at the OCR interest rate applicable only on principal repayments not made by due dates.

**Notes to the Financial Statements continued
for the year ended 31 May 2013**

7. Income

	2013 nz \$	2012 nz \$
Major contributors to income in the areas of Coaching, Training Camps, Tours and Sponsorship are provided by Sport NZ and NZCT. The contributions related to the current financial year are as follows :		
SPORT NEW ZEALAND		
Sport development and administration	248,846	220,000
Coaching	21,154	52,734
2013 Mens World Championships	175,682	38,750
Performance enhancement payments (Black Sox squad)	441,819	126,619
Performance enhancement payments (Black Sox specialist camps)	44,405	14,540
Performance enhancement payments (Black Sox equipment)	554	2,713
Performance enhancement payments (Black Sox support services)	74,385	591
Performance enhancement payments (Black Sox scouting)	-	1,545
Performance enhancement payments (Black Sox internal tour)	14,347	-
Performance enhancement payments (Black Sox planning/debrief/celebration)	26,512	-
Performance enhancement payments (Black Sox specialists-NA & World Champs)	18,000	54,466
	1,065,704	511,958
HIGH PERFORMANCE SPORT NEW ZEALAND (HPSNZ)		
<i>Men:</i>		
Support services	-	15,000
Elite Coaching support	34,167	34,167
North America tour (NA)	178,000	152,000
Australia tour	-	56,000
Training Camps	-	12,000
World Championships	65,000	-
Planning & debrief meetings	2,000	-
<i>Women:</i>		
Training Camps	1,641	6,322
	280,808	275,489
NEW ZEALAND COMMUNITY TRUST (NZCT)		
Administration/Coaching programmes/RGDOs/Softball Officers	409,134	568,681
Contracts for services	27,417	-
	436,551	568,681

**Notes to the Financial Statements continued
for the year ended 31 May 2013**
7. Income continued

	2013 nz \$	2012 nz \$
<i>Reconciliation</i>		
Income source:		
Sport NZ	1,065,704	511,958
HPSNZ	280,808	275,489
NZCT	436,551	568,681
Other sources	591,244	501,006
	2,374,307	1,857,134
Income category:		
Coaching	56,851	90,330
Training camps	14,685	40,210
Other	629,006	209,472
International Tours	631,648	472,040
Sponsorship and support	992,923	990,490
Tournaments	49,194	54,592
	2,374,307	1,857,134

8. Bank Balance

Current Account	273,255	406,172
Serious Saver	3,982	3,944
	277,237	410,116

9. Bank Investments

Maturing within 6 months	469,118	683,118
Maturing between 6 - 12 months	-	-
	469,118	683,118

10. Lease commitments

Current	58,754	58,754
Non Current	1,460	60,214
	60,214	118,968

The lease commitments relate to:

- The lease and outgoings for office premises \$10,220 (2012 \$18,980). The lease has a final expiry date of 31 July 2014.
- The lease of vehicles \$49,994 (2012 \$99,988). The leases have an expiry date of 31 May 2014.

11. Taxation

The Association 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.

**Notes to the Financial Statements continued
for the year ended 31 May 2013**
12. Analysis of Expenses Items

	2013 nz \$	2012 nz \$
<i>AGM</i>		
Travel	12,749	6,568
General	8,830	2,501
	<u>21,579</u>	<u>9,069</u>
<i>Board expenses</i>		
Accommodation and meals	14,860	19,561
Travel	24,196	29,708
	<u>39,056</u>	<u>49,269</u>
<i>Other - major items separately identified</i>		
Accommodation and meals	16,014	21,749
ACC	8,899	11,403
Bad Debts	1,227	(4,158)
Bank Fees	758	616
Cost of stock	307	3,815
2013 Softball World Championships	200,682	38,750
Restructure	7,942	-
General expenses	2,744	2,341
Insurance	12,708	12,382
Legal	8,242	4,203
Manual purchases	3,818	787
Motor Vehicle lease costs	49,994	49,994
Performance enhancement grant payments (Black Sox squad)	447,819	126,619
FBT	8,632	3,956
Scorers	7,934	7,601
Grants	5,000	21,000
State of the game	5,069	-
Travel	38,990	43,215
Sponsor servicing	6,348	-
All other items	495	2,996
	<u>833,622</u>	<u>347,269</u>

Office

This includes operating lease expenses of \$10,785 (2012 \$9,901).

Salaries

This does not include Regional Game Development Officers/Softball Officers, National Director of Coaching or the National Pitching Coach which are contained within the total coaching expenditure.

13. International Youth Levy Reserve

Opening balance	14,184	18,889
Current year levy	4,995	5,295
Allocated to U19 Boys (2012 to U19 Girls)	(5,000)	(10,000)
Closing balance	<u>14,179</u>	<u>14,184</u>

The International Youth Levy Reserve is held within Accumulated Funds.

**Notes to the Financial Statements continued
for the year ended 31 May 2013**
14. White Sox Programme Levy Reserve

	2013 nz \$	2012 nz \$
Opening balance	-	-
Current year levy	21,375	22,500
Allocated to White Sox for World Champs in Canada	(5,000)	-
Allocated to White Sox for Gilleys Shield Australia	(16,375)	(22,500)
Closing balance	-	-

Any balance of the White Sox Programme Levy Reserve would be held within Accumulated Funds.

15. Assets Purchased with Grants

During the current financial period the Association purchased fixed assets from grant funding of \$8,258 (2012 \$6,000). The items were: laptops, printers and an imac.

16. Commitments

There are no commitments at balance date (2012 nil).

17. Contingencies

There are no contingencies at balance date (2012 nil).

18. Related Parties
Times Trust Group

Loan value beginning of year	-	228,589
Impairment adjustment brought forward	-	(228,589)
Additional loan	-	-
Written off	-	-
Loan value at end of year	-	-

The underlying loan of \$100,000 was secured at the time of advance over present and acquired collateral held by Time Trust and its associated company. Advances subsequent to the underlying loan are unsecured. The principal underlying loan was for nine years with a maturity date of 9 May 2012 with interest at a rate of 8.35% pa charged for seven years. The Time Trust commenced paying interest on the loan on 9 May 2005. The impairment adjustments reflects the Boards assessment of the value of the assets supporting the loan. The Association has not consolidated the results of the Time Trust. Time Out Holdings Ltd is the sole trustee of Time Trust. The Directors are aware that the financial statements of the Trust are in progress and not available at the time of signing these accounts. The Association expended \$6,348 in the financial year towards finilising the activities of the Times Trust (see note 19).

Associations

The New Zealand Softball Association (Inc) provides assistance and resources to Associations and clubs. Loans owed at balance date are \$16,176 (2012 nil).

**Notes to the Financial Statements continued
for the year ended 31 May 2013**

19. Subsequent Events

(i) Subsequent to the balance sheet date New Zealand Softball Association Inc. was made aware of the repayment and profit return amounts from the draft accounts of Softball 2013 Limited for the 2013 Mens World Championships.

(ii) During the financial period a decision was made to finalise the activities of the Times Trust. This decision was based on the Board's view that the underlying rationale to making an investment in Times Trust has been accomplished and that further investment would not generate further benefits. Costs will be incurred in achieving this outcome and \$6,348 has already been expended and included in the financial accounts to 31 May 2013.

Subsequent to 31 May a further \$25,843 has been expended.

It is anticipated that the final cost in aggregate will be \$65,000.



Grant Thornton

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.granthornton.co.nz

To the Members of New Zealand Softball Association Inc.

Report on the Financial Statements

We have audited the financial statements of New Zealand Softball Association Inc. on pages 1 to 9, which comprise the statement of financial position as at 31 May 2013, and the statement of financial performance, statement of movements in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Boards' Responsibilities

The Board are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the committee members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that present fairly the matters to which they relate 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 the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor we have no relationship with, or interests in New Zealand Softball Association Inc.

Basis for Qualified Opinion on Financial Position and Financial Performance

New Zealand Softball Association Inc. has not consolidated the financial position and results of the operations of the related entities Times Trust and Time out Holdings Limited as referred to in Notes 18 and 19. This is a departure from the Financial Reporting Standard No.37, "Consolidating Investments in Subsidiaries", as these are controlled entities and under the scope of the standard must be consolidated. The Board has not calculated the full financial effect of this departure from the applicable financial reporting standard.

Opinion

In our opinion, except for the effect of the departure from applicable Financial Reporting Standard as outlined above, the financial statements on pages 1 to 9 present fairly, in all material respects, the financial position of New Zealand Softball Association Inc. as at 31 May 2013 and its financial performance, for the year then ended in accordance with generally accepted accounting practice in New Zealand.



Grant Thornton New Zealand Audit Partnership
Wellington New Zealand
22 July 2013