

**Statement of Financial Performance
for the year ended 31 May 2014**

		2014	2013
	Note	\$	\$
Revenue			
Affiliation Fees		4,000	4,200
Capitation Fees		147,410	148,513
Coaching	7	43,133	56,851
Training Camps	7	48,294	14,685
International Youth Levy	13	4,935	4,995
White Sox Programme Levy	14	20,700	21,375
Interest		19,246	33,776
Other Income	7	18,732	629,006
International Tours	7	246,327	631,648
Sponsorship and support	7	847,602	992,923
Tournaments	7	49,721	49,194
		<u>1,450,100</u>	<u>2,587,166</u>
Expenses			
AGM	12	10,799	21,579
Audit fees		7,200	7,141
Other assurance fees		1,278	450
Board	12	33,824	39,056
Coaching		232,757	270,656
Depreciation	5	7,106	7,859
International Tours		275,427	748,413
Office	12	67,344	75,477
Other	12	269,497	833,622
Promotions		14,544	27,705
Salaries		334,433	360,126
Tournaments		103,753	86,146
Training Camps		68,340	169,712
		<u>1,426,302</u>	<u>2,647,942</u>
Surplus/(Deficit) for Year		<u><u>23,798</u></u>	<u><u>(60,776)</u></u>

**Statement of Movements in Equity
for the year ended 31 May 2014**

Balance as at 1 June	378,748	439,524
Plus Surplus/(Deficit) for Year	<u>23,798</u>	<u>(60,776)</u>
Total recognised revenue and expenses	<u>23,798</u>	<u>(60,776)</u>
Closing Equity 31 May	<u><u>402,546</u></u>	<u><u>378,748</u></u>

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

New Zealand Softball Association Inc.

**Statement of Financial Position
as at 31 May 2014**

	Note	2014 \$	2013 \$
Current Assets			
Cash at bank	8	382,730	277,237
Cash Imprest		450	450
Prepayments		310,751	103,863
Sundry Debtors		6,154	14,022
GST Receivable		-	12,891
Loans to Associations	6	16,176	16,176
Stock		5,694	9,014
Investments	9	584,710	469,118
Total Current Assets		1,306,665	902,771
Fixed Assets	5	19,521	22,518
Total Assets		1,326,186	925,289
Current Liabilities			
Sundry Creditors		249,755	160,228
GST Payable		22,650	-
Income in Advance		651,235	386,313
Total Current Liabilities		923,640	546,541
Net Assets		402,546	378,748
Represented By:			
Total Equity		402,546	378,748

Tony Giles
Chief Executive
Dated 21 July 2014

John Prendergast
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 2014**

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 of the Association are set out below and unless otherwise stated are on a historical basis.

3. Differential Reporting

The New Zealand Softball Association (Inc) is a qualifying entity within the External Reporting Board's Differential Reporting framework. The Association qualifies on the basis that it is not publicly accountable and it is not large as defined within the Framework for Differential reporting. The Association has taken advantage of all reporting concessions available to it with the exception of FRS 19 - Goods and services tax with which it has fully complied.

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. Replacement uniforms are expensed rather than depreciated.

The 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 where there is an obligation to spend the funds received in the manner for which that are received. Where funds are not spent on the purpose for which they are received, the funds are repayable.

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 2014**

5. Fixed Assets

	Uniforms / Training Equipment \$	Fittings & Office Equipment \$	Total \$
2014			
Opening net book value	6,793	15,724	22,518
Additions	-	10,508	10,508
Disposals	(6,400)	-	(6,400)
Depreciation Expense	(136)	(6,970)	(7,106)
Closing Net Book Value	257	19,262	19,521
Comprised of :			
Cost	17,205	141,503	158,708
Accumulated depreciation	16,948	122,241	139,189
	257	19,262	19,521
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

6. Loans to Associations

	2014 \$	2013 \$
Amounts due in less than one year	16,176	16,176
Sub Total Current Portion	16,176	16,176
Amounts due in 1-2 years	-	-
Sub Total Long Term Portion	-	-
	16,176	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 (2013 \$16,176) is unsecured. The loan is interest free but having considered the circumstances interest may be charged annually commencing 15 February 2014 at the OCR interest rate applicable only on principal repayments not made by the due date of 15 February 2014.

**Notes to the Financial Statements continued
for the year ended 31 May 2014**

7. Income

	2014 \$	2013 \$
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	253,520	248,846
Coaching	7,500	21,154
2013 Mens World Championships (including legacy for intl events in NZ)	69,339	175,682
Performance enhancement payments (Black Sox squad)	-	441,819
Performance enhancement payments (Black Sox specialist camps)	-	44,405
Performance enhancement payments (Black Sox equipment)	-	554
Performance enhancement payments (Black Sox support services)	-	74,385
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
	330,359	1,065,704
HIGH PERFORMANCE SPORT NEW ZEALAND (HPSNZ)		
<i>Men:</i>		
Support services	1,625	-
Elite Coaching support	35,000	34,167
North America tour (NA)	-	178,000
Domestic (test series v Aust)	32,891	-
Training Camps	22,726	-
Halbergs	13,081	-
World Championships	-	65,000
Planning & debrief meetings	-	2,000
<i>Women:</i>		
Training Camps	-	1,641
	105,323	280,808
NEW ZEALAND COMMUNITY TRUST (NZCT)		
Administration/Softball Officers	339,884	409,134
Contracts for services	11,983	27,417
	351,867	436,551

**Notes to the Financial Statements continued
for the year ended 31 May 2014**
7. Income continued

	2014	2013
	\$	\$
<i>Reconciliation</i>		
Income source:		
Sport NZ	330,359	1,065,704
HPSNZ	105,323	280,808
NZCT	351,867	436,551
Other sources	466,260	591,244
	1,253,809	2,374,307
Income category:		
Coaching	43,133	56,851
Training camps	48,294	14,685
Other	18,732	629,006
International Tours	246,327	631,648
Sponsorship and support	847,602	992,923
Tournaments	49,721	49,194
	1,253,809	2,374,307

8. Cash at bank

Current Account	378,710	273,255
Serious Saver	4,020	3,982
	382,730	277,237

9. Investments

Maturing within 6 months	584,710	469,118
Maturing between 6 - 12 months	-	-
	584,710	469,118

10. Lease commitments

Current	49,604	58,754
Non Current	89,496	1,460
	139,100	60,214

The lease commitments relate to:

- The lease and outgoings for office premises \$1,460 (2013 \$10,220). The lease has a final expiry date of 31 July 2014.
- The lease of vehicles \$137,640 (2013 \$49,994). The leases have expiry dates of 31 October 2016, 31 May 2017 and 30 June 2017. Lease commitments are secured by the related assets held under operating leases.

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 2014**
12. Analysis of Expenses Items

	2014 \$	2013 \$
AGM		
Travel	6,223	12,749
General	4,576	8,830
	10,799	21,579
<i>Board expenses</i>		
Accommodation and meals	7,779	14,860
Travel	26,045	24,196
	33,824	39,056
<i>Other - major items separately identified</i>		
Accommodation and meals	10,187	16,014
ACC	6,537	8,899
Bad Debts	497	1,227
Bank Fees	777	758
Cost of stock	3,320	307
2013 Softball World Championships	14,469	200,682
Restructure	-	7,942
General expenses	2,418	2,744
Insurance	13,254	12,708
Legal	2,000	8,242
Manual purchases	1,692	3,818
Motor Vehicle lease costs	56,150	49,994
Performance enhancement grant payments (Black Sox squad)	-	447,819
Halbergs (Black Sox)	13,081	-
International Events (played in NZ)	25,745	-
Projects (National Softball Game Plan)	3,520	-
Merchandise	1,432	-
Loss on disposal of fixed assets	6,400	-
FBT	10,706	8,632
Scorers	3,237	7,934
Grants	-	5,000
State of the game	4,931	5,069
Travel	45,155	38,990
Sponsor servicing	43,364	6,348
All other items	625	495
	269,497	833,622

Office - This includes operating lease expenses of \$10,428 (2013 \$10,785).

Salaries - This does not include Softball Officers which are contained within the total coaching expenditure.

13. International Youth Levy Reserve

Opening balance	14,179	14,184
Current year levy	4,935	4,995
Allocated to U19 Girls (2013 to U19 Boys)	-	(5,000)
Closing balance	19,114	14,179

The International Youth Levy Reserve is held within Accumulated Funds.

**Notes to the Financial Statements continued
for the year ended 31 May 2014**
14. White Sox Programme Levy Reserve

	2014	2013
	\$	\$
Opening balance	-	-
Current year levy	20,700	21,375
Allocated to White Sox for World Champs in Canada	-	(5,000)
Allocated to White Sox for Southern Cross Challenge	(3,250)	-
Allocated to White Sox for Gilleys Shield Australia	(2,761)	(16,375)
Closing balance	14,689	-

The White Sox Programme Levy Reserve is held within Accumulated Funds.

15. Assets Purchased with Grants

During the current financial period the Association purchased fixed assets from grant funding of \$10,000 (2013 \$8,258). The items were: laptops, pc and software.

16. Commitments

There are no commitments at balance date (2013 nil).

17. Contingencies

There are no contingencies at balance date (2013 nil).

18. Related Parties
Time Trust Group

The Association has not consolidated the results of the Time Trust. Time Out Holdings Ltd is the sole trustee of Time Trust. The Board of 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 \$43,364 (2013 \$6,348) in the financial year towards finalising the activities of the Time Trust. It is possible that up to \$60,000 of further expenditure will be required in finalising the activities of the Time Trust.

Independent Auditor's Report

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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 8, which comprise the statement of financial position as at 31 May 2014, and the statement of financial performance and 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 Board 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.

Our firm also carries out a grant audit for the Association. We have no other interests in the Association.

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 its subsidiaries Times Trust and Time Out Holdings Limited as referred to in Note 18. 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. Given the financial statements for the subsidiaries are yet to be prepared, we are unable to determine the 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 8 present fairly, in all material respects, the financial position of New Zealand Softball Association Inc. as at 31 May 2014 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
21 July 2014