

**Statement of Financial Performance
for the financial year ended 31 May 2011**

	Note	2011 nz \$	2010 nz \$
Revenue			
Affiliation Fees		4,600	4,600
Capitation Fees		138,557	148,654
Coaching	7	102,846	67,398
Training Camps	7	117,519	34,195
International Youth Levy	13	5,610	5,820
White Sox Programme Levy	14	21,550	22,950
Interest		34,848	25,032
Other Income	7	84,327	203,613
International Tours	7	262,536	317,697
Sponsorship and support	7	903,452	911,085
Tournaments	7	52,639	63,050
		1,728,484	1,804,094
Expenses			
AGM	12	8,016	9,931
Audit		8,145	7,939
Board	12	37,153	29,629
Coaching		389,863	342,689
Depreciation	5	11,187	15,144
International Tours		345,784	483,721
Office	12	87,112	76,911
Other	12	153,565	255,077
Promotions		9,064	7,967
Salaries	12	406,651	334,993
Tournaments		82,038	82,044
Training Camps		173,486	44,341
		1,712,064	1,690,386
Surplus from Continuing Softball Operations		16,420	113,708
Less Write-off of loan made to related party	18	(95,995)	-
Surplus/(Deficit) for Year		(79,575)	113,708

**Statement of Movements in Equity for the
financial year ended 31 May 2011**

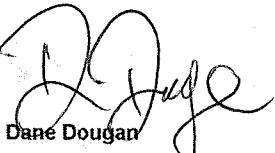
Balance as at 1 June 2010	485,053	371,345
Plus Surplus/(Deficit) for Year	(79,575)	113,708
Closing Equity 31 May 2011	405,478	485,053

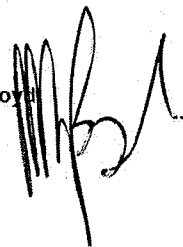
Notes to the financial statements appear on pages 3 - 8



Statement of Financial Position
as at 31 May 2011

	Note	2011 nz \$	2010 nz \$
Current Assets			
ANZ Bank	8	106,026	217,882
Cash Imprest		450	450
Prepayments		46,396	64,638
Sundry Debtors		17,916	8,106
GST Receivable		16,700	2,968
Current Portion of Loans to Associations	6,18	2,000	-
Stock		13,136	10,170
Total Current Assets		202,624	304,214
Investments			
ANZ Bank	9	912,962	689,858
Total Investments		912,962	689,858
Fixed Assets	5	23,418	32,398
Long Term Loans to Associations	6,18	4,000	-
Total Assets		1,143,004	1,026,470
Current Liabilities			
Sundry Creditors		131,392	97,417
Income in Advance		606,134	444,000
Total Current Liabilities		737,526	541,417
Net Assets		405,478	485,053
Represented By:			
Total Equity		405,478	485,053


Dane Dougan
General Manager
Dated 15 July 2011

Matthew Boyd
Director




**Notes to the Financial Statements
for the year ended 31 May 2011**

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 2011

5. Fixed Assets

	Uniforms / Training Equipment nz \$	Fittings & Office Equipment nz \$	Total nz \$
2011			
Opening net book value	7,820	24,577	32,397
Additions	-	2,207	2,207
Disposals	-	-	-
Depreciation Expense	(497)	(10,690)	(11,187)
Closing Net Book Value	7,323	16,094	23,418
Comprised of :			
Cost	23,605	116,628	140,233
Accumulated depreciation	16,282	100,534	116,816
	7,323	16,094	23,418
2010			
Opening net book value	8,590	32,042	40,632
Additions	-	6,909	6,909
Disposals	-	-	-
Depreciation Expense	(770)	(14,374)	(15,144)
Closing Net Book Value	7,820	24,577	32,397
Comprised of :			
Cost	23,605	114,421	138,026
Accumulated depreciation	15,785	89,844	105,629
	7,820	24,577	32,397

6. Loans to Associations

	2011 nz \$	2010 nz \$
Amounts due in less than one year	2,000	-
Sub Total Current Portion	2,000	-
Amounts due in 1-2 years	4,000	-
Sub Total Long Term Portion	4,000	-
	6,000	-

New Zealand Softball Assn Inc. has entered into a loan agreement with Canterbury Softball Assn Inc. The loan to Canterbury Softball of \$6,000 (2010 nil) is unsecured. Interest will be charged annually commencing 1 June 2011 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 2011**

7. Income

	2011 nz \$	2010 nz \$
Major contributors to income in the areas of Coaching, Training Camps, Tours, Sponsorship and Tournaments are provided by SPARC, NZAS, and NZCT. The contributions related to the current financial year are as follows :		
SPORT & RECREATION NEW ZEALAND (SPARC)		
Sport development and administration	220,000	216,000
Coaching	54,856	51,421
International Events Feasibility	-	4,000
Performance enhancement payments (Black Sox squad)	22,350	90,500
Performance enhancement payments (Black Sox specialist camps)	8,612	-
Performance enhancement payments (Black Sox equipment)	44,585	-
Performance enhancement payments (Black Sox World Champs)	-	80,739
	350,403	442,660
NEW ZEALAND ACADEMY OF SPORT (NZAS)		
<i>Men:</i>		
Support services	15,000	-
Elite Coaching support	35,000	14,583
World Championships Canada	-	140,000
Australia tour	100,000	-
Training Camps	69,000	7,500
Planning meetings	20,500	9,167
<i>Women:</i>		
Training Camps	8,289	13,748
	247,789	184,998
NEW ZEALAND COMMUNITY TRUST (NZCT)		
Coaching programmes	234,015	230,544
Black Sox support	-	71,046
Administration	354,524	272,001
	588,539	573,591

**Notes to the Financial Statements continued
for the year ended 31 May 2011**
7. Income continued

	2011 nz \$	2010 nz \$
<i>Reconciliation</i>		
Income source:		
SPARC	350,403	442,660
NZAS	247,789	184,998
NZCT	588,539	573,591
Other sources	336,588	395,789
	<u>1,523,319</u>	<u>1,597,038</u>
Income category:		
Coaching	102,846	67,398
Training camps	117,519	34,195
Other	84,327	203,613
International Tours	262,536	317,697
Sponsorship and support	903,452	911,085
Tournaments	52,639	63,050
	<u>1,523,319</u>	<u>1,597,038</u>

8. Bank Balance

Current Account	102,117	214,011
Serious Saver	3,909	3,871
	<u>106,026</u>	<u>217,882</u>

9. Bank Investments

Maturing within 6 months	912,962	689,858
Maturing between 6 - 12 months	-	-
	<u>912,962</u>	<u>689,858</u>

10. Lease commitments

Current	58,769	8,848
Non Current	118,968	1,475
	<u>177,737</u>	<u>10,323</u>

The lease commitments relate to:

- The lease and outgoings for office premises \$27,755 (2010 \$10,323). The lease has a right of renewal exercisable by 1 August 2011 which the Association intends to exercise with a final expiry date of 31 July 2014.
- The lease of vehicles \$149,982 (2010 nil).

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 2011**
12. Analysis of Expenses Items

	2011 nz \$	2010 nz \$
<i>AGM</i>		
Travel	5,382	6,641
General	2,634	3,290
	8,016	9,931
<i>Board expenses</i>		
Accommodation and meals	14,574	9,375
Travel	22,579	20,254
	37,153	29,629
<i>Other - major items separately identified</i>		
Accommodation and meals	24,676	13,113
ACC	10,894	14,342
Bad Debts	8,156	111
Bank Fees	733	2,106
Cost of stock	(2,967)	3,037
Database system	-	705
Project Group meetings & functions	1,345	946
General expenses	2,775	2,950
Insurance	6,903	6,903
Legal	2,225	600
Manual purchases	11,010	4,434
Merchandise purchases	-	20,128
Performance enhancement grant payments (Black Sox squad)	22,350	90,500
Project Management Support	-	47,500
Scorers	8,733	10,782
International Events Feasibility	-	4,000
Training & Development	1,712	1,438
Travel	42,338	31,237
Research	10,000	-
All other items	2,682	245
	153,565	255,077

Office

Includes operating lease expenses of \$10,510 (2010 \$9,877).

Salaries

Does not include Regional Game Development 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	13,279	7,459
Current year levy	5,610	5,820
Allocated to U19 Boys	-	-
Closing balance	18,889	13,279

The International Youth Levy Reserve is held within Accumulated Funds.

**Notes to the Financial Statements continued
for the year ended 31 May 2011**

14. White Sox Programme Levy Reserve

	2011 nz \$	2010 nz \$
Opening balance	-	-
Current year levy	21,550	22,950
Allocated to White Sox for Gilleys Shield Australia	(21,550)	(22,950)
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 no fixed assets from grant funding (2010 \$6,909).

16. Commitments

The Association has made a commitment of a \$15,000 support package to Canterbury Softball Association for the next season based on specialised projects to be submitted to regenerate softball following the earthquakes. There are no other commitments at balance date (2010 nil).

17. Contingencies

There are no contingencies at balance date. As at 31 May 2010, the Association has guaranteed a loan made by the ANZ of \$92,645 to Time Out Holdings Ltd. The guarantee has been released in the current financial year (see note 18 below).

18. Related Parties

Times Trust Group

Loan value beginning of year	132,594	132,594
Impairment adjustment brought forward	(132,594)	(132,594)
Additional loan (9 July 2010)	95,995	-
Written off	(95,995)	-
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 is 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. As noted in the 2010 Annual Report subsequent event note, Softball NZ advanced the sum of \$95,995 to the Times Trust Group to assist with the liquidity and profitability of that Group. As a consequence of the advance, Softball NZ has been released from the guarantee under a loan with ANZ Bank and the contingency existing at Note 17 in 2010 is extinguished. The impairment adjustments reflects the Boards assessment of the value of the assets supporting the loan. As at balance date, the Board determined that the entire loan is not recoverable and therefore written off the remaining balance. The Association has not consolidated the results of the Time Trust. Time Out Holdings Ltd is the sole trustee of Time Trust. The Association has not entered into any transactions with the company.

Associations

The New Zealand Softball Association (Inc) provides assistance and resources to Associations and clubs. Loans owed at balance date are \$6,000 (2010 nil). The Association also wrote off part of the current year capitation fees owing by the Canterbury Softball Association as recognition of the disrupted season experienced as a result of the earthquakes.

Independent Auditor's Report

Audit**Grant Thornton New Zealand Audit****Partnership**
L13, AXA Centre
80 The Terrace
PO Box 10712
Wellington 6143T +64 (0)4 474 8500
F +64 (0)4 474 8509
www.grantthornton.co.nz**To the Members of New Zealand Softball Association Incorporated****Report on the Financial Statements**

We have audited the financial statements of New Zealand Softball Association Incorporated on pages 1 to 8, which comprise the statement of financial position as at 31 May 2011, and the statement of financial performance, statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board's 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 and fair presentation of the financial statements 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 Incorporated.

Basis for Qualified Opinion on Financial Position and Financial Performance

New Zealand Softball Association Incorporated has not consolidated the financial position and results of the operations of the related entity Times Trust. This is a departure from the Financial Reporting Standard No.37, "Consolidating Investments in Subsidiaries", as these entities 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, but we estimate that had the Association adopted this standard and produced consolidated results the financial performance would have improved by \$73,386 and net assets would have decreased by \$5,841.

Qualified Opinion on Financial Position and Financial Performance

In our opinion, except for the effect of the departure from applicable Financial Reporting Standard No 37 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 Incorporated as at 31 May 2011, 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
15 July 2011**