

**Statement of Financial Performance
for the financial year ended 31 May 2012**

	Note	2012 nz \$	2011 nz \$
Revenue			
Affiliation Fees		4,400	4,600
Capitation Fees		152,993	138,557
Coaching	7	90,330	102,846
Training Camps	7	40,210	117,519
International Youth Levy	13	5,295	5,610
White Sox Programme Levy	14	22,500	21,550
Interest		35,482	34,848
Other Income	7	209,472	84,327
International Tours	7	472,040	262,536
Sponsorship and support	7	990,490	903,452
Tournaments	7	54,592	52,639
		<u>2,077,804</u>	<u>1,728,484</u>
Expenses			
AGM	12	9,069	8,016
Audit		7,757	8,145
Board	12	49,269	37,153
Coaching		357,468	389,863
Depreciation	5	7,408	11,187
International Tours		629,992	345,784
Office	12	75,314	87,112
Other	12	347,269	153,565
Promotions		28,301	9,064
Salaries	12	380,156	406,651
Tournaments		91,634	82,038
Training Camps		60,121	173,486
		<u>2,043,758</u>	<u>1,712,064</u>
Surplus from Continuing Softball Operations		34,046	16,420
Less Write-off of loan made to related party	18	-	(95,995)
Surplus/(Deficit) for Year		<u>34,046</u>	<u>(79,575)</u>

**Statement of Movements in Equity for the
financial year ended 31 May 2012**

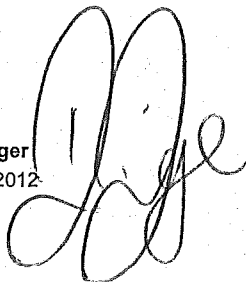
Balance as at 1 June 2011	405,478	485,053
Plus Surplus/(Deficit) for Year	34,046	(79,575)
Closing Equity 31 May 2012	<u>439,524</u>	<u>405,478</u>

Notes to the financial statements appear on pages 3 - 8

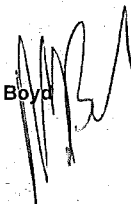
**Statement of Financial Position
as at 31 May 2012**

	Note	2012 nz \$	2011 nz \$
Current Assets			
ANZ Bank	8	410,116	106,026
Cash Imprest		450	450
Prepayments		102,666	46,396
Sundry Debtors		10,997	17,916
GST Receivable		8,687	16,700
Current Portion of Loans to Associations	6,18	-	2,000
Stock		9,321	13,136
Total Current Assets		542,237	202,624
Investments			
ANZ Bank	9	683,118	912,962
Total Investments		683,118	912,962
Fixed Assets			
	5	22,169	23,418
Long Term Loans to Associations			
	6,18	-	4,000
Total Assets		1,247,524	1,143,004
Current Liabilities			
Sundry Creditors		147,607	131,392
Income in Advance		660,393	606,134
Total Current Liabilities		808,000	737,526
Net Assets		439,524	405,478
Represented By:			
Total Equity		439,524	405,478

Dane Dougan
General Manager
Dated 16 July 2012



Matthew Boyd
Director



Notes to the financial statements appear on pages 3 - 8

**Notes to the Financial Statements
for the year ended 31 May 2012**

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 2012**

5. Fixed Assets

	Uniforms / Training Equipment nz \$	Fittings & Office Equipment nz \$	Total nz \$
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
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

6. Loans to Associations

	2012 nz \$	2011 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

The balance owing under the loan agreement entered into by New Zealand Softball Assn Inc. with Canterbury Softball Assn Inc. was amortised during the year as the conditions of the loan had been met (2011 \$6,000).

**Notes to the Financial Statements continued
for the year ended 31 May 2012**

7. Income

2012	2011
nz \$	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	220,000	220,000
Coaching	52,734	54,856
2013 Mens World Championships	38,750	-
Performance enhancement payments (Black Sox squad)	126,619	22,350
Performance enhancement payments (Black Sox specialist camps)	14,540	8,612
Performance enhancement payments (Black Sox equipment)	2,713	44,585
Performance enhancement payments (Black Sox support services)	591	-
Performance enhancement payments (Black Sox scouting)	1,545	-
Performance enhancement payments (Black Sox North America-specialists)	54,466	-
	511,958	350,403

HIGH PERFORMANCE SPORT NEW ZEALAND (HPSNZ)*Men:*

Support services	15,000	15,000
Elite Coaching support	34,167	35,000
North America tour	152,000	-
Australia tour	56,000	100,000
Training Camps	12,000	69,000
Planning meetings	-	20,500

Women:

Training Camps	6,322	8,289
	275,489	247,789

NEW ZEALAND COMMUNITY TRUST (NZCT)

Coaching programmes/RGDOs	216,137	234,015
Administration	352,544	354,524
	568,681	588,539

**Notes to the Financial Statements continued
for the year ended 31 May 2012**
7. Income continued

	2012 nz \$	2011 nz \$
<i>Reconciliation</i>		
Income source:		
Sport NZ	511,958	350,403
HPSNZ	275,489	247,789
NZCT	568,681	588,539
Other sources	501,006	336,588
	<u>1,857,134</u>	<u>1,523,319</u>
Income category:		
Coaching	90,330	102,846
Training camps	40,210	117,519
Other	209,472	84,327
International Tours	472,040	262,536
Sponsorship and support	990,490	903,452
Tournaments	54,592	52,639
	<u>1,857,134</u>	<u>1,523,319</u>

8. Bank Balance

Current Account	406,172	102,117
Serious Saver	3,944	3,909
	<u>410,116</u>	<u>106,026</u>

9. Bank Investments

Maturing within 6 months	683,118	912,962
Maturing between 6 - 12 months	-	-
	<u>683,118</u>	<u>912,962</u>

10. Lease commitments

Current	58,754	58,769
Non Current	60,214	118,968
	<u>118,968</u>	<u>177,737</u>

The lease commitments relate to:

- The lease and outgoings for office premises \$18,980 (2011 \$27,755). The lease has a final expiry date of 31 July 2014.
- The lease of vehicles \$99,988 (2011 \$149,982). 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 2012**

12. Analysis of Expenses Items

	2012 nz \$	2011 nz \$
<i>AGM</i>		
Travel	6,568	5,382
General	2,501	2,634
	9,069	8,016
<i>Board expenses</i>		
Accommodation and meals	19,561	14,574
Travel	29,708	22,579
	49,269	37,153
<i>Other - major items separately identified</i>		
Accommodation and meals	21,749	24,676
ACC	11,403	10,894
Bad Debts	(4,158)	8,156
Bank Fees	616	733
Cost of stock	3,815	(2,967)
2013 Softball World Championships	38,750	-
Project Group meetings & functions	-	1,345
General expenses	2,341	2,775
Insurance	12,382	6,903
Legal	4,203	2,225
Manual purchases	787	11,010
Motor Vehicle lease costs	49,994	-
Performance enhancement grant payments (Black Sox squad)	126,619	22,350
FBT	3,956	-
Scorers	7,601	8,733
Grants (recovery support to Canterbury Softball)	21,000	-
Training & Development	1,456	1,712
Travel	43,215	42,338
Research	-	10,000
All other items	1,540	2,682
	347,269	153,565

Office

Includes operating lease expenses of \$9,901 (2011 \$10,510).

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	18,889	13,279
Current year levy	5,295	5,610
Allocated to U19 Girls	(10,000)	-
Closing balance	14,184	18,889

The International Youth Levy Reserve is held within Accumulated Funds.

**Notes to the Financial Statements continued
for the year ended 31 May 2012**

14. White Sox Programme Levy Reserve

	2012	2011
	nz \$	nz \$
Opening balance	-	-
Current year levy	22,500	21,550
Allocated to White Sox for Gilleys Shield Australia	(22,500)	(21,550)
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 \$6,000 (2011 nil).
The items were: laptops and a tablet.

16. Commitments

There are no commitments at balance date (2011 \$15,000 to Canterbury Softball Association).

17. Contingencies

There are no contingencies at balance date (2011 nil).

18. Related Parties

Times Trust Group

Loan value beginning of year	228,589	132,594
Impairment adjustment brought forward	(228,589)	(132,594)
Additional loan	-	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 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 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 nil (2011 \$6,000). The Association wrote off during the year the loan to Canterbury Softball Association as the conditions of the loan had been met.



Grant Thornton

Independent Auditor's Report

Audit

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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 2012, 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 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.

Opinion

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 2012 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
16 July 2012**