

New Zealand Softball Association Inc.

Performance Report

For the year ended 31 May 2016

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Entity Information

For the year ended 31 May 2016

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
- Jeff Holloway
- Raewyn Clarke
- Carl Gould
- 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 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 2016

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
5% increase in umpires and scorers accreditations	577	273	260
5% increase in registered umpires and scorers	272	235	224
15% increase in Coaches accreditations	748	429	373
Implement a social media plan and increase engagement of fans by 7.5% annually, (made up of five social media followers from YouTube, Facebook, Twitter, Instagram and Pintrest)	13,704	10,295	9,577
5% increase in U12 years playing numbers	10,965	10,930	10,410
5% increase in 12 years and over playing numbers	4,590	5,245	4,995
2% increase in Premier/Senior Grades playing numbers	6,195	6,196	6,075
5% increase in Social/Community/Slowpitch playing numbers	2,775	2,599	2,475
5% increase in school playing numbers	10,110	9,481	9,030
Number of national teams	9	10	6

Additional Output Measures

- More teams competed in Softball NZ national tournaments this year
- Additional national teams implemented including an U15 talent identification programme
- 9 national products across both genders, more than ever before
- NZ male programme ranked number 1 in the world by governing body WBSC-SD
- High Performance framework designed and implemented
- High Performance Director appointed
- New regional softball officer position in Auckland created

Statement of Financial Performance

For the year ended 31 May 2016

	Notes	Actual This Year \$	Actual Last Year \$
Revenue	1		
Grants, donations, fundraising and other similar revenue		1,382,260	1,346,551
Fees, subscriptions and other revenue from members		590,264	606,095
Interest, dividends and other investment revenue		20,342	26,119
Other revenue		4,245	3,987
Total Revenue		1,997,111	1,982,752
Expenses	1		
Other expenses		1,938,445	1,880,985
Total Expenses		1,938,445	1,880,985
Surplus/(Deficit) for the period		58,666	101,767

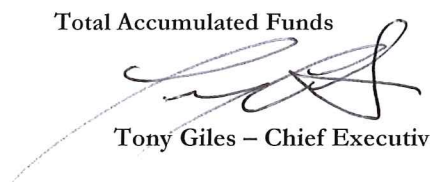
This financial statement should be read in conjunction with the accompanying notes.



Statement of Financial Position

As at 31 May 2016

	Notes	Actual This Year \$	Actual Last Year \$
Assets			
Current Assets			
Bank and Cash	3	896,619	760,817
Inventory		-	4,577
Debtors and Prepayments		73,228	240,811
Investments	3	357,928	345,163
Other current assets		-	2,463
Total Current Assets		1,327,775	1,353,831
Non-Current Assets			
Property, Plant and Equipment	4	14,880	10,970
Total Non-Current Assets		14,880	10,970
Total Assets		1,342,655	1,364,801
Current Liabilities			
Creditors and accruals	3	49,054	155,939
Employee entitlements	3	54,207	40,001
Unused donations and grants with conditions	3	672,596	664,548
Other current liabilities		3,819	-
Total Current Liabilities		779,676	860,488
Total Liabilities		779,676	860,488
Net Assets		562,979	504,313
Accumulated Funds	5		
Accumulated surplus		493,801	451,515
Reserves		69,178	52,798
Total Accumulated Funds		562,979	504,313


Tony Giles – Chief Executive


Trafford Wilson - Director

Dated 25 July 2016

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

Statement of Cash Flows

For the year ended 31 May 2016

	Actual This Year	Actual Last Year
	\$	\$
Cash Flows from Operating Activities		
Cash was received from		
Donations, fundraising and other similar receipts	1,433,340	1,392,622
Fees, subscriptions and other receipts from members	566,064	562,719
Interest, dividends and other investment receipts	20,342	26,119
Net GST	6,282	(25,113)
Cash was applied to:		
Payments to suppliers and employees	(1,861,458)	(1,834,433)
Net Cash Flows from Operating Activities	164,570	121,914
Cash Flows from Investing and Financing Activities		
Cash was received from:		
Loan drawdowns	-	16,176
Cash was applied to:		
Acquisition of property, plant and equipment	(16,003)	-
Net movement in investment balances	(12,765)	(13,771)
Net Cash Flows from Investing and Financing Activities	(28,768)	2,405
Net Increase / (Decrease) in Cash	135,802	124,319
Opening Cash	760,817	636,498
Closing Cash	896,619	760,817
This is represented by:		
Bank & Cash	896,619	760,817

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

Statement of Accounting Policies

For the year ended 31 May 2016

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 total annual expenses of equal to or less than \$2,000,000 for the last two annual reporting periods. This is the first year of its adoption in light of the requirements of the Charities Act 2005. It previously followed NZ GAAP and the comparative numbers have not been restated. 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 purposes 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.

Inventory

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis.

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	-
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

Other than the transition for old NZ GAAP to PBE SFR-A (NFP) as set out above, 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)	259,590	291,223
Funding – Black Sox (coaching) (HPSNZ)	45,333	45,000
Funding – Black Sox (tours) (HPSNZ)	229,784	231,397
Grants – administration and Softball Officers (NZCT)	342,150	336,868
Other Grants	261,156	291,508
Sponsorship	216,388	133,242
Funding – Kiwisport	17,580	-
Other Coaching Income	10,188	-
Other Income	91	17,313
Total	1,382,260	1,346,551
Fees, subscriptions and other revenue from members		
Membership (Capitation) Fees	146,603	144,422
International Youth Levy	4,480	4,995
White Sox Programme Levy	20,650	20,200
Affiliation Fees	4,200	4,000
Tournaments	50,544	58,617
National team tours	363,787	373,861
Total	590,264	606,095

Notes to the Performance Report

Note 2 – Analysis of Expenses

	This Year \$	Last Year \$
Other Expenses		
AGM	13,973	8,626
Audit	8,313	8,669
Board	25,061	24,760
Coaching	257,134	173,860
Depreciation	12,093	8,551
International Tours	697,902	733,264
Office	60,816	61,384
Promotions	13,213	30,376
Salaries	441,802	353,207
Tournaments	110,694	115,166
Training Camps	40,776	85,662
Accommodation and meals	23,589	26,254
ACC	5,395	3,632
Bad Debts	3,893	276
Bank Fees	973	734
Cost of stock	4,577	1,117
Accounting	1,035	-
Training & Development	431	759
General expenses	2,661	2,950
Insurance	11,472	11,185
Legal	465	-
Manual purchases	2,296	4,004
Motor vehicle lease costs	51,996	60,659
Player payments (Black Sox)	68,000	9,700
International Events (played in NZ)	-	35,472
Projects (National Softball Game Development Plan)	9,589	26,890
FBT	9,704	9,530
Scorers	2,041	1,043
Travel	45,289	50,120
Sponsor servicing	12,744	31,146
Miscellaneous Expenses	518	1,989
Total	1,938,445	1,880,985

Notes to the Performance Report

Note 3 – Analysis of Assets and Liabilities

Assets

	This Year \$	Last Year \$
Cash & Deposits		
Current Account	431,196	149,937
Call Account	3,698	3,632
Saver Account	471	470
Cash Imprest	450	450
Term Deposits < 90 days	460,804	606,328
Total	896,619	760,817

Investments

Term Deposits > 90 days	357,928	345,163
Total	357,928	345,163

Liabilities

Creditors and accruals

Trade Creditors	41,132	136,062
Accruals	7,922	19,877
Total	49,054	155,939

Employment Entitlements

Accrued annual leave	38,634	32,199
Accrued salaries and wages	15,573	7,802
Total	54,207	40,001

Unused donations and grants with conditions

High Performance Funding	256,431	281,548
Scholarship Funding	25,770	6,090
Development Funding	-	9,088
Grants	237,886	203,048
Legacy Funding	13,694	24,383
Levies	106,815	60,004
Sponsorship	32,000	80,387
Total	672,596	664,548

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	10,799	16,003	-	(11,925)	14,877
Training Equipment	169	-	-	(169)	-
Total	10,970	16,003	-	(12,094)	14,879

Last Year

Asset Class

	Opening Carrying Amount	Purchases	Sales/ Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
	\$	\$	\$	\$	\$
Office equipment and Computers	19,262	-	-	(8,463)	10,799
Training Equipment	257	-	-	(88)	169
Total	19,521	-	-	(8,551)	10,970

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 (2015: 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 (2015: Nil).

Notes to the Performance Report

Note 5 - Accumulated Funds

This 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

Last Year

Description	Accumulated Surpluses	Reserves	Total
	\$	\$	\$
Opening Balance	368,743	33,803	402,546
Surplus/(Deficit)	101,767	-	101,767
Transfer to Reserves	(25,195)	25,195	-
Transfer from Reserves	6,200	(6,200)	-
Total	451,515	52,798	504,313

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 \$4,480 and nil allocated).	28,589	24,109
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 \$20,650 and (\$8,750) allocated to White Sox Down Under Series in Australia).	40,589	28,689
Total		69,178	52,798

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 2016, 31 May 2017 and 30 June 2017)	43,101	95,098
Office Premises (the lease has a right of renewal on 1 August 2017 with a final expiry date of 31 July 2020)	32,000	35,340

Commitment to purchase property, plant and equipment

There are no commitments at balance date (2015: Nil).

Commitments to provide loans or grants

There are no commitments at balance date (2015: Nil).

Contingent liability

There are no contingencies at balance date (2015: Nil).

Guarantees provided

There are no guarantees provided at balance date (2015: 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 \$2,151 (2015 \$24,211) in the financial year towards finalising the activities of the Time Trust.	2,151	24,211	-	-

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. (2015: Nil)

Independent Auditor's Report

Audit

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To the Members of New Zealand Softball Association Inc.

We have audited the accompanying performance report on pages 2 to 19 of New Zealand Softball Association Inc. (the "Association") 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 2016, and the statement of financial position as at 31 May 2016, and statement of accounting policies and other explanatory information.

The responsibility of Board members for the performance report
The Board members are responsible on behalf of the entity 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 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 in New Zealand, and

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

Auditor's responsibility

Our responsibility is to express an opinion on the performance report based on our audit. 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). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the performance report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance report, including performing procedures to obtain evidence about evaluating whether the reported outcomes and outputs and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the performance report, 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 performance report 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 made by management, as well as evaluating the overall presentation of the performance report.

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

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

Opinion

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 performance report on pages 2 to 19 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 2016, 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.

Restriction on use of our report

This report is made solely to the members of the New Zealand Softball Association Inc. 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the 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
Wellington, New Zealand
25 July 2016