

**Statement of Financial Performance
for the financial year ended 31 May 2010**

	Note	2010 nz \$	2009 nz \$
Revenue			
Affiliation Fees		4,600	4,600
Capitation Fees		148,654	130,410
Coaching	7	67,398	94,299
Training Camps	7	34,195	31,259
International Youth Levy	13	5,820	6,180
White Sox Programme Levy	14	22,950	0
Interest		25,032	38,801
Other Income	7	203,613	224,073
International Tours	7	317,697	363,214
Sponsorship and support	7	911,085	1,064,743
Tournaments	7	63,050	170,426
		1,804,094	2,128,005
Expenses			
AGM	12	9,931	8,550
Audit		7,939	8,288
Board	12	29,629	24,394
Coaching		342,689	388,355
Depreciation	6	15,144	25,589
International Tours		483,721	448,569
Office	12	76,911	94,983
Other	12	255,077	427,253
Promotions		7,967	86,913
Salaries	12	334,993	343,518
Tournaments		82,044	213,332
Training Camps		44,341	31,474
		1,690,386	2,101,218
Surplus from Continuing Softball Operations		113,708	26,787
Plus Movement in provision for doubtful debt		-	-
Less Writedown in value of loan	18	-	-
Surplus/(Deficit) for Period		113,708	26,787


**Statement of Movements in Equity for the
financial year ended 31 May 2010**

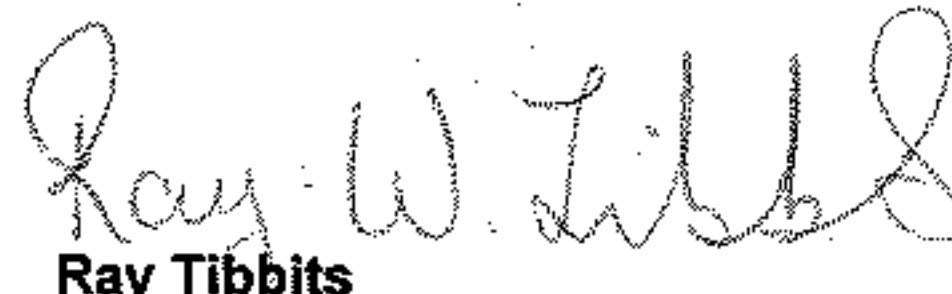
Balance as at 1 June 2009	371,345	344,558
Plus Surplus/(Deficit) for Period	113,708	26,787
Closing Equity 31 May 2010	485,053	371,345

Notes to the financial statements appear on pages 3 - 9

**Statement of Financial Position
as at 31 May 2010**

	Note	2010 nz \$	2009 nz \$
Current Assets			
ANZ Bank	8	217,882	204,208
Cash Imprest		450	450
Prepayments		64,638	49,475
Sundry Debtors		8,106	11,277
GST Receivable		2,968	-
Current Portion of Loans to Associations	6,18	-	1,870
Stock		10,170	13,207
Total Current Assets		304,214	280,487
Investments			
ANZ Bank	9	689,858	450,152
Total Investments		689,858	450,152
Fixed Assets			
	5	32,398	40,633
Total Assets		1,026,470	771,272
Current Liabilities			
Sundry Creditors		97,417	96,063
GST Payable		-	11,084
Income in Advance		444,000	292,780
Total Current Liabilities		541,417	399,927
Net Book Value of Assets		485,053	371,345
Represented By:			
Total Equity		485,053	371,345


Dane Dougan
General Manager
Dated 13 July 2010


Ray Tibbits
Director

Notes to the financial statements appear on pages 3 - 9

**Notes to the Financial Statements
for the year ended 31 May 2010**

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. 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 2010**

5. Fixed Assets

	Uniforms / Training Equipment nz \$	Fittings & Office Equipment nz \$	Total nz \$
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
2009			
Opening net book value	10,176	33,240	43,416
Additions	-	24,445	24,445
Disposals	-	(1,640)	(1,640)
Depreciation Expense	(1,586)	(24,003)	(25,589)
Closing Net Book Value	8,590	32,042	40,632
Comprised of :			
Cost	44,942	155,424	200,366
Accumulated depreciation	36,352	123,382	159,734
	8,590	32,042	40,632

6. Loans to Associations

	2010 nz \$	2009 nz \$
Amounts due in less than one year	-	1,870
Amounts convertible to grants	-	-
Sub Total Current Portion	-	1,870
Amounts due in 1-2 years	-	-
Amounts potentially convertible to grants	-	-
Sub Total Long Term Portion	-	-
	-	1,870

**Notes to the Financial Statements continued
for the year ended 31 May 2010**

7. Income

	2010 nz \$	2009 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	216,000	216,000
Coaching	51,421	54,294
International Events Feasibility	4,000	-
Performance enhancement payments (Black Sox squad)	90,500	214,150
Performance enhancement payments (Black Sox World Champs)	80,739	-
	442,660	484,444
NEW ZEALAND ACADEMY OF SPORT (NZAS)		
Elite Coaching support	14,583	25,000
<i>Men:</i>		
Scouting trip Canada	-	11,000
Argentina tour	-	120,000
World Championships Canada	140,000	-
Pacific Series	-	35,200
Training Camps	7,500	24,000
Planning meetings	9,167	-
<i>Women:</i>		
Training Camps	13,748	-
	184,998	215,200
NEW ZEALAND COMMUNITY TRUST (NZCT)		
Coaching programmes	230,544	250,629
Tournaments	-	42,750
Black Sox support	71,046	59,692
White Sox support	-	10,000
U19 Boys	-	44,001
Regional support	-	40,500
Administration	272,001	262,646
	573,591	710,218

**Notes to the Financial Statements continued
for the year ended 31 May 2010**

7. Income continued

	2010 nz \$	2009 nz \$
<i>Reconciliation</i>		
Income source:		
SPARC	442,660	484,444
NZAS	184,998	215,200
NZCT	573,591	710,218
Other sources	395,789	538,152
	1,597,038	1,948,014
Income category:		
Coaching	67,398	94,299
Training camps	34,195	31,259
Other	203,613	224,073
International Tours	317,697	363,214
Sponsorship and support	911,085	1,064,743
Tournaments	63,050	170,426
	1,597,038	1,948,014

8. Bank Balance

Current Account	214,011	200,364
Serious Saver	3,871	3,844
	217,882	204,208

9. Bank Investments

Maturing within 6 months	689,858	450,152
Maturing between 6 - 12 months	-	-
	689,858	450,152

10. Lease commitments

Current	8,848	8,848
Non Current	1,475	10,323
	10,323	19,171

The lease commitments relate to the lease and outgoings for office premises. The lease has a right of renewal exercisable by 1 August 2011.

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 2010**

12. Analysis of Expenses Items

	2010 nz \$	2009 nz \$
<i>AGM</i>		
Travel	6,641	4,132
General	3,290	4,418
	9,931	8,550
<i>Board expenses</i>		
Accommodation and meals	9,375	7,174
Travel	20,254	17,220
	29,629	24,394
<i>Other - major items separately identified</i>		
Accommodation and meals	13,113	11,408
ACC	14,342	13,050
Bad Debts	111	1,089
Bank Fees	2,106	722
Cost of stock	3,037	4,558
Database system	705	7,571
Project Group meetings & functions	946	3,769
General expenses	2,950	3,129
Insurance	6,903	6,366
International Youth Levy	-	15,000
Legal	600	916
Manual purchases	4,434	7,582
Merchandise purchases	20,128	212
Performance enhancement grant payments (Black Sox squad)	90,500	214,150
Project Management Support	47,500	95,000
Scorers	10,782	4,244
International Events Feasibility	4,000	-
Training & Development	1,438	267
Travel	31,237	29,758
Grants	-	7,500
All other items	245	962
	255,077	427,253

Office

Includes operating lease expenses of \$9,877 (2009 \$19,790).

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	7,459	16,279
Current year levy	5,820	6,180
Allocated to U19 Boys	-	(15,000)
Closing balance	13,279	7,459

The International Youth Levy Reserve is held within Accumulated Funds.

**Notes to the Financial Statements continued
for the year ended 31 May 2010**

14. White Sox Programme Levy Reserve

Opening balance	-	-
Current year levy	22,950	-
Allocated to White Sox for Gilleys Shield Australia	(22,950)	-
Closing balance	-	-

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 \$6,909 (2009 \$24,075). The items were: Staff laptops.

16. Commitments

	2010 nz \$	2009 nz \$
<i>For Project Management Support</i>		
Amounts payable in less than 1 year	-	47,500
Amounts payable in 1 - 2 years	-	-
Amounts payable in 2 - 3 years	-	-
	-	47,500

There are no commitments at balance date.

17. Contingencies

The Association has guaranteed a loan made by the ANZ of \$92,645 (2009 \$94,805) to Time Out Holdings Ltd. There are no other contingencies at balance date.

18. Related Parties

Times Trust Group

Original loan value	132,594	132,594
Impairment adjustment brought forward	(132,594)	(132,594)
Opening loan balance	-	-
Current impairment adjustment	-	-
Closing loan value	-	-

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. The impairment adjustment 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 other than as guarantor of a loan of up to \$100,000 with ANZ.

Associations

The New Zealand Softball Association (Inc) provides assistance and resources to Associations and clubs. Loans owed at balance date are nil (2009 \$1,870).

**Notes to the Financial Statements
for the year ended 31 May 2010**

19. Subsequent Event

At the request of the Times Trust Group the Board has advanced the sum of \$95,995 to assist with the liquidity and profitability of that Group.

As a consequence of this advance, Softball New Zealand has been released from the guarantee under the loan with ANZ (Note 18) and the contingency as noted in Note 17 is extinguished.



Grant Thornton

Audit Report

Audit
Grant Thornton New Zealand Audit
Partnership
L13, AXA Centre
80 The Terrace
PO Box 10712
Wellington 6143
T +64 (0)4 474 8500
F +64 (0)4 474 8509
www.grantthornton.co.nz

To the Members of the New Zealand Softball Association Incorporated

We have audited the financial statements on pages 1 to 9. The financial statements provide information about the past financial performance of the New Zealand Softball Association Inc and its financial position as at 31 May 2010. This information is stated in accordance with the accounting policies set out on page 3.

The Board's Responsibilities

The Board are responsible for the preparation of the financial statements that fairly reflects the financial position of the New Zealand Softball Association Inc as at 31 May 2010 and the financial performance for the year ended on that date.

Auditors' Responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the Board.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Board in the preparation of the financial statements; and
- whether the accounting policies used are appropriate to the New Zealand Softball Association Inc's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

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

Qualified Opinion

We have obtained all the information and explanations we have required.

New Zealand Softball Association Inc 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 the Time Trusts net surplus of \$15,592 and net assets of \$41,254 would have been consolidated.

In our opinion, except for the effect of the departure from applicable Financial Reporting Standard No 37 as outlined above, the financial report on pages 1 to 9 fairly reflects the financial position of the New Zealand Softball Association Inc. as at 31 May 2010 and the results of its operations for the year ended on that date.

Our audit was completed on 13 July 2010 and our qualified opinion is expressed as at that date.



Grant Thornton New Zealand Audit Partnership
Wellington, New Zealand
13 July 2010



Matters Relating to the Electronic Presentation of the Audited Financial Statements

This audit report relates to the financial statements of New Zealand Softball Association Incorporated for the year ended 31 May 2010 included on New Zealand Softball Association Incorporated's website. New Zealand Softball Association Incorporated's Board is responsible for the maintenance and integrity of New Zealand Softball Association Incorporated's website. We have not been engaged to report on the integrity of New Zealand Softball Association Incorporated's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information that may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report for the year ending 31 May 2010 to confirm the information included in the audited financial statements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.