

# ANNUAL REPORT

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NETBALL WAIKATO BAY OF PLENTY ZONE INCORPORATED

For the year ended 30 November 2020



# NETBALL WAIKATO BAY OF PLENTY ZONE INCORPORATED

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## INDEPENDENT AUDITOR'S REPORT

### To the Members of Netball Waikato Bay of Plenty Zone Incorporated

#### Report on the Audit of the Special Purpose Financial Statements

##### Opinion

We have audited the special purpose financial statements of Netball Waikato Bay of Plenty Zone Incorporated ('the Society') on pages 4 to 8, which comprise the special purpose statement of financial position as at 30 November 2020, and the special purpose statement of financial performance and special purpose statement of movements in equity for the year then ended, and notes to the special purpose financial statements, including significant accounting policies.

In our opinion, the accompanying special purpose financial statements present fairly, in all material respects, the financial position of the Society as at 30 November 2020, and its financial performance for the year then ended in accordance with the Basis of Reporting per Note 1.

Our report is made solely to the Members of the Society. Our audit work has been undertaken so that we might state to the Members of the Society those matters 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 Members of the Society as a body, for our audit work, for our report or for the opinions we have formed.

##### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor and provider of other assurance services we have no relationship with, or interests in, Netball Waikato Bay of Plenty Zone Incorporated. The provision of these other assurance services has not impaired our independence.

##### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the special purpose financial statements which indicates that as at 30 November 2020 the Society had negative members equity of (\$368,000). In addition, the Society has been impacted by the ongoing COVID-19 pandemic, which may continue to impact the Society in the coming financial year. The Society's ability to continue as a going concern relies on the continual support from Netball New Zealand Incorporated and its' ability to meet forecasted cashflows. These conditions, along with the other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Society's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Emphasis of Matter – Basis of Preparation**

We draw attention to Note 1 of the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared in accordance with the accounting policies set out on page 7. As a result, the special purpose financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

**Other Matter**

The special purpose financial statements of Netball Waikato Bay of Plenty Zone Incorporated for the year ended 30 November 2019 were audited by another auditor who expressed an unmodified opinion on those statements on 18 February 2020.

**Responsibilities of Those Charged with Governance for the Special Purpose Financial Statements**

Those Charged with Governance are responsible on behalf of the Society for the preparation and fair presentation of the special purpose financial statements in accordance with the Basis of Reporting per Note 1, and for such internal control as Those Charged with Governance determine is necessary to enable the preparation of the special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, Those Charged with Governance are responsible on behalf of the Society for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Those Charged with Governance either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements**

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

A further description of the auditor's responsibilities for the audit of the special purpose financial statements is located at the External Reporting Board's website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-7/>



**BAKER TILLY STAPLES RODWAY AUCKLAND**

**Auckland, New Zealand**

8 March 2021

**SPECIAL PURPOSE STATEMENT OF FINANCIAL PERFORMANCE***for the year ended 30 November 2020*

		<b>NWBZI 2020 \$000</b>	NWBZI 2019 \$000
Operating Revenue	Note 3	<b>2,602</b>	2,978
Operating Expenses	3	<b>2,559</b>	2,932
<b>Operating Surplus/(Deficit)</b>		<b>43</b>	<b>46</b>
<b>Net Surplus/(Deficit) for the year</b>		<b>43</b>	<b>46</b>

The notes on pages 7 to 8 form part of, and should be read in conjunction with these financial statements

**SPECIAL PURPOSE STATEMENT OF MOVEMENTS IN EQUITY**  
*for the year ended 30 November 2020*

	NWBZI 2020 \$000	NWBZI 2019 \$000
Members Equity at beginning of year	(411)	(457)
Operating Surplus/(Deficit) for year	43	46
<b>Members Equity at end of year</b>	<b>(368)</b>	<b>(411)</b>

The notes on pages 7 to 8 form part of, and should be read in conjunction with these financial statements

**SPECIAL PURPOSE STATEMENT OF FINANCIAL POSITION**  
*as at 30 November 2020*

	Note	NWBZI 2020 \$000	NWBZI 2019 \$000
<b>Assets</b>			
Cash and Short-Term Deposits		120	43
Accounts Receivable		84	69
Prepayments		54	67
<b>Total Current Assets</b>		<b>258</b>	<b>179</b>
Plant and Equipment	5	5	6
<b>Total Non Current Assets</b>		<b>5</b>	<b>6</b>
<b>Total Assets</b>		<b>263</b>	<b>185</b>
<b>Members Equity</b>		<b>(368)</b>	<b>(411)</b>
<b>Liabilities</b>			
Creditors and Accruals	4	202	230
Income Received in Advance		410	351
GST Payable		19	15
<b>Total Liabilities</b>		<b>631</b>	<b>596</b>
<b>Total Equity &amp; Liabilities</b>		<b>263</b>	<b>185</b>

ON BEHALF OF THE SOCIETY



**Allison Ferguson (NNZ Board Chair)**

Date: 8 March 2021

# Netball Waikato Bay of Plenty Zone Incorporated

## Notes to the Special Purpose Financial Statements

For the Year Ended 30 November 2020

### 1 Accounting Policies

#### *Basis of Reporting*

Netball Waikato Bay of Plenty Zone Incorporated (NWBZI) is an Incorporated Society in New Zealand, incorporated in November 2012. NWBZI is a Public Benefit Entity. The special purpose financial statements have been prepared in accordance with s23(i) of the Incorporated Societies Act 1908.

The special purpose financial statements have been prepared applying the accounting principles of accrual accounting and the double entry method of recording of financial statements. The special purpose financial statements have been prepared on the basis of historical cost.

The special purpose financial statements comprise of Statement of Financial Position and Performance, Movements in Equity and accounting policies as well as the notes to these statements. The financial statements are presented in New Zealand Dollars (NZ\$).

#### *Going Concern*

In November 2020, after a formal request from the Netball Waikato Bay of Plenty Zone Board, the Netball New Zealand (NNZ) Board agreed to appoint two NNZ employees to take over the temporary administration of the Zone and to initiate a restructure of the Zone due to the Zone's financial hardship.

The Society has net liabilities of \$368,000 (2019 \$411,000), having recorded an operating surplus for the financial year of \$43,000 (2019 \$46,000) These special purpose financial statements have been prepared on a going-concern basis, reflecting the NNZ Board's belief that the Society will have sufficient cashflow available to pay liabilities as they fall due.

The NNZ Board has reached this conclusion based on the business plan and budget for the year immediately following 30 November 2020. The key assumption underlying both the budget and the business plan is that the Society will be able to run a normal season for 2021 and that the Society will continue to be supported by Netball New Zealand Incorporated. Actual performance will be carefully monitored on a monthly basis and, if necessary, changes made to ensure all activities are supported by agreed funding.

The outcome of the assumptions underlying the business plan and budget and the impact on operations of COVID-19 has been material in 2020 and may have a material impact on the Society in 2021. The financial impact of these potential disruptions cannot currently be quantified.

The NNZ Board has mitigation plans in place to respond to any disruptions and minimise potentially adverse financial impact on the Society, including continued cost saving measures and close monitoring of the Society's performance.

The Society's ability to continue as a going concern relies on the continued support from NNZ and their ability to meet forecasted cashflows. The NNZ Board acknowledges that the existence of these conditions gives rise to a material uncertainty in relation to the Society's ability to continue as a going concern. If the Society is unable to continue in operational existence for the foreseeable future, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the special purpose statement of financial position. In addition, the Society may also have to provide for further liabilities that might arise in the special purpose statement of financial position.

#### *Goods & Services Tax*

Figures shown in these financial statements are exclusive of GST, with the exception of accounts receivable and accounts payable.

#### *Revenue Recognition*

The revenue from Sponsorship contracts is allocated over the term of the contract. Where the sponsorship relates to a specific event the revenue is recognised when the event occurs.

The revenue from Grant that are project specific is recognised when the project occurs.

#### *Contra*

Contra received is to recognise in-kind contributions. They are recognised as sponsorship revenue when amounts are quantifiable in terms of the sponsorship contract.

#### *Accounts Receivable*

Accounts Receivable are shown at an amount which represents their estimated realisable value.

#### *Plant, Equipment and Depreciation*

Plant & Equipment is stated at cost less accumulated depreciation. Plant & Equipment have been written off over their estimated useful lives on a straight line basis to calculate the depreciation charge for the period as follows:

Furniture & Fittings	2-15 years
Other Equipment	2-5 years

#### *Uniforms*

Uniforms are expensed at the time of purchase.

#### *Taxation*

NWBZI is a non-profit body for taxation purposes under section CW 46 of the Income Tax Act 2007 and as such no taxation is payable on the profit for the year.

#### *Changes in Accounting Policies*

There has been no change in accounting policies during the year and they have been applied on a consistent basis.

### 2 Contingent Liabilities and Commitments

	NWBZI 2020 \$000	NWBZI 2019 \$000
Commitments under non-cancellable operating leases		
Current	69	74
Non-current	20	17
Total operating lease commitments	<b>\$ 89</b>	<b>\$ 91</b>



**Netball Waikato Bay of Plenty Zone Incorporated**  
**Notes to the Special Purpose Financial Statements**  
For the Year Ended 30 November 2020

**3 Operating Surplus**

	NWBZI 2020 \$000	NWBZI 2019 \$000
<b>Operating surplus includes:</b>		
<i>Income</i>		
Sponsorship	628	830
Grants	1,742	1,565
<i>Expenses</i>		
Audit Fees	-	1
Depreciation	5	6
Rental and operating lease expenses	204	191

Audit Fees have been paid by Netball New Zealand.

**4 Creditors and Accruals**

	NWBZI 2020 \$000	NWBZI 2019 \$000
Trade Creditors	60	153
Accruals/Other Creditors	142	77
	<b>202</b>	<b>230</b>

**5 Plant & Equipment (\$000)**

	NWBZI 2020				Cost	Depn	NWBZI 2019		Book Value
	Cost	Depn	Accum Depn	Book Value			Cost	Accum Depn	
Other Equipment	41	5	36	5	42	6	36	6	
	<b>41</b>	<b>5</b>	<b>36</b>	<b>5</b>	<b>42</b>	<b>6</b>	<b>36</b>	<b>6</b>	

**6 Overdraft Facilities**

NNZ withdrew the overdraft facility for Netball Waikato Bay of Plenty Zone in 2020. (2019: \$100,000)

**7 Board Honoraria**

The Board Chair received an honorarium of \$3,750. (2019: \$15,000).

**8 Subsequent Events**

Since balance date there has been a restructure of the Netball Waikato Bay of Plenty Zone and ongoing assessment of the Zone is continuing. (2019: Nil)

**9 Related Party Transactions**

During the year, there were no related parties transactions. (2019: \$6,000)