

ANNUAL REPORT

NETBALL NORTHERN ZONE INCORPORATED

For the year ended 30 November 2019



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NETBALL NORTHERN ZONE INCORPORATED

Page	CONTENTS
2	Audit Report
4	Statement of Movements in Equity
5	Statement of Financial Performance
6	Statement of Financial Position
7	Notes to the Accounts



Independent Auditor's Report

To the members of Netball Northern Zone Incorporated

Report on the special purpose financial statements

Opinion

In our opinion, the accompanying special purpose financial statements of Netball Northern Zone Incorporated (the incorporated society) on 4 to 8:

- i. present, in all material respects the incorporated society's financial position as at 30 November 2019 and its financial performance for the year ended on that date in compliance with the accounting principles of accrual accounting and the double entry method of recording of financial statements,

We have audited the accompanying special purpose financial statements which comprise:

- the statement of financial position as at 30 November 2019;
- the statements of financial performance and movements in equity for the year then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the incorporated 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.

Our responsibilities under ISAs (NZ) are further described in the auditor's responsibilities for the audit of the special purpose financial statements section of our report.

Other than in our capacity as auditor we have no relationship with, or interests in, the incorporated society.



Emphasis of matter – Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared for the purpose of reporting to the members. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for Netball Northern Zone Incorporated and should not be distributed by any parties other than Netball Northern Zone Incorporated.



Use of this independent auditor's report

This independent auditor's report is made solely to the members as a body. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in the independent 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 as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.



Responsibilities of the Board for the special purpose financial statements

The Board, on behalf of the incorporated society, are responsible for:

- the preparation of the special purpose financial statements in accordance with the accounting principles of accrual accounting and the double entry method of recording of financial statements;;
- implementing necessary internal control to enable the preparation of a special purpose set of financial statements that is free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate 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 objective is:

- 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 independent 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. They 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 our responsibilities for the audit of these special purpose financial statements is located at the External Reporting Board (XRB) website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

This description forms part of our independent auditor's report.

KPMG
Auckland

13 February 2020

NETBALL NORTHERN ZONE INCORPORATED

STATEMENT OF MOVEMENTS IN EQUITY for the year ended 30 November 2019

	NNZI 2019 \$000	NNZI 2018 \$000
Members Equity at beginning of year	(138)	95
Operating Surplus/(Deficit) for year	17	<u>(233)</u>
Total Recognised revenues and expenses for the period	17	(233)
Members Equity at end of year	<u>(120)</u>	<u>(138)</u>

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

NETBALL NORTHERN ZONE INCORPORATED

STATEMENT OF FINANCIAL PERFORMANCE *for the year ended 30 November 2019*

		NNZI 2019 \$000	NNZI 2018 \$000
Operating Revenue	Note 3	2,695	2,799
Operating Expenses	3	2,678	3,032
Operating Surplus/(Deficit)		<u>17</u>	<u>(233)</u>
Net surplus/(deficit) for the year		<u>17</u>	<u>(233)</u>

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

NETBALL NORTHERN ZONE INCORPORATED

STATEMENT OF FINANCIAL POSITION

as at 30 November 2019

	Note	NNZI 2019 \$000	NNZI 2018 \$000
Assets			
Cash and Short-Term Deposits	6	82	198
Accounts Receivable		216	64
Prepayments		38	34
Total Current Assets		336	296
Plant and Equipment	5	2	9
Total Non Current Assets		2	9
Total Assets		338	305
Members Equity		(120)	(138)
Liabilities			
Creditors and Accruals	4	132	183
Income received in advance		306	255
GST Payable		20	5
Total Liabilities		458	443
Total Equity & Liabilities		338	305

ON BEHALF OF THE BOARD



Murray Lockwood

Date: 13-2-2020 .

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

Netball Northern Zone Incorporated
Notes to the Financial Statements
For the Year Ended 30 November 2019

1 Accounting Policies

Basis of Reporting

Netball Northern Zone Incorporated (NNZI) is an Incorporated Society in New Zealand, incorporated in November 2012. NNZI 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 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

The financial statements have been prepared on a going-concern basis, reflecting the Board's business plan which includes a number of decisions and priorities, including a loan agreement with Netball New Zealand (NNZ) providing an interest free facility up to \$150,000. The purpose of the agreement is to ensure NNZI generates sufficient cashflow to pay liabilities as they fall due.

Goods & Services Tax

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

Revenue Recognition

Revenue that does not relate to the current period is deferred on the statement of financial position as income received in advance until such time as it is appropriate to recognise the revenue.

Contra

Sponsorship revenue includes Cash and Contra sponsorship. Contra sponsorship is recognised when amounts are quantifiable per 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:

Office Alterations	10 years
Office Equipment	2-5 years
Furniture & Fittings	2-15 years

Uniforms

Uniforms are expensed at the time of purchase.

Taxation

NNZI 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. Some comparatives have been changed to ensure consistency with current year.

2 Contingent Liabilities and Commitments

	NNZI 2019 \$000	NNZI 2018 \$000
Commitments under non-cancellable operating leases		
Current	71	82
Non-current	37	65
Total operating lease commitments	\$ 108	\$ 147

Netball Northern Zone Incorporated
Notes to the Financial Statements
For the Year Ended 30 November 2019

3 Operating Surplus

	NNZI 2019 \$000	NNZI 2018 \$000
Operating surplus includes:		
<i>Income</i>		
Membership Fees	533	511
Sponsorship Cash and Contra	441	608
Gate/Hospitality	138	117
Funding	1,578	1,533
<i>Expenses</i>		
Audit Fees	1	1
Depreciation	6	8
Rental and operating lease expenses	90	103

Audit Fees other than those for NZCT grant accountability reporting, have been paid via a sponsorship agreement between Netball New Zealand and KPMG.

4 Creditors and Accruals

	NNZI 2019 \$000	NNZI 2018 \$000
Trade Creditors	56	68
Accruals/Other Creditors	76	115
	<u>132</u>	<u>183</u>

5 Plant & Equipment (\$000)

	NNZI 2019				NNZI 2018			
	Cost	Depn	Accum Depn	Book Value	Cost	Depn	Accum Depn	Book Value
Office Equipment	9	-	9	-	9	-	9	-
Furniture & Fittings	3	0	3	0	3	0	2	1
Equipment	31	6	29	2	31	8	23	8
	<u>43</u>	<u>6</u>	<u>41</u>	<u>2</u>	<u>43</u>	<u>8</u>	<u>34</u>	<u>9</u>

6 Overdraft Facilities and Loan

There is no approved overdraft facility with the ANZ Banking Group Ltd.

There is a revolving credit facility signed with NNZ. It is the Board's intention to continue to improve the cash position and only draw on loan funds when required. The loan was fully undrawn at balance date and to the date these financials statements were prepared.

7 Board Honoraria

\$1k was paid as a Board Honorarium in 2019 to the Board Chair. (2018: \$15k)

8 Subsequent Events

There have been no events subsequent to balance date that would have a material impact on the financial statements.

9 Related Party Transactions

During the year, the Zone recognised sponsorship and funding amounting to: \$49,000 from companies where a board member has a governance or key management role. Dianne Williams (Board Member) was Acting CEO from 16 August 2019 to 30 November 2019 on an unpaid basis.