

Royal New South Wales Bowling Association Limited

ACN: 159 083 413

Financial Statements

For the Year Ended 30 June 2020

Royal New South Wales Bowling Association Limited

ACN: 159 083 413

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For the Year Ended 30 June 2020

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Royal New South Wales Bowling Association Limited

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Directors' Report

For the Year Ended 30 June 2020

The directors present their report on Royal New South Wales Bowling Association Limited for the financial year ended 30 June 2020.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Position	Appointed/Resigned
Vince Beard	Director (President)	
Brett Duprez	Director (Deputy President)	
John Ellison	Finance Director	
Matthew Goodwin	Director	
Rex Johnston OAM	Director	
Paul Cousins	Director	
Barry Watkins	Director	Resigned 19/09/2019
Jane Fernandez	Director	Resigned 31/10/2019
Michael Skeggs	Director	Appointed 19/03/2020

Principal activities

The principal activity of Royal New South Wales Bowling Association Limited during the financial year was the promotion and encouragement of the game of lawn bowls.

No significant changes in the nature of the Company's activity occurred during the financial year.

Information on directors

The names and experience of each person who has been a director during the year and to the date of this report are:

Vince Beard	President and Director
Experience	Automotive and agriculture sales (46 years); Director Riverina Australian Football Club (34 years); Clubs NSW member. Bowling administration experience includes RAFC BC President (5 years); Wagga & District President (3 years); Zone 8 President (9 years); Zone 8 Councillor (8 years); RNSWBA VP (3 years); RNSWBA Senior VP (2 years); RNSWBA Board of Directors (11 years); 6 years as President.
Brett Duprez	Deputy President and Director
Experience	Current role as Chief Operating Officer, BCiB Insurance (Domina General Insurance Brokers Pty Ltd). Insurance and risk advice, account and insurer relationships for bowling clubs, licensed clubs and other sporting associations. Risk programmes inc IT solutions, risk control and avoidance, financing from national bodies to grass roots. Constant liaison with club general managers, CEOs, boards, financial controllers and risk managers. Former Bowls Australia Director (2 years). Representation at State, national and international level. RNSWBA Board of Director (6 years): 2 years as Deputy President.

Royal New South Wales Bowling Association Limited

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Directors' Report

For the Year Ended 30 June 2020

Information on directors

John Ellison Experience	Finance Director Qualified accountant, admitted as an Associate of the Australian Society of Certified Practising Accountants in 1972 and elevated to the status of Fellow CPA in 1995. Retired public servant having worked 38 years in the Australian Taxation Office (1964 – 2002) occupying very senior managerial positions for an extensive number of years. Treasurer of The Hills BC (4 years) and Treasurer of The Entrance BC (12 years). Active lawn bowler for 40 years having represented at club level in Pennants and Premier League; at district level; at zone level and at metropolitan level. RNSWBA Board of Directors for 2 years.
Matthew Goodwin Experience	Director Career police officer having served in country and regional NSW, attaining commissioned officer rank of inspector. (Retired). Qualifications in applied management, workplace health and safety. Vast experience in community engagement, human resource management, systems compliance and extensive investigative background. Previously held positions of Zone 4 State Councillor, Chairman of Zone 4 Match Committee and have held executive positions across community, sporting, social and school committees over the past 30 years. RNSWB Board of Directors for 3 years.
Rex Johnston OAM Experience	Director Current role Bowls Coordinator Tuncurry Beach BC (6 years + 5 years). Former Australian selector (4 years);, interim Australian Head Coach (2 years); junior bowls coordinator St Johns Park BC (11 years); bowls coordinator Belrose BC (11 years); small business proprietor (7 years); awarded OAM for service to bowls and charitable organisations 2006; NSW and Australian Hall of Fame inductee, elevated to Australian Legend status 2017; State Councillor (3 years). RNSWBA Board of Directors for 3 years.
Paul Cousins Experience	Director Currently employed as the CEO of Cessnock Leagues Club, which also includes Paxton BC. 25 years' experience in club management including experience in strategic planning, governance, financial and project management. An active participant in the sport for more than 25 years. RNSWBA Board of Directors for 3 years.
Barry Watkins Experience	Director NSW Public Service (35yrs), Clerk of the Court, Senior Executive Service Director, Attorney General's Department, Coroner. Cabramatta BC President (15yrs); Cabramatta BC General Manager (18yrs), Chairman Bowls Council; Zone Secretary (3yrs); State Councillor (2yrs); Clubs NSW State Councillor (5yrs). RNSWBA Director (5yrs). President 15/9/2016 – 20/9/2017. Resigned 19/09/2019.

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Directors' Report

For the Year Ended 30 June 2020

Information on directors

Jane Fernandez Experience	Director Worked in sports and major events for 20 years with expertise in sport from grass roots through to elite level. Experience in management and delivery of major sporting events. Hold strategic, operational and commercial expertise. Completed Australian Institute of Company Directors course. Have networks with government, sport, events and tourism sectors. Participated in RNSWBA optimal zones project (1 year). Director for 1 year. Resigned 31/10/2019.
Michael Skeggs Experience	Director Master of Business Law (Corporate and Commercial), Master of Business Administration, Bachelor of Science (Business, Management). Currently working as General Manager Partnership and Engagements, Australia Energy Foundation. Previously worked as Chief Operating Officer Australian Beverage Council (2019-2020), Chief Operating Officer Rail Planning Services (2017-2019) and held various Executive Manager roles in Strategy, Change & Growth. Director's term commenced 19 March 2020.

Members guarantee

Royal New South Wales Bowling Association Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$1 for members that are corporations and \$1 for all other members, subject to the provisions of the company's constitution.

At 30 June 2020 the collective liability of members was \$37,794 (2019: \$36,892).

Short term objectives

The Company's short term objectives are to:

- Increase the number of registered bowlers.

and to improve:

- Communication and Marketing.
- Diversity of Revenue Streams (sustainable business model).
- Service Levels.
- Engagement and Participation.

Long term objectives

The Company's long term objectives are to:

- Obtain positive growth in the number of registered bowlers each year.
- Ensure the sustainability of the sport and the Association through preservation of facilities.
- Promote and market the long term health and personal benefits of participating in the sport for life.

Directors' Report

For the Year Ended 30 June 2020

Strategy for achieving the objectives

To achieve these objectives, has adopted the following strategies:

- Established Communication & Marketing department to oversee marketing activities.
- Revenue Stream Committee looking at diversifying revenue streams and more sustainable financial models.
- New organisational structure - shift from magazine to wider range of communications.
- Exploring new competition ideas to capture new participation market.

How principal activities assisted in achieving the objectives

The principal activities assisted in achieving its objectives by:

- Research and information gathering to ensure the Board can make evidence-based decisions.

Performance measures

The following measures are used within to monitor performance:

- Monthly budget performance.
- Monthly Board review of registered bowler numbers.

Operating results

The profit of the Company after providing for income tax amounted to \$478,737 (2019: \$190,528).

Impact of COVID-19 on continuing operations

The COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020.

We have seen a significant impact on our business. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of our business. The scale and the duration of these developments remain uncertain as at the date of this report however they will have an impact on our earnings, cash flow and financial condition. We have received the JobKeeper and Cashflow boost grants from Government to support our business during this challenging time.

It is not possible to estimate the impact of the outbreak's near term and longer term effects or the Governments' varying efforts to combat the outbreak and support businesses. This being the case, we do not consider it practicable to provide quantitative or qualitative estimate of the potential impact of this outbreak on the Company at this time.

The Company is currently in the process of assessing and implementing their business continuity plan along with availing in any government offered support available to them. Future cash flow forecasts are also being revisited to assess the ability of the Company to sustain future activity and cashflows for normal operations, however management is confident that the Company can adapt to the changing environment as necessary and is confident the going concern remains appropriate at 30 June 2020.

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Directors' Report For the Year Ended 30 June 2020

Meetings of directors

During the financial year, 7 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Vince Beard	7	7	-	-
Brett Duprez	7	7	-	-
John Ellison	7	7	1	1
Matt Goodwin	7	7	-	-
Rex Johnston	7	6	-	-
Paul Cousins	7	7	-	-
Barry Watkins	2	1	-	-
Jane Fernandez	3	1	-	-
Michael Skeggs	1	1	-	-

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2020 has been received and can be found on page 6 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: .....

Vince Beard

Director: .....

John Ellison

Dated: 30th October 2020

Auditors Independence Declaration under Section 307C of the Corporations Act 2001
To the Board of Directors Royal New South Wales Bowling Association Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



PKF



SCOTT TOBUTT
PARTNER

30 OCTOBER 2020
SYDNEY, NSW

Royal New South Wales Bowling Association Limited

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**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2020**

		2020	2019
	Note	\$	\$
Revenue	2.	2,571,600	2,481,630
Cost of sales	3.	(13,334)	(29,304)
Employee benefits expense		(714,321)	(763,525)
Other sports development		(59,440)	(39,410)
Depreciation	3.	(195,973)	(60,410)
IT and internet expenses		(69,372)	(77,423)
Board costs		(41,274)	(57,561)
Council costs		(8,907)	(12,434)
Committee expenses		(21,903)	(39,597)
Event expenses		(141,051)	(230,180)
Bowls Australia Affiliation fees		(513,989)	(555,970)
Promotions and communication expenses		(25,228)	(45,481)
Office and administration expenses		(201,890)	(268,577)
Occupancy expenses		(80,145)	(111,230)
Finance costs		(6,036)	-
Profit before income tax		478,737	190,528
Income tax expense	1.(j)	-	-
Profit for the year		478,737	190,528
Other comprehensive income		-	-
Total comprehensive profit/(loss) for the year		478,737	190,528

The accompanying notes form part of these financial statements.

Royal New South Wales Bowling Association Limited

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Statement of Financial Position

As At 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	984,280	563,376
Trade and other receivables	5	375,032	145,864
Inventories	6	7,588	11,557
Other financial assets	7	2,432,942	2,759,535
Other assets	9	40,256	74,908
TOTAL CURRENT ASSETS		<u>3,840,098</u>	<u>3,555,240</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	2,034,088	1,472,747
Right-of-use asset	10	127,427	-
TOTAL NON-CURRENT ASSETS		<u>2,161,515</u>	<u>1,472,747</u>
TOTAL ASSETS		<u>6,001,613</u>	<u>5,027,987</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	1,163,618	773,187
Financial liabilities	10	86,973	-
Provisions	12	107,844	136,153
TOTAL CURRENT LIABILITIES		<u>1,358,435</u>	<u>909,340</u>
NON-CURRENT LIABILITIES			
Financial liabilities	10	43,516	-
Provisions	12	17,311	12,903
TOTAL NON-CURRENT LIABILITIES		<u>60,827</u>	<u>12,903</u>
TOTAL LIABILITIES		<u>1,419,262</u>	<u>922,243</u>
NET ASSETS		<u>4,582,351</u>	<u>4,105,744</u>
EQUITY			
Retained earnings		<u>4,582,351</u>	<u>4,105,744</u>
TOTAL EQUITY		<u>4,582,351</u>	<u>4,105,744</u>

The accompanying notes form part of these financial statements.

Royal New South Wales Bowling Association Limited

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Statement of Changes in Equity

For the Year Ended 30 June 2020

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2019	4,105,744	4,105,744
Retrospective adjustment upon change in accounting policy	(2,130)	(2,130)
Profit attributable to members	478,737	478,737
Balance at 30 June 2020	4,582,351	4,582,351
Balance at 1 July 2018	3,915,216	3,915,216
Profit attributable to members	190,528	190,528
Balance at 30 June 2019	4,105,744	4,105,744

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	3,122,973	2,348,156
Payments to suppliers and employees	(2,389,209)	(2,468,024)
Sponsorship received	69,726	139,728
Interest received	52,882	90,004
Finance costs	(6,036)	-
Net cash provided by/(used in) operating activities	<u>850,336</u>	<u>109,864</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	31,371	16,668
Purchase of property, plant and equipment	(697,238)	(93,710)
Proceeds/(Purchase) of financial assets	326,593	(234,887)
Net cash provided by/(used in) investing activities	<u>(339,274)</u>	<u>(311,929)</u>
Payment of finance lease liabilities	<u>(90,158)</u>	-
Net cash used by financing activities	<u>(90,158)</u>	-
Net increase (decrease) in cash and cash equivalents held	420,904	(202,065)
Cash and cash equivalents at beginning of year	563,376	765,441
Cash and cash equivalents at end of financial year	4 <u>984,280</u>	<u>563,376</u>

The accompanying notes form part of these financial statements.

Royal New South Wales Bowling Association Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2020

The financial statements are for Royal New South Wales Bowling Association Limited as an individual entity, incorporated and domiciled in Australia. Royal New South Wales Bowling Association Limited is a not-for-profit Company limited by guarantee.

The functional and presentation currency of Royal New South Wales Bowling Association Limited is Australian dollars.

1. Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

(c) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and are net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(d) Property, Plant and Equipment

Classes of property, plant and equipment are measured using the cost model as specified below.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Land and buildings

Land and buildings are measured using the cost method.

Plant and equipment

Plant and equipment, motor vehicles are measured using the cost method.

Notes to the Financial Statements

For the Year Ended 30 June 2020

1. Summary of Significant Accounting Policies

(d) Property, Plant and Equipment

Depreciation

The depreciable amount of property, plant and equipment, except for freehold land is depreciated on a straight-line method from the date that management determine that the asset is available for use. The depreciable amount of motor vehicles is depreciated on a reducing balance method from the date that management determine that the asset is available for use.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Buildings	50 years
Building Improvements	10 years
Plant and Equipment	3 - 10 years
Motor Vehicles	4.5 years
Right of use asset	3 - 4 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

(e) Financial instruments

Financial instruments are recognised initially on the date that becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, classifies its financial assets into the following categories, those measured at:

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

Notes to the Financial Statements

For the Year Ended 30 June 2020

1. Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on 's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to in full, without recourse to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Notes to the Financial Statements

For the Year Ended 30 June 2020

1. Summary of Significant Accounting Policies

(e) Financial instruments

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of comprise trade payables, bank and other loans and finance lease liabilities.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(g) Leases

(i) Impact on transition to AASB 16 leases

The Company has recognised right-of-use assets of \$134,178 and lease liabilities of \$136,307 at 1 July 2019, for leases previously classified as operating leases. The weighted average lessee's incremental borrowing rate applied to lease liabilities at 1 July 2019 was 3.5%.

(ii) Right-of-use asset

At the lease commencement, recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

(iii) Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then 's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in 's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Notes to the Financial Statements

For the Year Ended 30 June 2020

1. Summary of Significant Accounting Policies

(h) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national corporate bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

(i) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(j) Income Tax

No provision for income tax has been raised as the Company is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(k) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations

Notes to the Financial Statements

For the Year Ended 30 June 2020

1. Summary of Significant Accounting Policies

(k) Revenue and other income

Revenue from contracts with customers

5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

All revenue is stated net of the amount of goods and services tax (GST).

Sponsorship and grants

Sponsorship and grants are recognised as income as they are expended on the programs to which they relate. Unexpended sponsorship and grants are recognised as liabilities in the statement of financial position.

Donations

Donations and bequests are recognised as revenue when received.

Interest revenue

Interest is recognised using the effective interest method.

Rendering of services

Revenue in relation to rendering of services is recognised depends on whether the outcome of the services can be measured reliably. If this is the case then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably measured then revenue is recognised to the extent of expenses recognised that are recoverable.

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the period to which the subscription relates.

(l) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Notes to the Financial Statements

For the Year Ended 30 June 2020

1. Summary of Significant Accounting Policies

(l) Goods and Services Tax (GST)

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO is classified as operating cash flows.

(m) Critical accounting estimates and judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key judgments - income taxes

The directors have determined that the company is exempt from paying income tax through assessment of the company's sporting operations under Section 50-45 of the Income Tax Assessment Act 1997. Accordingly, no provision for income taxes has been raised.

(n) New accounting standards and interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The directors have decided not to early adopt these Standards.

Royal New South Wales Bowling Association Limited

ACN: 159 083 413

Notes to the Financial Statements

For the Year Ended 30 June 2020

2. Revenue and Other Income

	2020	2019
	\$	\$
Revenue from operations		
- Sponsorship	69,726	139,728
- Member subscriptions	2,040,383	2,086,690
- Interest income	52,882	82,287
- Grant income	307,047	58,732
- Other revenue	101,562	114,193
	<u>2,571,600</u>	<u>2,481,630</u>

3. Result for the Year

Expenses

Cost of sales	13,334	29,304
Finance costs	6,036	-
	<u>19,370</u>	<u>-</u>
Depreciation - right-of-use asset	91,090	-
Depreciation - property, plant and equipment	104,883	60,410
	<u>195,973</u>	<u>60,410</u>

4. Cash and cash equivalents

Cash at bank and in hand	<u>984,280</u>	<u>563,376</u>
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5. Trade and other receivables

CURRENT

Trade receivables	<u>375,032</u>	<u>145,864</u>
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6. Inventories

CURRENT

At cost:

Finished goods	<u>7,588</u>	<u>11,557</u>
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7. Other financial assets

CURRENT

Short-term bank deposits	<u>2,432,942</u>	<u>2,759,535</u>
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Notes to the Financial Statements

For the Year Ended 30 June 2020

8. Property, plant and equipment

	2020	2019
	\$	\$
Buildings		
At cost	1,600,000	1,600,000
Accumulated depreciation	(314,577)	(282,577)
	<u>1,285,423</u>	<u>1,317,423</u>
Building improvements		
At cost	703,237	107,682
Accumulated depreciation	(56,628)	(4,072)
	<u>646,609</u>	<u>103,610</u>
Plant and equipment		
At cost	136,498	153,798
Accumulated depreciation	(87,866)	(149,446)
	<u>48,632</u>	<u>4,352</u>
Motor vehicles		
At cost	92,927	85,189
Accumulated depreciation	(39,503)	(37,827)
	<u>53,424</u>	<u>47,362</u>
Total property, plant and equipment	<u><u>2,034,088</u></u>	<u><u>1,472,747</u></u>

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Buildings	Building Improvements	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$
Balance beginning of the year	1,317,423	103,610	4,352	47,362	1,472,747
Additions	-	607,555	53,622	36,061	697,238
Disposal	-	(12,000)	(2,098)	(16,916)	(31,014)
Depreciation Expense	(32,000)	(52,556)	(7,244)	(13,083)	(104,883)
Balance at the end of the year	<u>1,285,423</u>	<u>646,609</u>	<u>48,632</u>	<u>53,424</u>	<u>2,034,088</u>

Note: The property is currently being carried at deemed cost less accumulated depreciation, however the directors received a market appraisal from an independent value, at 30th of June 2020, which provided an indicative value of \$4,250,000 for the property situated at Level 5, 309 Pitt Street, Sydney.

Royal New South Wales Bowling Association Limited

ACN: 159 083 413

Notes to the Financial Statements

For the Year Ended 30 June 2020

9. Other assets

	2020	2019
	\$	\$
CURRENT		
Prepayments	27,262	42,090
Interest receivable	12,994	32,818
	<u>40,256</u>	<u>74,908</u>

10. Leases

The Company has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related interpretations.

Right-of-use assets

	Leased equipment	Total
	\$	\$
Year ended 30 June 2020		
Balance at beginning of year	218,517	218,517
Depreciation charge	(91,090)	(91,090)
Balance at end of year	<u>127,427</u>	<u>127,427</u>

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Total lease liabilities
	\$	\$	\$	\$
2020				
Lease liabilities	86,973	43,516	-	<u>130,489</u>

11. Trade and other payables

CURRENT		
Trade payables	109,070	59,495
Accrued expenses	507,151	602,213
Other payables	547,397	111,479
	<u>1,163,618</u>	<u>773,187</u>

Notes to the Financial Statements

For the Year Ended 30 June 2020

12. Provisions

	2020	2019
	\$	\$
CURRENT		
Employee entitlements	107,844	136,153
NON-CURRENT		
Employee entitlements	17,311	12,903
		Employee Entitlements
		\$
Balance at 1 July 2019		149,056
Accrued amounts		55,925
Leave paid		(79,826)
Balance at 30 June 2020		125,155

13. Financial Risk Management

The main risks Royal New South Wales Bowling Association Limited is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	2020	2019
	\$	\$
Financial Assets		
Cash and cash equivalents	984,280	563,376
Short-term bank deposits	2,432,942	2,759,535
Trade receivables	375,032	145,864
Other assets (interest receivable)	12,994	32,818
Total financial assets	3,805,248	3,501,593
Financial Liabilities		
Financial liabilities at amortised cost		
Trade payables	109,070	59,495
Other payables	547,397	111,479
Total financial liabilities	656,467	170,974

Royal New South Wales Bowling Association Limited

ACN: 159 083 413

Notes to the Financial Statements

For the Year Ended 30 June 2020

14. Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstandings and obligations of the Company. At 30 June 2020 the number of members was 37,794 (2019: 36,892).

15. Key Management Personnel Disclosures

The totals of remuneration paid to the key management personnel of Royal New South Wales Bowling Association Limited during the year are as follows:

	2020	2019
	\$	\$
Short-term employee benefits	222,102	240,275
Long-term benefits	20,818	25,167
	<u>242,920</u>	<u>265,442</u>

16. Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2020 (30 June 2019: None).

17. Related Parties

(a) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of that entity is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 15.

(b) Other related parties

Other related parties include immediate family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel, individually or collectively with their immediate family members.

(c) The Company's main related parties are as follows:

Key management personnel - refer to Note 15.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(d) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Notes to the Financial Statements

For the Year Ended 30 June 2020

18. Contractual commitments

The following items have been contracted for by the Company, under rental and operating lease agreements (under AASB 117):

	2020	2019
	\$	\$
Plant and equipment		
Payable:		
- no later than 1 year	-	20,280
- between 1 year and 5 years	-	60,840
	<u>-</u>	<u>81,120</u>
National software licence and support		
Payable:		
- no later than 1 year	-	66,936
- between 1 year and 5 years	-	100,410
	<u>-</u>	<u>167,346</u>

At 30 June 2020 the Company had a contractual commitment of \$0 (30 June 2019: \$544,692) in relation to the refurbishment of the property at Level 5, 309 Pitt Street, Sydney.

19. Impact of COVID-19 on continuing operations

The COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020.

We have seen a significant impact on our business. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of our business. The scale and the duration of these developments remain uncertain as at the date of this report however they will have an impact on our earnings, cash flow and financial condition. We have received the JobKeeper and Cashflow boost grants from Government to support our business during this challenging time.

It is not possible to estimate the impact of the outbreak's near term and longer term effects or the Governments' varying efforts to combat the outbreak and support businesses. This being the case, we do not consider it practicable to provide quantitative or qualitative estimate of the potential impact of this outbreak on the Company at this time.

The Company is currently in the process of assessing and implementing their business continuity plan along with availing in any government offered support available to them. Future cash flow forecasts are also being revisited to assess the ability of the Company to sustain future activity and cashflows for normal operations, however management is confident that the Company can adapt to the changing environment as necessary and is confident the going concern remains appropriate at 30 June 2020.

20. Events Occurring After the Reporting Date

The financial report was authorised for issue on 30 October 2020 by the Board of Directors.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Royal New South Wales Bowling Association Limited

ACN: 159 083 413

Directors' Declaration

21. Company Details

The registered office of the company is:

Royal New South Wales Bowling Association Limited
Level 5, 309 Pitt St
Sydney NSW 2000

Royal New South Wales Bowling Association Limited

ACN: 159 083 413

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7-24, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director

Vince Beard

Director

John Ellison

Dated: 30th October 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ROYAL NEW SOUTH WALES BOWLING ASSOCIATION LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Royal New South Wales Bowling Association Limited (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Royal New South Wales Bowling Association Limited, is in accordance with the Corporations Act 2001, including:

- (a) Giving a true and fair view of the company's financial position as at 30 June 2020, and of its financial performance for the year then ended; and
- (b) Complying with the Australian Accounting Standards – Reduced Disclosure Requirements and Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

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

Independence

We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Other Information (cont'd)

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company'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 the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 Australian Auditing Standards 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.



PKF



SCOTT TOBUTT
PARTNER

30 OCTOBER 2020
SYDNEY, NSW