

Royal New South Wales Bowling Association Limited

ACN: 159 083 413

Financial Statements

For the Year Ended 30 June 2018

Royal New South Wales Bowling Association Limited

ACN: 159 083 413

Contents

For the Year Ended 30 June 2018

	Page
Financial Statements	
Directors' Report	1
Auditors Independence Declaration under Section 307C of the Corporations Act 2001	6
Statement of Profit or Loss and Other Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11
Directors' Declaration	23
Independent Audit Report	24

Royal New South Wales Bowling Association Limited

ACN: 159 083 413

Directors' Report

For the Year Ended 30 June 2018

The directors present their report on Royal New South Wales Bowling Association Limited for the financial year ended 30 June 2018.

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)	
Ron King	Finance Director	
Matthew Goodwin	Director	Appointed 15/02/2018
Rex Johnston OAM	Director	Appointed 21/09/2017
Duncan Tait	Director	
Barry Watkins	Director	Appointed 19/10/2017
Jane Fernandez	Director	Appointed 16/11/2017
Dennis Taylor	Director	Resigned 16/11/2017
Jay Porter	Director	Resigned 19/10/2017

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

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 (45 years); Director Riverina Australian Football Club (33 years); Clubs NSW member. Bowling administration experience includes RAFC BC President (4 years); Wagga & District President (2 years); Zone 8 President (8 years); Zone 8 Councillor (7 years); RNSWBA VP (2 years); RNSWBA Senior VP (1 year); RNSWBA Board of Directors (8 years), 4 years as President (re-elected 21/09/2017).
Brett Duprez	Deputy President and Director
Experience	Current role as Manager, Gow-Gates Insurance Brokers, Sports & Services Division (10 years). Insurance and risk advice, account and relationship management of diverse national, Olympic and State sporting associations. Risk programmes inc IT solutions, risk control and avoidance, financing from national bodies to grass roots. Constant liaison with sporting association CEOs, boards, financial controllers and risk managers. BA Director (2 years). Representation at State, national and international level. RNSWBA Director (2 years). Deputy President (elected 21/09/2017).

Royal New South Wales Bowling Association Limited

ACN: 159 083 413

Directors' Report

For the Year Ended 30 June 2018

Information on directors

Ron King Experience	Finance Director Qualified Accountant and Company Secretary. Retired from Lend Lease Corporation as Company Secretary. Filled director roles in various subsidiary companies. Formerly NSW and Australian President Chartered Secretaries Australia, now called Governance Institute of Australia. On international board (3 years). On Pennant Hills BC Board (10 years), formerly Chairman (3 years). Treasurer RNSWBA (3 years), Finance Director (5 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. Term commenced as Director 15/02/2018.
Rex Johnston OAM Experience	Director Current role Bowls Co-Ordinator Tuncurry Beach BC (5yrs + 3yrs), Australian Selector (4yrs), Interim Australian Head Coach (2yrs), Junior Bowls Co-Ordinator St Johns Park BC (10yrs), Bowls Co-Ordinator Belrose BC (10yrs), small business proprietor (6yrs), 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 (3yrs). Term commenced as Director 21/09/2017.
Duncan Tait Experience	Director Bowling Club President (7 years). Commerce degree. TV station manager (3 years). Business and marketing consultant (6 years). Running small-medium businesses (26 years). RNSWBA Director (2 years).
Barry Watkins Experience	Director NSW Public Service 34 years, Clerk of the Court, Senior Executive Service Director, Attorney Generals Department, Coroner. Cabramatta BC President (14 years); Cabramatta BC General Manager (17 years), Chairman Bowls Council; Zone Secretary (2 years); State Councillor (1 year); Clubs NSW State Councillor (4 years). RNSWBA Director (3 years). Re-appointed Director 19/10/2017. President 15/09/2016 to 21/09/2017.
Jane Fernandez Experience	Appointed Director Worked in sports and major events industry 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 Bowls NSW optimal zones project (1 year). Term commenced as Director 16/11/2017.

Royal New South Wales Bowling Association Limited

ACN: 159 083 413

Directors' Report

For the Year Ended 30 June 2018

Information on directors

Jay Porter	Director
Qualifications	Current role as CEO of Cabra Bowls Group; previously CEO of Dubbo Railway BC (4 years). Involved in bowls administration from club level to State (10 years). Clubs NSW member. Secretary Dubbo Liquor Accord (2 years). RNSWBA Director (3 years) until resignation 19.6.2015 when redirected focus to role of Zone President, to assist in transitioning Zone 4 in boundary redistribution. Re-appointed to RNSWBA board from 24/03/2016 and resigned 19/10/2017.
Dennis Taylor	Director
Qualifications	Qualifications in accounting and real property. 10 years with public companies. 3 years Corporate Affairs Commission (Investigation Div). 10 years audit, management review, governance. 17 years (Sydney, Oxford, UNSW) universities. Various secondments and attachments including Price Waterhouse International, Oxford University, NSW Police Fraud Squad. Work experience in Australia, UK, USA. Professional bodies - ASCPA committees, Councillor and Executive 10 years. AIM Annual Reports Award Committees 8 years. YHA (NSW) Finance and Planning Committee 2 years. Bowls admin -10 years: Zone 9 (President, State Councillor, SVP, Match Committee). Term commenced as RNSWBA Director and Deputy President 15/09/2016 and resigned 16/11/2017.

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 2018 the collective liability of members was \$38,395 (2017: \$39,569).

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.

Royal New South Wales Bowling Association Limited

ACN: 159 083 413

Directors' Report

For the Year Ended 30 June 2018

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.

Strategy for achieving the objectives

To achieve these objectives, the Company 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.
- Boundaries and governance research commissioned for future planning.

How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by:

- Research and information gathering to ensure the Board can make evidence-based decisions.
- Ceasing magazine production has greatly reduced our expenditure and allowed for more sustainable cost levels to be achieved.

Performance measures

The following measures are used within the Company 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 \$158,749 (2017: \$166,182).

Royal New South Wales Bowling Association Limited

ACN: 159 083 413

Directors' Report

For the Year Ended 30 June 2018

Meetings of directors

During the financial year, 11 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

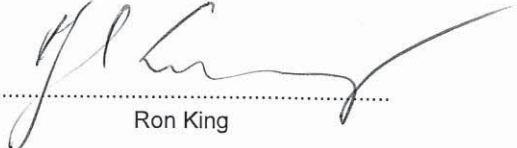
	Directors' Meetings		Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Vince Beard	10	10	-	-
Brett Duprez	10	9	-	-
Jane Fernandez	5	4	-	-
Matt Goodwin	3	3	-	-
Rex Johnston	7	6	-	-
Ron King	10	10	1	1
Jay Porter	5	5	1	1
Duncan Tait	10	9	-	-
Dennis Taylor	6	5	1	1
Barry Watkins	8	8	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 2018 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: 
Ron King

Dated 21 August 2018

Royal New South Wales Bowling Association Limited

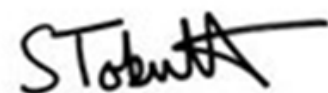
Auditors Independence Declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018, 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

21 AUGUST 2018

SYDNEY, NSW

Royal New South Wales Bowling Association Limited

ACN: 159 083 413

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2018

		2018	2017
	Note	\$	\$
Revenue	2	2,330,273	2,350,581
Cost of sales	3	(16,301)	(25,255)
Employee benefits expense		(747,144)	(746,703)
Other sports development		(14,259)	(51,245)
Depreciation	3	(61,404)	(50,395)
IT and internet expenses		(103,835)	(84,668)
Board costs		(45,673)	(39,614)
Council costs		(17,510)	(15,320)
Committee expenses		(34,985)	(24,919)
Event expenses		(171,194)	(158,693)
Bowls Australia Affiliation fees		(555,970)	(545,069)
Promotions and communication expenses		(91,810)	(111,355)
Office and administration expenses		(226,329)	(247,432)
Occupancy expenses		(85,110)	(83,731)
Profit/(Loss) before income tax		158,749	166,182
Income tax expense	1(i)	-	-
Profit/(Loss) for the year		158,749	166,182
Other comprehensive income		-	-
Total comprehensive profit/(loss) for the year		158,749	166,182

The accompanying notes form part of these financial statements.

Royal New South Wales Bowling Association Limited

ACN: 159 083 413

Statement of Financial Position

As At 30 June 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	765,441	179,886
Trade and other receivables	5	121,449	158,594
Inventories	6	15,357	11,110
Other financial assets	7	2,524,648	2,871,811
Other assets	9	58,141	68,385
TOTAL CURRENT ASSETS		<u>3,485,036</u>	<u>3,289,786</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	<u>1,456,115</u>	<u>1,508,306</u>
TOTAL NON-CURRENT ASSETS		<u>1,456,115</u>	<u>1,508,306</u>
TOTAL ASSETS		<u>4,941,151</u>	<u>4,798,092</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	873,700	893,796
Provisions	11	140,249	121,755
TOTAL CURRENT LIABILITIES		<u>1,013,949</u>	<u>1,015,551</u>
NON-CURRENT LIABILITIES			
Provisions	11	<u>11,986</u>	<u>26,074</u>
TOTAL NON-CURRENT LIABILITIES		<u>11,986</u>	<u>26,074</u>
TOTAL LIABILITIES		<u>1,025,935</u>	<u>1,041,625</u>
NET ASSETS		<u>3,915,216</u>	<u>3,756,467</u>
EQUITY			
Retained earnings		<u>3,915,216</u>	<u>3,756,467</u>
TOTAL EQUITY		<u>3,915,216</u>	<u>3,756,467</u>

The accompanying notes form part of these financial statements.

Royal New South Wales Bowling Association Limited

ACN: 159 083 413

Statement of Changes in Equity

For the Year Ended 30 June 2018

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2017	3,756,467	3,756,467
Profit attributable to members	158,749	158,749
Balance at 30 June 2018	3,915,216	3,915,216
Balance at 1 July 2016	3,590,285	3,590,285
Profit attributable to members	166,182	166,182
Balance at 30 June 2017	3,756,467	3,756,467

The accompanying notes form part of these financial statements.

Royal New South Wales Bowling Association Limited

ACN: 159 083 413

Statement of Cash Flows For the Year Ended 30 June 2018

	2018	2017
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	2,426,866	2,461,119
Payments to suppliers and employees	(2,332,329)	(2,364,734)
Sponsorship received	63,618	84,745
Interest received	89,450	80,623
Net cash provided by/ (used in) operating activities	<u>247,605</u>	<u>261,753</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	25,525	17,914
Purchase of property, plant and equipment	(34,738)	(128,866)
Proceeds/ (Purchase) of financial assets	347,163	(289,277)
Net cash provided by/ (used in) investing activities	<u>337,950</u>	<u>(400,229)</u>
Net increase/ (decrease) in cash and cash equivalents held	585,555	(138,476)
Cash and cash equivalents at beginning of year	179,886	318,362
Cash and cash equivalents at end of financial year	4 <u><u>765,441</u></u>	<u><u>179,886</u></u>

The accompanying notes form part of these financial statements.

Royal New South Wales Bowling Association Limited

ACN: 159 083 413

Notes to the Financial Statements

For the Year Ended 30 June 2018

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 or revaluation 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 2018

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
Plant and Equipment	3 - 10 years
Motor Vehicles	4.5 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

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(e) Financial instruments

(d) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

The Company does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

(ii) Financial assets

Financial Assets are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Financial Assets are included in non-current assets, except for those which are expected to be realised within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the Company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(e) Financial instruments

(iii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

(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) 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.

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(h) 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.

(i) 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*.

(j) 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.

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 the relevant costs are incurred.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(k) 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.

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.

(l) 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.

(m) 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 do not expect the adoption of these standards to have any impact on the reported position or performance of the company.

Royal New South Wales Bowling Association Limited

ACN: 159 083 413

Notes to the Financial Statements

For the Year Ended 30 June 2018

	2018	2017
	\$	\$
2 Revenue and Other Income		
Revenue from operations		
- Sponsorship	61,339	80,623
- Member subscriptions	1,480,113	1,514,342
- Membership fees Bowls Australia	555,970	545,069
- Magazine income	1,900	5,230
- Interest income	77,462	84,745
- Other revenue	153,489	120,572
	<u>2,330,273</u>	<u>2,350,581</u>
3 Result for the Year		
Expenses		
Cost of sales	16,301	25,255
Depreciation	61,404	50,395
	<u>765,441</u>	<u>179,886</u>
4 Cash and cash equivalents		
Cash at bank and in hand	<u>765,441</u>	179,886
5 Trade and other receivables		
CURRENT		
Trade receivables	<u>121,449</u>	158,594
6 Inventories		
CURRENT		
At cost:		
Finished goods	<u>15,357</u>	11,110
7 Other financial assets		
CURRENT		
Short-term bank deposits	<u>2,524,648</u>	2,871,811

Notes to the Financial Statements

For the Year Ended 30 June 2018

	2018	2017
	\$	\$
8 Property, plant and equipment		
Buildings		
At deemed cost	1,616,200	1,604,200
Accumulated depreciation	<u>(253,893)</u>	<u>(221,138)</u>
	<u>1,362,307</u>	<u>1,383,062</u>
Plant and equipment		
At cost	151,570	159,028
Accumulated depreciation	<u>(143,396)</u>	<u>(145,259)</u>
	<u>8,174</u>	<u>13,769</u>
Motor vehicles		
At cost	111,553	123,255
Accumulated depreciation	<u>(25,919)</u>	<u>(11,780)</u>
	<u>85,634</u>	<u>111,475</u>
	<u>1,456,115</u>	<u>1,508,306</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	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
Balance at the beginning of year	1,383,062	13,769	111,475	1,508,306
Additions	12,001	661	22,076	34,738
Disposals - written down value	-	-	(25,525)	(25,525)
Depreciation expense	<u>(32,756)</u>	<u>(6,256)</u>	<u>(22,392)</u>	<u>(61,404)</u>
Balance at the end of the year	<u>1,362,307</u>	<u>8,174</u>	<u>85,634</u>	<u>1,456,115</u>

Note: The property is currently being carried at deemed cost, however the directors received a market appraisal from an independent valuer, at 30th of June 2015, which provided an indicative value of \$1,850,000 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 2018

	2018	2017
	\$	\$
9 Other assets		
CURRENT		
Prepayments	33,040	31,296
Interest receivable	25,101	37,089
	<u>58,141</u>	<u>68,385</u>
10 Trade and other payables		
CURRENT		
Trade payables	43,849	52,162
Accrued expenses	661,060	626,043
Other payables	168,791	215,591
	<u>873,700</u>	<u>893,796</u>
11 Provisions		
CURRENT		
Employee entitlements	140,249	121,755
NON-CURRENT		
Employee entitlements	11,986	26,074
	<u>152,235</u>	<u>147,829</u>
		Employee Entitlements
		\$
Balance at 1 July 2017		147,829
Accrued amounts		101,874
Leave paid		<u>(97,468)</u>
Balance at 30 June 2018		<u><u>152,235</u></u>

Royal New South Wales Bowling Association Limited

ACN: 159 083 413

Notes to the Financial Statements

For the Year Ended 30 June 2018

2018	2017
\$	\$

12 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 139 as detailed in the accounting policies to these financial statements, are as follows:

Financial Assets

Cash and cash equivalents	765,441	179,886
Short-term bank deposits	2,524,648	2,871,811
Trade receivables	121,449	158,594
Other assets (interest receivable)	25,101	37,089
Total financial assets	3,436,639	3,247,380

Financial Liabilities

Financial liabilities at amortised cost		
Trade payables	43,849	52,162
Other payables	168,791	215,591
Total financial liabilities	212,640	267,753

13 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 2018 the number of members was 38,395 (2017: 39,569).

14 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:

Short-term employee benefits	238,450	157,701
Long-term benefits	6,852	3,163
Post-employment benefits	22,335	14,809
	267,637	175,673

15 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2018 (30 June 2017: None).

Notes to the Financial Statements

For the Year Ended 30 June 2018

16 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 (whether executive or otherwise) of that entity is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 14: Key Management Personnel Disclosures.

(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) 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.

During the year Barry Watkins, a director, purchased a vehicle from the Company for \$25,525 at arm's length.

17 Events Occurring After the Reporting Date

The financial report was authorised for issue on 21 August 2018 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.

18 Contractual commitments

The following items have been contracted for by the Company, under rental and operating lease agreement:

	2018	2017
	\$	\$
Plant and equipment		
Payable:		
- no later than 1 year	20,280	21,456
- between 1 year and 5 years	81,120	5,364
	<u>101,400</u>	<u>26,820</u>
National software licence and support		
Payable:		
- no later than 1 year	33,469	20,038
- between 1 year and 5 years	167,346	-
	<u>200,815</u>	<u>20,038</u>

Royal New South Wales Bowling Association Limited

ACN: 159 083 413

Directors' Declaration

19 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 7-22, 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 2018 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 
Ron King

Dated 21 August 2018

INDEPENDENT AUDIT 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 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *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 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* (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.

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

Responsibilities of 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 have 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:

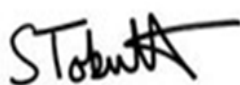
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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, related safeguards.



PKF



SCOTT TOBUTT

PARTNER

21 AUGUST 2018

SYDNEY, NSW