

Bowls New South Wales Limited

ABN: 13 649 763 691

Financial Statements

For the Year Ended 30 June 2022

Bowls New South Wales Limited

ABN: 13 649 763 691

Contents

For the Year Ended 30 June 2022

	Page
Financial Statements	
Directors' Report	1
Auditor's 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	24
Independent Audit Report	25

Bowls New South Wales Limited

ABN: 13 649 763 691

Directors' Report For the Year Ended 30 June 2022

The directors present their report, together with the financial statements of the Group, being the Group and its controlled entities, for the financial year ended 30 June 2022.

Directors

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

Names	Position	Appointed/Resigned
Dilys Kindleysides	Director (President from 8/6/2022)	Appointed 31/5/2021
Matthew Goodwin	Director (President)	Appointed 31/5/2021/Resigned 8/6/2022
John Ellison	Director	Appointed 31/5/2021
Brett Duprez	Director (Deputy President from 8/6/2022)	Appointed 31/5/2021
Owen Walker	Director	Appointed 31/5/2021
Mike Skeggs	Director	Appointed 31/5/2021
Sandra Jowett	Director	Appointed 31/5/2021
Suzanne O'Keefe	Director	Appointed 31/5/2021
Lesley Swales	Director	Appointed 31/5/2021
Pam Andrich	Director	Appointed 31/5/2021/Resigned 8/6/2022

Principal activities

The principal activities of the Group during the financial year were to achieve growth, success and sustainability of the sport for all current and future bowlers. No significant change in the nature of these activities occurred during the year.

Significant changes in the year

These financial statements represent the first consolidated results following the merger of Royal New South Wales Bowling Association Limited and New South Wales Women's Association Inc. A new entity was registered, being Bowls New South Wales Limited, on 27th April 2021. These two prior existing organisations were then transferred into Bowls New South Wales Ltd on 1st July 2021.

For accounting purposes only, and in accordance with accounting standards, a reverse acquisition was deemed to have occurred, with Royal New South Wales Bowling Association Limited being determined as the acquirer. Subsequently the comparative balances relate to Royal New South Wales Bowling Association Limited. New South Wales Women's Association Inc was subsequently amalgamated by way of a transfer of assets and liabilities as at 1st July 2021.

Information on directors

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

Dilys Kindleysides	Director (President from 8/6/2022)
Experience	Current Chair since June 2022. On Bowls NSW board since unification in 2021, Unification Working Party member. Women's Bowls NSW Director since 2019. State Governance Committee Chair since 2017. Member of the Australian College of Educators. For over 30 years has worked across various senior positions including the Public Service education space, Event Management, Technology, and an award-winning Business Owner with an education focus. Bowls Australia Governance Committee Member. Member Protection Information Officer.

Bowls New South Wales Limited

ABN: 13 649 763 691

Directors' Report

For the Year Ended 30 June 2022

Information on directors

Matthew Goodwin Experience	Director (President from 31/5/2021 to 8/6/2022) 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; RNSWBA, Board of Directors (4 years). Served as Deputy President of RNSWBA from 19/9/2019. In addition to a Term as President 19/11/20 – May 2021.
John Ellison Experience	Director Qualified Accountant, obtained status of Fellow CPA in 1995. Public servant for the ATO (1964 - 2002) occupying senior management positions for a number of years, Treasurer of the Hills BC (3 years) and Entrance BC (11 years). Director RNSWBA
Brett Duprez Experience	Director (Deputy President from 8/6/2022) Current role as COO, BCiB Insurance Brokers (Domina General Insurance Brokers Pty Ltd. Insurance and Risk advice, accountant manager and insurer relationships for bowls clubs, licenced clubs and other sporting associations. Former Bowls Australia Director (2 years), RNSWBA Director (5 years), RNSWBA Deputy President 2018 - 20.
Owen Walker Experience	Director Past CEO of South Tamworth Bowling Club Ltd. 25 years' experience in club management including experience in strategic planning, governance, financial and project management. An active and administrative participant in the sport for more than 30 years with experience on Selection, Coaching & Match Committees. Currently a small business owner. Bachelor of Business - International Hospitality Management. State Councillor Clubs NSW (4 years). Bowls NSW Director since 19/11/2020.
Mike Skeggs Experience	Director Experienced senior manager and Board Director of not for profit organisations. Including General Manager - Partnerships and community Engagement Australian Energy Foundation, Executive Director Enterprise Victoria, COO Australian Beverages Council, Non Executive Director Triathlon NT. Holds the Australian Institute of Company Directors Certificate.
Sandra Jowett Experience	Director Career in Education at senior management level. Qualifications - Bachelor of Arts, Graduate Diploma in Education, Graduate Diploma in Teacher Librarianship. Planned and conducted professional and executive development courses at District, Region, and State levels within the NSW Department of Education. Bowls Coach and Umpire since 2011. District President and Club President. WBNSW State Umpire Committee member 2017-2021. Presenter and Assessor (2015- current). Bowls New South Wales Ltd Presenter and Assessor Coordinator. WBNSW Director (2017-2020 and 2020-2021). Bowls New South Wales Director (2021-current).

Bowls New South Wales Limited

ABN: 13 649 763 691

Directors' Report For the Year Ended 30 June 2022

Information on directors

Suzanne O'Keefe Experience	Director Business College graduate. Several years' experience with Finance Company – Mercantile Credits and as Equipment Manager with Pizza Hut Australia, ensuring all new restaurants and takeaway shops were fully equipped before opening, and Optus Vision before retiring in 2010. Bowling history : Joined Warrawee Women's Bowling Club in 1998, becoming President, then Treasurer and finally Secretary (current position). Became President then Secretary of Mid North Shore DWBA and finally Regional Representative of Region 15. Previous Director of WBNSW.
Lesley Swales Experience	Director Experience Former Director of Women's Bowls NSW (2016 - 21). Chair Women's State Umpire Committee (2012-2021). Presenter & Assessor (2015 - current). Numerous positions at Club & District level including President. Regional Representative WBNSW (2011 -2012). Director Club Umina 2008-2010. Completed Governance foundation for Not for Profit Course & Mentor Training Program (Sport & Recreation). Professional Career in the Medical field as a Technician and Practice Manager.
Pam Andrich Experience	Director Served as the Finance Director and President of Women's Bowls NSW Pam also served on the BA National Governance Reform Working Group. Previous Association roles: Women's Bowls NSW: Finance Director (2012-2013, 2017-2019), State President (2019-2021, Board Member - Governance Portfolio (2016-2017).

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

Bowls New South Wales Limited

ABN: 13 649 763 691

Directors' Report

For the Year Ended 30 June 2022

Information on directors

Members guarantee

Bowls New South Wales 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 2022 the collective liability of members was \$44,182

Short term objectives

The Group'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 Group'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 Group has adopted the following strategies:

- Established Communication & Marketing department to oversee marketing activities.
- Commence strategy for diversification of Revenue Streams looking at diversifying revenue streams and more sustainable financial models.
- Developing an operational plan to be linked to the Strategic Plan.
- Exploring new competition ideas to capture new participation market.

How principal activities assisted in achieving the objectives

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

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

Bowls New South Wales Limited

ABN: 13 649 763 691

Directors' Report For the Year Ended 30 June 2022

Performance measures

The following measures are used within the Group to monitor performance:

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

Events after the reporting date

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

Meetings of directors


During the financial year, 17 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
Matthew Goodwin	16	14	-	-
Dilys Kindleysides	16	15	1	1
John Ellison	16	15	1	1
Brett Duprez	16	15	-	-
Owen Walker	16	14	1	1
Mike Skeggs	16	16	-	-
Sandra Jowett	16	16	-	-
Suzanne O'Keefe	16	14	-	-
Lesley Swales	16	16	-	-
Pam Andrich	14	14	-	-

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 2022 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:

Brett Duprez

Director:

Dilys Kindleysides

Dated: 21 October 2022

Bowls New South Wales Ltd

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Bowls New South Wales Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been:

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



PKF



SCOTT TOBUTT
PARTNER

21 OCTOBER 2022
SYDNEY, NSW

PKF (NS) Audit & Assurance Limited Partnership
ABN 91 850 861 839

Liability limited by a scheme approved
under Professional Standards Legislation

Sydney
Level 8, 1 O'Connell Street
Sydney NSW 2000 Australia
GPO Box 5446 Sydney NSW 2001
p +61 2 8346 6000
f +61 2 8346 6099

Newcastle
755 Hunter Street
Newcastle West NSW 2302 Australia
PO Box 2368 Dangar NSW 2309
p +61 2 4962 2688
f +61 2 4962 3245

PKF (NS) Audit & Assurance Limited Partnership is a member firm of the PKF International Limited family of separately owned firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

Bowls New South Wales Limited

ABN: 13 649 763 691

**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2022**

	Note	Consolidated	
		2022	2021
		\$	\$
Revenue	2	3,307,768	1,860,565
Cost of sales		(19,962)	(11,446)
Employee benefits expense		(1,057,482)	(704,012)
Other sports development		(29,106)	(13,627)
Depreciation	3	(235,005)	(206,511)
IT and internet expenses		(159,467)	(69,651)
Board costs		(43,103)	(24,159)
Council costs		(788)	(1,673)
Committee expenses		(20,256)	(16,467)
Event expenses		(112,919)	(72,588)
Bowls Australia Affiliation fees		(636,009)	(385,492)
Promotions and communication expenses		(8,951)	(17,773)
Office and administration expenses		(248,466)	(222,163)
Occupancy expenses		(111,346)	(96,562)
Unification costs		(14,494)	(61,328)
Finance costs		(2,377)	(3,626)
Profit/(loss) before income tax		608,037	(46,513)
Income tax expense	1(f)	-	-
Profit/(loss) for the year		608,037	(46,513)

The accompanying notes form part of these financial statements.

Bowls New South Wales Limited

ABN: 13 649 763 691

Statement of Financial Position**As At 30 June 2022**

		Consolidated	
		2022	2021
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	7,188,212	2,254,928
Trade and other receivables	5	86,892	8,769
Inventories	6	7,623	6,629
Other financial assets		-	703,971
Other assets	7	137,928	108,965
TOTAL CURRENT ASSETS		7,420,655	3,083,262
NON-CURRENT ASSETS			
Property, plant and equipment	8	1,898,502	2,004,322
Investment property	9	2,718,898	-
Right-of-use asset	10	56,605	74,963
TOTAL NON-CURRENT ASSETS		4,674,005	2,079,285
TOTAL ASSETS		12,094,660	5,162,547
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	308,103	411,098
Lease liabilities	10	18,229	17,603
Provisions	12	206,615	130,948
TOTAL CURRENT LIABILITIES		532,947	559,649
NON-CURRENT LIABILITIES			
Lease liabilities	10	40,088	58,317
Provisions	12	9,446	8,743
TOTAL NON-CURRENT LIABILITIES		49,534	67,060
TOTAL LIABILITIES		582,481	626,709
NET ASSETS		11,512,179	4,535,838
EQUITY			
Retained earnings		11,512,179	4,535,838
TOTAL EQUITY		11,512,179	4,535,838

The accompanying notes form part of these financial statements.

Bowls New South Wales Limited

ABN: 13 649 763 691

Statement of Changes in Equity For the Year Ended 30 June 2022

	Consolidated Retained earnings
	\$
Balance at 1 July 2021	4,535,838
Transfer of assets from amalgamation with New South Wales Women's Association Inc. on 01/07/2021	6,368,304
Profit attributable to members of the group	608,037
Balance at 30 June 2022	<u>11,512,179</u>
Balance at 1 July 2020	4,582,351
Loss attributable to members	<u>(46,513)</u>
Balance at 30 June 2021	<u>4,535,838</u>

The accompanying notes form part of these financial statements.

Bowls New South Wales Limited

ABN: 13 649 763 691

Statement of Cash Flows For the Year Ended 30 June 2022

	Consolidated	
	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	3,265,089	1,500,291
Payments to suppliers and employees	(2,738,831)	(1,886,545)
Sponsorship received	98,681	89,664
Interest received	21,185	20,743
Finance costs	(2,377)	(3,626)
Net cash (used in)/provided by operating activities	<u>643,747</u>	<u>(279,473)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	-	20,417
Purchase of property, plant and equipment	(13,796)	(112,472)
Proceeds/(purchase) of financial assets	703,971	1,728,971
Transfer of cash from amalgamation	3,616,965	-
Net cash provided by/(used in) investing activities	<u>4,307,140</u>	<u>1,636,916</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(17,603)	(86,795)
Net cash used by financing activities	<u>(17,603)</u>	<u>(86,795)</u>
Net increase in cash and cash equivalents held	4,933,284	1,270,648
Cash and cash equivalents at the beginning of year	2,254,928	984,280
Cash and cash equivalents at end of financial year	4 <u>7,188,212</u>	<u>2,254,928</u>

The accompanying notes form part of these financial statements.

Bowls New South Wales Limited

ABN: 13 649 763 691

Notes to the Financial Statements

For the Year Ended 30 June 2022

The financial report include the consolidated financial statements and notes of Bowls New South Wales Limited and controlled entities (the Group).

Bowls New South Wales Limited is a not-for-profit Group limited by guarantee, incorporated and domiciled in Australia.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the group's functional and presentation currency.

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 - Simplified Disclosure and the *Corporations Act 2001*.

Significant 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) Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

The controlled entities are:

- Royal New South Wales Bowling Association Limited.
- New South Wales Women's Association Inc.

(c) Comparatives

Bowls New South Wales Limited was registered on 27 April 2021. The transfer of assets and liabilities from New South Wales Women's Association Inc (transferor) and Royal New South Wales Bowling Association Limited (transferee) has effectively occurred on 1 July 2021.

Comparatives are consistent with Royal New South Wales Bowling Association Limited's prior years, unless otherwise stated.

Notes to the Financial Statements

For the Year Ended 30 June 2022

1. Summary of Significant Accounting Policies

(d) 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 group 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 the Group 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
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 of the Group 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).

The revenue recognition policies for the principal revenue streams of the Group are:

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.

Notes to the Financial Statements

For the Year Ended 30 June 2022

1. Summary of Significant Accounting Policies

(d) Revenue and other income

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.

(e) 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.

(f) Income Tax

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

(g) 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.

Notes to the Financial Statements

For the Year Ended 30 June 2022

1. Summary of Significant Accounting Policies

(h) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses property, plant and equipment are measured using the cost model as specified below.

Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable. The carrying amount of property, plant and equipment is reviewed annually by the Association to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

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

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.

(i) Financial instruments

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

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2022

1. Summary of Significant Accounting Policies

(i) Financial instruments

Financial assets

Classification

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

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Group 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.

The Group'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, the Group 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 the Group's historical experience and informed credit assessment and including forward looking information.

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

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

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group 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 the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Notes to the Financial Statements

For the Year Ended 30 June 2022

1. Summary of Significant Accounting Policies

(i) Financial instruments

Financial assets

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable 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 the Group 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.

Financial liabilities

The Group 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 the Group comprise trade payables, bank and other loans and finance lease liabilities.

(j) 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.

(k) Leases

(i) Right-of-use asset

At the lease commencement, the Group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Group 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.

Notes to the Financial Statements

For the Year Ended 30 June 2022

1. Summary of Significant Accounting Policies

(k) Leases

(ii) 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 the Group'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 the Group'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.

(l) Employee benefits

Provision is made for the Group'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 Group 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.

(m) Trade and other payables

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

(n) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2022

1. Summary of Significant Accounting Policies

(n) Critical accounting estimates and judgments

Key judgments - income taxes

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

(o) New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

Conceptual Framework for Financial Reporting (Conceptual Framework): The company has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the company's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities: The company has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel and related parties.

Bowls New South Wales Limited

ABN: 13 649 763 691

Notes to the Financial Statements For the Year Ended 30 June 2022

2. Revenue and Other Income

	Consolidated	
	2022	2021
	\$	\$
Revenue from operations		
- Member subscriptions	2,853,098	1,511,525
- Grant income	241,273	168,000
- Sponsorship	98,681	89,664
- Rental income	45,378	-
- Interest income	21,185	20,743
- Other revenue	48,153	70,633
	<u>3,307,768</u>	<u>1,860,565</u>

3. Result for the Year

Depreciation - Right of use asset	18,358	84,691
Depreciation - property, plant and equipment	216,647	121,820
	<u>235,005</u>	<u>206,511</u>

4. Cash and cash equivalents

Cash at bank and in hand	<u>7,188,212</u>	<u>2,254,928</u>
--------------------------	------------------	------------------

5. Trade and other receivables

Trade receivables	<u>86,892</u>	<u>8,769</u>
-------------------	---------------	--------------

6. Inventories

Finished goods	<u>7,623</u>	<u>6,629</u>
----------------	--------------	--------------

7. Other assets

Prepayments	58,285	108,491
Deposits	79,643	-
Interest receivable	-	474
	<u>137,928</u>	<u>108,965</u>

Bowls New South Wales Limited

ABN: 13 649 763 691

Notes to the Financial Statements

For the Year Ended 30 June 2022

8. Property, plant and equipment

	Consolidated	
	2022	2021
	\$	\$
Buildings		
At cost	1,600,000	1,600,000
Accumulated depreciation	(375,911)	(343,911)
	<u>1,224,089</u>	<u>1,256,089</u>
Building improvements		
At cost	703,237	703,237
Accumulated depreciation	(195,452)	(125,549)
	<u>507,785</u>	<u>577,688</u>
Plant and equipment		
At cost	190,543	154,608
Accumulated depreciation	(108,656)	(82,949)
	<u>81,887</u>	<u>71,659</u>
Motor vehicles		
At cost	113,157	113,157
Accumulated depreciation	(28,416)	(14,271)
	<u>84,741</u>	<u>98,886</u>
	<u>1,898,502</u>	<u>2,004,322</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:

Consolidated	Buildings	Building improvements	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$
Year ended 30 June 2022					
Balance at the beginning of year	1,256,089	577,688	71,659	98,886	2,004,322
Additions	-	-	13,796	-	13,796
Additions through amalgamation	-	-	29,822	-	29,822
Depreciation expense	(32,000)	(69,903)	(33,390)	(14,145)	(149,438)
Balance at the end of the year	<u>1,224,089</u>	<u>507,785</u>	<u>81,887</u>	<u>84,741</u>	<u>1,898,502</u>

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

Bowls New South Wales Limited

ABN: 13 649 763 691

Notes to the Financial Statements

For the Year Ended 30 June 2022

9. Investment Properties

	Consolidated	
	2022	2021
	\$	\$
Owned property		
Balance at beginning of year	-	-
Additions through amalgamation on 01/07/2021	2,786,107	-
Depreciation	(67,209)	-
Balance at end of year	2,718,898	-

Investment properties comprises of land and building located at Suite 801 & 802, 8th Floor, 289 King Street, Mascot, which have been held to earn rentals.

10. Leases

Right-of-use assets

Consolidated	Office equipment \$
Year ended 30 June 2022	
Balance at the beginning of the year	74,963
Depreciation charge	(18,358)
Balance at end of year	56,605
Year ended 30 June 2021	
Balance at the beginning of the year	127,427
Depreciation charge	(84,691)
Additions to right-of-use assets	32,227
Balance at end of year	74,963

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 undiscounted lease liabilities \$	Lease liabilities included in this Statement Of Financial Position \$
2022					
Lease liabilities	19,980	41,625	-	61,605	58,317
2021					
Lease liabilities	19,980	61,605	-	81,585	75,920

Bowls New South Wales Limited

ABN: 13 649 763 691

Notes to the Financial Statements

For the Year Ended 30 June 2022

11. Trade and other payables

	Consolidated	
	2022	2021
	\$	\$
CURRENT		
Trade payables	102,325	107,488
Accrued expenses	26,500	267,460
Other payables	179,278	36,150
	<u>308,103</u>	<u>411,098</u>

12. Provisions

CURRENT		
Employee entitlements	<u>206,615</u>	<u>130,948</u>
NON-CURRENT		
Employee entitlements	<u>9,446</u>	<u>8,743</u>

13. Financial Risk Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

The Group'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:

Financial Assets

Cash and cash equivalents	7,188,212	2,254,928
Short-term bank deposits	-	703,971
Trade receivables	86,892	8,769
Total financial assets	<u>7,275,104</u>	<u>2,967,668</u>

Financial Liabilities

Financial liabilities at amortised cost		
Trade payables	102,325	107,488
Other payables	179,278	36,150
Total financial liabilities	<u>281,603</u>	<u>143,638</u>

14. Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the the Group was \$ 286,480 (2021: \$267,143).

Bowls New South Wales Limited

ABN: 13 649 763 691

Notes to the Financial Statements

For the Year Ended 30 June 2022

15. Auditors' Remuneration

	Consolidated	
	2022	2021
	\$	\$
Auditing or reviewing the financial statements	29,000	22,100
Other services	5,000	-
Total	34,000	22,100

16. Contingencies

In the opinion of the Directors, the Group did not have any contingencies at 30 June 2022.

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 14.

(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.

No other transactions with related parties have occurred during the year (2021: nil).

18. Events Occurring After the Reporting Date

The financial report was authorised for issue on 21 October 2022 by the Board of Directors.

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

19. Company Details

The registered office of the company is:

Bowls New South Wales Limited
Level 5, 309 Pitt St
Sydney NSW 2000

Bowls New South Wales Limited

ABN: 13 649 763 691

Directors' Declaration

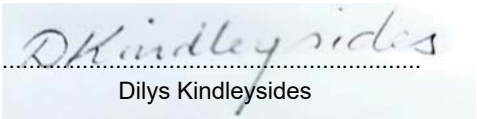
The directors of the Group declare that:

- 1. The financial statements and notes, as set out on pages 7 to 23, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosure Standard; and
 - b. give a true and fair view of the Group's financial position as at 30 June 2022 and performance for the year ended on that date.
- 2. In the directors' opinion, there are reasonable grounds to believe that the Group 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
Brett Duprez



Director
Dilys Kindleysides

Dated 21 October 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BOWLS NEW SOUTH WALES LTD

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Bowls New South Wales Ltd (the Company), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' declaration of the Company and the consolidated entities (the Group) comprising the Company and the entities it controlled at the year end or from time to time during the financial year.

In our opinion, the accompanying financial report of Bowls New South Wales Pty Ltd, is in accordance with the Corporations Act 2001, including:

- (a) Giving a true and fair view of the Group's financial position as at 30 June 2022, and of its financial performance for the year then ended; and
- (b) Complying with the Australian Accounting Standards – Simplified 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 Group 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 Group, 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 Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

PKF (NS) Audit & Assurance Limited Partnership
ABN 91 850 861 839

Liability limited by a scheme approved
under Professional Standards Legislation

Sydney
Level 8, 1 O'Connell Street
Sydney NSW 2000 Australia
GPO Box 5446 Sydney NSW 2001
p +61 2 8346 6000
f +61 2 8346 6099

Newcastle
755 Hunter Street
Newcastle West NSW 2302 Australia
PO Box 2368 Dangar NSW 2309
p +61 2 4962 2688
f +61 2 4962 3245

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 Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified 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 Group'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 Group 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 Group'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 Group'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 Group 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

21 OCTOBER 2022
SYDNEY, NSW