



NEWCASTLE DISTRICT BOWLING ASSOCIATION (ZONE 2) INC
ABN 76 054 305 595

Financial Report
For the Year Ended
31 March 2020

CONTENTS

Independent Audit Report..... 1

Statement by Members of the Committee..... 4

Certificate by Members of the Committee..... 5

Income and Expenditure Statement..... 6

Asset and Liabilities Statements..... 8

Statement of Changes in Equity..... 10

Notes to the Financial Statements..... 11

Newcastle District Bowling Association (Zone 2) Incorporated
ABN 76 054 305 595

Independent Audit Report to the members of Newcastle District Bowling Association (Zone 2) Inc.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Newcastle District Bowling Association (Zone 2) Incorporated (the Association), which comprises the assets and liabilities statement as at 31 March 2020, the income and expenditure statement, and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by Members of the Committee.

In our opinion, the accompanying financial report of the Association is in accordance with the *Associations Incorporation Act (NSW)*, including:

- (i) giving a true and fair view of the Association's financial position as at 31 March 2020 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent as described in Note 1 of the financial statements and the *Associations Incorporation Regulations 2016*.

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 Association in accordance with the auditor independence 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Association to meet its financial reporting responsibilities under the *Associations Incorporation Act (NSW)*. As a result, the financial statements may not be suitable for another purpose.

We draw attention to Note 1(c) in the financial statements, which discusses the impact of COVID-19 on the Association's operation and finances. Our opinion is not modified in respect of this matter.

Newcastle District Bowling Association (Zone 2) Incorporated
ABN 76 054 305 595

Independent Audit Report to the members of Newcastle District Bowling Association (Zone 2) Inc.

Other Information

The Committee Members are responsible for the other information. The other information obtained at the date of this auditor's report was limited to the Statement by Members of the Committee.

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 on the other information obtained prior to the date of this auditor's report, 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 Committee Members for the Financial Report

The Committee Members of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Associations Incorporation Act (NSW)* and for such internal control as the Committee Members 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 Committee Members are responsible for assessing the the Association'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 Committee Members either intend to liquidate the Association 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.

Newcastle District Bowling Association (Zone 2) Incorporated
ABN 76 054 305 595

**Independent Audit Report to the members of Newcastle District Bowling Association
(Zone 2) Inc.**

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: <http://www.auasb.gov.au/auditors/responsibilities/ar4.pdf> . This description forms part of our auditor's report.

Cutcher & Neale Assurance Pty Limited
(An authorised audit company)

N. Nancarrow
Director

NEWCASTLE

18 August 2020

Newcastle District Bowling Association (Zone 2) Incorporated
ABN 76 054 305 595

Statement by Members of the Committee

The Committee has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Committee the financial statements as set out on page 6 to 12:

1. Presents fairly the financial position of Newcastle District Bowling Association (Zone 2) Incorporated as at 31 March 2020 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Newcastle District Bowling Association (Zone 2) Incorporated will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

President.....
Mark Conway

Treasurer
Don Wells

Dated 17 August 2020

**Newcastle District Bowling Association (Zone 2) Incorporated
ABN 76 054 305 595**

Certificate by Members of Committee

I, Mark Conway, certify that:

- (a) I am a Committee Member of the Association, and
- (b) I am duly authorised by the Committee to make this statement, and
- (c) The attached financial statements were submitted to the Members at the Annual General Meeting.

.....
Mark Conway (President)

Dated 17 September 2020

Newcastle District Bowling Association (Zone 2) Incorporated
ABN 76 054 305 595

Income and Expenditure Statement
For the Year Ended 31 March 2020

	2020	2019
	\$	\$
Income		
Capitation Fees	113,432	115,483
Competition Fees	54,505	44,897
Donations Received	2,881	2,990
Charity	2,035	1,958
Coaching	123	-
Interest Earned	5,298	6,678
Junior Bowls	2,507	1,471
Mattara	13,666	14,949
Sales Books and Badges	2,437	403
Tour Party	109	345
Representative Teams	18,377	19,760
Sponsorship	6,215	16,682
Social	3,073	1,673
Total Income	<u>224,658</u>	<u>227,289</u>

The accompanying notes form part of these financial statements.

Newcastle District Bowling Association (Zone 2) Incorporated
ABN 76 054 305 595

Income and Expenditure Statement
For the Year Ended 31 March 2020

	2020	2019
	\$	\$
Expenditure		
Accountancy and Audit Fees	(4,050)	(4,045)
Advertising	(583)	(701)
Bad and doubtful debts expense	(2,740)	-
Bank Charges	(25)	(33)
Books and Badges	(2,409)	(1,196)
Charitable Funds	(1,650)	(360)
Cleaning Headquarters and Grounds	(2,498)	(2,198)
Coaching	(100)	-
Competition Fees	(17,668)	(18,220)
Depreciation	(2,002)	(1,109)
Travel and Entertainment	(3,137)	(2,211)
Electricity	(2,679)	(2,703)
Insurance	(7,704)	(7,891)
Junior Bowls	(4,144)	(2,027)
Mattara	(15,034)	(14,132)
Papers and Periodicals	(131)	(241)
Postage	(463)	(735)
Printing and Stationary	(1,450)	(2,840)
Water	(1,337)	(1,633)
Rent	(250)	(250)
Repairs and Maintenance	(13,624)	(8,750)
Representative Teams	(33,777)	(27,628)
Wages and Salaries	(110,219)	(96,630)
Security	(989)	(1,237)
Social	(8,096)	(5,850)
Superannuation	(9,611)	(9,167)
Sundry Expenses	(2,872)	(585)
Telephone	(7,787)	(6,456)
Total Expenses	(257,029)	(218,828)
Net Operating Profit/(Loss)	(32,371)	8,461

The accompanying notes form part of these financial statements.

Newcastle District Bowling Association (Zone 2) Incorporated
ABN 76 054 305 595

Assets and Liabilities Statement

As At 31 March 2020

	2020	2019
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents		
Cash on hand	500	500
Cash at bank	14,664	26,853
Term deposits	228,643	259,028
	<u>243,807</u>	<u>286,381</u>
Trade and other receivables		
Trade and other receivables	26,363	7,677
Provision for impairment	(2,740)	-
	<u>23,623</u>	<u>7,677</u>
Other current assets		
Prepayments & deposits	1,248	8,444
	<u>268,678</u>	<u>302,502</u>
Total current assets	<u>268,678</u>	<u>302,502</u>
Non-current assets		
Property, plant and equipment		
Headquarters building	53,922	53,922
Less accumulated depreciation	(39,055)	(39,055)
	<u>14,867</u>	<u>14,867</u>
Plant and equipment	107,494	100,116
Less accumulated depreciation	(99,319)	(97,317)
	<u>8,175</u>	<u>2,799</u>
Total non-current assets	<u>23,042</u>	<u>17,666</u>
TOTAL ASSETS	<u><u>291,720</u></u>	<u><u>320,168</u></u>

The accompanying notes form part of these financial statements.

Newcastle District Bowling Association (Zone 2) Incorporated
ABN 76 054 305 595

Assets and Liabilities Statement

As At 31 March 2020

	2020	2019
	\$	\$
LIABILITIES		
Current liabilities		
Trade and other payables		
Trade and other payables	24,131	27,869
Short-term provisions		
Provision for annual leave	13,614	6,601
Provision for long service leave	6,054	5,406
	<u>19,668</u>	<u>12,007</u>
Total current liabilities	<u>43,799</u>	<u>39,876</u>
TOTAL LIABILITIES	<u>43,799</u>	<u>39,876</u>
NET ASSETS	<u>247,921</u>	<u>280,292</u>
EQUITY		
Retained earnings	<u>247,921</u>	<u>280,292</u>
TOTAL EQUITY	<u>247,921</u>	<u>280,292</u>

The accompanying notes form part of these financial statements.

Newcastle District Bowling Association (Zone 2) Incorporated
ABN 76 054 305 595

Statement of Changes in Equity
For the Year Ended 31 March 2020

2020

	\$
Balance as at 1 April 2019	280,292
Profit / (loss) attributable to members	<u>(32,371)</u>
Balance as at 31 March 2020	<u><u>247,921</u></u>

2019

	\$
Balance as at 1 April 2018	271,831
Profit / (loss) attributable to members	<u>8,461</u>
Balance as at 31 March 2019	<u><u>280,292</u></u>

The accompanying notes form part of these financial statements.

Newcastle District Bowling Association (Zone 2) Incorporated
ABN 76 054 305 595

Notes to the Financial Statements

For the Year Ended 31 March 2020

1 Accounting Policies

The financial statements are special purpose financial statements prepared in order to satisfy the financial requirements of the Associations Incorporation Act (NSW). The Committee has determined that the Association is not a reporting entity.

The financial statements have been prepared in accordance with the requirements of the Associations Incorporation Act (NSW) and the following Australian Accounting Standards:

AASB 108	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 110	Events after the Reporting Period

The financial statements have been prepared on an accrual basis and are based on historic costs and do not take into account changing money values, or except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the Association in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

(a) Income tax

The Association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(b) Property, plant and equipment

Each class of property, plant, and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Property

Buildings are measured on the cost basis and are not depreciated.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and any impairment losses.

Depreciation

The depreciable amount of plant and equipment are depreciated on a straight line basis over their estimated useful lives to the Association commencing from the time the asset is held ready for use.

The depreciation rates used for each class of assets are:

Class of fixed asset	Depreciation Rate
Headquarters Building	0%
Plant and equipment	10 - 40% PC.

Notes to the Financial Statements
For the Year Ended 31 March 2020

1 Accounting Policies

(c) Impact of COVID-19 on Operations

On 11 March 2020, the World Health Organisation (“WHO”) declared the Coronavirus disease 2019 (“COVID-19”) a pandemic. The pandemic has adversely affected the global economy, including an increase in unemployment, decrease in consumer demand, interruptions in supply chains, and tight liquidity and credit conditions. Consequently, governments around the world have announced monetary and fiscal stimulus packages to minimise the adverse economic impact. However, the COVID-19 situation is still evolving, and its full economic impact remains uncertain.

During the week beginning 16 March 2020, the Australian Government together with State and Territory Premiers announced a series of measures aimed at preventing the spread of COVID-19, which had the effect of impacting the state of the Australian economy (i.e. impact on supply chain, customers, availability of finance, consumer confidence, etc.).

Subsequent to these measures on 22 March 2020 it was announced that all registered clubs were to cease operating from midday the following day. These measures have significantly impacted the member Clubs of this Association.

The Committee and Management have implemented a range of operational and financial strategies in response to the COVID-19 pandemic including, but not limited to:

- Review of the future capitation fees to be charged to member Clubs.
- Employing government initiatives, in particular with respect to ensuring that our employees can remain employed at the Association via JobKeeper payments.
- Cashflow tightening measures to ensure ongoing adequate cash reserves to trade through the impact, including reduction of operational expenditure. Management have suspended and / or reduced contracts and supplier payments where possible.

The Committee and Management also recognises that the situation associated with the management of COVID-19 continues to evolve on a daily basis and it is difficult to estimate with any degree of certainty the future impact on the Association.