

AUCKLAND BOWLS INCORPORATED

FINANCIAL REPORTS

For the Year Ended 30 April 2021

Legal Name of Entity:

Auckland Bowls Incorporated

Type of Entity:

Incorporated Society - No 222253

Entity's Purpose:

Auckland Bowls is the regional governing body for lawn bowls and is committed to delivering a sport that is enjoyable, entertaining and accessible to the people of Auckland and visitors to our region. We are committed to more people playing and enjoying Bowls more often.

Entity's Mission:

Lead and grow the sport of Bowls in Auckland

Entity's Structure:

Auckland Bowls is governed by a seven person Board, with the President and Vice President elected by the members; and five independent Board Members recommended to the AGM for appointment by the Selection Panel in accordance with the Constitution. Auckland Bowls currently has four full-time and one part-time staff, based at the Mt Eden office. An additional seven part time staff are based at bowling clubs.

Main Source of Income:

Income is generated in the main through membership fees, grants, sponsorship, contracts and event based activity.

Entity's Reliance on Volunteers and Donated Goods or Services:

Like many not-for-profit organisations, Auckland Bowls is dependent on volunteers who assist with all facets of delivering the sport to the members and participants. Without these volunteers the organisation could not function.

Description of the Entity's Outcomes:

Auckland Bowls is responsible for the administration, promotion and development of the Game of Bowls within its defined boundaries. This includes providing support services for its affiliated clubs; events and tournaments for members and visiting participants; and to promote and grow the sport.

Description and Quantification of the Entity's Outputs:

Auckland Bowls has a combined membership and participation base of 30,108 (2020: 38,304). The total number of entries in Auckland Bowls run events was 1,267 (2020: 1,260), for a total of 3,693 participants (2020: 3,505). Due to COVID-19 restrictions there were several events that were cancelled.

Additional Information

Auckland Bowls was first established in 1896 and has 40 affiliated clubs (2020: 40). It covers the area from the Auckland Harbour

Bridge in the north to Papatoetoe in the south; from Piha in the west to Maraetai in the east.

Physical Address: 17 Stokes Road, Mt Eden, Auckland

Postal Address: PO Box 74 077, Greenlane, Auckland, 1546

Phone: 09 623 3555

Email: info@aucklandbowls.co.nz

Website: www.aucklandbowls.co.nz

Facebook: www.facebook.com/AkBowls



AUCKLAND BOWLS INCORPORATED

STATEMENT OF FINANCIAL PERFORMANCE

For the Year Ended 30 April 2021

	NOTE	2021 \$	2020 \$
Trading Income			
Centre/Event Income			
Club Levies		45,114	45,362
External Contracts		8,733	20,000
Centre Events		62,039	53,048
Sundry Income		3,660	13,053
Total Centre/Event Income		119,546	131,463
Sponsorship/ Grants Income			
BWCT		260,001	400,000
Sponsorship - General		25,000	40,031
Rawhiti Fund - Club Devel. Mgr. Subsidy		30,000	-
Rawhiti Fund - Admin Fee Subsidy		28,800	-
Other Grants		40,000	-
MSD Wage Subsidy Income		57,935	2,929
Total Sponsorship/ Grants Income		441,736	442,960
Rawhiti Grants Received			
Rawhiti Club Wages		54,560	116,042
Rawhiti Club Development inc		346,747	181,609
Total Rawhiti Grants Received		401,307	297,651
Interest Received			
ASB term Deposit Interest		3,922	2,044
Business Saver Interest		22	158
Heartland Interest		391	1,408
Sundry Interest		-	6,173
Total Interest Received		4,335	9,783
Total Trading Income		966,924	881,857
Operating Costs			
Centre Events			
Prize Money		45,920	26,044
Green Hire		16,823	5,927
Live Streaming Centre Events		18,550	-
Umpires/Markers		4,391	3,670
Trophies/Badges		5,115	4,109
Sundry Costs		6,283	22,968
Total Centre Events		97,082	62,718
High Performance Costs			
HP Hospitality		3,988	1,802
Regional Subsidy (Travel/Accom)		27,653	5,265
Total High Performance Costs		31,641	7,067
Rawhiti Club Development & Support Costs			
Facility Enhancement Projects		146,858	-
Rawhiti Fund Expenses		-	50,500
Rawhiti Club Development Expense		199,889	131,109
Rawhiti Club Wages		54,560	116,042
Total Rawhiti Club Development Costs		401,307	297,651
Total Operating Cost		530,029	367,436
Gross Profit		436,895	514,421

The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached Audit Report.

AUCKLAND BOWLS INCORPORATED
STATEMENT OF FINANCIAL PERFORMANCE - CONTINUED

For the Year Ended 30 April 2021

	NOTE	2021 \$	2020 \$
Operating Expenses			
Administration Costs			
Advertising & Promotions		8,003	39
Audit & Accounting Fees		17,785	17,204
Bank Charges		2,244	1,551
Board Expenses		22,554	14,913
Computer Expenses		10,040	11,148
Consultancy		4,957	23,122
Copier Lease		5,160	5,160
Insurance		5,089	5,694
Legal Fees		26,005	-
Motor Vehicle Expenses		6,255	10,215
Printing		6,637	2,169
Stationery & Postage		787	1,412
General Expenses		4,780	7,212
Total Administration Costs		120,295	99,839
Occupancy Costs			
Occupancy cost		45,510	46,242
Total Occupancy cost		45,510	46,242
Staff Costs			
Staff Costs		433,420	408,872
Total Staff cost		433,420	408,872
Total Operating Costs		599,225	554,953
Total Operating Profit		(162,331)	(40,532)
Non Operating			
Kimberley Fund Interest	4	(176,987)	(226,594)
Kimberley Expenses	4	75,368	79,428
Depreciation: Equipment		10,359	9,763
Depreciation: Motor Vehicles		12,302	8,269
Prior Period Adjustment		11,062	4,090
Total Non Operating		(67,896)	(125,044)
Net Profit		(94,435)	84,512

The accompanying notes form part of these financial statements.
 These financial statements should be read in conjunction with the attached Audit Report.

AUCKLAND BOWLS INCORPORATED
STATEMENT OF FINANCIAL PERFORMANCE - KIMBERLEY FUND

For the Year Ended 30 April 2021

	NOTE	2021 \$	2020 \$
REVENUE			
Income Received (Net)	4	101,619	147,166
Total Income		101,619	147,166
NET SURPLUS			
		101,619	147,166

AUCKLAND BOWLS INCORPORATED
STATEMENT OF MOVEMENTS IN EQUITY

For the Year Ended 30 April 2021

	NOTE	2021 \$	2020 \$
EQUITY AT START OF YEAR			
		5,886,992	6,031,371
SURPLUS & REVALUATIONS			
Net Surplus/(Loss)		(94,435)	84,514
Movement in Revaluation Reserve - Kimberley Fund		1,102,213	(228,893)
Total Recognised Revenues and Expenses		1,007,778	(144,379)
EQUITY AT END OF YEAR			
		6,894,770	5,886,992

The accompanying notes form part of these financial statements.
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AUCKLAND BOWLS INCORPORATED

STATEMENT OF FINANCIAL POSITION

For the Year Ended 30 April 2021

	NOTE	2021 \$	2020 \$
Current Assets			
ASB Bank Limited		121,902	236,790
Account Receivable		5,367	(1,407)
Prepayments		508	16,214
Auckland Bowls Funds	4	204,839	378,696
Total Current Assets		332,616	630,293
Non Current Assets			
Fixed Assets	3	76,620	92,093
Rawiti Fund	5	4,008,272	4,248,263
Kimberley Fund	4	6,867,529	5,663,697
Total Non Current Assets		10,952,421	10,004,053
Total Assets		11,285,037	10,634,346

Liabilities

Current Liabilities

Accounts Payable		66,997	239,091
Grants Received in Advance	9	315,000	260,001
Total Current Liabilities		381,997	499,092

Non Current Liabilities

Rawhiti Fund - General		-	-
Rawhiti Fund - Club Facility Enhancements		1,885,055	1,794,154
Rawhiti Fund - Covered Greens		1,500,000	1,500,000
Rawhiti Fund - Database		-	41,500
Rawhiti Fund - Marketing		-	200,290
Rawhiti Fund - Club Development Agreements		623,216	712,319
Total Non Current Liabilities		4,008,271	4,248,263

Total Liabilities		4,390,268	4,747,355
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Net Assets/ (Liabilities)		6,894,769	5,886,992
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Represented by:

Equity

Investment Revaluation	6	2,776,960	1,674,748
Retained Earnings (30800)		4,117,809	4,212,244

Total Equity		6,894,769	5,886,992
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On behalf of the board:



Date: 1 July 2021

On behalf of the board:



Date: 1 July 2021

The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached Audit Report.

AUCKLAND BOWLS INCORPORATED

STATEMENT OF CASH FLOWS

For the Year Ended 30 April 2021

	NOTE	2021 \$	2020 \$
Cash Flows from Operating Activities			
Receipts from customers		525,790	781,603
Payments to suppliers and employees		(890,310)	(550,359)
Payments for Avondale Club Expenses		(5,092)	(24,099)
Receipts from Rawhiti Fund		401,307	-
Payments for Rawhiti Club Development		(401,307)	(297,651)
Cash receipts from interest		4,334	14,379
Kimberley Fund Interest		101,619	147,166
Total Cash Flows from Operating Activities		(263,659)	71,039
Cash Flows from Investing Activities			
Payment for property, plant and equipment		(7,188)	(78,875)
Kimberley Fund Interest reinvested		(101,619)	(147,166)
Rawhiti Distributions to Clubs		-	-
Interest Received from Rawhiti Fund		83,721	185,559
Auckland Bowls Management Fees		-	-
Total Cash Flows from Investing Activities		(25,086)	(40,482)
Net Cash Flows		(288,745)	30,557
Cash Balances			
Cash and cash equivalents at beginning of period		615,486	584,929
Cash and cash equivalents at end of period		326,741	615,486
Net change in cash for period		(288,745)	30,557

The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached Audit Report.

AUCKLAND BOWLS INCORPORATED

NOTES TO THE FINANCIAL REPORTS

For the Year Ended 30 April 2021

1. STATEMENT OF ACCOUNTING POLICIES

GENERAL ACCOUNTING POLICIES

The measurement base adopted is that of historical cost. Reliance is placed on the fact that the business is a going concern.

Auckland Bowls Incorporated has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format

Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the Financial Reports are reported using the accrual basis of accounting. The Financial Reports are prepared under the assumption that the entity will continue to operate in the foreseeable future.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of financial performance and financial position have been applied.

(a) Valuation of Assets

Fixed Assets have been recorded at cost less accumulated depreciation.

Listed investments have been recorded at market value (refer notes 5 and 6). Movements in market value of listed investments are reflected in the Investment Revaluation Reserve. Other investments are valued at cost plus accrued interest.

Accounts Receivable have been recorded at estimated realisable value. Where a debt has been considered irrecoverable, it has been written off in the Statement of Financial Performance.

(b) Depreciation of Fixed Assets

Fixed Assets have been depreciated on a straight line basis over the expected life of the asset with the exception of Leasehold Improvements which are being depreciated over the anticipated term of the tenancy lease.

(c) Goods and Services Tax

All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

(d) Tax

Auckland Bowls is an Incorporated Society and an amateur sports body and has been granted exemption from income tax by Inland Revenue under Section CB 4 (1) (h) of the Income Tax Act 1994.

(e) Leases

Operating lease payments, where the lessors effectively retain substantially all of the risks and benefits of ownership, are included in the determination of the net surplus in equal instalments over the lease term.

(f) Changes in Accounting Policies

There have been no changes in accounting policies during the financial year.



These financial statements should be read in conjunction with the attached Audit Report.

AUCKLAND BOWLS INCORPORATED

NOTES TO THE FINANCIAL REPORTS

For the Year Ended 30 April 2021

2. NET SURPLUS / (DEFICIT)

The Net Surplus / (Deficit) for the year has been determined after charging:

	2021 \$	2020 \$
Audit Fees	7,500	7000

3. FIXED ASSETS

	2021 \$	2020 \$
Motor Vehicles		
At Cost	79,970	79,970
Less Accumulated Depreciation	(20,572)	(8,269)
	59,398	71,701
Office Equipment		
At Cost	100,607	93,419
Less Accumulated Depreciation	(83,385)	(73,027)
	17,222	20,392
Total Fixed Assets	76,620	92,093

4. INVESTMENTS

	2021 \$	2020 \$
Kimberley Fund:		
First NZ Capital Securities Limited	6,867,529	5,663,697
Total Kimberley Fund	6,867,529	5,663,697
Auckland Bowls Fund:		
ASB Bank Limited	204,837	301,633
Heartland New Zealand Limited	2	77,063
UDC Finance Limited	-	-
Rabobank New Zealand Limited	-	-
Total Auckland Bowls Fund	204,839	378,696
Total Investments	7,072,368	6,042,393
Kimberley Fund		
Opening Balance	5,663,697	5,747,424
Interest (Net of Fees)	101,619	147,166
Increase/(Decrease) in Market Value of Investments	1,102,213	(230,893)
Balance in Kimberley Fund	6,867,529	5,663,697

These financial statements should be read in conjunction with the attached Audit Report.

AUCKLAND BOWLS INCORPORATED

NOTES TO THE FINANCIAL REPORTS

For the Year Ended 30 April 2021

5. RAWHITI PROCEEDS

At an SGM of the Rawhiti Bowling Club (RBC) on 28th September 2014 the members resolved to transfer certain assets (\$5,413,867.92) to Auckland Bowls Incorporated to establish a Fund to be known as the Rawhiti Fund. The Rawhiti Fund is administered by Auckland Bowls

in accordance with the Deed of Agreement made between RBC and Auckland Bowls dated 11th May 2015.

At the same SGM a separate sum of \$1,109,997 was set aside for specific grants to be given to clubs where members of RBC had joined. Auckland Bowls

managed these funds on behalf of RBC. Auckland Bowls received an initial fee of \$7,000, plus the ongoing interest whilst the funds remained under Auckland Bowls management. Following distributions to approved clubs the fund balance is \$0.

	2021 \$	2020 \$
Rawhiti Fund		
ANZ Bank Limited	1,985,876	1,947,846
ASB Bank Limited	1,145,774	1,408,027
Rabobank New Zealand Limited	876,621	892,391
Balance in Rawhiti Fund	4,008,271	4,248,264

6. INVESTMENT REVALUATION RESERVE

	2021 \$	2020 \$
Opening Balance	1,674,748	1,903,641
Increase/(Decrease) in Market Value of Investments	1,102,212	(228,893)
Closing Balance	2,776,960	1,674,748

The Increase/(Decrease) in Market Value of Investments reflects fluctuations in interest rates and market conditions including

Foreign Currency Exchange Rates applied to Auckland Bowls funds managed by First NZ Capital Securities Limited. It is not

Auckland Bowls Incorporated's intention to sell these investments ahead of maturity.

These financial statements should be read in conjunction with the attached Audit Report.

AUCKLAND BOWLS INCORPORATED

NOTES TO THE FINANCIAL REPORTS

For the Year Ended 30 April 2021

7. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

At balance date, there are no known contingent liabilities (2020: \$0) or capital commitments (2020: \$0).

Auckland Bowls has not granted any securities in respect of liabilities payable by any other party whatsoever.

8. OPERATING LEASE COMMITMENTS

Lease commitments (photocopier) under non-cancellable operating leases:

	2021 \$	2020 \$
Within one year	5,160	5,160
Beyond one year	-	5,160
	5,160	10,320

9. RELATED PARTIES

Auckland Bowls Incorporated is the Appointor of Trustees and Final Beneficiary to the Blue Waters Community Trust (BWCT).

BWCT operates independently of Auckland Bowls and there is no commonality between Trustees of BWCT and the Board members of Auckland Bowls. Auckland

Bowls has no influence over the grant decisions that are made by BWCT.

	2021 \$	2020 \$
Grants Received in Advance		
BWCT	315,000	260,001
Rawhiti Fund	-	-
Sponsorship		
	315,000	260,001

10. ACTIVITIES OF AUCKLAND BOWLS INCORPORATED

Auckland Bowls was incorporated on 3 May 1974. Auckland Bowls has continued to provide sports administration services to the members.

11. SUBSEQUENT EVENTS

There have been no subsequent events.

These financial statements should be read in conjunction with the attached Audit Report.

Auckland Bowls Incorporated

Independent auditor's report to the Members

Report on the Performance Report

Opinions

We have audited the performance report of Auckland Bowls Incorporated (the entity), which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 30 April 2021, the statement of financial position as at 30 April 2021, and the statement of accounting policies and other explanatory information.

In our opinion:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b) the accompanying performance report gives a true and fair view of:
 - i) the entity information for the year then ended;
 - ii) the service performance for the year then ended; and
 - iii) the financial position of Auckland Bowls Incorporated as at 30 April 2021 and of its financial performance, and cash flows for the year then ended.

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board.

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised).

Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Performance Report section of our report. We are independent of Auckland Bowls Incorporated in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Auckland Bowls Incorporated.

ACCOUNTANTS & ADVISORS

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William Buck Audit (NZ) Limited

Responsibilities of the Board for the Performance Report

The Board are responsible for:

- a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- b) the preparation of a performance report on behalf of the entity that gives a true and fair view, which comprises:
 - the entity information;
 - the statement of service performance; and
 - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance reportin accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-ForProfit) issued by the New Zealand Accounting Standards Board, and
- c) for such internal control as the Board determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Board are responsible on behalf of Auckland Bowls Incorporated for assessing the entity'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 Board either intend to liquidate Auckland Bowls Incorporated or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the performance report 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 ISAs (NZ) and ISAE (NZ) 3000 (Revised) 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 this performance report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the performance 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Auckland Bowls Incorporated'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 performance 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 entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We communicate with the Board 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.

The engagement director on the audit resulting in this independent auditor's report is Alison Anderson.

Restriction on Distribution and Use

This report is made solely to the entity's members, as a body. Our audit work has been undertaken so that we might state to the entity's members those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the entity and the entity's members, as a body, for our audit work, for this report or for the opinions we have formed.

A handwritten signature in blue ink that reads 'William Buck'.

William Buck Audit (NZ) Limited

Auckland
1 July 2021