

NEW SOUTH WALES BRIDGE ASSOCIATION LIMITED

A.B.N. 61 000 438 648

DIRECTORS' REPORT

DIRECTORS' REPORT

With respect to the results of the company for the financial year ended 30TH SEPTEMBER, 2002 and the state of the company's affairs as at the end of that financial year the directors report that:

DIRECTORS

The directors in office at the date of this report are:

John Harold Arkininstall, Chairman

A solicitor in private practice. After experience in chess and table tennis administration took up bridge in late 1977. Director of the NSWBA for seventeen years and Chairman for 10 years before standing down in 2000. Stepped into the breach in April 2002 when Keiran Crowe-Mai, the elected Chairman, resigned due to business commitments and a posting to Tokyo. One of the two NSW delegates to the Australian Bridge Federation Inc., is on the ABF Management Committee, the ABF Finance Committee, the ABF Ethics Committee (v.C), the ABF Governance Committee (C) and the National Authority. Represented NSW at Darwin (1995) and Melbourne (1996) ANC's. Won City of Sydney Teams 1996. Has played less frequently of late due to managing investment interests, perusing antiques and time spent in other pursuits such as the Royal Australian Navy Reserve Rifle Club.

John William De Ravin, Secretary

John has played bridge for seventeen years and became Secretary of the NSWBA in his first year on Council, 2000/2001. He came second in the Gold Coast Pairs in 2002 and is planning more successes at the table! He is Company Actuary to the Munich Reinsurance Company of Australasia where he has worked for the past sixteen years. He is a member of the Council of the Institute of Actuaries of Australia and his other interests include the Rostrum public speaking organisation (he organised the "Voice of Youth" competition for NSW secondary school students in 2002), the Sydney Theatre Company and the Australian Chamber Orchestra.

Michael McAusland Stuart Hughes, Treasurer

In his second year as Treasurer. Was previously treasurer for several years 20 years ago. He has represented NSW and Australia on Open Teams and won several major state and national championships, including the National Open Teams twice. He started playing bridge in the late 1960s and has played continuously ever since, always as a member of the NSWBA. Michael is employed by the Funds Management arm of ANZ as an actuary, and is currently working part time, with the intention of putting more time into important matters like golf and bridge.

Alan Douglas Walsh, Chairman of the Tournament Committee

After a lengthy career in Information Technology (started 1966) he has in a professional sense drawn stumps and is now working on reducing his golf handicap. An NSWBA member since 1966 he has represented NSW in Inter-State competition 6 times, represented Australia in Pacific Asia Zonal Championships 7 times and twice at WBF Olympiads. Other successes include N.O.T. thrice, G.N.O.T. twice, Gold Coast Teams thrice.

Robert Sam Evans

Bob originally served on Council for the NSWBA in the early 1970's. He rejoined in December 1995 as Treasurer for 4 years and stayed on almost uninterrupted to date, dealing with House and other matters. He was also on the ABF Finance Committee for two years. His talents include playing on winning interstate teams as well as captaining, including our Open Team in the 1996 ANC. He has played in six Maccabiah games, winning in 1985, has won the Far East Pairs and the Australian Mixed Pairs and the Australian Seniors Pairs.

Matt Blackham, President FABC

Matt is a director of Austral Coal Limited and has extensive experience in the NSW Coal Industry. He has been vice president of Newcastle Bridge Club for the last couple of years and a member of the council of FABC since 1998.

Raymond Ernest Popple, FABC

Ray started bridge while he was living in New Zealand. He moved to Australia in 1988 to take up a position teaching mathematics at Sydney Grammar School. He is President of the Revesby Workers Bridge Club and is a member of the Council of the FABC. While he is still on the staff at Grammar he has managed have two stints away teaching at UNSW and in the UK. His other interests are collecting old silver and the Australian Brandenburg Orchestra.

NEW SOUTH WALES BRIDGE ASSOCIATION LIMITED

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DIRECTORS' REPORT

DIRECTORS' MEETINGS

The number of directors' meetings and number of meetings attended by each of the directors of the company during the financial year are:

	No. of Meetings Attended	No. of Meetings Held *
John Harold Arkinstall **	6	6
John William De Ravin	9	11
Michael McAusland Stuart Hughes	8	11
Patrick Mace	9	10
Elisabeth Rasmussen	6	9
Dagmar Neumann	6	8
Edward Barnes	6	7
Raymond Ernest Popple	6	7
Matthew Blackham	5	7
Keiran Matthew Crowe-Mai ***	5	5
Alan Douglas Walsh	3	5
Julian Roberts Foster	4	4
Robert Sam Evans	1	3
Kylie Hazel Ulani Robb	2	2
Margot Brown	2	2
Elizabeth Chadwick	0	1

* Reflects the number of meetings held during the time the director held office during the year. Does not include the AGM held in December 2001.

** Acting Chairman for the April meeting.

*** Resignation in March 2002

PRINCIPAL ACTIVITIES

The principal continuing activities of the company in the course of the financial year were teaching, playing and promotion of bridge in the state of New South Wales. No significant change in the nature of these activities occurred during the year.

OPERATING RESULTS

The profit/(loss) of the company for the financial year after providing for income tax was (\$40,781). (2001 \$5,669).

NEW SOUTH WALES BRIDGE ASSOCIATION LIMITED

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DIRECTORS' REPORT

REVIEW OF OPERATIONS AND LIKELY DEVELOPMENTS

Please refer to the attached reports.

STATE OF AFFAIRS

In the opinion of the directors there were no significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this financial report.

EVENTS SUBSEQUENT TO BALANCE DATE

In the opinion of the directors no matter or circumstance has arisen in the interval between the end of the financial year and the date of this report that has significantly affected or may significantly affect:

- i) the operations of the company,
- ii) the results of those operations, or
- iii) the state of affairs of the company,

in financial years subsequent to this financial year.

ENVIRONMENTAL ISSUES

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

INDEMNIFICATION AND INSURANCE OF OFFICERS OR AUDITORS

During the financial year, the company has paid an insurance premium insuring its present officers against all liabilities to another person (other than the company or a related body corporate) that may arise from their position as directors of the company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the company will meet the full amount of any such liabilities, including costs and expenses.

A confidentiality clause exists in the contract with the insurer, which prohibits the directors publishing details of the cover provided and premiums paid in respect of such cover.

DIRECTORS' BENEFITS

No director of the company has, since the end of the previous financial year, received or become entitled to receive a benefit other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the financial statements, or the fixed salary of a full-time employee of the company or of a related corporation by reason of a contract made by the company or a related corporation with any director or with a company in which he has a substantial financial interest.

NEW SOUTH WALES BRIDGE ASSOCIATION LIMITED

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DIRECTORS' REPORT

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

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

.....
JOHN HAROLD ARKINSTALL
DIRECTOR

.....
MICHAEL MCAUSLAND STUART HUGHES
DIRECTOR

Dated:

NEW SOUTH WALES BRIDGE ASSOCIATION LIMITED
A.B.N. 61 000 438 648

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes:

- (a) comply with Accounting Standards, the Corporations Act 2001 and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the company's and consolidated entity's financial position as at 30th September 2002 and performance for the period ended on that date of the company.

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001;
- (b) in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

.....
JOHN HAROLD ARKINSTALL
DIRECTOR

.....
MICHAEL MCAUSLAND STUART HUGHES
DIRECTOR

Dated:

NEW SOUTH WALES BRIDGE ASSOCIATION LIMITED
A.B.N. 61 000 438 648

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2002

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on the accrual basis and is based on historical costs and does not take into account changing money values or current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

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

Income Tax

No provision has been made for income tax as the economic entity is exempt in accordance with the terms of Section 50-45 of the Income Tax Assessment Act, 1997.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of product inventories are determined on a first in first out basis.

Property, Plant and Equipment

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

The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of expected net cash flows which 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.

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, are depreciated on a straight line basis over their useful lives to the company commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to depreciation. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation rate
Buildings	2.5%
Improvements	2.5%
Office & equipment	6-27%
Furniture & fittings	6-22%

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2002

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee Benefits

Provision is made for the company's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the company to employee superannuation funds and are charged as expenses when incurred.

Cash

For the purpose of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments and net of bank overdrafts.

Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Revenue

Revenue from the sale of goods is recognised upon delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon delivery of the service to the customers.

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

NEW SOUTH WALES BRIDGE ASSOCIATION LIMITED

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TRADING, PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 30TH SEPTEMBER 2002

	2002	2001
	\$	\$
OTHER INCOME		
Affiliation fees	53,628	53,540
Sydney Festival Income	13,116	17,836
Canteen proceeds	12,867	7,751
Grants Received	-	3,000
Interest Received	1,771	3,145
Lesson income	13,319	18,522
License fees	4,999	5,518
Masterpoint Income	8,706	9,514
Members subscriptions	27,441	29,469
Other Revenue	13,787	5,829
Parking income	18,934	21,124
Special tournaments	12,966	14,595
Supervision income	16,012	8,672
Table monies and entry fees	181,223	193,596
	<u>378,769</u>	<u>392,111</u>

NEW SOUTH WALES BRIDGE ASSOCIATION LIMITED

A.B.N. 61 000 438 648

TRADING, PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 30TH SEPTEMBER 2002

	2002	2001
	\$	\$
EXPENDITURE		
Advertising	1,056	1,781
Air conditioning expense	8,642	8,440
Auditor's Remuneration	5,500	4,500
Bank Charges	1,275	1,503
Sydney Festival Expenses	14,551	15,135
Canteen expenses	22,520	22,224
Cleaning	14,685	16,317
Council & Water Rates	3,049	2,845
Depreciation	25,384	27,685
Electricity	4,896	6,975
Insurance	5,528	6,004
Interest Paid	10,352	12,989
Master Point expenses	2,900	3,450
Other expenses	1,296	2,196
Parking expenses	18,107	21,255
Postage & courier	3,808	3,169
Printing & Stationery	9,636	9,917
Prizes, trophies & grants	38,204	26,300
Provision for holiday pay	(178)	(156)
Provision for Long Service Leave	1,124	4,809
Repairs & Maintenance	4,833	2,754
Small equipment purchase	4,654	3,212
Special tournament expenses	6,583	7,268
Strata levies	49,222	36,436
Superannuation contributions	8,148	7,508
Supervisors expense	1,200	2,960
Telephone	4,296	4,495
Tournament directors	11,536	6,823
Wages	136,743	117,648
	<u>419,550</u>	<u>386,442</u>
Profit (loss) from ordinary activities before income tax expense	<u>(40,781)</u>	<u>5,669</u>

NEW SOUTH WALES BRIDGE ASSOCIATION LIMITED

A.B.N. 61 000 438 648

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30TH SEPTEMBER 2002

	Note	2002 \$	2001 \$
CLASSIFICATION OF EXPENSES BY NATURE			
Revenues from ordinary activities	2	378,769	392,111
Employee benefits expense		(144,891)	(125,156)
Depreciation expense		(25,384)	(27,685)
Other expenses from ordinary activities		(249,275)	(233,601)
Profit (loss) from ordinary activities before income tax expense	3	<u>(40,781)</u>	<u>5,669</u>
Income tax expense relating to ordinary activities	1	-	-
Profit (loss) from ordinary activities after income tax expense		<u>(40,781)</u>	<u>5,669</u>
Total changes in equity other than those resulting from transactions with owners as owners		<u>(40,781)</u>	<u>5,669</u>

The accompanying notes form part of these financial statements.

NEW SOUTH WALES BRIDGE ASSOCIATION LIMITED

A.B.N. 61 000 438 648

STATEMENT OF FINANCIAL POSITION

AS AT 30TH SEPTEMBER 2002

	Note	2002 \$	2001 \$
CURRENT ASSETS			
Cash assets	4	38,267	67,810
Receivables	5	1,002	3,370
Inventories	6	7,590	8,296
Other	7	14,891	546
TOTAL CURRENT ASSETS		61,750	80,022
NON-CURRENT ASSETS			
Property, plant and equipment	8	758,517	783,901
TOTAL NON-CURRENT ASSETS		758,517	783,901
TOTAL ASSETS		820,267	863,923
CURRENT LIABILITIES			
Payables	9	10,841	14,662
Provisions	11	3,556	3,734
TOTAL CURRENT LIABILITIES		14,397	18,396
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	10	225,000	225,000
Provisions	11	5,933	4,809
TOTAL NON-CURRENT LIABILITIES		230,933	229,809
TOTAL LIABILITIES		245,330	248,205
NET ASSETS		574,937	615,718
MEMBERS' EQUITY			
Reserves	12	103,588	103,588
Retained profits	13	471,349	512,130
TOTAL MEMBERS' EQUITY		574,937	615,718

The accompanying notes form part of these financial statements.

NEW SOUTH WALES BRIDGE ASSOCIATION LIMITED

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STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30TH SEPTEMBER 2002

	Note	2002 \$	2001 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		415,764	430,918
Interest received		1,771	3,145
Cash payments in the course of operations		(436,726)	(382,325)
Interest paid		(10,352)	(12,989)
Net cash provided by (used in) operating activities	14(a)	<u>(29,543)</u>	<u>38,749</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant & equipment		-	(2,250)
Net cash provided by (used in) investing activities		<u>-</u>	<u>(2,250)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	-
Repayments of borrowings		-	(50,000)
Net cash provided by (used in) financing activities		<u>-</u>	<u>(50,000)</u>
Net increase (decrease) in cash held		(29,543)	(13,501)
Cash at beginning of year		67,810	81,311
Cash at end of year	14(b)	<u><u>38,267</u></u>	<u><u>67,810</u></u>

The accompanying notes form part of these financial statements.

NEW SOUTH WALES BRIDGE ASSOCIATION LIMITED

A.B.N. 61 000 438 648

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2002

	2002	2001
	\$	\$
NOTE 2: REVENUE		
Operating activities:		
Affiliation fees	53,628	53,540
Sydney Festival Income	13,116	17,836
Canteen proceeds	12,867	7,751
Grants Received	-	3,000
Lesson income	13,319	18,522
License fees	4,999	5,518
Masterpoint Income	8,706	9,514
Members subscriptions	27,441	29,469
Parking income	18,934	21,124
Special tournaments	12,966	14,595
Supervision income	16,012	8,672
Table monies and entry fees	181,223	193,596
Other revenue	13,787	5,829
Non Operating activities:		
Interest Received	1,771	3,145
	<u>378,769</u>	<u>392,111</u>

NOTE 3: PROFIT (LOSS) FROM ORDINARY ACTIVITIES

Profit (loss) from ordinary activities before income tax expense has been determined after:

(a) Expenses:

Depreciation	25,384	27,685
Interest paid:		
- Australian Bridge Federation Incorporated	10,352	12,951
- other persons	-	38
Provision for employee entitlements	946	4,653
Remuneration of auditor:		
- audit of the financial report	1,600	1,600
- accounting, secretarial, support staff and other services	3,900	3,900

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2002

	2002	2001
	\$	\$
NOTE 4: CASH		
Cash on hand	200	200
Cash on deposit	30,475	37,483
Cash at bank	7,592	30,127
	<u>38,267</u>	<u>67,810</u>
NOTE 5: RECEIVABLES		
CURRENT		
Trade debtors	1,002	3,370
	<u>1,002</u>	<u>3,370</u>
NOTE 6: INVENTORIES		
CURRENT		
Stock on hand	7,590	8,296
	<u>7,590</u>	<u>8,296</u>
NOTE 7: OTHER		
CURRENT		
Prepayments	14,891	546
	<u>14,891</u>	<u>546</u>

NEW SOUTH WALES BRIDGE ASSOCIATION LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2002

	2002	2001
	\$	\$
NOTE 8: PROPERTY, PLANT & EQUIPMENT		
NON-CURRENT		
Buildings - at cost	911,332	911,332
Less: accumulated depreciation	185,759	167,148
	<u>725,573</u>	<u>744,184</u>
Improvements - at cost	5,582	5,582
Less: accumulated depreciation	754	614
	<u>4,828</u>	<u>4,968</u>
Office equipment - at cost	53,502	53,502
Less: accumulated depreciation	48,022	45,908
	<u>5,480</u>	<u>7,594</u>
Furniture & fittings - at cost	120,369	120,369
Less: accumulated depreciation	97,733	93,214
	<u>22,636</u>	<u>27,155</u>
Total property, plant and equipment	<u>758,517</u>	<u>783,901</u>

An independent current market valuation of the building situated at Level 1, 162-166 Goulburn Street, East Sydney of \$970,000 was undertaken on 6th March 1997.

NEW SOUTH WALES BRIDGE ASSOCIATION LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2002

NOTE 8: PROPERTY, PLANT & EQUIPMENT (CONTINUED)

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

	Land & buildings	Improvements	Office equipment
Balance at the beginning of year	744,184	4,968	7,594
Additions	-	-	-
Depreciation	(18,611)	(140)	(2,114)
Carrying amount at the end of year	<u>725,573</u>	<u>4,828</u>	<u>5,480</u>

\$

\$

NOTE 9: PAYABLES

CURRENT

Unsecured liabilities

Trade creditors

Other creditors and accrued expenses

442	7,016
10,399	7,646
<u>10,841</u>	<u>14,662</u>

NOTE 10: INTEREST-BEARING LIABILITIES

NON-CURRENT

Secured liabilities

Mortgage loans

225,000	225,000
<u>225,000</u>	<u>225,000</u>

NEW SOUTH WALES BRIDGE ASSOCIATION LIMITED

A.B.N. 61 000 438 648

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2002

	2002	2001
	\$	\$
NOTE 11: PROVISIONS		
CURRENT		
Provision for holiday pay	3,556	3,734
	<u>3,556</u>	<u>3,734</u>
NON-CURRENT		
Provision for long service leave	5,933	4,809
	<u>5,933</u>	<u>4,809</u>
Aggregate employee entitlement liability	<u>9,489</u>	<u>8,543</u>
	No.	No.
Number of employees at year end	<u>3</u>	<u>3</u>
NOTE 12: RESERVES		
Capital Redemption Reserve	67,598	67,598
Building Fund	35,990	35,990
	<u>103,588</u>	<u>103,588</u>
There were no movements in reserves during the financial year or the previous financial year.		
NOTE 13: RETAINED PROFITS		
Retained profits (accumulated losses) at the beginning of the financial year	512,130	506,461
Profit (loss) from ordinary activities after income tax expense	(40,781)	5,669
Retained profits (accumulated losses) at the end of the financial year	<u>471,349</u>	<u>512,130</u>

NEW SOUTH WALES BRIDGE ASSOCIATION LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2002

	2002	2001
	\$	\$

NOTE 14: CASH FLOW INFORMATION

(a) Reconciliation of cash flow from operations with profit (loss) from ordinary activities after income tax:

Profit (loss) from ordinary activities after income tax	(40,781)	5,669
Non-cash flows in profit from ordinary activities:		
Depreciation	25,384	27,685
Decrease (increase) in receivables	2,368	6,554
Decrease (increase) in current inventories	706	(303)
Decrease (increase) in prepayments	(14,345)	127
Increase (decrease) in trade creditors	(6,573)	263
Increase (decrease) in other creditors	2,752	(5,899)
Increase (decrease) in provision for employee entitlements	946	4,653
Net cash provided by (used in) operating activities	<u>(29,543)</u>	<u>38,749</u>

(b) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash on hand	200	200
Cash on deposit	30,475	37,483
Cash at bank	7,592	30,127
	<u>38,267</u>	<u>67,810</u>

NOTE 15: DIRECTORS' REMUNERATION

No remuneration was received by any director from the company during the financial year or previous financial year.

NEW SOUTH WALES BRIDGE ASSOCIATION LIMITED

A.B.N. 61 000 438 648

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2002

NOTE 16: RELATED PARTY TRANSACTIONS

The names of each person holding the position of director of the company during the financial year were:

John Harold Arkinstall
John William De Ravin
Michael McAusland Stuart Hughes
Patrick Mace
Elisabeth Rasmussen
Dagmar Neumann
Edward Barnes
Raymond Ernest Popple
Matthew Blackham
Keiran Matthew Crowe-Mai
Alan Douglas Walsh
Julian Roberts Foster
Robert Sam Evans
Kylie Hazel Ulani Robb
Margot Brown
Elizabeth Chadwick

Details of directors' remuneration are set out in the preceding note to the financial statements.

No director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests subsisting at year end.

Furniture & fittings	Total \$
27,155	783,901
-	-
(4,519)	(25,384)
<u>22,636</u>	<u>758,517</u>
0 \$	0 \$

Chairman's Report

Prologue Many of you will be aware that Keiran Crowe-Mai, who was re-elected as Chairman at the 2001 AGM, received a mid year work posting to Tokyo. I had preceded Keiran as Chairman, being in the position for a little over a decade and when I was invited to resume the Chairmanship on an interim basis, I was happy to do so. Let us see what fate holds in store!

Operations It is obvious the \$ 40,000 loss reported by our Treasurer this year is a dismal result when compared with the small profit last year and the results of previous years. I suspect we are still suffering some after effects from the GST, as well as the Olympic downturn, which impacted on city attendances. While the state events were reasonably supported, some of the duplicates were poorly patronised. Reasons were varied. As has previously been covered in connection with Council's consideration of alternative venues, parking and amenities in the present premises are not attractive to all. On this topic, may I make the point that when there was simple and prudent consideration given to improving our location, Council was subjected to a near hysterical pre-emptive assault from the 'I'm against it' brigade and then dispirited by the malaise of the 'Oh no, it didn't come off' brigade. Surely a little trust at the outset would not have gone amiss. It is now time for people to stop behaving like a bunch of headless chooks and pause for a reality check. **After all the NSWBA does own premises worth around \$ 1.2 million.**

On occasions trumps break badly. Those with no resolve drop their bundle, others try to get a count on the hand. The first thing is to look at is the figures. First the downside - I am sure our Treasurer will point out that the \$ 40,000 loss derives from several items – a major one being depreciation of \$ 25,000 (which is a requisite accounting standard but most of which relates to *depreciation of this floor*, which is in reality *appreciating*). The main differences from last year are loss of a non-recurring sponsorship (\$ 3,000), reduced income from the Sydney Festival (\$ 4,500), reduced lesson income (\$ 5,000) and increased travel grants (\$ 12,000), this years ANC being in Hobart. We also made an additional strata payment in the current financial year. Just \$ 14,000 of the loss comes from a decline in table money. When you put it in this context it is obvious that we don't need to consider slaughtering the family pet for the stew-pot just yet – but before you wipe the sweat from your brows and draw out the cards from the next board, PLEASE understand that we must all work together to turn the trend around, or we will get into difficulties. Our mortgage is manageable and our mortgagee, the ABF, is supportive.

Council has already taken proactive steps to improve next year's bottom line. Firstly on the fringes, we have strong proposals with several new corporate sponsors, some of which can reasonably be expected to bear fruit and we have also sought funding from the state government under several options which are available. Additionally in view of the fact that the Darwin ANC next year is the most expensive of the cycle, we have increased the state capitation fee from \$ 4.50 to \$ 5.50, to ensure that more of the costs of state administration and office infrastructure are recouped more equitably. Savings will also have to come from belt tightening in some areas.

Premises The main game is clearly to hold and then increase the numbers playing at the NSWBA. To this end we have revamped the teaching programme to provide for more classes in the new year and to ensure that supervised classes will be moved through to the duplicate stage in a more cohesive group, which should see less fall off to suburban sessions. Those in the regular duplicates need to realise that when novices come forward they have to be made to feel welcome – they are our future. The task for the teachers is to teach more people and the doubling of supervised income is pleasing. Our players in the duplicates need to capture the newcomers with charm, bonhomie and good manners.

While the state events and in particular the Monday night game is holding there is also work to be done here. I have long believed Council needs to look at the cost structure of representative bridge and make adjustments to ensure all the burden of the annual travel grants does not fall on the shoulders of these players – after all they represent all of NSW, not just an elite clique. In most sports the costs of the state representatives are borne across the base of the pyramid – in bridge it is sometimes suggested that the principle of user pays should hold good. But to try to raise all the costs of state travel grants solely from the entry fees of Monday night players simply makes the non-selection sessions uncompetitive against suburban games. Again, a more equitable solution must be found.

It must be acknowledged that there has been a drop off in the Tuesday morning state session. Regrettably some players drift away after the main competition of the year. Steps have been taken to woo them back, but the strongest incentive I can think of is the stark reality that if our players do not care to support the Tuesday game and other sessions, there may well be no Monday night game and no Association to play in either! It would be an absolute disgrace if this were allowed to happen – bridge has few freehold properties and if we lose one through apathy it is a sad indictment of our values. People seem to think we can maintain 60 table premises for occasions when they are needed, yet blithely wander off to play elsewhere when the mood takes them. Without these premises I don't believe we will have regular quality games at a geographically central venue. It would be easy for a voluntary state Council to then take the minimalist approach of running the three or four selection events a year at a conveniently large venue – one able to hold say fifty tables, but which may be far less central. This does little for state bridge, but if people will not support the concept, Council is fully entitled to say 'so what'.

Where do we go from here? When we purchased these premises we did so with a duality of purpose – to bring together the synergies of the state events, robust regular duplicates and the office and infrastructure needed by a state body under one roof, with commensurate economies available. With this in mind and some areas of our operations simply not working there are several ways forward, some less sensible than others.

Personally I would hate to see these premises sold, unless it is to purchase something better. Nothing is surer than that the money would simply be frittered away, as there will I am sure, be no shortage of people of enterprise prepared to count the sack of gold for a small fee. And to those who suggested a distribution to the members – sorry, the Constitution and the tax act prohibit either a dividend or a distribution – nice try though!

Moving right along, we could of course sell a third of the floor, pay out the mortgage and continue club activities with substantial funds left over. While this is superficially attractive it would be a pretty short-term solution, as it does nothing towards maintaining premises suitable for state events, which was the strategy when the floor was bought. It also limits our manoeuvrability should we find more suitable premises to purchase.

A financially sound option would be the minimalist approach of leasing out the entire floor and utilising the funds for state activities, but this does little for the regular duplicates. Then again, it could be argued that if the attendances at these sessions is so poor, what are we trying to preserve. Your Council is at the end of the day a company board and thus have obligations under the law to operate the company prudently.

While these options remain available, we do not need to take radical actions yet. And I would think it quite sad and a very backward step for bridge in this state if they do need to be taken. We have cash reserves and strong supporters. The solution is obvious. The Council and staff roll up their sleeves and all that is needed then is for the bridge players of NSW and particularly YOU, the members, to support them and the games at the Association. It is as simple as that. Council has already moved to revamp the teaching programme, rebuild the duplicates and put new sponsorships in place. But we can't do the job alone – you all have a role. Many of you have said you want to stay in these premises. Fine, but this is only sustainable if people then support the effort.

Around the state Registered player numbers are up overall, but while some clubs are going well, particularly those with an emphasis on service or ready access to parking, other clubs report a significant falloff in attendance. There is evidence to suggest that while there are more people registered, many are playing less. Despite best efforts and the wider publication of the congress calendar many congresses are also suffering falling attendances. It may well be a product of having 75 clubs in the metropolitan area that with so many small sessions and so much bridge that we go through a period of, as the politicians say, 'negative growth'. I have even heard it whispered in dark places that there may actually be too much bridge. The struggle for patronage could be counterproductive in that some clubs who previously promoted state events and the congress circuit now feel the need to keep players closer to home. It is understandable, but if the better club players are given nothing to aspire to, will they not drop out for alternative activities altogether? I know I would. At state level I am certain the amount of bridge on the ABF circuit has resulted in a syphoning up of many of the established players.

The State-Wide Pairs run by the FABC still proves attractive and the ABF has a new format for club players in the pipeline. The masterpoint scheme remains as solid as ever. I had a number of requests for additional B4c vouchers for special promotional sessions run to support the Farmhand Appeal, with funds raised set to assist our mates in the bush.

Epilogue My thanks to the Council, the staff, the FABC and the members for an interesting year. As for me, "Tis a far, far better rest I go to than I have ever known."

J.H.Arkininstall
Chairman

TREASURER'S REPORT 2002

The Association made a loss of \$41,000 in the year ended 30 September 2002 (prior year: \$6,000 profit and in 2000, \$44,000 profit). This included approximately \$25,000 in non-cash items (primarily, depreciation of the premises which are in reality increasing in value), so the cash position is not so adverse.

My report last year foreshadowed a difficult year for the association. Expenses were higher than in 2001, notably grants (high expenses with the ANC in Hobart) and strata levies (an expected increase due to increased levies to meet the cost of upgrading the air-conditioning and other major works on the building). These increases were expected, and a small loss was foreshadowed.

Of rather greater concern is the continuing reduction in income: expenses are to an extent cyclical and should reduce from the 2004 year. What the association cannot withstand in the long term is continuing reduction in income, which should not be cyclical. Table monies and entry fees are down \$12,000 and members subscriptions down \$2,000, reflecting reduced attendance. There was no income this year from Wednesday night bridge, once the second or third largest session of the week, and there has been a substantial reduction in the Tuesday daytime numbers. Championship events on Monday night stood up well, but other sessions are at best standing still, mostly with less than 10 tables per session. For the association to continue to operate in the way it does this trend must be reversed – in the long term, we are not viable without an increase in table numbers.

The capital position of the association remains very sound. The premises are in the books at \$730,000 (last year, \$750,000) and had an assessed market value of \$960,000 over 5 years ago. To an extent however, the presence of a sound financial base and the foresight of previous Councils in purchasing the premises obscures the ongoing financial position: if we were renting the current premises, we would be faced with a rental bill of over \$100,000 (compared with interest on the premises loan of around \$10,000 and depreciation of \$20,000). The accounts would be showing a loss of more than \$100,000! It would be evident that we could not afford to operate the way we are currently. The premises are only fully utilised a few times a year, and of the regular sessions, only Monday more than half fills the available space. One option if table numbers do not improve is to reduce the size of the premises (either selling or sub-letting part of the floor).

The premises loan to the ABF remains at \$225,000. No repayments were made in 2002, and there is little or no prospect of any repayments in 2003. The loan was rolled over for a further 3 years during the current year, and is due for repayment in 2005.

Next year is likely to be a difficult one. Whatever can be done to increase table numbers is not likely to happen overnight, so income will be at best slightly up on the current year. We are at the very high point of the expenses cycle, with the ANC in Darwin and the increased strata levies still in place. To improve the position somewhat we have increased the capitation fees to affiliated clubs from 2003, and the level of grants for NSW teams competing at the ANC will be cut back slightly. We have cash on hand and on deposit that would enable us to survive another year like 2002 without running into a liquidity problem, but the incoming Council will need to take some hard decisions in 2003 if ways cannot be found to increase table numbers.

I hope that next year's Treasurers report is less gloomy. The best way for this to happen is for current members to help. Play more often if you can, encourage your friends to play bridge at the association (or to learn bridge if they don't play already). If you have any constructive suggestions, PLEASE give them to Noella or any Councillor. This is your Association: if you want to see it prosper, help in any way you can!

I would like to thank Noella for the sterling work she does day in and day out, both in keeping the accounts in exemplary fashion, and in the day-to-day running of the premises.

Mike Hughes, 6th November 2002

SPONSORSHIP & PROMOTIONS

May I first thank Elisabeth Rasmussen who served with distinction in this difficult portfolio for several years. Elisabeth left us mid year and the work she did will be missed.

The value of sponsors cannot be underestimated where the bottom line is concerned. It is not uncommon that bridge organisations, even the ACBL in the United States, find attracting and keeping sponsors tough – in part because of our arsenic and old lace image, in part because of the numbers not yet attaining critical mass and the ‘action’ of the game not really appealing to television, it is difficult to find corporate backing.

During the year the RetireInvest sponsorship was not repeated. Similarly the largesse from the Department of Sport and Recreation, which was originally made available as a development grant, was not repeated. I have written to the Minister seeking an audience, which I hope will be forthcoming by the AGM. In view of the fact that one of his minions described bridge as “like tiddlywinks” and “not deserving of funding”, I thought it best to try to go to the top in what should be an election year. I shall report the Minister’s response to the AGM and to the clubs through Chairman’s Corner.

Now for the positives. De Bortoli continues to support us with their excellent wines as does Safilo the manufacturer of upmarket eyewear. I guess this means that if we are drunk, at least we will not be blind drunk. All jokes aside many thanks to these generous sponsors for their continuing support. When you have a choice, you know what to do!

The Sydney Morning Herald and the Sun Herald continue their support for bridge in NSW with their columns, Ron Klinger tagging in for Denis Howard. And why shouldn’t they - as they haven’t published any of my letters for a while (whinge, gripe) they have plenty of room for bridge. The space they dedicate to bridge gives a wonderful window on the game. In addition the Sydney Morning Herald also generously sponsors the Dick Cummings Blue Ribbon Pairs at the Sydney Bridge Festival. Again, our thanks.

In the last few weeks I have sought sponsorship from a number of corporate entities and government bodies. I have reasonable hopes of success, if not by charm of personality, then by weight of presentations. I believe the Quit campaign will soon come on board and with innovative proposals out there I hope to make some further announcements at the AGM.

In terms of promotions with financial assistance from the ABF we put on a sumptuous mid year ‘meet and greet’ for the President of the World Bridge Federation, Jose Damiani, which was also attended by the President of the ABF Keith McDonald. Jose was here to assist with our attempt to gain admission to the Australian Olympic Committee and to congratulate Zone 7, in particular Australia, for its increase in player numbers. Jose called us “the dynamic Zone”. Councillors Ed Barnes and Dagmar Neumann did us proud with their excellent food and De Bortoli provided the wine for the evening.

John Arkinstall
For Sponsorship and Promotions

TOURNAMENT COMMITTEE REPORT 2002

There were no significant changes to the tournament program this year. Table numbers for the major tournaments (Monday nights) remain fairly steady but the regrettable down-trend for other sessions continues. The viability of some of these sessions is in serious doubt. We welcome suggestions for reversing the trend.

As most will be aware, last year saw the demise of the Wednesday Night Duplicate. Next year we will resurrect play on some (not all) Wednesdays. These days Match-Pointed pairs seem to be losing popularity so we will run these events as IMP based pairs events.

The Teams of Three Congress continues to be a successful event even though numbers were again slightly down on previous years. In future years this tournament will contest for a Memorial Trophy in honour of the late Les Longhurst who, apart from being an outstanding player and gentleman, contributed so much to the event ever since its inception.

At the ANC Interstate Teams NSW was represented by:

Open (2nd)	Women (2nd)	Senior (1st)	Junior (3rd)
A. Kanetkar	P. Evans	R. Cowan	F. Brown
M. McManus	J. Hay	M. Foster	G. Feiler
T. Nunn	B. Folkard	M. Hughes	P. Hunter
A. Reiner	R. Kaplan	E. Griffin	D. Krochmalik
R. Richman	H. Renton	T. Moss	A. Rowberry
M. Thomson	L. Stern	D. Zines	M. Wilkinson

Congratulations to all the above and some commiserations to the Open who lost the final by 1 IMP and the Women who lost the final by 4 IMPs.

There were two changes to our Directorial staff. Bill Zorn stepped down after many years of service and we welcome Peter Jamieson as director of Monday daytime sessions. Peter will be well known for his excellent work as editor of the NSWBA Newsletter. Our other, regular directors are Matthew McManus, Terry Wright, David Griffiths and George Segal.

Tina Zines and Pamela Blinman continue their work with teaching and supervised sessions.

Major results are available on our website (www.nswba.com.au) and can also be e-mailed directly to players. Much other valuable information is available via this website, and also from the ABF site (www.abf.com.au).

Alan Walsh
Tournament Committee Chairman

Tournament Committee Members:
Valerie Cummings, Nick Hughes, Warren Lazer, Carolyn Molloy, Matt McManus, Peter Newman

HOUSE REPORT

May I thank Dagmar Neumann for her services in this portfolio. Dagmar threw herself into House with enthusiasm and dedication, but with new work commitments and a house to set up late in the year, she felt unable to give the portfolio the time she thought it deserved.

During the year it would be safe to say the Association also looked for a new house. That search should be considered to be on hold, at least for the time being.

We were fortunate to obtain several new computers during the year. They were long overdue. We purchased a new high speed model to replace the computer in the office, the need being to service and participate in the new forms of electronic communication making an impact in the bridge world. Have you visited the NSWBA website yet? I have. Thanks to Pauline Gumby for maintaining it and putting up with my questions. We also obtained at bargain basement rates a pre-loved, but still fast second hand model through the good offices of John De Ravin. This computer has been put in the dealing annex and another quality pre-loved from a donor who wishes to remain anonymous has been utilised for the tournament directors' scoring. My thanks to Dagmar and to our Office Manager, Noella Smith, who put in a mammoth effort over several nights in networking the computers.

The plants continue to multiply along the shelf – may next years classes be as fertile.

And the air-conditioning – didn't it work well, WELL DIDN'T IT WORK AT LEAST OK, FOR PART OF THE TIME? This has been a bad joke for too long and we have again taken it up with the Owners' Corporation. We are contributing a small fortune for the building's internal electrical circuitry and air-conditioning to be overhauled and upgraded – one would hope for performance+ in the coming year.

John Arkinstall

For the House Committee

Youth Report

Those of you who saw the cherubic and well, youthful, faces of our fearsome foursome in the Sydney Morning Herald could not fail to have been impressed. It was a great piece for the promotion of bridge and did us proud. Well done and I hope you get your degrees.

In addition to sending the Youth Team to Hobart, this year we subsidised two players to attend the Youth Triathlon in Adelaide. We expect to reap a bountiful harvest by seeing everyone play in the State Youth Pairs and Youth Teams in Sydney in mid December. If you know a youth, or even a midget, IT IS YOUR DUTY TO MAKE THEM PLAY!

Ed Barnes in France – have a wicked time dude.

John Arkinstall

For the Youth Committee

FABC ANNUAL REPORT 2002

It is my pleasure to present the annual report for the period to September 30th, 2002.

During the year the FABC organised qualifying competitions for the State Mixed Pairs, the State Open Pairs and the State Open Teams (both Country section and Metropolitan section). The Interclub Teams Competition was not run again this year due to lack of interest.

Carolyn MOLLOY was convenor for the SMP, Matt BLACKHAM for both the SOT-Country and Metro and Val CUMMINGS for the SOP. Val was also convenor for the State Wide Pairs.

These competitions were run successfully.

Eight out of eleven of our Country Representatives attended the meeting we convene every year in June. This was a very successful meeting and a number of issues were discussed, including directors' accreditation. The FABC website has a page dedicated to this meeting.

The pattern of reducing participation unfortunately continued this year. Reversing this trend over the coming year is uppermost in the mind of the council.

I would like to complete this brief overview of the year by thanking all the committee members who donate their time selflessly and who work for a better administration of bridge in NSW. I especially wish to mention Patrick Mace who stood down as President this year after many years of magnificent service. It is difficult to see how this loss will be accommodated. Also this year, Sandra Da Silva resigns from the secretaryship after sterling work over the past year. The work previously done by the secretary has been distributed to various council members. I would like to welcome new councillors Leiv Bornecrantz and Julianne Rocks and thank Julianne for taking on the role of Treasurer in her first year on the council.

Matt Blackham
President
October 2002