

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

FINANCIAL REPORT
FOR THE YEAR ENDED
30TH SEPTEMBER 2005

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

DIRECTORS' REPORT

The directors of New South Wales Bridge Association Limited present their report on the company for the year ended 30th September 2005.

DIRECTORS

The names and qualifications of the directors of the company in office at any time during the year are:

Alex Yezerski, Chairman

Dr Alex Yezerski has completed his first year on Council. He has recently returned to the Sydney Bridge scene after an absence of 25 years from competitive bridge. As the principal of a small multinational computer company, Alex brings real-world commercial experience to the Council complemented by a genuine love of the game, even if his success to date has been rather modest. He made the round-of-sixteen in the SWPT in January this year and the semi-finals of the Australian Seniors Teams selection in April.

Benjamin Adam Chosid, Secretary

Ben has served on the NSWBA council since October 2002, and prior to taking on the position as Secretary in July 2005 was chiefly responsible for the House and Catering portfolios. Ben started playing bridge seriously in 2001, and has not enjoyed any representative success; however, having discovered some wonderful bridge characters on his travels, he loves nothing more than playing in weekend country congresses all over the state. Ben is a corporate Financial Adviser with Gow-Gates Financial Services.

Michael McAusland Stuart Hughes, Treasurer

Michael is in his sixth year as Treasurer. He was previously treasurer for several years over 20 years ago. He has represented NSW and Australia on Open and Senior 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 was an actuary during his working life, but saw the light last year and now is occupied playing golf, croquet, tennis, and of course bridge.

Julian Roberts Foster

Julian has served on the NSWBA Council since February 2000 (apart from a break for travelling during 2002). He works as a tax consultant for Deloitte. Before moving to Sydney, Julian served for 5 years on the committees of the Cambridge bridge club and Cambridgeshire county bridge association in England, including spells as treasurer and chairman. He is now a regular on the Australian tournament scene and won the Dick Cummings Blue Ribbon Pairs in 2001. He is also a member of the ABF Finance Committee. Away from the bridge table, Julian enjoys tennis, astronomy and bush walking.

Kim Grantley Morrison, Chairman of the Tournament Committee and Director Relations

This was Kim's first year on council. He works as a Mathematics teacher at Taylor's College. He has been a regular player at the NSWBA and National Events for many years. He has been a member of the NSW Open Team (3 times) and has won the VCC (twice) and the GNOT, as well as many State Championships. His other main interests are golf and crossword puzzles.

Peter David Gill

This is Peter's third period on the NSWBA Council, the previous times being in the 1980s and 1990s. Peter has been working as a bridge teacher, director and player for the last three years. He has played for Australia five times and won over twenty National Championships.

NEW SOUTH WALES BRIDGE ASSOCIATION LIMITED

A.B.N. 61 000 438 648

DIRECTORS' REPORT

DIRECTORS (CONTINUED)

Ross Anthony Stuart

Ross joined the Council in 2004 after returning to the bridge scene in 2002 following a 20 year absence. He learnt his bridge in the mid sixties at Queensland University, and when subsequently working in Newcastle for five years, would drive down and back most Friday nights for the main session at the old Elizabeth St premises. This year he won second place in the ANC Seniors Butler.

Keiran Matthew Crowe-Mai, was director and Chairman up to 14 December 2004

Elizabeth Anne Fanos, was director and Secretary up to 14 July 2005

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 *
Alex Yezerski	9	9
Keiran Matthew Crowe-Mai	2	2
Elizabeth Anne Fanos	6	8
Michael McAusland Stuart Hughes	9	11
Julian Roberts Foster	8	11
Benjamin Adam Chosid	8	11
Kim Grantley Morrison	9	9
Peter David Gill	6	9
Ross Anthony Stuart	7	9

* Number of meetings with a quorum held while director was in office. Does not include the AGM held in December 2004.

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 of the company for the financial year after providing for income tax was \$65,149 (2004 profit \$14,606).

NEW SOUTH WALES BRIDGE ASSOCIATION LIMITED

A.B.N. 61 000 438 648

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

A.B.N. 61 000 438 648

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.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

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

.....
ALEX YEZERSKI
DIRECTOR

.....
MICHAEL MCAUSLAND STUART HUGHES
DIRECTOR

Dated:

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

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

I declare that, to the best of my knowledge and belief, during the year ended 30th September 2005 there have been:

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

CBC PARTNERS
Chartered Accountants

GERARD J. BULTERS
Partner

SYDNEY
Dated:

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

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30TH SEPTEMBER 2005

	Note	2005 \$	2004 \$
Revenues from ordinary activities	2	519,566	426,422
Employee benefits expense		(127,097)	(116,334)
Depreciation expense	3	(27,624)	(23,812)
Borrowing costs expense	3	(10,184)	(10,934)
Other expenses from ordinary activities		(289,512)	(260,736)
Profit (loss) from ordinary activities before income tax expense	3	<u>65,149</u>	<u>14,606</u>
Income tax expense relating to ordinary activities	1	-	-
Profit (loss) from ordinary activities after income tax expense		<u>65,149</u>	<u>14,606</u>
Total changes in equity other than those resulting from transactions with owners as owners		<u>65,149</u>	<u>14,606</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 2005

	Note	2005 \$	2004 \$
CURRENT ASSETS			
Cash assets	4	93,038	48,206
Receivables	5	954	611
Inventories	6	615	5,105
Other	7	-	17,366
TOTAL CURRENT ASSETS		94,607	71,288
NON-CURRENT ASSETS			
Property, plant and equipment	8	719,481	725,609
TOTAL NON-CURRENT ASSETS		719,481	725,609
TOTAL ASSETS		814,088	796,897
CURRENT LIABILITIES			
Payables	9	21,353	13,188
Provisions	11	1,835	-
TOTAL CURRENT LIABILITIES		23,188	13,188
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	10	150,000	200,000
Provisions	11	-	7,958
TOTAL NON-CURRENT LIABILITIES		150,000	207,958
TOTAL LIABILITIES		173,188	221,146
NET ASSETS		640,900	575,751
MEMBERS' EQUITY			
Reserves	12	103,588	103,588
Retained profits	13	537,312	472,163
TOTAL MEMBERS' EQUITY		640,900	575,751

The accompanying notes form part of these financial statements.

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30TH SEPTEMBER 2005

	Note	2005 \$	2004 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		541,963	474,861
Interest received		950	1,667
Cash payments in the course of operations		(416,401)	(426,952)
Interest paid		(10,184)	(10,934)
Net cash provided by (used in) operating activities	14(a)	<u>116,328</u>	<u>38,642</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant & equipment		(21,496)	(9,419)
Net cash provided by (used in) investing activities		<u>(21,496)</u>	<u>(9,419)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings		(50,000)	(25,000)
Net cash provided by (used in) financing activities		<u>(50,000)</u>	<u>(25,000)</u>
Net increase (decrease) in cash held		44,832	4,223
Cash at beginning of year		48,206	43,983
Cash at end of year	14(b)	<u><u>93,038</u></u>	<u><u>48,206</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 2005

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report that has been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Act 2001.

NSW Bridge Association Limited is a public company limited by guarantee.

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%

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2005

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).

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2005

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Company Limited By Guarantee

Every member of the company undertakes, in accordance with the Memorandum of Association of the company, to contribute such amount (not exceeding 1 pound) as may be required in the event of the winding up of the company during the time that they are a member or within one year afterwards. As at 30th September 2005 the number of members was 643 (2004: 568).

Impact of Adoption of Australian Equivalents to International Financial Reporting Standards

The company is preparing and managing the transition to Australian Equivalents to International Financial Reporting Standards (AIFRS) effective for the financial years commencing from 1st January 2005. The adoption of AIFRS will be reflected in the company's financial statements for the year ending 30th September 2006. On first time adoption of AIFRS, comparatives for the financial year ended 30th September 2005 are required to be restated. The majority of the AIFRS transitional adjustments will be made retrospectively against retained earnings at 1st October 2004.

The company's management, along with its auditors, have assessed the significance of the expected changes and are preparing for their implementation. The impact of the alternative treatments and elections under AASB 1: First Time Adoption of Australian Equivalents to International Financial Reporting Standards, has been considered where applicable.

The directors are of the opinion that the key material differences in the company's accounting policies on conversion to AIFRS and the financial effect of these differences where known are as follows. Users of the financial statements should, however, note that the amounts disclosed could change if there are any amendments by standard-setters to the current AIFRS, or interpretation of the AIFRS requirements changes from the continued work of the company's management, along with its auditors.

(a) Impairment of assets

Under AASB 136: Impairment of Assets, the recoverable amount of an asset is determined as the higher of fair value less costs to sell, and value in use. In determining value in use, projected future cash flows are discounted using a risk adjusted pre-tax discount rate and impairment is assessed for the individual asset or at the 'cash generating unit' level. A 'cash generating unit' is determined as the smallest group of assets that generates cash flows, which are largely independent of the cash inflows from other assets or group of assets. The current policy is to determine the recoverable amount of an asset on the basis of undiscounted net cash flows that will be received from the assets use and subsequent disposal. It is likely that this change in accounting policy will lead to impairments being recognised more often.

The company has reassessed its impairment testing policy and tested all assets for impairment as at 1st October 2005. The impact of the change is estimated not to have a material impact.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2005

	2005	2004
	\$	\$
NOTE 2: REVENUE		
Operating activities:		
Affiliation fees	67,871	66,968
Sydney Festival Income	11,220	13,938
Canteen proceeds	1,583	1,959
Donation income	50,225	-
Interest Received	950	1,667
Lesson income	11,089	14,626
License fees	8,170	7,890
Masterpoint Income	4,424	7,622
Members subscriptions	28,247	29,988
Parking income	17,247	16,963
Special tournaments	6,902	20,123
Supervision income	2,392	3,372
Table monies and entry fees	290,688	210,103
Other revenue	18,558	31,203
	519,566	426,422

NOTE 3: PROFIT (LOSS) FROM ORDINARY ACTIVITIES

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

(a) Expenses:

Depreciation	27,624	23,812
Borrowing costs:		
- Australian Bridge Federation Incorporated	10,184	10,934
Provision for employee entitlements	(6,123)	(2,501)
Remuneration of auditor:		
- audit of the financial report	3,000	3,000
- accounting, secretarial, support staff and other services	3,500	3,198
Sydney Festival Expenses	6,795	15,599
Canteen expenses	20,610	26,091
Insurance	10,200	7,238
Master Point expenses	3,246	1,917
Parking expenses	20,506	18,432
Prizes, trophies & grants	13,412	29,018
Special tournament expenses	75,635	10,872
Strata levies	49,291	46,545
Tournament directors	20,702	14,407

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2005

	2005	2004
	\$	\$
NOTE 4: CASH ASSETS		
Cash on hand	241	500
Cash on deposit	21,586	20,667
Cash at bank	71,211	27,039
	<u>93,038</u>	<u>48,206</u>
NOTE 5: RECEIVABLES		
CURRENT		
Trade debtors	954	611
	<u>954</u>	<u>611</u>
NOTE 6: INVENTORIES		
CURRENT		
Stock on hand	615	5,105
	<u>615</u>	<u>5,105</u>
NOTE 7: OTHER		
CURRENT		
Prepayments	-	17,366
	<u>-</u>	<u>17,366</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 2005

	2005	2004
	\$	\$
NOTE 8: PROPERTY, PLANT & EQUIPMENT		
NON-CURRENT		
Buildings - at cost	911,332	911,332
Less: accumulated depreciation	(238,847)	(221,597)
	<u>672,485</u>	<u>689,735</u>
Improvements - at cost	5,582	5,582
Less: accumulated depreciation	(1,174)	(1,034)
	<u>4,408</u>	<u>4,548</u>
Office equipment - at cost	40,211	54,814
Less: accumulated depreciation	(25,837)	(51,015)
	<u>14,374</u>	<u>3,799</u>
Furniture & fittings - at cost	118,218	133,839
Less: accumulated depreciation	(90,004)	(106,312)
	<u>28,214</u>	<u>27,527</u>
Total property, plant and equipment	<u>719,481</u>	<u>725,609</u>

A directors valuation of Level 1, 162-166 Goulburn Street, East Sydney of \$970,000 was undertaken on 30th September 2003. The valuation was based on an assessment of the current market value.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2005

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

	Buildings	Improvements	Office equipment	Furniture & fittings	Total \$
Balance at the beginning of year	689,735	4,548	3,799	27,527	725,609
Additions	-	-	8,635	12,861	21,496
Depreciation	(17,250)	(140)	(3,232)	(7,002)	(27,624)
Carrying amount at the end of year	<u>672,485</u>	<u>4,408</u>	<u>9,202</u>	<u>33,386</u>	<u>719,481</u>

2005	2004
\$	\$

NOTE 9: PAYABLES

CURRENT

Unsecured liabilities

Trade creditors

Other creditors and accrued expenses

628	1,718
20,725	11,470

<u>21,353</u>	<u>13,188</u>
---------------	---------------

NOTE 10: INTEREST-BEARING LIABILITIES

NON-CURRENT

Secured liabilities

Mortgage loan

150,000	200,000
---------	---------

<u>150,000</u>	<u>200,000</u>
----------------	----------------

The mortgage loan is currently at a rate of 5.45% p.a. (2004: 5.25% p.a) and is expected to be repaid in October 2008. It is secured over Level 1, 162-166 Goulburn Street, East Sydney.

NEW SOUTH WALES BRIDGE ASSOCIATION LIMITED

A.B.N. 61 000 438 648

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2005

	2005	2004
	\$	\$
NOTE 11: PROVISIONS		
CURRENT		
Provision for holiday pay	1,835	-
	<u>1,835</u>	<u>-</u>
NON-CURRENT		
Provision for long service leave	-	7,958
	<u>-</u>	<u>7,958</u>
Aggregate employee entitlement liability	<u>1,835</u>	<u>7,958</u>
	No.	No.
Number of employees at year end	<u>4</u>	<u>4</u>
NOTE 12: RESERVES		
Capital 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	472,163	457,557
Profit (loss) from ordinary activities after income tax expense	65,149	14,606
Retained profits (accumulated losses) at the end of the financial year	<u>537,312</u>	<u>472,163</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 2005

	2005	2004
	\$	\$
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	65,149	14,606
Non-cash flows in profit from ordinary activities:		
Depreciation	27,624	23,812
Decrease (increase) in receivables	(343)	7,958
Decrease (increase) in current inventories	4,490	1,210
Decrease (increase) in prepayments	17,366	(3,412)
Increase (decrease) in trade creditors	(1,090)	(8,242)
Increase (decrease) in other creditors	9,255	5,211
Increase (decrease) in provision for employee entitlements	(6,123)	(2,501)
Net cash provided by (used in) operating activities	<u>116,328</u>	<u>38,642</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	241	500
Cash on deposit	21,586	20,667
Cash at bank	71,211	27,039
	<u>93,038</u>	<u>48,206</u>

(c) Non-cash financing and investing activities

Property, plant & equipment

During the year the economic entity acquired property, plant & equipment with an aggregate fair value of \$Nil (2004 \$Nil) by means of finance leases. These acquisitions are not reflected in the statement of cash flows.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2005

NOTE 15: DIRECTORS' REMUNERATION

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

NOTE 16: RELATED PARTY TRANSACTIONS

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

Keiran Matthew Crowe-Mai
Elizabeth Anne Fanos
Michael McAusland Stuart Hughes
Julian Roberts Foster
Benjamin Adam Chosid
Alex Yezerski
Kim Grantley Morrison
Peter David Gill
Ross Anthony Stuart

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.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2005

NOTE 17: FINANCIAL INSTRUMENTS

(a) Interest rate risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate	
	2005 %	2004 %	2005 \$	2004 \$
Financial Assets:				
Cash on deposit	4.60%	4.40%	21,586	20,667
Cash at bank	0.00%	0.00%	71,211	27,039
Total Financial Assets			92,797	47,706
Financial Liabilities:				
Mortgage loan - secured	5.45%	5.25%	150,000	200,000
Total Financial Liabilities			150,000	200,000

(b) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements. The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

(c) Net fair values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the company intends to hold these assets to maturity. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

NOTE 18: COMPANY DETAILS

The registered office of the company is:
Level 1, 162-166 Goulburn Street, Surry Hills NSW 2010

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 Regulations 2001 and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the company's financial position as at 30th September 2005 and the performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date.

In the directors' opinion:

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

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

.....
ALEX YEZERSKI
DIRECTOR

.....
MICHAEL MCAUSLAND STUART HUGHES
DIRECTOR

Dated:

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

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
NEW SOUTH WALES BRIDGE ASSOCIATION LIMITED

CHARTERED ACCOUNTANTS

Level 9, 179 Elizabeth Street
SYDNEY NSW 2000

GPO Box 1442
SYDNEY NSW 2001

Tel: 02 8263 1000
Fax: 02 9262 7755
Email: info@cbcpartners.com.au

SCOPE

We have audited the financial report of New South Wales Bridge Association Limited for the financial year ended 30th September 2005, comprising the directors' declaration, statement of financial performance, statement of financial position, statement of cash flows and notes to the financial statements.

The financial report includes the financial statements of the company. The company's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free from material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration has not changed as at the date of providing our audit opinion.

AUDIT OPINION

In our opinion, the financial report of New South Wales Bridge Association Limited is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30th September 2005 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

CBC PARTNERS
Chartered Accountants

GERARD J. BULTERS
Partner

SYDNEY
Dated:

CHARTERED ACCOUNTANTS

Level 9, 179 Elizabeth Street
SYDNEY NSW 2000

GPO Box 1442
SYDNEY NSW 2001

Tel: 02 8263 1000
Fax: 02 9262 7755
Email: info@cbcpartners.com.au

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

ADDITIONAL INFORMATION

On the basis of the information provided by the directors of the company, we have complied, in accordance with APS 9 "Statement of Compilation of Financial Reports", the profit and loss statement for the year ended 30th September 2005.

The directors are responsible for the information contained in the profit and loss statement and have determined that the accounting policies used are consistent with the financial reporting requirements of the company and are appropriate to meet the needs of the members.

Our procedures have been limited to the classification and summarisation of information to compile the profit and loss statement from the information provided to us by the directors and do not include verification or validation procedures. No audit or review has been performed on the information and accordingly no assurance is expressed.

Neither the firm nor any member or employee of our firm undertakes any responsibility or accepts liability in any way whatsoever to any person other than the company in respect of the profit and loss statement including any errors or omissions in the profit and loss statement however caused.

CBC PARTNERS
Chartered Accountants

GERARD J. BULTERS
Partner

SYDNEY
Dated:

NEW SOUTH WALES BRIDGE ASSOCIATION LIMITED

A.B.N. 61 000 438 648

PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 30TH SEPTEMBER 2005

	2005	2004
	\$	\$
INCOME		
Affiliation fees	67,871	66,968
Sydney Festival Income	11,220	13,938
Canteen proceeds	1,583	1,959
Donation Income	50,225	-
Interest Received	950	1,667
Lesson income	11,089	14,626
License fees	8,170	7,890
Masterpoint Income	4,424	7,622
Members subscriptions	28,247	29,988
Other Revenue	18,558	31,203
Parking income	17,247	16,963
Special tournaments	6,902	20,123
Supervision income	2,392	3,372
Table monies and entry fees	290,688	210,103
	<hr/>	<hr/>
	519,566	426,422

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

PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 30TH SEPTEMBER 2005

	2005	2004
	\$	\$
EXPENDITURE		
Advertising	1,082	518
Air conditioning expense	2,492	10,295
Auditor's Remuneration	6,500	6,198
Bank Charges	2,040	2,396
Sydney Festival Expenses	6,795	15,599
Canteen expenses	20,610	26,091
Cleaning	19,557	17,297
Council & Water Rates	3,016	3,259
Depreciation	27,624	23,812
Electricity	5,700	7,620
Insurance	10,200	7,238
Interest Paid	10,184	10,934
Master Point expenses	3,246	1,917
Other expenses	3,503	7,977
Parking expenses	20,506	18,432
Postage & courier	2,662	3,678
Printing & Stationery	18,040	17,960
Prizes, trophies & grants	13,412	29,018
Provision for holiday pay	1,835	(4,061)
Provision for Long Service Leave	(7,958)	1,560
Repairs & Maintenance	2,148	3,149
Small equipment purchase	-	3,392
Special tournament expenses	75,635	10,872
Strata levies	49,291	46,545
Superannuation contributions	9,806	8,868
Supervisors expense	1,448	1,420
Telephone	7,050	7,959
Tournament directors	20,702	14,407
Wages	117,291	107,466
	<u>454,417</u>	<u>411,816</u>
Profit (loss) from ordinary activities before income tax expense	<u>65,149</u>	<u>14,606</u>

CHAIRMAN'S REPORT

Recognising that the challenges confronting the NSW Bridge Association were not likely to be resolved in anything like 12 months, given its dual role as the governing body for Bridge in NSW and the operator of a large metropolitan Bridge club, the primary focus this year has been to lay the foundation for future success. As a first step towards improving the level of service provided to our members and to our affiliated clubs we appointed a highly competent full-time office manager and, recognising that the workload involved was too much for one person to handle, we also appointed a part-time accounts officer. Then to ensure that they have the wherewithal to do their jobs effectively, we upgraded the office infrastructure through the procurement of new computers, telephones, WiFi networking, broadband Internet, photocopiers and a fax machine. We've also introduced proper security and backup regimes and organised for the office staff to be able to call on professional technical support.

Next, with a view to getting a clearer picture of our finances, we upgraded the accounting system and completely overhauled our chart of accounts. As a consequence, we can now get a breakdown of the financials relating to individual events as well as making a start on dissecting our income and expenditure on a club vs state basis.

All this back-office activity has been complemented by several initiatives front-of-house. Most noticeably we have closed down the smoking room, introduced a new public address system, created a lounge area and reopened the library. We have recently enlisted the services of one of our members who is an interior designer and there is preliminary work underway to improve the appearance and ambience of the playing area as well as our other amenities. Unfortunately the air-conditioning is proving an intractable problem, but one we are determined to fix nonetheless.

Looking at the broader picture, Bridge in NSW is in a reasonably healthy state though there is a fair degree of variation across regions depending on their individual demographics and proximity to major population centre.

Region	Membership	Chief Concerns
Far North	Booming	Absence of young players
Northern	Increasing	None
Northern Inland	Increasing	Intrusion of Sydney players with attitude at Congresses
Hunter	Growing	Attendance at night sessions is dropping
South Coast	Flourishing	None
Far South Coast	Stable	Falling congress numbers
Southern Highlands	Steady	None
Manning	Steady	Need help with directors courses
Blue Mountains	Shrinking	Falling numbers
Central West	Dropping	Poor attendance at Mudgee congress
South West	Falling	Aging membership, absence of young players
Far West	Falling	Intimidation of novices by more experienced players

This snapshot of Bridge in regional NSW comes courtesy of the Federation of Affiliated Bridge Clubs with whom, I'm pleased to say, we have forged a very healthy working relationship. Jointly we hope to do more next year to foster the growth and promotion of Bridge around the state through initiatives such as a road show for subject-matter experts on various topics, for example:

- Best practice in Bridge club management
- The strengths and weaknesses of different computerised scoring systems
- The finer points of Masterpoints, etc.

The Sydney Bridge community is very well served with more than 70 clubs, at last count, competing for patronage. Many of these are very well run and have much to teach the NSWBA in terms of promoting our events and looking after members. There are two market segments however where the NSWBA must play a major role. The first is looking after our elite players. We've had considerable success at this year's Australian National Congress, winning the Open and Senior's teams and placing second in the Women's. It's imperative that we continue to maintain the high standard of competition at our championship events so as to continue to attract the very best talent. In actual fact we took our eye off the ball a little this year and have seen numbers at our Monday night events slide, but rest assured this is an area that we will keep very much in our sights over the coming months.

The other area where the NSWBA has a major role to play is in catering for those players, whether young or old, who are socially disadvantaged. While it is a pleasing development to see suburban clubs increasingly providing superior amenities such as parking, espresso coffee, quality food, etc., there are many members of the Bridge playing community who cannot avail themselves of what is on offer. That is the main reason why the NSWBA premises must remain centrally located, where there is easy access to public transport. It is also the reason we must continue to run basic sessions at a modest price, with free tea and coffee provided. The one area where we cannot afford to compromise is on the standard of the directing at these sessions. The NSWBA must set the benchmark for the rest of the state.

As happens every year, a number of positions on the NSWBA Council are likely to be up for grabs in 2006. So whether you are happy with the direction in which the NSWBA is headed, or opposed to it, why not stand for one of those positions and play a part in shaping our future.

Alex Yezerski
Chairman NSWBA

TREASURER'S REPORT

The accounts for the year show a profit of \$65,149 compared with a profit last year of \$14,606.

As usual the profit is understated in real terms as it is after depreciation of \$27,624, about two-thirds of which relates to the depreciation of the premises. In reality the premises are not depreciating and indeed are likely to be increasing in value each year.

The reason for the large increase in profit this year is the Bobby Evans bequest. Without the bequest the profit would have been about the same as in 2004.

During the year we repaid \$50,000 of the loan to the ABF which now stands at \$150,000. The loan was originally \$350,000. The loan was rolled over during the year and now expires in 2008.

The ANC was held in Sydney during the year. This has a substantial impact on the accounts, grossing up both income and expenditure. The ANC was successful both from a player enjoyment perspective and financially, returning a small profit to the NSWBA. We owe a large debt of gratitude to Bruce Neill and Chris Nettle who convened the ANC.

While this has been the most profitable year for the association in recent memory, the trend lines are not so favourable. As noted above, without the Bobby Evans bequest the profit would have been line ball with 2004. However with the ANC in Sydney there were no grants costs for the State Teams this year. Grants costs will re-appear next year, and the expensive years of Darwin and Perth are not far away.

Importantly, table numbers which had increased steadily over 2003 and 2004 have fallen away in 2005. For long term financial stability it is critical that we reverse this trend and rebuild table numbers. With the ANC (and to an extent the World Junior Championship) taking up time in the current year, and Council vacancies in the previous year, not enough time has been spent on promotion of our events. The incoming Council will need to make this a priority if the slide in table numbers is to be reversed.

On the administrative side we have had some instability following the departure of Noella Smith. There was inevitably some dislocation with the loss of her day to day knowledge of the NSWBA affairs. That has now been resolved and with Liz Fanos and Carrie Foster now settled in we have a degree of backup not previously available. The work done by David Watford filling in should also not be overlooked.

During the course of the year the accounting systems, which had been on a cash basis, were overhauled and converted to an accruals basis. Mike Phillips is to be thanked for the work he put into this process. A more effective use of the functions available in the software should enable better dissection of income and expenses in future years to aid in the financial control of the NSWBA.

Finally, thanks to all the people who keep the NSWBA running, not only the office staff and tournament directors, but all the people who do work on an unpaid (or underpaid) basis. They are too numerous to identify individually, but they know who they are. If we had to pay commercial rates for the services of these people, the Association would not survive.

Michael M S Hughes
Treasurer NSWBA

TOURNAMENT COMMITTEE REPORT

Much has been achieved this year, my first on council, with a heavy volume of work to be done, but with the assistance of many able assistants the outcome has been personally gratifying.

Events

We hosted the ANC in Sydney in July/August. There was nothing but praise for the organisation, venues and hospitality. We are very grateful to the convenors, Bruce Neill and Chris Nettle, and the many helpers and volunteers who made it such a success.

At the Interstate teams, NSW was represented by:

Open (1 st)	Womens (2 nd)	Seniors (1 st)	Juniors (4 th)
S. Hans	N. Bashar	N. Moses	D. Krochmalik
T. Nunn	R. Liepins	S. Bock	N. Rodwell
P. Lavings	C. Molloy	P. Jamieson	K. Hornibrook
C. Sundstrom	N. Djurovic	R. Jamieson	L. Hornibrook
W. Lazer	M. Watts	M. Hughes	M. Hanaghan
P. Gumby	B. Folkard	E. Griffin	M. Brady

Other successes included: Klinger – Neill (Open Butler), Molloy – Gill (Mixed Pairs), Antoff – Simpson (Open Pairs) and A&N Edgtton (Junior Pairs). Congratulations to all on such a fine performance for NSW.

Prior to our success in the Interstate teams, there was much discussion and opinions from players regarding the ITS qualifying format. After numerous emails and lively debate a proposal for some adjustment to the format for 2006 was put to the players. The changes include a Last Chance Event, and Seniors to follow the Open and Womens, thereby allowing the option for women to play in the Open as well as their own event. This was unanimously accepted.

This year we are running a qualifying event for the Commonwealth Nations Championship. This is a unique opportunity to play for NSW against the other states and many Commonwealth nations in Melbourne in March 2006. It's on 10th and 11th of December and we expect to see a big field competing for representative honours.

The numbers for the Teams of 3 were down this year as a result of a lack of advertising. Our hostess for the day was Judy Frazier who did a wonderful job making it a fun time for all and Judy Mott who looked after the entries, organised the captains and helped with anything and everything all day. Thank you both very much and see you there next year, and thanks also to the captains.

In September the NSWBA hosted the Sydney Bridge Festival which was convened and organised by Kim Neale. She did her usual excellent job and the numbers were very

pleasing. The inaugural “Bobby Evans Seniors Teams” was won by Alan Walsh – Barbara McDonald, Edward Griffin – Mike Hughes & Paul Lavings – Robert Krochmalik. This is a welcome prestigious event to the calendar and a good way to remember a great friend of the Association. The Dick Cummings Blue Ribbon Pairs was won by Ron Klinger and Bruce Neill. Next year the Sydney Festival will be combined with the Spring Nationals and run by the NSWBA, and the unique format of the Dick Cummings Pairs will continue. Keep an eye out for this on next year’s calendar.

In general our table numbers have declined gradually this year. To address this problem we are contacting all players who have left us and emailing our members regularly with news of upcoming event. There have been some recent changes to our directors. George Segal and John Pike have served us well but have decided to move on and I thank them very much for their efforts. In their place I welcome Ted Chadwick to Tuesday daytime, Tony Hutton to Thursday daytime, Charles Klassen returns to Thursday night and Inez Glanger is directing on Saturday. Please come along and support NSWBA events. I also welcome back Dave Griffiths whose health has kept him away for some months but he’s fighting fit and raring to go. I must also thank Peter Jamieson, whose sessions continue to thrive under his popular direction. All details about sessions are on the website (www.nswba.com.au).

People

Thanks must also go to the following;

- Matthew McManus for his expert handling of all things.
- Tina Zines for her quality teaching and supervised sessions
- Members of the tournament committee for their advice and suggestions and welcome to Pauline Gumby as our newest member.
- Liz Fanos, Carrie Fisher and Dave Watford for doing so many things very well.

We are very fortunate to have Pauline Gumby as our webmaster. She does an exceptional job at collecting information, presenting it and emailing the members. If there is anything you want to know it’s on the website.

I owe a great debt of gratitude to two other people. Warren Lazer who does all things technical like write regulations, edit brochures and, in liaison with Pauline, the NSWBA calendar. My thanks also to my predecessor, Julian Foster who has worked tirelessly behind the scenes in many areas and without his knowledge and expertise my job would have been a lot harder.

Kim Morrison
Tournament Committee Chairman

Youth Report

Promoting Youth Bridge remains a difficult and frustrating experience. A number of initiatives were taken this year with little success. Schools were invited, via the Sydney Morning Herald bridge column, to contact the NSWBA for guidance and assistance in introducing bridge into their schools. In addition, forty schools in the Sydney Inner West were written to, listing the benefits to students in learning and playing bridge, and offering help in introducing bridge at the school. There was no response to either.

Sydney University remains the one bright spot in the Youth scene due to the enthusiasm and commitment of students and staff. What is shown by all this is that success comes from within and cannot, without a huge effort, be imposed from outside.

This year the World Youth Teams was held in Sydney. To tie in with this, the National Youth Triathlon was held in Sydney and attracted international players looking for practice prior to the World Championships

A number of Sydney youth players have represented Australia in various junior international competitions during 2005. These include the Pacific Asia Bridge Championships in Korea and the World Bridge Championships in Sydney. In both competitions the teams performed very creditably, achieving 2nd place in Seoul and 7th place in Sydney.

Ross Stuart

House & Catering Report

It is my privilege to report on the ongoing improvements to the NSWBA premises over the last year. The changes initiated at the club in 2005 have resulted in an enhancement of the playing conditions enjoyed by our members and visitors. Some of these include the new air conditioning units, the couches in our new 'break out' area (many thanks to Martin Bloom for donating them) and the closure of the smoking room.

The closure of the smoking room was a legal requirement which has also paved the way for better utilisation of the space at the west end of the room. It is expected that this reorganisation will go ahead in the new year once the overall design has been completed.

The NSWBA hosted a portion of the ANC this year and the feedback from players and organisers was generally very positive regarding the facilities offered by the club.

We continue to provide food and drinks for members at various events and sessions such as the Monday nights championship competition, which also gives our players even more reasons to keep coming back to the NSWBA.

Many members have contributed their valuable time to ensure that the NSWBA is still a great place to play bridge, and on behalf of the Council, I would like to thank everyone who has assisted in this effort.

Members can also be assured that the improvements to the playing conditions at the NSWBA will continue in 2006.

Ben Chosid