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**MINUTES OF THE 21ST ANNUAL GENERAL MEETING
OF BOWLS NEW ZEALAND**

**HELD AT
CARLTON CORNWALL BOWLS,
126 MARKET ROAD, EPSOM, AUCKLAND**

**ON
SATURDAY, 17TH SEPTEMBER 2016
AT
10.00AM**

1. OPENING AND WELCOME

The Chair opened the meeting by welcoming those present to the 21st Annual General Meeting, with a special welcome to Life Members Jean Ashby and Martin Christensen and also to Sport NZ Relationship Manager, Sarah Dunning, Craig Fisher from RSM Hayes Audit and Liz Wilson from Aktive.

2. OBITUARIES

Barry Holmes (Wellington)

- New Zealand Bowling Association Councillor (1992 - 1996)
- NZBA Executive Member (1994 - 1996)
- Bowls New Zealand Executive Member (1996 - 1999)
- Past President and Life Member of SCANZ

Charles T. Cowman (Nelson)

BOWLS NEW ZEALAND AND NEW ZEALAND BOWLING ASSOCIATION

- 1990/91 – 1996 Councillor New Zealand Bowling Association
- 1996 - 2000 Councillor Bowls New Zealand
- 2003 Awarded Bowls NZ Long Service Award

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3. PRESENT

Delegates:

Region 1 – Murray Dorreen.

Region 2 – Gerry Macgregor, Robin Jefferson, Rangi Johnson, Bernie Morton.

Region 3 – Phil Cross, Jan Tucker, Ruth Grant.

Board: Cushla McGillivray (Chair), Mike Spring (President), Jeanette Sinclair (Vice President), Craig Bruce, Hayley Jones, Tony Lepper, Matt Benson.

CEO; Kerry Clark, Bowls NZ Staff, Life Members, and Observers.

4. APOLOGIES

Apologies were received from Don Christensen, Region 2, Maurice Symes, Region 3 and Greg Johnson, Region 1. Robin Jefferson attended as a Delegate for Region 2 in place of Don Christensen.

5. CONFIRMATION OF THE MINUTES OF THE 20TH ANNUAL GENERAL MEETING OF BOWLS NZ – HELD IN AUCKLAND ON 19TH SEPTEMBER 2015 AND SPECIAL GENERAL MEETING HELD IN AUCKLAND ON 23RD MAY 2016

“That the Minutes of the 20th Annual General Meeting of Bowls New Zealand, held in Auckland on 17th September 2015, and the Minutes of the Special General Meeting held in Auckland on 23rd May 2016, be confirmed as a true and correct record of that meeting.”

MOVED: Ruth Grant
CARRIED

SECONDED: Robin Jefferson

6. RECEIVING OF THE ANNUAL REPORT OF THE BOARD FOR THE 12 MONTHS ENDING 30TH JUNE 2016, TOGETHER WITH STATEMENT OF INCOME AND EXPENDITURE AND AUDITED STATEMENT OF ACCOUNTS FOR BOWLS NZ FOR THE FINANCIAL PERIOD

The Chair apologised to Vice President Jeanette Sinclair for an omission in the Annual Report, stating to the meeting that the Vice President had indeed attended all six Board meetings.

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President, Mike Spring then spoke to his report:

“Kia ora tatou. Thank you Madam Chair.

I don't intend to talk long as my report is pretty self-explanatory. But I do want to emphasise the need for change. We have a core constituency that has played bowls down through the years, and the players like what they had. As I go around Clubs I still hear laments for the 25-end matches; but the stark reality now is that two-thirds of active bowlers now fall into the 'casual' category. We need to cater to them, as maybe when they reach retirement age they will recall the good times they had on the green – and then they will come back and be our ongoing life-blood.

A real pleasure in my presidency is that I get to share the pride of individuals and Clubs when I visit to present Bowls NZ awards. These awards do mean something, they are valued, and I enjoy presenting them. I'd like to think that all the worthy candidates are being nominated – but I suspect that there are many deserving candidates of whom we hear nothing. I do encourage Clubs and Centres to get nominating.

My final comment is to acknowledge the tremendous amount of work done by our Bowls NZ staff. I was amazed by the long hours, and the vast arrange of duties, put in by our staff at the many and varied events throughout the country. And on top of that they continued with their day-to-day duties.

Finally, I thank our CEO, Kerry Clark, for his contribution to our sport over the last 20 years. Kerry, you have done an enormous amount for us and for World Bowls, you will be sorely missed. I thank you for what you have done, and for what you are still doing, and I thank you for your friendship.”

The Chair spoke to her report:

“There is only one topic which I wish to speak about in addition to my report which you have before you.

Our CEO Kerry Clark, OBE will be retiring from his role as CEO in June 2017. Kerry has been a driver and key person for our sport for almost 20 years. We are a fortunate sport to have such leadership and vision that he has bought to the Board.

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Of course, any person who seeks to keep improving an organisation, listens to research and suggests change has to endure push back and criticism from those who don't wish to change or think of the betterment of the sport. Sometimes Kerry has had to put up with unreasonable responses and comment. I can tell you that Kerry has always had the 100% backing and support of our Board, as they have been able appreciate his vision for the greater good.

It was a great thrill for Kerry and the Board in April when Sport New Zealand bestowed on him a Lifetime Achievement Award. I have noted some comment from his citation which includes visionary, leader, player, manager, and administrator. He has also given generously of his time to the Halberg Disability Sport Foundation and has been deputy Chair for some years.

In addition, Kerry is a Life member of World Bowls having been a Director from 2004 to 2012. He is still currently Chair of the Laws Committee and Chairs BENZ Board which is responsible for the delivery of the World Bowls Championships in Christchurch later in 2016.

It has been my great privilege to work with Kerry for more than 12 years, even though I have been admonished from time to time, we have had a very supportive working relationship. He has been a helpful mentor for me, as he has for many other sporting personnel.

This is the last AGM that Kerry will attend in his current role, and while there will be official retirement functions to mark his work it is important that our history record the sterling work of Kerry and the significant contribution that he has made to Bowls in New Zealand and to World Bowls.

We say a very sincere thank you Kerry."

CEO Kerry Clark spoke to his report:

"Thank you Cushla and Mike for your kind words.

I don't wish to repeat everything from the CEOs message in the Annual Report, but I do want to highlight some of what is in the report for your attention today.

By way of background I attended my first Annual General Meeting of Bowls NZ in 1977 as a Councillor representing the Dunedin Centre and from 1982 to 1988 was a Councillor

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representing the Wellington Centre and then on transferring to Auckland in 1988 I was asked to Chair the New Zealand Bowling association and did so until amalgamation in 1996 when I was appointed to the CEO role. So I have 20 years' governance and 20 years' management experience with the National Association.

It has been interesting over that time to observe the changes in society and the impact that they have had and are having on sport. I have no doubt whatsoever that if bowls is to survive and hopefully grow it has to change. Both our Chair and President have highlighted that in their respective reports but I am concerned that the message doesn't seem to be getting through to Leaders at Centre and Club level. It is not a new issue. In his 1988/1989 annual report the President of the day, Ian Birch, had this to say "I believe that many administrators are not keeping pace with change, they are not providing the environment for the lead of a changing group and changing lifestyle. For instance, a Club being dictated by tradition and not by need. Membership returns tell us that our game is stagnating and that unless we continue to produce the innovators at Club and Centre level our game will decline. It is essential that the National Body is leading awareness in this regard by restructuring." That was in 1989 and the same issue, albeit more critical, still exists. The only thing that's different from 1989 is that there were 56,124 men who were traditional members of NZBA at that time and we now have a combined traditional membership of men and women totalling 38,550. As our Annual report shows we have a growing base of participants but the majority of these want to play in a "pay to play" environment under shorter time frames. Unfortunately, in most Clubs and Centres programmes are still being driven to a time consuming traditional framework.

All Sports in this country are facing the same issues. Sport NZ released a new Community Sport strategy in the last 12 months which included a very strong overriding statement which highlights the challenge for all going forward. They state that to better meet the changing needs of participants, they changed their approach to focus on demand – what today's participants want- rather than what the sports system has traditionally supplied. Any sport in this day and age who ignores that approach, does so at its peril.

To drive the change necessary going forward we need strong Leaders at all levels who are prepared to implement a new way. Aligned with that we need a database of all those who are engaging with the sport. The database is required to be shared across Clubs, Centres and Bowls New Zealand.

Bowls New Zealand can't drive this initiative alone and a commitment across the sport to take part is an absolute necessity.

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As I leave this seat the major disappointment that I've had, is the reluctance of Leadership at all levels to stand up and drive change. It's happening in some places but nowhere near enough. My challenge to attendees at this meeting and to our community at large is to be brave in leading change. You will get push back from the traditional playing base who want to play all weekend but the records show that those numbers continue to decline because people wanting to play our sport nowadays know that time is the enemy and they don't like the traditional model which consumes far too much of it.

I look forward to the next 12 months. The eyes of the bowling World are going to be on us with the World Championships in Christchurch in November/December and then the world Masters Games in Auckland in April 2017. Christchurch is ready and so are our host Clubs and volunteers. In between we have a very busy season of National events.

To the Board and Staff many thanks for your continued support. I am fortunate to work with such a dedicated group of people."

7. RECEIVING THE AUDITORS REPORT ON THE ACCOUNTS OF BOWLS NZ FOR THE PRECEDING FINANCIAL YEAR

In introducing the accounts, the Chair reported the following-

"You have received the Financial Statements for the year ended 30th June 2016. The format, by necessity due to a change in the law governing financial reporting, is different to previous years.

I am pleased to have with us today Craig Fisher, our Audit Partner from RSM Hayes Audit, and Liz Wilson from Aktive, our external accountants. I now invite Craig to explain the reasons why this new format has been adopted by our Board."

Craig Fisher then addressed the meeting.

"As I mentioned last year some big changes have been coming in relation to financial reporting. Up until last year, financial reporting standards (i.e. the rules accountants had to follow) had remained largely unchanged for the past 20 years for not for profit entities such as Bowls NZ.

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This year that has all changed due to the Financial Reporting Act 2013 becoming effective. This establishes who has to prepare financial statements, and those that are required to comply with Generally Accepted Accounting Practice – i.e. accounting standards recognised in law.

It also sets out a “horses for courses” approach to accounting standards depending on two main factors: firstly, whether the entity is a For-profit entity or a Not for Profit (or Public Benefit entity). Bowls NZ is deemed to be a public benefit entity as its primary purpose is to serve its members rather than make a commercial profit. Hence it does not pay tax.

Secondly it depends on the entity’s level of annual operating expenditure. In the case of Bowls NZ, it falls into Tier 2 (i.e. between \$2m and \$30m operating expenditure).

However, there is a temporary situation whereby although registered charities are legally required to follow these new standards, incorporated societies are not. Bowls NZ is an incorporated society but not a registered charity.

So the board had the option to either voluntarily adopt the Tier 2 PBE standards, or to prepare what is called special purpose financial statements (i.e. applying accounting policies it sees as appropriate to meet the users’ needs).

The board has chosen to prepare special purpose financial statements this year while adopting the majority of the new standards. The rationale for this, and the parts of the new standards it has chosen not to adopt, is explained by the board at the start of its accounting policies in the financial statements.

I think it important to stress that the board is perfectly in its rights to adopt special purpose financial statements this year. However, we note that the Incorporated Societies Act is also being amended, with one of the proposed changes being to bring incorporated societies into line with registered charities and require the same standards to be applied. This is highly likely to be legislated but at least a couple of years away as yet.

The result is that Aktive has prepared the financial statements in a format that will mean full transition to the standards when required should be relatively painless.

I would like to point out two matters concerning the accounts.

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Firstly, the decision taken by the board to present current year figures only. While allowable, it is unusual, and as readers you need to be careful that you don't read the two columns as representing current year and prior year figures. In fact, they are current year parent entity and group figures (i.e. consolidating the subsidiary Bowls Events NZ limited). We understand that comparatives prepared under these policies will be presented next year, so this is a one-off matter.

The second point relates to a significant adjustment made to the opening accumulated funds of the organisation, as shown in Note 9 to the financial statements. This was necessary in applying the new standards whereby revenue would have been recognised and not deferred in the prior year if those financial statements had been prepared under the new standards.

Turning to the audit process we are again pleased to report that we have issued an unmodified audit report, which means we believe the financial statements are fairly stated in accordance with the policies adopted by the board. Given the special purpose nature of the financial statements, the wording of our opinion has also changed.

Further changes in 2016 relate to Aktive taking over the Finance and Accounting function for the second half of the year. This was a significant change for the organisation, and as with all change, has taken some time to bed down new processes. We are confident however that the changes will bring further gains to the finance and accounting functions in 2017.

So 2016 has been a challenging one for all concerned with the accounts and audit process. But one we have worked together to meet.

So finally we would like to once again thank Cushla, Kerry, Liz and the Aktive team and all at Bowls NZ for their co-operation through the audit process."

Delegate Rangi Johnson asked if there should be an audit or review of Club accounts and Craig Fisher responded to this question saying that his preference was for a professional auditor to be engaged in this process.

Delegate Murray Dorreen commented that there should be an audit of Clubs that are closing. Craig Fisher referred to the Incorporated Societies Act 1908 in which by law, an audit should take place. This legislation is currently under review but remains unchanged at this time.

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The Chair expressed comments prior to taking questions;

- We have an unmodified audit report.
- The Notes to the accounts explain the policies that we have adopted in the preparation of these accounts.
- Special note should be made of the work and effort that our external Accountants, Aktive plus Kerry Clark, who took a lead role in this area to help Aktive understand our operation. This has been especially time consuming.
- I am pleased to note that there was an operating surplus of more than \$100,000 before depreciation and amortisation. This was due to reducing staffing levels and tight control on expenditure.
- Our Reserves are strong.
- Significant work has been done to achieve increased sponsorship and grants.

Delegate Gerry Macgregor asked if there was a simpler way of viewing the accounts other than the Annual Report. Chair responded that these accounts are in accord with the required accounting standards and in addition the Board receives monthly management accounts. CEO replied that the Board have the responsibility to ensure that the organisation remains in a healthy financial state of affairs and the Delegates sign off the accounts to a required accounting standards level.

Delegate Bernie Morton asked about funding from Sport NZ and the CEO confirmed that our Community Sport funding is confirmed for the next four years. Bowls NZ expects a further investment from High Performance Sport NZ post World Bowls 2016 which would carry through to Commonwealth Games 2018.

“That the Annual Report and the Statement of Income and Expenditure for Bowls NZ as at 30th June 2016, be received, approved and adopted.”

“That the Audited Statement of Accounts of Bowls NZ as at 30th June 2016, be received, approved and adopted.”

MOVED: Cushla McGillivray
CARRIED

SECONDED: Craig Bruce

The Chair then expressed thanks to all involved, this has been a big learning curve for all.

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There being no further business, the Chair declared the meeting closed at 11.02am and thanked Delegates for their participation.

Chair

Date

The Annual General Meeting was followed by an announcement of the National Awards winners 2015/2016 and a Workshop where each Delegate and Board Member was invited to speak about moving the Strategic Plan forward.

With thanks to:

