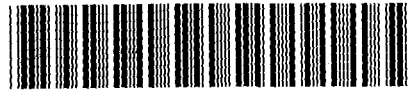




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Annual return – United friendly societies dispensary & working men's club

Friendly Societies and Credit Unions Act 1982

This return is to be completed and sent within three months of the end of the financial year to the Registrar of Friendly Societies and Credit Unions.

The purpose of the return is to obtain up-to-date information, and to present certain details in a consistent manner for all dispensaries/clubs registered under the Act, for ease of analysis. It is also used to compile overall statistics. Please complete all sections. This return may be typed or neatly handwritten.

Name of dispensary / club

BLENHEIM WORKINGMENS CLUB T/A CLUBS
MARLBOROUGH

Organisation number

44/011 1803044

Registered office:

42 ALFRED STREET, BLENHEIM 7201

Postal address:

42 ALFRED STREET, BLENHEIM 7201

Financial year ended (DD/MM/YYYY):

30 / 6 / 2011

NAMES AND ADDRESSES OF OFFICERS (as at the date of the return; continue on a separate sheet if necessary)

	Name	Residential address
Committee of management	MURRAY MILLS	25 HENRY STREET, BLENHEIM
	JASON CLOUSTON	409 PERCY STREET, BLENHEIM
	DAWN WALKER	56 NEW RENWICK ROAD, BLENHEIM
	PAUL MATTHEWS	14 WAIKURA STREET, BLENHEIM
	MOEL COLLINS	7 HARDINGS ROAD, RD 4, BLENHEIM
Trustees	JOHN FORREST	18 GLENROY CRESCENT, BLENHEIM
	RAY BARRETT	109 McALLUM ST, BLENHEIM
	VAL BLAYLOCK	49 BROOKFIELD PLACE, BLENHEIM
	RHEBON WALKER	56 NEW RENWICK ROAD, BLENHEIM
Secretary	LEE DAVIS	54 LEEFIELD STREET, BLENHEIM
Treasurer	GORDON HERKT	040 RENWICK ROAD, BLENHEIM

MEMBERSHIP

Total number of members at beginning of year

7442

Number who joined during year

249

Number who left during year

1027

Total number of members at end of year

6664



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Ph 0508-COMPANIES
0508-266-726

ANNUAL RETURN

UNITED FRIENDLY SOCIETIES DISPENSARY & WORKING MEN'S CLUB

Friendly Societies and Credit Unions Act 1982

This Return is to be completed and sent within three months of the end of the financial year to the Registrar of Friendly Societies and Credit Unions, Private Bag 92061, Auckland Mail Centre.

The purpose of the Return is to obtain up-to-date information, and to present certain details in a consistent manner for all dispensaries/clubs registered under the Act, for ease of analysis. It is also used to compile overall statistics. Please complete all sections. This Return may be typed or neatly handwritten.

Organisation Number:

Name of Dispensary/Club:

Registered Office:

Postal Address:

Financial Year Ended (DD/MM/YYYY):

NAMES AND ADDRESSES OF OFFICERS (as at the date of the Return; continue of separate sheet if necessary).

	Name	Residential Address
Committee of Management	MARLONE LUCAS	158 BUDGIES STREET, BLENHEIM
	SUE WALLACE	2790A MAXWELL ROAD, BLENHEIM
	BARRY CRESSWELL	5 BRYDON STREET, RENWICK
	GEOFF STOBIE	124 GOYLER PLACE, BLENHEIM
	ERNIE THOMSON	9 ELZY STREET, RENWICK
Trustees		
Secretary		
Treasurer		

MEMBERSHIP

Total number of members at beginning of year

Number who joined during year

Number who left during year

Total number of members at end of year

STATEMENT OF FINANCIAL POSITION ("BALANCE SHEET")

Assets

(Whole dollars only)
 \$

Land and buildings	15,613,628
Term deposits & cash investments	129,869
Bank accounts and cash on hand	367,177
Furniture, fittings & other fixed assets	1,236,543
Stock / Inventories	120,441
Sundry debtors / Accounts receivable	65,724
Other assets (specify significant items)	

Total assets \$ 17,533,381 (A)

Liabilities & members equity

\$

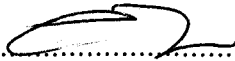
Capital / Accumulated funds	9,117,847
PAYE / GST / Tax payable	37,447
Sundry creditors / Accounts payable	510,920
Bank loans / Overdraft	5,899,830
Other liabilities (if any - specify significant items)	
SUBSCRIPTIONS IN ADVANCE	146,572
MARK BRIDGE CLUB	350,665
MEMBER LOAN/DEBENTURES RSA	834,100

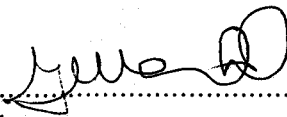
Total liabilities & equity \$ 17,533,381 (B)

NOTE | Totals (A) and (B) must be identical

We hereby certify that this return is in accordance with the audited financial statements of the dispensary/club. A copy of the annual financial statements and auditor's report are enclosed.

Fee enclosed \$ 204.45

Secretary 

Treasurer 

Date: 12 / 9 / 11

Blenheim Workingmen's Club

Trading as



CLUBS OF MARLBOROUGH

**ANNUAL REPORT
and
BALANCE SHEET**

for Annual General Meeting
Sunday 2nd October 2011.

42 Alfred Street, Blenheim.
Phone (03) 578 1059 Fax (03) 578 1058
www.clubsofmarlborough.org.nz



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Independent Auditors' Report.....	Inside Back Cover

Independent Auditors' Report to the members of Blenheim Workingmen's Club

Report on the Financial Statements

We have audited the financial statements of Blenheim Workingmen's Club on pages 7 to 20, which comprise the statement of financial position as at 30 June 2011, statement of financial performance and statement of movements in equity for the year then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information.

Committee's Responsibility for the Financial Statements

The Committee is responsible for the preparation of financial statements that present fairly the matters to which they relate and for such internal controls as the Committee determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. These standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider the internal controls relevant to the Club's preparation of financial statements that present fairly the matters to which they relate, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditors we have no relationship with, or interests in, Blenheim Workingmen's Club.

Opinion

In our opinion, the financial statements on pages 7 to 20 present fairly, in all material effects, the financial position of the Club as at 30 June 2011, and its financial performance for the year ended on that date.

Restriction of Distribution or Use

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

Chartered Accountants
31 August 2011

Dunedin

BLenheim WORKINGMEN'S CLUB

NOTES TO THE FINANCIAL STATEMENTS

For the year Ended 30th June 2011

Section Raffles

The Club allows all Sections, on a rotational roster, to run raffles within the Club for the purpose of raising funds for their Section. Profits generated through this process have netted in excess of \$90,000 (2010: \$90,000) throughout the year for the various Sections.

Loyalty Points

Loyalty Points Accrual is the amount accrued during the year after Loyalty points have been issued with some being redeemed.

19. BODY CORPORATE

On 1 July 2009 a separate body corporate entity commenced activities. Body Corporate No. 393782 was formed to meet costs in connection with the common property of the two Proprietors, Marlborough District Council and Clubs of Marlborough, for the 42 Alfred Street site.

20. CONTINGENT LIABILITIES

At balance date there are no known contingent liabilities other than the contingent liability to Marlborough Returned And Services Association Inc in the event that the property at Alfred Street were to be sold. (2010: same contingent liability.) The contingent liability would be 3/7ths of the sale proceeds, which amounts to approximately \$4.7 million at 30 June 2011, less the \$634,000 invested by the Marlborough Returned and Services Association Inc. The Committee has no intention of disposing of this property and therefore no loss is expected relating to this contingency. Blenheim Workingmen's Club has not granted any securities in respect of liabilities payable by any other party (2010: Nil).

21. CAPITAL COMMITMENTS

At balance date there are no significant capital commitments (2010: \$32,000).

22. EVENTS SUBSEQUENT TO BALANCE DATE

No events or transactions have occurred subsequent to balance date that impact on these accounts.

BLenheim WORKINGMEN'S CLUB

Trading as Clubs of Marlborough

ANNUAL GENERAL MEETING

Sunday 2nd October 2011 at 11.00am

OFFICERS

		Meeting Attendance
President	Murray Mills	11
Vice President	Jason Clouston	11
Treasurer	Gordon Herkt	11
Committee	Dawn Walker	11
	Prue Matthews	11
	Noel Collins	9
	John Forrest	6
	Marlene Lucas	10
	Sue Wallace	10
	Barry Cresswell	11
MRSA Representatives	Geoff Stobie	11
	Ernie Thomson	11
Trustees	Ray Barrett	9
	Val Blaylock	11
	Rueben Walker	11
Chief Executive Officer	Lee Davis	11
Bankers	ANZ National	
Auditors	PricewaterhouseCoopers	
Solicitor	Peter Radich Radich Law	

Please Note:

There are only 11 meetings throughout the year.

NOTICE OF MEETING

Sunday 2nd October 2011 at 11.00am

BUSINESS

1. Confirmation of Minutes of AGM held on 3rd October 2010.
2. Adoption of the Annual Report and Balance Sheet for the period ending 30th June 2011.
3. Election of Committee.
4. Election of (3) Trustees.
5. Election of five (5) Board of Appeal Members.
6. Appointment of Auditor.
7. Notices of Motion as per the Clubs Notice Board and pursuant to club Rule 21.6 (b).
8. Subscriptions.
9. General Business.

BLENHEIM WORKINGMEN'S CLUB

NOTES TO THE FINANCIAL STATEMENTS For the year Ended 30th June 2011

	2011 \$	2010 \$
16. ASSET REVALUATION RESERVE		
Opening balance	1,574,393	1,744,323
Less transferred to retained earnings	(189,393)	-
Less reduction in value of Budge Street property	-	(169,930)
Plus increase in value of Russell Terrace property	284,666	-
	<u>1,669,666</u>	<u>1,574,393</u>

The movement in this reserve is to recognise the sale of the Budge Street property and the upwards revaluation of the Russell Terrace property during the 2011 financial year. The Budge Street property sold for \$170,000 which was the amount previously recorded in the financial statements. Consequently the revaluation reserve relating to this property has been transferred to retained earnings.

	2011 \$	2010 \$
17. RETAINED EARNINGS		
Opening balance	7,147,932	6,950,363
Surplus for the year	110,856	197,569
Transferred from Asset Revaluation Reserve – Budge Street Property	189,393	-
Closing Balance:	<u>\$7,448,181</u>	<u>\$7,147,932</u>

	2011 \$	2010 \$
18. MEMBER DISTRIBUTIONS & BENEFITS		
Member distributions and benefits are made up as follows:		
Members' Welfare Meals	9,106	10,137
Members' Taxi Rebate	392	1,206
Members' Vouchers	98,445	101,048
Newspapers	1,459	2,354
Sick members	796	963
Loyalty Points Accrual	15,039	18,294
Membership Draws	30,914	35,950
MRSA	20,400	20,400
	<u>176,551</u>	<u>190,352</u>
Plus paid from Gaming Account		
Section Grants	500	500
Newspapers	453	-
Total	<u>\$177,504</u>	<u>\$190,852</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year Ended 30th June 2011

11. ANZ BANK LOANS

Funding for the Clubs of Marlborough building project was from the ANZ National Bank who provided a total loan facility of \$11,410,000. The interest rate applying at balance date is 5.74% p.a. plus 2.00% margin equals 7.74%. The total amount owing at balance date is \$5,899,830 (2010: \$6,015,742). The ANZ National Bank loans are secured over the land and buildings by a specific security agreement over plant and equipment, and by a general security agreement over all assets and undertakings of the Club.

The bank loan facilities were renewed on 5 August 2010 and loan repayments were reduced to \$30,000 per month. In February 2011 the Club entered into a 12 month principal holiday. Principal payments of \$30,000 per month will be reinstated from February 2012.

Approximately \$150,000 will be repayable in the year to 30 June 2012 (2010: \$390,000).

There is a bank covenant requiring earnings before interest and depreciation to be no less than 1.75 times the interest of the bank borrowings, increased from 1.5 in October 2010 (2010: same). As at balance date there was no breach of the covenant.

12. MARLBOROUGH BRIDGE CLUB INC

The Marlborough Bridge Club Inc. agreed to contribute up to \$400,000 (inclusive of GST) to the building project, in return for premises within the new Clubs of Marlborough building. \$390,000 of this amount was received. The contribution is being recorded as income, evenly over 33 years, which is the initial lease period. The lease has a right of renewal of two further 33 year periods.

13. MEMBERS DEBENTURES

Unsecured advances were made to The Marlborough Club Inc. by its members. They are now a liability of the Blenheim Workingmen's Club, and are interest free.

14. LOANS FROM MEMBERS

Funding for certain specific items excluded from the project contract, was received from contributing member funds. These contributions are unsecured loans from members for an initial period of two years at an interest rate of 10% per annum, with further provision to roll over.

15. OWED TO MARLBOROUGH RETURNED AND SERVICES ASSOCIATION INC

The \$634,000 owed to Marlborough Returned and Services Association Inc represents their interest in the Clubs of Marlborough through their contribution of the land at 42 Alfred Street site. Their interest in the Clubs of Marlborough property is 3/7 of the total property complex.

PRESIDENT'S REPORT

Year Ending 30th June 2011

Welcome to the 123rd Annual General Meeting of the Blenheim Workingmens Club now trading as the Clubs of Marlborough.

To any Members who have suffered the loss of a loved one or have suffered from illness please accept our (my) heartfelt Sympathy.

Finance

Without doubt our most challenging trading year but through the efforts of your Committee and Staff, initiatives were applied that produced some great trading results but at the cost of reduced margins. Membership Services have been retained, as too the immediate future of the Marlborough Club and this is primarily thanks to the response from Members for Increased Club Usage. However, this increased level of activity needs to be maintained if we are to continue enjoying these services and facilities.

Staff

Thank you to Lee and all Staff. The year has been hard work and a lot of Staff have done the hard yards on those big occasions.

Once again thanks to all Frontline Staff for the service you have provided over the last 12 months and a special thanks to those behind the scenes, in particular Catering for the superb food produced, to our Administration Department for a well-structured business and to our Cleaning division for keeping our new facilities looking like the day we opened.

Sections and Volunteers

Also a note of appreciation to our numerous Sections (and the Bridge Club) that have hosted Clubs New Zealand or other such tournaments at our Club. These events showcase our Club to the rest of the movement bringing in much appreciated Foreign Capital. To our volunteers that assist in the running of some of the Clubs functions, in particular Housie, thank you.

Contributing Members

Thanks to all the Contributing Members, these funds let us have some things that would otherwise have not been affordable.

Committee

To the President and Members of the Marlborough Returned and Services

Association in particular those appointed to our Committee, thank you all for helping to ensure harmony in the relationship continues

To the Committee and Trustees of our Club a very special thanks to all for your dedication to your respective rolls.

On a personal note I have been privileged to be your President for the last ten years and in many respects time to nurture a replacement through the senior ranks of your Committee. However, as we are currently negotiating and developing our financial pathway forward with the concerted effort of retaining the Marlborough Club I feel committed to the Members to maintain the consistency in the relationship we have built with our financial provider in the year ahead.

With this in mind I am prepared to carry on as President for one more term, if that is the Members wish

Murray Mills,
President.

CHIEF EXECUTIVE OFFICER'S REPORT

Finance

Although it appears things are starting to improve around most of the Country's regions the recession is still well entrenched in Marlborough with little signs of the economy improving in the year ahead.

Your Club has not been immune to the effects such a longstanding recession has and although we have worked extremely hard to maintain turnover, in some departments we have lost margin as we have absorbed costs and held prices. This has been of direct benefit to the Member but does not always drive sales enough to warrant the exercise.

A Letter to the Members requesting increased usage at the beginning of the year did produce the desired result converting a first half trading deficit into a year-end surplus of \$110,856.00 compared to \$197,569.00 from the previous year. I thank those Members who took ownership and responded with constructive criticism and increased usage.

However the year was harder than the bottom line indicates with the first six months impacting heavily on the Clubs Cash Flows, necessitating the need to negotiate a "Principal Holiday" with the Bank to restore our cash reserves. So it is still imperative that all our Members continue to use their facilities on every

BLENHEIM WORKINGMEN'S CLUB

NOTES TO THE FINANCIAL STATEMENTS For the year Ended 30th June 2011

	2011 \$	2010 \$
8. ACCOUNTS PAYABLE		
Trade Creditors	158,835	168,356
Holiday pay accrual	111,356	133,793
PAYE and Other IRD Deductions	31,900	3,127
Wages accrued	14,507	10,840
Gaming Trade Creditors	30,503	54,676
Interest Payable	70,076	60,092
ACC Levies	5,000	7,405
Owing to Body Corporate	-	16,058
	<u>\$422,177</u>	<u>\$454,347</u>

9. FINANCE LEASES FOR EQUIPMENT

The Club has entered into finance leases for the use of a photocopier and computer equipment. The leases are for terms of 36 and 42 months with security taken over the equipment and interest rates being 12.5% and 16%. The amount of the remaining lease liability is:

	2011 \$	2010 \$
Amounts repayable within 12 months	15,771	8,699
Amounts repayable greater than 12 months	23,761	-
	<u>\$39,532</u>	<u>\$8,699</u>

10. OWING TO MEMBERS

This relates to amounts owing to members for :

	2011 \$	2010 \$
Club Loyalty Points	42,593	42,966
Member Club Accounts	6,618	-
	<u>\$49,211</u>	<u>\$42,966</u>

BLLENHEIM WORKINGMEN'S CLUB

NOTES TO THE FINANCIAL STATEMENTS
For the year Ended 30th June 2011

7. PROPERTY, PLANT AND EQUIPMENT

Asset	Cost or Valuation	Depreciation 2011	Accumulated Depreciation	Book Value 30.06.11	Book Value 30.06.10
Land	1,714,000	-	-	1,714,000	1,286,000
Freehold Buildings	14,493,662	168,066	594,034	13,899,628	14,221,030
Plant	1,594,629	108,982	689,516	905,113	922,247
Beer Tanks	70,866	2,295	56,134	14,732	17,027
Gym Equipment	157,363	7,870	86,595	70,768	78,638
Motor Vehicles	28,889	2,515	11,475	17,414	19,929
Gaming Machines	645,492	52,482	416,976	228,516	222,594
	<u>18,704,901</u>	<u>342,210</u>	<u>1,854,730</u>	<u>16,850,171</u>	<u>16,767,465</u>

(a) Land and Buildings

The land and buildings shown above comprise the Russell Terrace property, and the Alfred Street property for the Clubs of Marlborough. The Russell Terrace property was revalued in 2011 to independent valuation. The valuers were Alexander Hayward Limited, independent registered valuers. The basis of valuation is fair value between a willing but not anxious buyer and a willing but not anxious seller.

The Clubs of Marlborough property comprises land and buildings at cost from the completion of the building project in October 2007. The land was transferred to the Clubs of Marlborough from the Marlborough Returned and Services Association Inc in exchange for a 3/7 interest in the property. The buildings were paid for by the Blenheim Workingmen's Club with all development costs being capitalised, including architects fees, engineers fees, legal fees and interest on borrowings to finance the facility. The Blenheim Workingmen's Club has a 4/7 interest in the property.

The latest rating valuations of the land and buildings are \$16,800,000 for 42 Alfred Street and \$1,525,000 for Russell Terrace, and valuations by Alexander Hayward Limited in January 2009 for bank security purposes gave valuations of \$11,000,000 and \$1,875,000 respectively. The land and buildings for the Alfred Street property have not been written down to this valuation because the Committee believes that it has a value to members in excess of this valuation and is not impaired. The insurance indemnity value of the Alfred Street building is \$18,000,000.

(b) Gaming Depreciation

All depreciation related to gaming equipment has been shown in the Gaming Account.

occasion so that we can continue to meet our obligations with the Bank, whilst still providing the Member benefits, services and maintaining the low prices that we all enjoy, including the facilities provided at the Marlborough Club.

For a full and accurate understanding of the Statement of Financial Performance, It is important that you read the Notes to the Financial Statements towards the end of this Annual Report.

Staff

It is also important that we take this moment to recognise the efforts and the extra mile our Staff go too, to ensure our Members receive the attention they deserve. I know we do not get it right every time but with 9000 Members it is difficult to cater for the individual needs of everyone. I encourage constructive criticism as it is a tool we use to improve our performance but I also encourage our Members to be patient and professional about their dealings with our Staff. We are indeed blessed to have such a team dedicated to driving our business 18 hours a day, 364 days of the year.

Clubs of Marlborough

I thank all Club Members for your support throughout the year and encourage you all to continue to utilize the extensive facilities and activities that your Club provides. Visitors to our Club over the past year confirm we are still the envy of the Club movement, something we can all be extremely proud of.

To my President and Committee and various other Societies and Committees that I have worked with over the past year, thank you once again for your support, it is still a challenge but a pleasure, and I thank you all for the ongoing experience.

Lee Davis,
Chief Executive Officer.

TREASURER'S REPORT

It is a pleasure again to welcome you to the 123rd Annual General Meeting, and the presentation of the Balance Sheet for the year end 30th June 2011.

To have an accurate understanding of the Statement of Financial Performance please read the Notes at the end of the report.

This past year has again seen difficult trading in Marlborough, but with the

dedication and commitment of our Heads of Departments and their respective Staff, we have been able to produce a surplus for the year and to again reduce our ANZ Bank loan.

To our loyal Members and Sports Adjuncts – thank you for your loyal commitment to your Clubs facilities.

Finally to Lee Davis, our Administration Staff and Committee – thank you for your total commitment to our Clubs business and future.

Gordon Herkt,
Treasurer.

ANNUAL REPORT OF THE GRANTS COMMITTEE 2011

During the financial year a grant of \$500 was made to the Bridge Club.

Grant	500
Plus Payments made to Authorised Purposes as listed below	819,237
	<u>819,737</u>

Authorised Purposes Payments 2010/2011 excluding grants/distributions as listed above

Accountancy Fees	5,988
Bank Charges	7
Body Corporate	37,200
Advertising and Publishing	4,383
Computer Costs	1,883
Light, Power etc	10,329
Capitation Fees	25,105
Repairs and Maintenance	838
Newspapers	453
Membership Cards	4,663
Telecommunications	1,347
Sky TV	17,260
Interest	479,781
Principal Repayments	230,000
Total Authorised Purposes excl GST	<u>819,237</u>

BLenheim WORKINGMEN'S CLUB

NOTES TO THE FINANCIAL STATEMENTS

For the year Ended 30th June 2011

INDIRECT GAMING COSTS (Authorised Purposes)

Accounting Fees	5,988	-
Advertising & Publishing	4,383	-
Bank Charges	7	1
Body Corporate	37,200	-
Capitation Fees	25,105	-
Computer Costs	1,883	-
Light Power Heating & Gas	10,329	-
Repairs & Maintenance	838	-
Section Grants (Note 18)	500	500
Sky Tv	17,260	17,501
Newspapers (Note 18)	453	-
Membership Cards	4,663	-
Telecommunications Expenses	1,347	-
Total indirect gaming costs	<u>109,956</u>	<u>18,002</u>
Total gaming expenses	<u>669,215</u>	<u>570,673</u>
GROSS SURPLUS FROM GAMING	<u>\$682,392</u>	<u>\$762,136</u>

Also spent on authorised purposes were \$479,781 (2010: \$516,353) for interest and professional fees on the property development, and loan principal payments of \$230,000 (2010: \$240,000).

6. ACCOUNTS RECEIVABLE

	2011	2010
	\$	\$
Trade Debtors	29,800	39,306
Owing by Marlborough Bridge Club Inc.	19,249	10,000
Owing by Body Corporate	16,675	12,256
	<u>\$65,724</u>	<u>\$61,562</u>

BLenheim WORKINGMEN'S CLUB

NOTES TO THE FINANCIAL STATEMENTS

For the year Ended 30th June 2011

4. CLUB ACTIVITIES

Activity	Gross Takings	Expenses	2011 Net	2010 Net
Raffles	66,546	56,349	10,197	13,560
Wheel/Globe	1,337	572	765	291
Pool	8,631	2,684	5,947	6,343
Billiards	3,130	4,252	(1,122)	(288)
Gym	135,009	73,943	61,066	68,477
Housie	31,740	12,000	19,740	18,201
TAB	14,387	1,959	12,428	18,008
Tea & Coffee	2,954	-	2,954	2,095
Kids Room	4,375	93	4,282	4,122
TOTAL	268,109	151,852	116,257	130,809

5. GAMING ACTIVITIES

GAMING REVENUE

	2011	2010
Proceeds	1,340,486	1,331,194
Interest on Gaming Machine Funds	2,707	1,615
Gain on Sale of Assets	8,414	-
Total Sales	1,351,607	1,332,809

DIRECT GAMING COSTS

	2011	2010
Operator's Licence - Renewal Cat. A	1,130	1,130
Venue Licence - Renewal Cat. A.	113	113
Venue Licence - Amendment	452	226
Gaming Machine Duty	306,584	299,518
Problem Gambling Levy	22,687	26,209
Salaries & Wages - Direct	91,411	76,180
Service & Repair	27,938	28,021
Gaming Machine Fees	11,333	11,333
Electricity	15,110	12,800
Electronic Monitoring Fees	13,688	13,684
Insurance	8,184	6,933
Cleaning	6,742	5,339
Miscellaneous Venue Costs	1,405	896
Depreciation - Gaming machines	52,482	70,289
Total direct gaming costs	559,259	552,671

BLenheim WORKINGMEN'S CLUB

STATEMENT OF FINANCIAL PERFORMANCE

For the year Ended 30th June 2011

	Note	2011 \$	2010 \$
REVENUE			
Bars & Restaurant Trading	3	3,907,622	3,956,360
Club Activities	4	268,109	262,787
Gaming Activities	5	1,351,607	1,332,809
Gaming Machine Service Revenue		126,463	105,394
Subscriptions		276,095	271,027
Total Revenue		5,929,896	5,928,377
Less Expenses			
Bar & Restaurant Trading	3	2,677,699	2,628,528
Club Activities	4	151,852	131,978
Gaming Activities	5	669,215	570,673
Wages		618,881	617,353
Audit Fees		13,700	13,700
Depreciation		289,728	306,719
Interest - Overdraft		6,361	10,395
Interest - Other		78,961	75,324
Interest - Borrowings		478,172	516,353
General Administration Expenses		708,546	751,904
Members Distributions and Benefits	18	176,551	190,352
Body Corporate Levy	19	24,176	40,594
Total Expenses		5,893,842	5,853,873
		36,054	74,504
Other Income			
Miscellaneous Income		49,729	132,946
Dividends Received		2,092	895
Interest Earned		17,219	3,600
		69,040	137,441
NET TRADING SURPLUS		105,094	211,945
Other Items			
(Loss) on Sale of Plant & Equipment		(3,582)	(1,539)
Section activity surplus/(deficit)	2	9,344	(12,837)
		5,762	(14,376)
NET SURPLUS		\$110,856	\$197,569

These statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Auditors' Report

BLenheim WORKINGMEN'S CLUB

STATEMENT OF MOVEMENTS IN EQUITY

For the Year Ended 30 June 2011

	Note	2011 \$	2010 \$
EQUITY AT START OF PERIOD		8,722,325	8,694,686
		<u>8,722,325</u>	<u>8,694,686</u>
SURPLUS & REVALUATIONS			
Blenheim Workingmen's Club Surplus		110,856	197,569
Increase/(Decrease) in Asset Revaluation Reserve	16	284,666	(169,930)
Total Recognised Revenue & Expenses:		<u>395,522</u>	<u>27,639</u>
EQUITY AT END OF PERIOD		<u>\$9,117,847</u>	<u>\$8,722,325</u>

For and on behalf of the Combined Committee



31 August 2011

These statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Auditors' Report

BLenheim WORKINGMEN'S CLUB

NOTES TO THE FINANCIAL STATEMENTS

For the year Ended 30th June 2011

	2011 \$	2010 \$
3. BAR & RESTAURANT TRADING		
BARS - Sales	1,539,204	1,603,342
Cost of Sales	961,928	962,498
Gross Margin	<u>577,276</u>	<u>640,844</u>
OFF-SALES - Sales	71,791	74,143
Cost of Sales	61,518	60,736
Gross Margin	<u>10,273</u>	<u>13,407</u>
CIGARETTES - Sales	53,889	43,637
Cost of Sales	45,321	39,378
Gross Margin	<u>8,568</u>	<u>4,259</u>
RESTAURANT - Sales	1,981,594	1,972,436
Cost of Sales	1,418,924	1,380,354
Gross Margin	<u>562,670</u>	<u>592,082</u>
MARLBOROUGH CLUB - Sales	261,144	262,802
Cost of Sales	180,832	175,145
Gross Margin	<u>80,312</u>	<u>87,657</u>
OUT CATERING - Sales	-	-
Cost of Sales	1,118	4,826
Gross Margin	<u>(1,118)</u>	<u>(4,826)</u>
TOTAL NET INCOME	<u>1,237,981</u>	<u>1,333,423</u>
Less Expenses:		
Staff Drinks/General Hospitality	8,058	5,591
BARS & RESTAURANTS CONTRIBUTION	<u>\$1,229,923</u>	<u>\$1,327,832</u>
Summary		
Total revenue	3,907,622	3,956,360
Total expenses	<u>2,677,699</u>	<u>2,628,528</u>
	<u>\$1,229,923</u>	<u>\$1,327,832</u>

BLenheim WORKINGMEN'S CLUB

NOTES TO THE FINANCIAL STATEMENTS

For the year Ended 30th June 2011

- (c) **Income Tax**
The Club is not subject to income tax under exemptions provided by S.CB1 of the Income Tax Act for Friendly Societies and because of its not for profit status.
- (d) **Receivables**
Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.
- (e) **Property, Plant & Equipment**
Property, plant and equipment have been included at cost or valuation, less accumulated depreciation. Land and buildings are revalued every five years to fair value from an independent valuation. All other items are recorded at historical cost less depreciation. All costs related to the development of property are capitalised into the property, including interest on borrowings on the Clubs of Marlborough premises to the completion date.
- (f) **Cash and Deposits**
Cash and deposits are carried at cost.
- (g) **Depreciation**
Depreciation is charged on property, plant and equipment so as to allocate the cost or valuation of the assets over their useful lives and is charged at the following rates:
- | | | |
|--|-----|----|
| (a) Plant, furniture and fittings | 10% | DV |
| (b) Beer tank and systems | 10% | CP |
| (c) Buildings | 2% | DV |
| (d) Office equipment, electronic plant | 20% | DV |
| (e) Gaming machines | 24% | DV |
| (f) Buildings - Alfred Street | 1% | CP |
- (h) **Stock on Hand**
Stock on hand is recorded at cost, on a first in first out basis.
- (i) **Goods & Services Tax**
The Statement of Financial Performance has been prepared so that all components are stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST, with the exception of account receivables and payables.

Changes in Accounting Policies

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

2. SECTION ACTIVITIES

The Blenheim Workingmen's Club has special interest groups (Sections) that operate autonomously from the management committee of the Club. Separate financial statements for each Section are available to members on request. Total held at 30 June 2011 for Sections is \$88,673 (2010: \$80,684).

BLenheim WORKINGMEN'S CLUB

STATEMENT OF FINANCIAL POSITION

As at 30 June 2011

	<i>Note</i>	2011	2010
		\$	\$
ASSETS			
Current Assets			
Cash on Hand		319,669	78,169
Cash at Bank - Gaming		47,508	116,902
Short Term Deposits - Winstanley Kerridge Ltd Trust			
Account - ANZ National Bank		-	35,052
Resident Withholding Tax Refund Due		-	13,063
Accounts Receivable	6	65,724	85,207
Stock on Hand		120,441	142,447
Budge Street Property Held for Sale	16	-	170,000
Total Current Assets		<u>553,342</u>	<u>640,840</u>
Non-Current Assets			
Property, Plant & Equipment	7	16,850,171	16,767,465
Bond - NZ Racing Board		15,000	15,000
Deposits in Foodstuffs (South Island) Ltd		114,868	78,381
Total Non-Current Assets		<u>16,980,039</u>	<u>16,860,846</u>
Total Assets		<u>17,533,381</u>	<u>17,501,686</u>
LESS LIABILITIES			
Current Liabilities			
Bank Overdraft (Secured)		-	228,591
GST Due for Payment		37,447	34,983
Accounts Payable	8	422,177	454,347
Owing to Members	10	49,211	42,966
Subscriptions Received in Advance		146,572	184,207
ANZ Bank - Current Portion of Loans	11	150,000	390,000
Finance Leases of Equipment - current portion	9	15,771	8,699
Marlborough Bridge Club Inc - Money in Advance			
- Current Portion	12	12,161	10,600
		<u>833,339</u>	<u>1,354,393</u>

These statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Auditors' Report

STATEMENT OF FINANCIAL POSITION (continued)
As at 30 June 2011

	<i>Note</i>	2011 \$	2010 \$
Non-Current Liabilities			
Members Debentures	13	98,100	98,900
ANZ Bank Loans - Non current portion	11	5,749,830	5,625,742
Loans from Members	14	736,000	751,000
Owed to Marlborough Returned and Services Assn Inc	15	634,000	634,000
Finance Leases of Equipment - Non current portion	9	23,761	-
Marlborough Bridge Club Inc - Money in Advance - Non current portion	12	340,504	315,326
		<u>7,582,195</u>	<u>7,424,968</u>
Total Liabilities		8,415,534	8,779,361
NET ASSETS REPRESENTED BY MEMBERS' FUNDS		<u>\$9,117,847</u>	<u>\$8,722,325</u>
MEMBERS' FUNDS			
Asset Revaluation Reserve	16	1,669,666	1,574,393
Retained Earnings	17	7,448,181	7,147,932
TOTAL MEMBERS' FUNDS		<u>\$9,117,847</u>	<u>\$8,722,325</u>

These statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Auditors' Report

NOTES TO THE FINANCIAL STATEMENTS
For the year Ended 30th June 2011

1. STATEMENT OF ACCOUNTING POLICIES

REPORTING BASIS

The financial statements presented here are for the Clubs of Marlborough which is the activities of the entity, Blenheim Workingmen's Club, (a society registered under the Friendly Societies and Credit Unions Act 1982). The financial statements have been prepared according to generally accepted accounting practice.

MEASUREMENT BASIS

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been used, including the revaluation of certain land and buildings.

The Club has chosen not to adopt the New Zealand Equivalents to International Financial reporting Standards ("NZ IFRS"). The decision not to adopt is consistent with the exemption provided by Accounting Standards Review Board ("ASRB") Release 9, issued in September 2007. ASRB Release 9 provides a choice to certain qualifying entities to either adopt NZ IFRS or to continue to apply New Zealand Financial Reporting Standards ("NZ FRS"). The Club is a qualifying entity on the basis that it is not an issuer, is not required to file financial statements with the Registrar of Companies under section 19 of the Financial Reporting Act 1993 and is not considered large (less than \$20m revenue and less than 50 full-time employee equivalents).

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice ("NZ GAAP"). They comply with NZ FRS and other applicable pronouncements as appropriate for public benefit entities.

PARTICULAR ACCOUNTING POLICIES

(a) **Revenue Recognition**

Revenue comprises amounts received and receivable for goods and services supplied to customers in the ordinary course of the Clubs' activities. Gaming activities revenue includes deductions from the proceeds of gaming machines, for direct and indirect gaming costs, for authorised purposes.

(b) **Differential Reporting**

Blenheim Workingmen's Club qualifies for Differential Reporting because:

- it is not publicly accountable, and
- it is deemed to be 'not large' due to the following criteria –
 - * the gross turnover is less than \$20 million, and
 - * there are less than 50 fulltime equivalent employees.

Blenheim Workingmen's Club has taken advantage of all available differential reporting exemptions.