



# COMPANIES OFFICE



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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

### Organisation number

Blenheim Workingmen's Club T/A Clubs of Marlborough

1803044

Registered office: 42 Alfred Street, Blenheim 7201

Postal address: 42 Alfred Street, Blenheim 7201

Financial year ended (DD/MM/YYYY): 30 / 06 / 2014

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

#### Committee of management

Name: Gordon Herkt	Residential address: Old Renwick Road, Blenheim
Name: Jason Clouston	Residential address: 40a Percy Street, Blenheim
Name: Dawn Walker	Residential address: 56 New Renwick Road, Blenheim
Name: Prue Matthews	Residential address: 14 Waikura Street, Blenheim
Name: John Forest	Residential address: 18 Glenroy Crescent, Blenheim
Name: Noel Collins	Residential address: 118A Maxwell Road, Blenheim

#### Trustees

Name: Ray Barrett	Residential address: 10a McCallum Street, Blenheim
Name: Val Blaylock	Residential address: 4a Brookfield Place, Blenheim
Name: Reuben Walker	Residential address: 56 New Renwick Road, Blenheim

#### Secretary

Name: Lee Davis	Residential address: 54 Leefield Street, Blenheim
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#### Treasurer

Name: Michelle Bassett	Residential address: 19 Hinepango Drive, RD3, Blenheim
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### MEMBERSHIP

Total number of members at beginning of year

5950

Number who joined during year

637

Number who left during year

622

Total number of members at end of year

5965



STATEMENT OF FINANCIAL POSITION ("BALANCE SHEET")

Assets

(Whole dollars only)

Land and buildings	\$ 15,194,635
Term deposits & cash investments	\$ 139,971
Bank accounts and cash on hand	\$ 323,962
Furniture, fittings & other fixed assets	\$ 727,456
Stock / Inventories	\$ 94,864
Sundry debtors / Accounts receivable	\$ 41,058
Other assets (specify significant items)	
Prepaid expenses	\$ 290
	\$
	\$

Total assets \$ 16,522,236 (A)

Liabilities & members equity


Capital / Accumulated funds	\$ 8,709,645
PAYE / GST / Tax payable	\$ 34,679
Sundry creditors / Accounts payable	\$ 430,026
Bank loans / Overdraft	\$ 5,319,830
Other liabilities (if any - specify significant items)	
Subscriptions/Income in Advance	\$ 152,870
Marlborough Bridge Club	\$ 316,183
Members Loans, Debentures, RSA	\$ 1,559,003


Total liabilities & equity \$ 16,522,236 (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 \$ 60.00

  
 Secretary

  
 Treasurer

Date: 18 19 2014



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Organisation number

Blenheim Workingmen's Club T/A Clubs of Marlborough

1803044

Registered office: 42 Alfred Street, Blenheim 7201

Postal address: 42 Alfred Street, Blenheim 7201

Financial year ended (DD/MM/YYYY): 30 / 06 / 2014

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

Table with columns for Name and Residential address, categorized by Committee of management, Trustees, Secretary, and Treasurer.

MEMBERSHIP

Table for membership statistics: 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.



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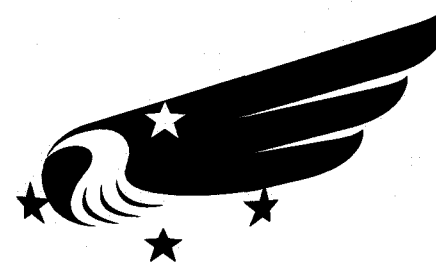


Available in the

TERRACE  
*cafe*

# Blenheim Workingmen's Club

Trading as



## CLUBS OF MARLBOROUGH

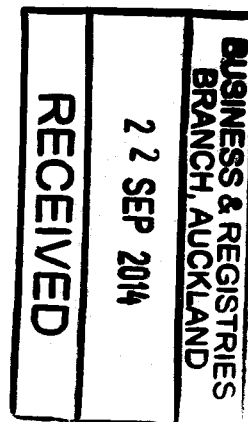
ANNUAL REPORT  
and

BALANCE SHEET  
for Annual General Meeting  
Sunday 5th October 2014.

42 Alfred Street, Blenheim.

Phone (03) 578 1059 Fax (03) 578 1058

[www.clubsofmarlborough.org.nz](http://www.clubsofmarlborough.org.nz)



***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 8 to 19, which comprise the statement of financial position as at 30 June 2014, the 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 and fair presentation of financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal controls as the Committee determines 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.

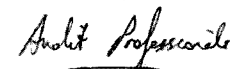
Other than in our capacity as auditors we have no relationship with, or interests in, Blenheim Workingmen's Club.

***Opinion***

In our opinion, the financial statements on pages 8 to 19 present fairly, in all material respects, the financial position of the Blenheim Workingmen's Club as at 30 June 2014 and its financial performance for the year ended on that date in accordance with generally accepted accounting practice in New Zealand.

***Restriction on Use of our Report***

This report is made solely to the Club's members, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state 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's and the Club's members, as a body, for our audit work, for this report or for the opinions we have formed.

  
Chartered Accountants  
28 August 2014

Dunedin

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# BLENHEIM WORKINGMEN'S CLUB

Trading as Clubs of Marlborough

ANNUAL GENERAL MEETING  
Sunday 5th October 2014 at 10.30am

## OFFICERS

		Meeting Attendance
President	Gordon Herkt	10
Vice President	Jason Clouston	11
Committee	Dawn Walker	11
	Prue Matthews	9
	Noel Collins	9
	John Forrest	9
	Marlene Lucas	11
	Tina Beattie	2
	Barry Cresswell	11
MRSA Representatives	Ernie Thomson	10
	Rod Shoemark	8
Trustees	Ray Barrett	9
	Val Blaylock	11
	Rueben Walker	11
Chief Executive Officer	Lee Davis	11

### *Please Note:*

There are only 11 meetings throughout the year and that T. Beattie tendered her resignation as a Committee Member in January 2014 and the Committee elected to leave the position vacant.

## Notes to the Financial Statements

### 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 (2013: same contingent liability). The contingent liability would be 3/7ths of the sale proceeds, which amounts to approximately \$4.7million at 30 June 2014, 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 (2013: Nil).

### 21. CAPITAL COMMITMENTS

At balance date there are no significant capital commitments (2013: \$0).

### 22. LEASE COMMITMENTS

There are no significant lease commitments at 30 June 2014 (2013: Nil).

### 23. EVENTS SUBSEQUENT TO BALANCE DATE

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

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

## 16. RETAINED EARNINGS

	2014	2013
	\$	\$
Opening balance	7,469,040	7,568,647
(Deficit) for the year	(243,171)	(99,607)
<b>Closing Balance:</b>	<b>\$7,225,869</b>	<b>\$7,469,040</b>

## 17. MEMBER DISTRIBUTIONS & BENEFITS

	2014	2013
	\$	\$
Members' Welfare Meals	12,249	10,887
Members' Taxi Rebate	5,986	210
Members' Vouchers	99,544	101,583
Newspapers	2,191	2,378
Sick members	-	-
Loyalty Points Accrual	19,863	21,930
Membership Draws	29,100	40,550
MRSA	20,400	20,400
<b>Total:</b>	<b>189,333</b>	<b>197,938</b>

### 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 (2013: \$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.

## 18. BODY CORPORATE

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

## 19. RELATED PARTY TRANSACTIONS

Gordon Herkt, Committee Member, is related to a firm that provides electrical services to the Club. These services are of a minor nature and are provided on an arm's length basis. No honorariums are paid to committee members, other than the position of president with an allowance of up to \$5,000 annually.

## 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 (2013: same contingent liability). The contingent liability would be 3/7ths of the sale proceeds, which amounts to approximately \$4.7million at 30 June 2014, less the \$634,000 invested by the

# NOTICE OF MEETING

Sunday 5th October 2014 at 10.30am

## BUSINESS

1. Confirmation of Minutes of the AGM held on 6th October 2013.
2. Adoption of the Annual Report and Balance Sheet for the period ending 30th June 2014.
3. Election of Committee.
4. Election of Trustees.
5. Election of (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.

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

# PRESIDENT'S REPORT

Year Ending 30th June 2014

It is again a pleasure to welcome you all to the 126th Annual General Meeting of the Blenheim Workingmen's Club, now trading as the Clubs of Marlborough, in my second term as your president.

To those members and family who have had a loss of a loved one or suffered through illness, please accept our sympathy.

## FINANCE

This year the Club has suffered another substantial deficit of -\$243,171.00 but prior to Depreciation we were able to produce an operating profit of \$66,157.00. As stated in the media the New Zealand economy only has three gears – 1st gear, 5th gear and reverse, which we have definitely seen more so over the last trading period. We have implemented new initiatives such as Share the Fare, valet parking services, refined the Thursday night draw and raffles and promotions all to give you, our members, a reason to continue to support your club.

We understand the impact that the new Civic Theatre build has had, but please let's put this behind us; use the superb council multi-storey car park, which is now well lit for your safety. We must look forward to completion of the theatre which will then create the hospitality, convention and theatre hub for Marlborough, which will definitely assist our operation.

## STAFF

To Lee, heads of departments and staff, thank you for your dedication and work ethics over the past year, which has been a very difficult trading environment, but you have all done this with pride, which I thank you for. To our administration staff, your services are very much appreciated. Finally, to the cleaning division, a year older and the presentation of the facility is a credit to you all.

## CONTRIBUTING MEMBERS

Thank you for your continued funds and to the new members who have invested funds. These funds covered the shortfall for purchasing items deleted from the original tender.

# Notes to the Financial Statements

## 10. ANZ BANK LOANS

Funding for the Clubs of Marlborough building project was from the ANZ National Bank who provided a loan facility of \$11,410,000. The loan facility was renewed on 15 December 2011 and has a facility limit of \$6,021,000. The total amount owing at balance date is \$5,319,830 (2013: \$5,419,829) and \$160,000 is expected to be repaid in the year to 30 June 2015 (2013: \$360,000).

The interest rate applying at balance date is approx 6.00% per annum (2013 5.40% per annum), which comprises the cost of the funds 3.30%, plus a margin of 2.70%. The previous interest swap agreement in place expired in October 2011.

The ANZ National Bank loans are secured by first mortgage over the land and buildings by a specific security agreement over the plant and equipment and by a general security agreement over all assets and undertakings of the club. There is a bank covenant requiring earnings before interest and depreciation to be no less than 1.5 times the interest on the bank borrowings (2013: 1.5). As at balance date there was a breach of this covenant but the bank has provided a waiver and will continue to provide the finance on the same terms.

## 11. MARLBOROUGH BRIDGE CLUB INC

The Marlborough Bridge Club Inc. agreed to contribute up to \$400,000 (plus GST if any) to the building project, in return for premises within the new Clubs of Marlborough building. 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. During the 2014 financial year \$12,161 was recognised as income (2013: \$12,161). The balance of the Marlborough Bridge Club Inc contribution remaining is \$316,183 (2013: \$328,344).

## 12. MEMBERS DEBENTURES

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

## 13. 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. Interest is paid on these loans at 6-8% per annum (previously 6-10%).

## 14. 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. The loan is interest free. Their interest in the Clubs of Marlborough property is 3/7 of the total property complex.

## 15. ASSET REVALUATION RESERVE

	2014	2013
	\$	\$
Opening balance	1,669,666	1,669,666
Less revaluation following independent valuation at 30 June 2014	(185,890)	-
<b>Closing balance</b>	<b>1,483,776</b>	<b>1,669,666</b>

The asset revaluation reserve arose from revaluations of the Russell Terrace land and buildings in past years.

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

The latest rating valuation of the land and buildings for 42 Alfred Street is for \$17,950,000 (previously \$16,800,000). Valuation by Alexander Hayward Limited in June 2012 for bank security purposes gave a valuation of \$10,045,000. 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. A valuation in September 2013 gave an insurance indemnity value of the Alfred Street building of \$26,385,000.

## (b) Depreciation

All depreciation related to gaming equipment has been shown as Gaming Activities \$49,326 (2013 \$41,448). Depreciation on all other depreciable assets is shown as an operating expense \$260,002 (2013 \$269,965).

## 8. ACCOUNTS PAYABLE

	2014	2013
	\$	\$
Trade Creditors	142,105	161,656
Owing for Gaming Machines Purchased	-	74,175
Holiday pay accrual	132,328	140,136
PAYE and Other IRD Deductions	38,806	40,167
Wages accrued	3,890	29,747
Gaming Trade Creditors	24,167	25,757
Interest Payable	47,095	52,616
ACC Levies	5,747	6,645
Insurance	28,375	-
Owing to Body Corporate	7,513	11,892
	<b>430,026</b>	<b>542,791</b>

## 9. OWING TO MEMBERS

	2014	2013
	\$	\$
Club Loyalty Points	57,901	52,398
Member Club Accounts	7,566	6,027
	<b>\$65,467</b>	<b>\$58,425</b>

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

## SECTIONS AND VOLUNTEERS

Thanks to Lesley Greenall, who has been President of the Sections for many years, and welcome to Phil Gibbons as your new President, with Val Wadsworth as Vice President. To all section members, thank you for your support and running the weekly raffles. Also to those who have organised South Island and or New Zealand club competitions. Thank you. I must congratulate Val Wadsworth and his members of the Rifle section, in the hosting of the South Island and New Zealand Shooting Championships, thinking outside the square and converting our main hall into a rifle range. It is events like this that bring extra revenue to your club. Well done. Finally, to all the volunteers that organise and assist with housie etc., we thank you.

## COMMITTEE

To the President and members of the Marlborough Returned Services Association, and those appointed to our Clubs of Marlborough committee, thank you for assisting to ensure harmony in our relationship continues. To my Committee and Trustees, a very special thank you for your dedication in your respective roles, and to assistance with the Kids Club Easter promotion, Christmas party and the running of our Special Super Sunday.

Gordon Herkt  
PRESIDENT

# CHIEF EXECUTIVE OFFICER'S REPORT

## Finance.

A full year under the construction of the Civic Theatre, continued resistance to utilising the Alfred Street Car Park Building and a flat Marlborough economy have all contributed towards a significant downturn in turnover resulting in a Net Trading Deficit for the year of  $-\$(243,171.00)$ . However, after taking Depreciation into account as a non-for-profit organisation we have produced an Operating Profit of  $\$66,157.00$ .

Management has worked hard throughout the year to offset the downturn with some pleasing results. A blowout the previous year in the catering divisions operating profit has been rectified and although turnover was down restored profit margins have produced a better bottom line result putting our catering division in a sound position going forward.

The Bar did well to maintain margins in a competitive and decreasing market and wages were well managed to reflect turnover, but Member usage in this area needs to increase if we are to maintain the many associated Member Benefits.

Although not evident in these accounts a new staffing structure in the Fitness Centre is producing a reduction in wages and growth in membership and if maintained will exceed budget expectations.

Gaming remains the biggest concern as our drop in gaming is greater than the National trends. At the time of writing this (August) the Club was looking to invigorate our gaming operation with some exciting new technology to enhance the entertainment aspect of our gaming lounge.

Manageable Overheads have been well maintained and Staff are to be congratulated for their efforts and the savings they have made against the previous year, but we are still the victim of the increasing costs of insurance, rates, interest and power and another significant growing expense is our Kiwisaver Employer Contribution.

In summary we have traded through our most difficult year but through various initiatives and strategies implemented we are confident that is behind us now and that we are soundly structured for the year ahead but at the end of the day it comes down to Member usage and the continued support that you give to your Club.

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

## Notes to the Financial Statements

Also spent on authorised purposes were  $\$316,106$  (2013:  $\$295,728$ ) for interest,  $\$0$  (2013:  $\$22,000$ ) for repayments of loans to contributing members, and loan principal payments to the ANZ bank of  $\$250,000$  (2013:  $\$330,000$ ).

### 6. ACCOUNTS RECEIVABLE

	2014	2013
	\$	\$
Trade Debtors	30,209	45,348
Owing by Body Corporate	10,849	24,642
	<b>\$ 41,058</b>	<b>\$ 69,990</b>

### 7. PROPERTY, PLANT AND EQUIPMENT

Asset	Cost or	Depreciation	Accumulated	Book Value	Book Value
	Valuation	2014	Depreciation	30.06.14	30.06.13
<b>Land</b>					
- Russell Terrace	940,000	0	0	940,000	1,080,000
- Alfred Street	634,000	0	0	634,000	634,000
<b>Freehold Buildings</b>					
- Russell Terrace	420,000	9,508	0	420,000	475,398
- Alfred Street	14,345,073	161,881	1,144,438	13,200,635	13,362,516
Plant	1,331,683	76,245	856,249	475,434	541,272
Beer Tanks	70,866	2,294	63,018	7,848	10,142
Gym Equipment	178,677	8,467	102,493	76,184	84,651
Motor Vehicles	28,889	1,607	17,099	11,790	13,397
Gaming Machines	621,318	49,326	465,118	156,200	207,503
	<b>\$18,570,506</b>	<b>\$309,328</b>	<b>\$2,648,415</b>	<b>\$15,922,091</b>	<b>\$16,408,879</b>

#### (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 at 30 June 2014 to independent valuation of  $\$1,360,000$ . 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 valuation at 30 June 2014 was  $\$185,890$  below book value and the property has been written down to the valuation amount.

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.

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

## 5. GAMING ACTIVITIES

	2014	2013
<b>GAMING REVENUE</b>	\$	\$
Gain / (Loss) on Sale of Assets	(1,977)	9,087
Interest on Gaming Machine Funds	3,142	4,436
Proceeds	1,147,921	1,283,143
<b>Total Sales</b>	<b>1,149,086</b>	<b>1,296,667</b>
<b>DIRECT GAMING COSTS</b>		
Accounting Fees	800	-
Audit Fees	1,450	-
Cleaning	7,530	7,200
Electricity	18,072	17,280
Electronic Monitoring Fees	13,776	13,793
Gaming Machine Duty	264,386	295,122
Gaming Machine Fees	11,333	11,333
Insurance - Gaming	9,789	9,360
Miscellaneous Venue Costs	1,255	1,200
Operator's Licence - Renewal Cat. A	1,130	1,130
Problem Gambling Levy	17,320	21,839
Salaries & Wages - Direct	95,601	91,411
Service & Repair	27,900	28,153
Venue Licence - Amendment	-	226
Venue Licence - Renewal Cat. A.	113	113
Depreciation - Gaming Machines	49,326	41,448
<b>Total Direct Gaming Costs</b>	<b>519,781</b>	<b>539,607</b>
<b>INDIRECT GAMING COSTS (Authorised Purposes)</b>		
Capitation Fees	375	-
Light Power Heating & Gas	94,585	56,939
Repairs & Maintenance	-	551
Sky Tv	16,266	15,396
<b>Total Indirect Costs</b>	<b>111,226</b>	<b>72,886</b>
<b>Total Gaming Expenses</b>	<b>631,007</b>	<b>612,493</b>
<b>GROSS SURPLUS FROM GAMING</b>	<b>518,079</b>	<b>684,174</b>

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

## Staff.

It has been without doubt their hardest year but through their individual and combined efforts I am confident the work they have put in this year will assist greatly in reversing this downward financial trend. They are to be congratulated as I know of no other Club in New Zealand where the Staff have to work under such financial pressure on the Members behalf and I ask that you continue to appreciate and support their dedicated efforts.

## Clubs of Marlborough.

I thank all Club Members for your support throughout the year and encourage you all to continue to utilise the extensive facilities and services that your Club provides. Visitors to our Club over the past year confirm we are still the envy of the Club movement.

To my President, Committee and various other Societies and Committees that I have worked with over the past year, thank you for your support. It continues to be a challenge but we are prepared for that and eagerly look towards the completion of the Civic Theatre, the financial rewards that it will bring and a trading surplus for the year end.

Lee Davis,  
Chief Executive Officer.

## ANNUAL REPORT OF THE GRANTS COMMITTEE 2014

Payments made to Authorised Purposes as listed below	677,332
	<u>677,332</u>
Authorised Purposes Payments 2013/2014	
Light, Power, Heating & Gas	94,585
Capitation Fee	375
Sky TV	16,266
Interest	316,106
Principal Repayments	250,000
	<u>677,332</u>
Total Authorised Purposes excl GST	

# Statement of Financial Performance

## Blenheim Workingmens Club For the year ended 30 June 2014

	Note	2014 \$	2013 \$
<b>REVENUE</b>			
Bars & Restaurant Trading	3	3,311,291	3,742,720
Club Activities	4	212,761	232,680
Gaming Activities	5	1,149,086	1,296,667
Subscriptions		232,391	250,833
<b>Total Revenue</b>		<b>4,905,529</b>	<b>5,522,900</b>
<b>Less Expenses</b>			
Bar & Restaurant Trading	3	2,292,188	2,638,358
Club Activities	4	135,932	145,384
Gaming Activities	5	631,007	612,493
Wages - Unallocated		542,912	593,897
Audit Fees - Non Gaming Portion		13,550	14,500
Depreciation	7	260,002	269,965
Interest - Overdraft		5,707	702
Interest - Other		49,825	57,738
Interest - Borrowings		316,106	295,728
Lease of Equipment		13,014	11,279
General Administration Expenses		722,514	804,457
Members Distributions and Benefits	17	189,333	197,938
Body Corporate Levy	18	78,394	75,377
<b>Total Expenses</b>		<b>5,250,484</b>	<b>5,717,816</b>
		(344,955)	(194,916)
<b>Other Income</b>			
Miscellaneous Income		82,784	60,981
Dividends Received		3,201	9,017
Interest Earned		4,876	7,514
Depreciation Recovered		0	6,137
		90,861	83,648
<b>NET TRADING (DEFICIT)</b>		<b>(254,094)</b>	<b>(111,268)</b>
<b>Other Items</b>			
(Loss) on Sale of Plant & Equipment		0	(2,483)
Section activity surplus	2	10,924	14,143
		10,924	11,660
<b>NET (DEFICIT)</b>		<b>\$(243,171)</b>	<b>\$(99,607)</b>

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

	2014 \$	2013 \$
Cost of Sales	1,611	3,418
<b>Gross Margin</b>	<b>(1,611)</b>	<b>(3,418)</b>
<b>TOTAL NET INCOME:</b>	<b>1,020,232</b>	<b>1,107,055</b>
<b>Less Expenses:</b>		
Staff Drinks / General Hospitality	1,129	2,693
<b>BARS &amp; RESTAURANTS CONTRIBUTION</b>	<b>\$ 1,019,103</b>	<b>\$ 1,104,362</b>
<b>Summary</b>		
Total revenue	3,311,291	3,742,720
Total expenses	2,292,188	2,638,358
	<b>\$ 1,019,103</b>	<b>\$ 1,104,362</b>

## 4. CLUB ACTIVITIES

Activity	Gross	Expenses	2014	2013
	Takings		Net	Net
Raffles	52,726	47,786	4,940	9,435
Pool	4,311	174	4,137	1,437
Billiards	2,634	4,097	(1,463)	(597)
Gym	83,239	66,137	17,102	27,379
Housie	43,493	12,850	30,643	28,110
TAB	17,840	3,194	14,646	14,716
Tea & Coffee	2,857	-	2,857	1,698
Kids Room	3,353	449	2,904	3,987
Ham Raffles	2,308	1,245	1,063	1,131
<b>TOTAL:</b>	<b>\$ 212,761</b>	<b>\$ 135,932</b>	<b>\$ 76,829</b>	<b>\$ 87,296</b>

Gym expenses includes \$63,341 wages (2013 \$62,036).

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

(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.

**(j) Changes in Accounting Policies**  
There have been no material changes in accounting policies during the year. Certain 2013 comparative figures have been reclassified from the disclosures in the 2013 financial statements to be consistent with the classification in 2014.

### 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 2014 for Sections is \$109,169 (2013: \$98,245).

### 3. BAR & RESTAURANT TRADING

	2014	2013
	\$	\$
<b>BARS - Sales</b>	1,360,504	1,548,531
Cost of Sales (incl wages \$368,340, 2013 \$409,704)	878,660	989,025
<b>Gross Margin</b>	<b>481,844</b>	<b>559,506</b>
<b>OFF-SALES - Sales</b>	58,354	63,891
Cost of Sales	46,297	52,462
<b>Gross Margin</b>	<b>12,057</b>	<b>11,429</b>
<b>CIGARETTES - Sales</b>	48,431	55,362
Cost of Sales	41,242	48,094
<b>Gross Margin</b>	<b>7,189</b>	<b>7,268</b>
<b>RESTAURANT - Sales</b>	1,844,002	2,074,936
Cost of Sales (incl wages \$657,718, 2013 \$713,997)	1,323,249	1,542,666
<b>Gross Margin</b>	<b>520,753</b>	<b>532,270</b>
<b>OUT CATERING - Sales</b>	-	-

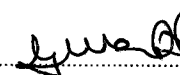
These statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Auditors Report.

## Statement of Movements in Equity

Blenheim Workingmens Club  
For the year ended 30 June 2014

	Note	2014 \$	2013 \$
<b>EQUITY AT START OF PERIOD</b>		9,138,706	9,238,313
		<u>9,138,706</u>	<u>9,238,313</u>
<b>SURPLUS &amp; REVALUATIONS</b>			
Blenheim Workingmen's Club (Deficit)		(243,171)	(99,607)
(Decrease) in Asset Revaluation Reserve	15	(185,890)	0
<b>Total Recognised Revenue &amp; Expenses:</b>		<u>(429,061)</u>	<u>(99,607)</u>
<b>EQUITY AT END OF PERIOD</b>		<u><b>\$8,709,645</b></u>	<u><b>\$9,138,706</b></u>

For and on behalf of the Combined Committee



26 August 2014

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

## Blenheim Workingmens Club As at 30 June 2014

	Note	2014 \$	2013 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash on Hand		207,413	323,077
Cash at Bank - Gaming		116,549	138,509
Accounts Receivable	6	41,058	69,990
Prepaid Expenses		290	0
Stock on Hand		94,864	97,539
Total Current Assets		460,174	629,115
<b>Non-Current Assets</b>			
Property, Plant & Equipment	7	15,922,091	16,408,879
Deposits in Foodstuffs (South Island) Ltd		139,971	145,533
Total Non-Current Assets		16,062,062	16,554,412
Total Assets		16,522,236	17,183,527
<b>LESS LIABILITIES</b>			
<b>Current Liabilities</b>			
GST Due for Payment		34,679	34,224
Accounts Payable	8	430,026	542,791
Owing to Members	9	65,467	58,425
Subscriptions Received in Advance		152,870	135,029
ANZ Bank - Current Portion of Loans	10	160,000	360,000
Finance Leases of Equipment - current portion		0	6,717
Income in Advance		2,636	18,560
Marlborough Bridge Club Inc - Money in Advance			
- Current Portion	11	12,161	12,161
		857,839	1,167,908
<b>Non-Current Liabilities</b>			
Members Debentures	12	97,900	97,900
ANZ Bank Loans - Non current portion	10	5,159,830	5,059,830
Loans from Members	13	759,000	769,000
Owed to Marlborough Returned and Services Assn Inc.	14	634,000	634,000
Marlborough Bridge Club Inc - Money in Advance			
- Non current portion	11	304,022	316,183
		6,954,752	6,876,913
Total Liabilities		7,812,591	8,044,820
<b>NET ASSETS REPRESENTED BY MEMBERS' FUNDS</b>		<b>\$8,709,645</b>	<b>\$9,138,706</b>
<b>MEMBERS' FUNDS</b>			
Asset Revaluation Reserve	15	1,483,776	1,669,666
Retained Earnings	16	7,225,869	7,469,040
<b>TOTAL MEMBERS' FUNDS</b>		<b>\$8,709,645</b>	<b>\$9,138,706</b>

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

## Blenheim Workingmens Club For the year ended 30 June 2014

### 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.

##### (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 for the Russell Terrace property are recorded at revalued amount and the Alfred Street property is recorded at historical cost, less depreciation. All other items are recorded at historical cost less depreciation. All costs related to the development of property were 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

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