



Annual return – Friendly society

Friendly Societies and Credit Unions Act 1982

Name of friendly society

THE BLENHEIM WORKINGMENS CLUB T/A THE CLUBS OF
MARLBOROUGH

Organisation number

1803044

Financial year ended

30 / 06 / 2019

Name of branch (where applicable)

IMPORTANT

- This form is used for friendly societies, benevolent societies and fidelity insurance societies, registered under Part II of the Friendly Societies and Credit Unions Act 1982 ('the Act'). A separate form is available for UFS dispensaries and working men's clubs registered under the Act.
- Section 70 of the Act requires you to file the annual return, duly completed, together with a copy of your financial statements and audit report (where applicable), within 3 months of the end of the financial year of your society or branch.

A. 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		
		SEE ATTACHED
Trustees	PAUL MITCHELLS	14 WAIKURA STREET BLENHEIM
	JOHN CRAIG	51 KINROSS STREET BLENHEIM
	DAWN WALKER	56 NEW RENWICK ROAD BLENHEIM
Secretary		
Treasurer		

B. Membership

Total number of members at beginning of year

4599

Number who joined during year

121

Number who died during year

51

Number who left during year

534

Total number of members at end of year

4135

Name of friendly society

THE BLENHEIM WORKINGMENS CLUB T/A THE CLUBS OF MARLBOROUGH

Organisation number

1803044

C. Organisation addresses

Address of registered office

This must be a physical address in New Zealand and must not be a PO Box or Private Bag address

42 ALFRED STREET, BLENHEIM

Postal address for communication

Postal address (e.g. PO Box) to which communications from the Registrar may be sent

42 ALFRED STREET, BLENHEIM

Email address for communication

The Registrar may contact the society via email – this email address will not be publicly available

D. Financial statements and auditor’s report

Please select 1 of the following options:

A signed copy of the financial statements and auditor’s report (where applicable) are enclosed because the society/branch is;

an FMC reporting entity/ issuer (section 61); or

a specified not-for-profit (section 62).

OR

Financial statements have not been prepared because the society/branch has opted out in accordance with section 64.

OR

Financial statements and auditor’s report (where applicable) have been prepared in accordance with this society’s rules.

E. Certification

I certify that the particulars of this annual return are correct.

Signature of Secretary or Treasurer

Date: 23rd July 2020 [Signature]

Form completed by:

Name: Michelle Bassett

Address: c/o Petrus Doig Ltd.
58 High Street
Blenheim

[Redacted area]

Fax number (if any):

COMMITTEE OF BLENHEIM WORKINGMEN'S CLUB T/A CLUBS OF MARLBOROUGH

Jason Clouston	40a Percy Street, Blenheim
Marlene Lucas	158 Budge Street, Blenheim
Chris Bamber	Hillside Terrace, Witherlea, Blenheim
Rod Shoemark	24a Alabama Road, Blenheim
Michael Cyril Dawson	3 Pope Crescent, Blenheim
Mike McCann	30 Page Street, Blenheim
Bruce Partridge	77 Main Street, Blenheim
John Stratton	16 Hope Drive, Witherlea, Blenheim
Chrissy Stratton	16 Hope Drive, Witherlea, Blenheim
Colleen Robinson	38 Holdsworth Street, Blenheim
Gordon Herkt (past president)	Old Renwick Road, Blenheim

Blenheim Workingmen's Club

Trading As



CLUBS MARLBOROUGH

Annual Report

and

Balance Sheet

**for Annual General Meeting
Sunday 6th October 2019**

42 Alfred Street, Blenheim

www.clubsofmarlborough.org.nz

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BLENHEIM WORKINGMEN'S CLUB

Trading As Clubs of Marlborough

OFFICERS

		Meeting Attendance
President	Gordon Herkt	10
Vice President	Jason Clouston	11
Committee	Marlene Lucas	11
	Chrissy Stratton	11
	Dawn Walker	11
	Sue Wallace (resigned April 2019)	2
	Barry Voss (deceased)	7
MRSA Representatives	Cyril Dawson	3
	Chris Bamber	9
Trustees	Rod Shoemark	6
	John Cragg	10
	Ross Cooke	11
Chief Executive Officer	Prue Matthews	11
	Lee Davis	11

Please note that from the October 2018 elections there have only been 11 meetings throughout the election year. Five (5) Committee stood for election in 2018. Sue Wallace resigned from Committee in April 2019, Barry Voss passed away 19 June 2019 and Cyril Dawson was co-opted onto the Committee in July 2019.

NOTICE OF MEETING

Sunday 6th October 2019

BUSINESS

1. Confirmation of Minutes of the AGM held on 14th October 2018.
2. Adoption of the Annual Report and Financial Statements for the year ended 30 June 2019.
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

PRESIDENTS REPORT YEAR ENDING 30TH JUNE 2019

It is a pleasure to welcome you all to our 131st Annual General Meeting of The Blenheim Workingmens Club, now trading as Clubs Of Marlborough.

To our members and families that have lost a loved one or suffered through illness, please accept our sincere sympathies. More related to the Club I would personally like to note standing Committee Member Barry Voss who passed away in June and longstanding ex-Staff Member from our cleaning division Olive Doyle who passed away in August.

FINANCE:

This past year we have been able to achieve a better result on a smaller turnover. We have also managed to reduce our mortgage by \$139,680.00, with a balance at 30th June 2019 of \$3,776,320.00. This is from the assistance of the ANZ Bank allowing the club 12 months interest free, which expires on 30th October 2019.

The event of a member making a claim against the club for wrongful expulsion from the club has also cost \$25,570.00 as at 30th June 2019 with the claim ongoing, a very sad day in the history of our club.

As said in previous years, we need to have a close relationship with the Convention Centre and, particularly, the ASB Theatre, as we are the centrepiece, operational 7 days, with our bankers having an understanding of the benefits of working together. Finally, for a full understanding of the balance sheet, please refer to the notes in the Financial Statement.

STAFF:

Another busy year and it is with thanks to our CEO, Lee Davis, Heads of Departments and their respective staff, to you all a big thank you. As a team it is a privilege to see your dedication and work ethics when under extreme pressure, with the hosting of some large Clubs New Zealand Tournaments.

To our Administrators, Front of House and Reception staff, thank you for your pleasant approach to all tasks you are put through, you are all very much appreciated.

To our cleaning staff, another year and you all take pride in the cleaning of our Club; it is a huge credit to you all.

Also, to the fitness centre, thanks again for your efforts in attaining a welcoming attitude to our gym members.

CONTRIBUTING MEMBERS:

It is great to have your continued support. This year we have reduced our borrowings from members by \$24,000.00 to \$755,329.00. These loans have allowed for capital expenditure on the club for items not included in the original bank loan and have been much appreciated from our members.

SECTIONS AND VOLUNTEERS:

Another great year by our sections with many utilising thier Club for events, and the hosting of Clubs NZ Tournaments, which is great for the Club. Welcome to our new chairman, Val Wadsworth, for leading our sections.

To all our volunteers involved in Housie and Raffles, thanks again. You assist in keeping our members supported with activities and your efforts are recognised and truly appreciated.

COMMITTEE:

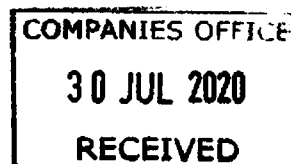
To the President, Executive Committee and Members of the Marlborough Returned Services Association, thank you for input and supported use of our combined facilities.

To my Clubs of Marlborough Committee and Trustees, as this is my final year as President, I must say it has been an honour to lead the club with such a dedicated committee. As I said last year, going forward we need to create events, celebrations etc. to increase our revenue. Super Sunday still gives our members a good end to the month.

To my various sub-committees, thank you for your assistance in organising entertainment, Induction of new members, kid's promotions and Christmas party events.

A final big thank you to you all.

Gordon Herkt
PRESIDENT
CLUBS OF MARLBOROUGH



Chief Executive Officers Report 2019

For the first time since the loss of car parks to the immediate west of our facilities to allow for the construction of the Civic Theatre, your Club has returned a profit after Depreciation of \$83,280.

This is due to the Club entering into an Interest Free period of 12 months with our funding provider which commenced last November with the mutual understanding that the monthly savings in interest payments of \$17,460 be converted into Principal Payments to reduce our Mortgage, which it was and shows as such in these accounts. This Interest Holiday has produced an overall reduction in our Mortgage of \$139,680.

Dependant on certain things being undertaken by the Club between now and October 2019 the bank is likely to extend that interest free period for a further 12 months.

Bar and Catering Turnover was down -\$74,645 but due to a good effort by Bar and Catering Management, so to were associated costs so by year end our bottom line profit was on par with the year before. Although a good effort in a flat market it is imperative that we work hard to improve our turnover.

Gaming Revenue for the first time in many years was down and the direct result of increased competition with Trusts supplying Pubs with new machines and Gaming Lounge makeovers when we had done nothing for the majority of the financial year. This was rectified in May with some reasonably significant upgrades that has produced an instant result with weekly turnover returning to 2017 levels. Further upgrades are likely towards the end of this year.

Although general Section activities have across the board been consistent with previous years, the hosting of CNZ National and Island tournaments were light but are promising in the year ahead and I thank those particular Sections for putting their hands up to host these tournaments; regardless of size they make all the difference.

In Summary, your Committee continues to work hard and even more so this financial year as only five Members made themselves available for the seven positions on Committee and this was further compounded with the resignation mid-year of one Committee Member and the sad loss of Barry Voss who passed away in June. Your Committees efforts under these circumstances have been outstanding and truly appreciated.

To my team of dedicated Staff, it only gets tougher, but you keep standing up and producing the desired result under at times extremely difficult working conditions. You continue to make me proud to be associated with you all.

Also on a personal note, Gordon Herkt who has been President for the last 7 years and Treasurer for the 9 years before that has stood down this year. Without question, due to circumstances outside of our control, Gordon's tenure as President was during our toughest years of trade and he needs to be recognised and acknowledged for keeping the Club on an even keel throughout that period and on sound footing going forward.

To Prue Matthews and Dawn Walker, two longstanding Committee Members also standing down this year, it has been a pleasure and a privilege to have worked with you over the past 15 years.

And finally to the Members, this is your Club. Assist with the mortgage by using it when you can and remain proud to belong to one of the finest Clubs in New Zealand.

Lee Davis
Chief Executive Officer
Clubs of Marlborough

ANNUAL REPORT OF THE GRANTS COMMITTEE 2019

Blenheim Workingmen's Club
For the year ended 30 June 2019

	\$
Payments made to Authorised Purposes as listed below	638,325
Authorised Purposes Payments 2018/2019	
Accounting Fee	3,538
Audit Fee	11,500
Asset Purchases	23,499
Body Corporate Levy	86,753
Capitation Fees	25,763
Cleaning	18,589
Legal Fees	25,570
Light, Power, Heating & Gas	146,352
Membership Cards	6,775
Rates	14,988
Repairs & Maintenance	18,189
Security	2,500
Sky TV	19,635
Interest	70,994
Loan Principal Repayments	139,680
Contributing Members Repayments	24,000
Total Authorised Purposes excl GST	638,325

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

Blenheim Workingmen's Club
For the year ended 30 June 2019

	<i>Note</i>	2019	2018
REVENUE		\$	\$
Revenue from exchange transactions			
Bars and Restaurant Trading	5	2,827,770	2,902,415
Club Activities	6	199,271	191,813
Gaming Activities	7	1,240,351	1,283,051
Dividends		974	1,062
Interest Revenue		1,679	1,475
Hall Hire		36,317	31,031
Section Activities	4	217,754	230,411
Subscriptions		225,874	212,333
Sundry Income		6,484	6,200
		<u>4,756,474</u>	<u>4,859,791</u>
Revenue from non-exchange transactions			
Concessionary Loan Income	13	207,320	-
Donations/Scholarships		55	325
Insurance Claims		1,339	13,300
Gain on Sale of Property, Plant & Equipment		519	-
Marlborough Bridge Club Contribution	14	12,161	12,161
Rebates		3,974	5,021
		<u>225,368</u>	<u>30,807</u>
Total Revenue		<u>4,981,842</u>	<u>4,890,598</u>
EXPENSES			
Bar and Restaurant Trading	5	2,021,673	2,095,713
Club Activities	6	106,965	101,363
Gaming Activities (including depreciation)	7	944,315	912,510
Section Activities	4	205,325	219,958
Wages- Unallocated		600,875	573,040
Audit Fees - Non Gaming Portion		1,250	12,900
Finance Costs - Interest Incurred		134,492	275,615
- Interest at Fair Value	13	139,976	-
- Independent Finance Appraisal		-	15,292
Lease of Equipment		25,609	29,068
General Administration Expenses		347,391	408,717
Members Distributions and Benefits	18	145,888	164,583
Body Corporate Levy	19	11,801	(5,278)
		<u>4,685,560</u>	<u>4,803,481</u>
Surplus for the year prior to Depreciation		296,282	87,117
Depreciation Expense (excluding gaming machines)	10	213,002	215,111
Surplus/(Deficit) for the year after Depreciation		83,280	(127,994)
Other Comprehensive Revenue and Expense		-	-
Total Other Comprehensive Revenue and Expense		-	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR		<u>83,280</u>	<u>(127,994)</u>

STATEMENT OF CHANGES IN NET ASSETS/EQUITY

**Blenheim Workingmen's Club
For the year ended 30 June 2019**

	Accumulated Comprehensive Revenue and Expense \$	Asset Revaluation Surplus \$	Total Net Assets/Equity \$
Balance as at 1 July 2017	8,692,563	-	8,692,563
Total Comprehensive Revenue and Expense for the year	<u>(127,994)</u>	-	<u>(127,994)</u>
Balance as at 30 June 2018	<u>8,564,569</u>	-	<u>8,564,569</u>
Balance as at 1 July 2018	8,564,569	-	8,564,569
Total Comprehensive Revenue and Expense for the year	<u>83,280</u>	-	<u>83,280</u>
Balance as at 30 June 2019	<u>8,647,849</u>	-	<u>8,647,849</u>

For and on behalf of the Combined Committee

 28/8/19

STATEMENT OF FINANCIAL POSITION

Blenheim Workingmen's Club
As at 30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	8	286,230	310,681
Cash and Cash Equivalents - Gaming	8	30,887	26,985
Receivables from exchange transactions	9	41,582	47,504
Inventories - Merchandise		78,648	72,965
Total Current Assets		437,347	458,135
Non-Current Assets			
Property, Plant & Equipment	10	13,740,251	13,832,324
Other Investments - Foodstuffs Shares	23	27,783	29,821
Total Non-Current Assets		13,768,034	13,862,145
Total Assets		14,205,381	14,320,280
LESS LIABILITIES			
Current Liabilities			
Bank Overdraft (secured)	8	65,704	49,657
GST Due for Payment		10,748	23,146
Accounts Payable	11	575,710	486,649
Owing to Members	12	10,267	9,716
Subscriptions in Advance		115,920	166,492
Other Income in Advance		4,500	1,887
ANZ Bank - Current Portion of Loans	13	69,840	-
Marlborough Bridge Club Inc - Contribution in Advance - Current Portion	14	12,161	12,161
		864,850	749,708
Non-Current Liabilities			
ANZ Bank Loans - Non current portion	13	3,639,136	3,916,296
Loans from Members	15	755,329	779,329
Loan from Marlborough Returned Services Assn Inc.	16	55,000	55,000
Marlborough Bridge Club Inc - Contribution in Advance - Non-Current portion	14	243,217	255,378
		4,692,682	5,006,003
Total Liabilities		5,557,532	5,755,711
NET ASSETS REPRESENTED BY MEMBERS' FUNDS		8,647,849	8,564,569
NET ASSETS/EQUITY			
Gaming Equity	26	37,863	-
Accumulated Comprehensive Revenue and Expense	17	8,609,986	8,564,569
TOTAL EQUITY		8,647,849	8,564,569

STATEMENT OF CASH FLOWS

Blenheim Workingmen's Club
For the year ended 30 June 2019

	Note	2019 \$	2018 \$
Cash Flows from Operating Activities			
Receipts from activities		4,299,056	4,414,167
Receipts from members subscriptions		175,302	240,092
Receipts from interest and dividends		2,653	2,537
Payments to suppliers and employees		(4,125,893)	(4,198,520)
Net Receipts for Section Activities		12,429	10,453
Net GST Paid		(12,398)	(1,642)
Interest paid on borrowings		(152,919)	(283,372)
Net Cash Flows from Operating Activities		<u>198,230</u>	<u>183,715</u>
Cash Flows from Investing Activities			
Proceeds from maturity of Investments - Foodstuffs shares		2,038	2,987
Sale of Russell Terrace Property		-	1,192,699
Proceeds from sale of Plant & Equipment		53,500	16,000
Payments for purchase Plant & Equipment		(126,388)	(106,152)
Net Cash Flows from Investing Activities		<u>(70,850)</u>	<u>1,105,534</u>
Cash Flows from Financing Activities			
Repayment of Loans - ANZ Bank		(139,976)	(1,294,819)
Repayment of Loans - members/Marlborough RSA Inc		(24,000)	(50,000)
Net Cash Flows From/(To) Financing Activities		<u>(163,976)</u>	<u>(1,344,819)</u>
Net Cash Inflows/(Outflows)		<u>(36,596)</u>	<u>(55,570)</u>
Cash Balances			
Cash and cash equivalents at beginning of year		<u>288,009</u>	<u>343,579</u>
Cash and cash equivalents at end of year	8	<u>251,413</u>	<u>288,009</u>

The cash and cash equivalents are net of the bank overdraft.

Notes to the Financial Statements

Blenheim Workingmen's Club For the year ended 30 June 2019

1. Reporting Entity

The financial statements cover the Clubs of Marlborough which is the activities of the Individual entity, Blenheim Workingmen's Club. The Blenheim Workingmen's Club is domiciled in New Zealand and is a Society registered under the Friendly Societies and Credit Unions Act 1982.

2. Statement of Compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") that have been authorised for use by the External Reporting Board (The "XRB") for Tier 2 Not-For-Profit public benefit entities. For the purposes of complying with NZ GAAP, Blenheim Workingmen's Club is a public benefit not-for-profit entity and is eligible to apply PBE Standards RDR on the basis that it does not have public accountability and is not large as its total operating expenses are between \$2 million and \$30 million for the last two preceding reporting periods.

The Committee has elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions.

These financial statements were authorised for issue by the Combined Committee on 28 August 2019.

3. Summary of Accounting Policies

3.1 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. The financial statements assume that the Club will continue as a going concern.

3.2 Functional and presentation currency

The financial statements are presented in New Zealand Dollars (\$), which is the Blenheim Workingmen's Club functional currency, rounded to the nearest dollar.

3.3 Critical Accounting Estimates and Assumptions

In preparing these financial statements, the committee has made estimates and assumptions concerning the future in regards to asset useful lives and impairment of assets. Where these estimates and assumptions are considered critical by the Club, they are disclosed in the relevant note below.

3.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow through to the Blenheim Workingmen's Club and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Revenue from Exchange Transactions

Bar and Restaurant Trading

Revenue from the sale of drinks and food in the course of ordinary activities is measured at the fair value of the consideration received or receivable.

Club Activities

Revenue from Club Activities is recognised in the period that the activities occur.

Gaming Activities

Revenue from Gaming Activities is recognised in the period that the proceeds are received in the gaming machines.

Subscriptions

Revenue is recognised over the period of the membership (usually 1 year). Amounts received in advance for subscriptions relating to future periods are recognised as a liability until such time as that period covering the subscriptions occur.

Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions is recognised at the point when the cash is received.

Notes to the Financial Statements

Blenheim Workingmen's Club For the year ended 30 June 2019

3.5 Financial Instruments

Financial assets and financial liabilities are recognised when the Blenheim Workingmen's Club becomes a party to the contractual provisions of the financial instrument.

3.6 Financial Assets

The Club classifies financial assets into the following categories: financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

The categorisation determined subsequent measurement and whether any resulting income and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses. The Blenheim Workingmen's Club financial assets are classified as either held to maturity or loans and receivables. The Blenheim Workingmen's Club financial assets include: cash and cash equivalents, short-term investments, receivables from non-exchange transactions, receivables from exchange transactions and investments.

All financial assets except for those at fair value through surplus or deficit are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Blenheim Workingmen's Club has the positive intention and ability to hold to maturity.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. The Blenheim Workingmen's Club cash and cash equivalents, short-term investments, receivables from non-exchange transactions, receivables from exchange transactions and non-equity investments fall into this category of financial instruments.

3.7 Impairment of Financial Assets

The Club assesses at the end of reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortised cost, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the surplus or deficit for the reporting period.

In determining whether there is any objective evidence of impairment, the club first assesses whether there is objective evidence of impairment of financial assets that are individually significant, and individually or collectively significant for financial assets that are not individually significant. If the club determines that there is no objective evidence of impairment for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment for impairment.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. If the reversal results in the carrying amount exceeding its amortised cost, the amount of the reversal is recognised in surplus or deficit.

Notes to the Financial Statements

Blenheim Workingmen's Club For the year ended 30 June 2019

3.8 Financial Liabilities

The Blenheim Workingmen's Club's financial liabilities include trade and other payables and loans. The Club classifies them as "financial liabilities measured at amortised cost". All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method.

3.9 Cash and Cash Equivalents

Cash and cash equivalents are cash on hand, bank balances, deposits held at call with banks and other short term, highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.10 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.

3.11 Receivables

Receivables are initially recorded at fair value and subsequently stated at their estimated realisable value. Bad debts are written off in the year in which they are identified. A provision for impairment or accounts receivable is established where there is objective evidence the society will not be able to collect all amounts due according to the original terms of the debt. This impairment loss is the difference between receivables' carrying value and the net present value of amounts expected to be collected and is recognised in the surplus or deficit.

3.12 Finance Costs

Finance costs comprise interest incurred on borrowings and are recognised in the year incurred and include fair value adjustments on concessionary loans received.

3.13 Operating Leases

Payments made on operating leases are recognised in a straight line basis over the terms of each lease.

3.14 Investments - Foodstuffs Shares

Shares are allocated to the Club by Foodstuffs (South Island) Limited based on purchases of supplies from Foodstuffs. These shares are recorded at their fair value in the years allocated.

3.15 Accounts Payable

Accounts Payable represent liabilities for goods and services provided to the Club prior to the end of the financial year which are unpaid and are recorded at the amount of cash required to settle these liabilities. The amounts are unsecured and usually paid within 30 days of recognition.

3.16 Loans

Loans from ANZ Bank and members are classified as non-derivative financial instruments that are not classified as fair value through surplus or deficit. They are recorded at the amounts payable at balance date.

3.17 Property, Plant and Equipment

Property, plant and equipment are initially recorded at cost or, in the case of donated assets, fair value as their deemed cost at the date of receipt. Property, plant and equipment are subsequently measured at cost, less accumulated depreciation. The Alfred Street property is recorded at historical cost, less accumulated depreciation and any impairment losses. All other items are recorded at historical cost less accumulated depreciation and any impairment losses. 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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Blenheim Workingmen's Club and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Revenue and Expense during the financial period in which they are incurred.

Notes to the Financial Statements

Blenheim Workingmen's Club For the year ended 30 June 2019

Gains and losses on disposal are determined by comparing the proceeds received with the carrying amount, and recognised in the Statement of Comprehensive Revenue and Expense.

The carrying value of the property, plant and equipment is reviewed annually for any impairment. Any impairment loss is recognised if the carrying amount exceeds its estimated recoverable amount.

3.18 Depreciation

Depreciation is charged on property, plant and equipment so as to allocate the cost or deemed cost of the assets over their useful lives and is charged at the following rates:

- Plant, furniture and fittings	10% DV (Diminishing Value) 20 years
- Beer tank and systems	10% CP (Cost Price) 10 years
- Buildings	2% DV 67 years
- Office equipment, electronic plant	20% DV 10 years
- Gaming Machines	24% DV 10 years
- Buildings - Alfred Street	1% CP 100 years

3.19 Inventories

Inventories are measured at cost upon initial recognition. Inventories are subsequently stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of activities less selling costs. The write down to net realisable value from cost is recorded as an expense in the Statement of Comprehensive Revenue and Expense.

3.20 Good and Services Tax (GST)

The Club is registered for GST. The financial statements have been prepared so that all components are stated exclusive of GST, with the exception of accounts receivable and payables.

3.21 Employee Benefits

Short Term Employee Benefits

Liabilities for wages and salaries, annual leave and accumulating sick leave are recognised in surplus or deficit during the period in which the employee provided the related services. Liabilities for the associated benefits are measured at the amounts expected to be paid when the liabilities are settled.

Employee benefits, previously earned from past services, that the Club expect to be settled within 12 months of reporting date are measured based on accrued entitlements at current rate of pay. These include salaries and wages accrued up to the reporting date and annual leave earned, but not yet taken at the reporting date.

3.22 Revenue Received in Advance

Revenue received in advance relates to subscriptions and other revenue where there are unfulfilled obligations to the Club to provide services in the future. These items are recorded as revenue as the obligations are fulfilled and the revenue is received.

3.23 Non-Current Assets Held for Sale

The Club classifies non-current assets as held for sale if their carrying amounts will be recovered principally through sale rather than through continuing use. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell and are not depreciated or amortised once classified. They are current assets in the Statement of Financial Position.

4. Section Activities

The Blenheim Workingmen's Club has special interest groups (Sections) that operate autonomously from the management committee of the Club. Total bank balances at 30 June 2019 for sections is \$116,608 (2018: \$104,821), which are part of the Cash and Cash Equivalents in the Statement of Financial Position.

	2019	2018
	\$	\$
Revenue	217,754	230,411
Expenses	205,325	219,958
Surplus for year	12,429	10,453

Notes to the Financial Statements

Blenheim Workingmen's Club
For the year ended 30 June 2019

5. Bar & Restaurant Trading

	2019 \$	2018 \$
BARS - Sales	1,065,602	1,092,071
Cost of Sales (incl wages \$337,200, 2018 \$335,742)	708,356	740,285
Gross Margin	357,246	351,786
OFF-SALES - Sales	44,290	49,493
Cost of Sales	35,175	42,911
Gross Margin	9,055	6,582
CIGARETTES - Sales	16,731	22,222
Cost of Sales	15,115	19,480
Gross Margin	1,616	2,742
Restaurant- Sales	1,701,207	1,738,629
Cost of Sales (incl wages \$643,485, 2018 \$643,797)	1,259,432	1,289,918
Gross Margin	441,775	448,711
OUT CATERING - Sales	-	-
Cost of Sales	2,051	1,507
Gross Margin	(2,051)	(1,507)
TOTAL NET INCOME:	807,641	808,314
Less Expenses:		
Staff Drinks/General Hospitality	1,544	1,612
BAR & RESTAURANT CONTRIBUTION	806,097	806,702
Summary		
Total Revenue	2,827,770	2,902,415
Total Expenses	2,021,673	2,095,713
	806,097	806,702

6. Club Activities

Activity	Gross Takings \$	Expenses \$	2019 Net \$	2018 Net \$
Raffles	59,065	42,940	16,125	17,420
Pool	4,681	101	4,580	5,356
Billiards	4,696	2,787	1,909	1,582
Gym	54,666	42,067	12,599	15,857
Housle	63,006	18,641	44,365	34,384
TAB	5,823	261	5,562	8,775
Tea and Coffee	2,899	-	2,899	2,477
Kids Room	4,435	168	4,267	4,599
TOTAL:	199,271	106,965	92,306	90,450

Gym expenses includes \$41,424 wages (2018 \$37,951)

Notes to the Financial Statements

Blenheim Workingmen's Club
For the year ended 30 June 2019

7. Gaming Activities

	2019	2018
	\$	\$
GAMING REVENUE		
Proceeds from Gaming Machines	1,202,383	1,280,634
Gain/(Loss) on Sale of Assets	37,720	2,028
Interest on Gaming Machine Funds	248	389
Total Revenue	1,240,351	1,283,051

	2019	2018
	\$	\$
DIRECT GAMING COSTS		
Accounting Fees	1,500	1,008
Audit Fees	1,750	1,500
Cleaning	8,316	8,316
Electricity	19,956	19,956
Electronic Monitoring Fees	21,481	21,730
Gaming Machine Duty	276,509	294,545
Gaming Machine Fees	21,223	20,107
Insurance - Gaming	10,800	10,800
Miscellaneous Venue Costs	1,392	1,400
Operator's Licence - Renewal Cat.A	1,130	1,130
Problem Gaming Levy	17,973	19,145
Salaries & Wages - Direct	105,576	105,576
Service & Repair	27,813	28,084
Venue Licence - Amendment	169	507
Venue Licence - Renewal Cat.A	113	113
Depreciation - Gaming Machines (note 10)	48,462	42,251
Total Direct Gaming Costs	564,163	576,168

	2019	2018
	\$	\$
INDIRECT GAMING COSTS		
(Authorised Purposes)		
Advertising & Publishing	-	1,151
Accounting Fees	3,538	-
Audit Fees	11,500	-
Body Corporate Levy (Note 19)	86,753	95,238
Capitation Fees	25,763	30,526
Cleaning	18,589	8,943
Computer Costs	-	2,201
Light Power Heating & Gas	146,352	143,185
Membership Cards	6,775	2,242
Newspapers	-	512
Printing & Stationery	-	4,369
Legal Fees (Note 21)	25,570	-
Rates	14,988	12,890
Repairs & Maintenance	18,189	12,616
Security	2,500	3,750
Sky TV	19,635	17,761
Telephone	-	958
Total Indirect	380,152	336,342
Total Gaming Expenses	944,315	912,510
GROSS SURPLUS FROM GAMING	296,036	370,541
Additional Authorised Purposes - (detailed below)	258,173	340,134
GAMING EQUITY FOR THE PERIOD	37,863	30,407

Also spent on authorised purposes were \$70,994 (2018 \$209,775) for interest, \$24,000 (2018 \$50,000) for repayments of loans to contributing members and \$139,680 (2018 \$60,000) for loan principal payments to the ANZ Bank. Also \$23,499 (2018 \$20,359) was applied towards asset purchases.

Notes to the Financial Statements

Blenheim Workingmen's Club
For the year ended 30 June 2019

8. Cash and Cash Equivalents

	2019	2018
	\$	\$
ANZ 02 Account - (Sections)	38,688	27,136
ANZ 03 Account - (House)	13,838	17,029
ANZ 25 Account	77,921	77,685
ANZ 01 Account	37,504	74,196
Cash on Hand	67,794	70,943
Foodstuffs - Trading Credit Account	4,126	4,126
Foodstuffs - At Call Deposit Account	46,359	39,566
Cash and Cash Equivalents	286,230	310,681
ANZ 00 Account - (Bank Overdraft)	(65,704)	(49,657)
ANZ 04 Account (Gaming)	30,887	26,985
Cash and Cash Equivalent in the Statement of Cash Flows	251,413	288,009

The bank overdraft is limited to \$100,000 and is secured as for the ANZ Bank loans (refer note 13).

9. Accounts Receivable

	2019	2018
	\$	\$
Receivables from Exchange Transactions	41,582	47,504
	41,582	47,504
Made up of:		
Trade Debtors	25,960	36,669
Owing by Body Corporate	15,622	10,835
	41,582	47,504

10. Property, Plant & Equipment

	Opening Balance	Additions	Disposals	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$
Land - Alfred Street	634,000	-	-	-	634,000
Buildings - Alfred Street	12,610,815	-	-	(154,071)	12,456,744
Gym Equipment	53,224	14,394	-	(6,497)	61,121
Plant	344,138	35,282	(481)	(51,625)	327,314
Motor Vehicles	7,209	-	-	(808)	6,401
Gaming Machines	182,938	134,975	(14,780)	(48,462)	254,671
Balance at 30 June 2019	13,832,324	184,651	(15,261)	(261,463)	13,740,251

Notes to the Financial Statements

Bienhelm Workingmen's Club
For the year ended 30 June 2019

10. Property, Plant & Equipment (continued)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Land - Alfred Street	634,000	-	634,000
Buildings - Alfred Street	14,385,450	(1,928,706)	12,456,744
Gym Equipment	196,335	(135,214)	61,121
Plant	1,427,827	(1,100,513)	327,314
Motor Vehicles	28,889	(22,488)	6,401
Gaming Machines	780,379	(525,708)	254,671
Balance at 30 June 2019	17,452,880	(3,712,629)	13,740,251

	Opening Balance	Additions	Disposals	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$
Land - Alfred Street	634,000	-	-	-	634,000
Buildings - Alfred Street	12,766,356	-	-	(155,541)	12,610,815
Beer Tanks	966	-	-	(966)	-
Gym Equipment	59,138	-	-	(5,914)	53,224
Plant	368,853	27,052	-	(51,767)	344,138
Motor Vehicles	8,132	-	-	(923)	7,209
Gaming Machines	165,161	74,000	(13,972)	(42,251)	182,938
Balance at 30 June 2018	14,002,606	101,052	(13,972)	(257,362)	13,832,324

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Land - Alfred Street	634,000	-	634,000
Buildings - Alfred Street	14,385,450	(1,774,635)	12,610,815
Beer Tanks	70,866	(70,866)	-
Gym Equipment	181,941	(128,717)	53,224
Plant	1,406,938	(1,062,800)	344,138
Motor Vehicles	28,889	(21,680)	7,209
Gaming Machines	694,245	(511,307)	182,938
Balance at 30 June 2018	17,402,329	(3,570,005)	13,832,324

Notes to the Financial Statements

Blenheim Workingmen's Club For the year ended 30 June 2019

(a) Land and Buildings

The Clubs of Marlborough property at Alfred Street comprises land and buildings carried 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 (refer Note 21). 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. Legally, the Blenheim Workingmen's Club has a 4/7 interest in the property but continues to record the total cost of the property because the Club carries all risks and rewards connected to the property.

The latest rating valuation of the land and buildings for 42 Alfred Street is for \$20,000,000. Valuation by Alexander Hayward Limited in June 2015 for bank security purposes gave a vacant possession valuation of \$8,030,000 (previous 2012 vacant possession valuation was \$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 value in use (based on the cost to replace the building) to members in excess of this valuation and is not impaired. The insurance replacement value of the Alfred Street Building is \$33,775,000. 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 \$48,462 (2018 \$42,251). Depreciation on all other depreciable assets is shown as an operating expense \$213,002 (2018 \$215,111).

11. Accounts Payable

	2019 \$	2018 \$
Trade Creditors - operating	126,486	128,722
- purchase of gaming machines	64,846	39,100
Holiday Pay Accrual	147,027	131,327
PAYE and Other IRD Deductions Owning	39,695	35,928
Wages Accrued	27,122	21,070
Gaming Trade Creditors	40,308	43,189
Interest Payable	46,883	65,310
ACC Levies	754	1,923
Owing to Body Corporate	68,089	6,180
Audit Fee Accrued	14,500	14,500
	575,710	486,649
Payables for Exchange Transactions	568,335	479,771
Payables for Non-Exchange Transactions	7,375	6,878
	575,710	486,649

Notes to the Financial Statements

Blenheim Workingmen's Club
For the year ended 30 June 2019

12. Owing to Members

	2019 \$	2018 \$
Member Club Accounts	10,267	9,716
	10,267	9,716

13. ANZ Bank Loans

Funding for the Clubs of Marlborough building development was from the ANZ Bank who provided a loan facility of \$11,400,000. The loan facility was renewed on 29 October 2018 and has a facility limit of \$4,036,296. The total amount owing at balance date is \$3,776,320 (2018 \$3,916,296). The term of the loan is until 31 October 2019 when it will be renewed for a further period beyond 30 June 2020. The loan is currently interest free with principal repayments of \$17,460 per month.

The interest rate applying at balance date was 0.00% per annum (2018 5.25% per annum) for the period 1 November 2018 to 31 October 2019. Recognising the concessional interest applied, the fair value of the loan reduces from \$3,776,320 amount repayable to its fair value of \$3,708,976 at 30 June 2019.

The ANZ 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. No bank covenants apply at 30 June 2019.

The concessional loan income of \$207,320 is the difference between the 0.0% interest rate on the loan and the 5.35% per annum (fair value) interest rate for the one year loan period. The interest at fair value charge of \$139,976 is the portion of the 1 year 0.0% interest rate concession that relates to the year ended 30 June 2019. Together with the \$134,492 interest paid the total of \$274,468 compares to \$275,615 total interest paid in 2018.

	2019 \$	2018 \$
Total Loans Owing at fair value	3,708,976	3,916,296
Less Current portion - due within 1 year	69,840	-
Non-Current portion - due beyond 1 year	3,639,136	3,916,296

14. Marlborough Bridge Club Contribution In Advance

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 2019 financial year \$12,161 was recognised as income (2018 \$12,161). The balance of the Marlborough Bridge Club Inc contribution remaining is \$255,378 (2018 \$267,539) of which \$12,161 is the current portion and \$243,217 is the non-current portion.

15. Loans from Members

Funding for certain specific items, was received from contributing member funds. These contributions are unsecured loans from members. Interest is paid on these loans at 6-8% per annum (2018 6-8%). These loans are classified as non-current liabilities because, in the ordinary course of events, the Club can defer settlement until cash flows allow.

16. Loan from Marlborough Returned Services Association Inc

\$55,000 is lent from Marlborough Returned Services Association Inc (2018 \$55,000). The advance is unsecured, with interest paid at 8% for \$25,000 (2018 8%) and 6% for \$30,000 (2018 6%). The loan is repayable in September 2019 but is intended to be renewed for a further period.

Notes to the Financial Statements

Blenheim Workingmen's Club
For the year ended 30 June 2019

17. Accumulated Comprehensive Revenue and Expense

	2019	2018
	\$	\$
Opening Balance	8,564,569	8,692,563
Surplus/(Deficit) for the year	83,280	(127,994)
Less Transferred to Gaming Equity	(37,863)	-
Closing Balance	8,609,986	8,564,569

18. Members Distributions & Benefits

	2019	2018
	\$	\$
Members' Taxi Rebate	5,874	8,186
Members' Vouchers	87,395	91,591
Newspapers	3,119	2,406
Membership Draws	29,100	42,000
Marlborough RSA Contribution	20,400	20,400
Total	145,888	164,583

19. Body Corporate Levy

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. These costs are recovered through the levy charged to the Club. Of the total levy of \$98,554 (2018 \$88,683), \$86,753 was charged to indirect gaming costs (2018 \$95,238).

20. Related Party Transactions

(a) Committee Members

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. The amount paid is shown below.

Committee members have lent \$106,000 to the Club (2018 \$110,000), with no new advances in 2019 and one repayment of \$4,000. Marlborough RSA Inc has lent \$55,000 (2018 \$55,000).

Notes to the Financial Statements

Blenheim Workingmen's Club
For the year ended 30 June 2019

(b) Key Management Personnel Compensation

Key management personnel of the Club include the committee members, the Chief Executive Officer and departmental managers.

	2019 \$	2018 \$
Remuneration paid to President (0.1 FTE)	2,353	3,098
Remuneration paid to Committee Members (0.5 FTE's)	-	-
Remuneration paid to Key Management Personnel (8 FTE's)	424,855	408,754
	427,208	411,852

21. Contingent Liabilities

At balance date there are two known contingent liabilities.

- (a) The contingent liability to Marlborough Returned And Services Association Inc in the event that the property at Alfred Street were to be sold (2018 same contingent liability). The contingent liability would be 3/7ths of the sale proceeds, which amounts to approximately \$5.2 million at 30 June 2019. The Committee has no intention of disposing of this property and therefore no loss is expected relating to this contingency.
- (b) Two claims have been made against the Club by an ex-member for wrongful expulsion from the Club and defamation. The Committee is defending these claims. Any possible liability to be incurred in settling these claims cannot be quantified at present (including any insurance recoveries). In the meantime legal costs have been incurred in defending these actions.

22. Capital Commitments

At balance date there are no capital commitments (2018 nil).

23. Other Investments - Foodstuffs Shares

	2019 \$	2018 \$
Foodstuffs - Trading Deposit Shares	16,611	16,611
Foodstuffs - Retained Patronage Shares	11,172	13,210
	27,783	29,821

24. Lease Commitments

The club entered into several lease arrangements for computer, sales and office equipment with varying terms. The financial obligations under the leases at balance date are:

	2019 \$	2018 \$
Less than one year	25,609	16,086
One to three years	18,760	22,873
Three to five years	10,010	18,590
	54,379	57,549

Notes to the Financial Statements

Blenheim Workingmen's Club
For the year ended 30 June 2019

25. Financial Instruments

The carrying amount of financial assets and liabilities in each of the financial instrument categories at balance date are as follows:

	2019	2018
	\$	\$
Loans and Receivables		
Cash and Cash Equivalents	251,413	288,009
Receivables	41,582	47,504
Total Loans and Receivables	292,995	335,513
Financial Liabilities Measured at Amortised Cost		
Accounts Payable	575,710	486,649
Owing to Members	10,267	9,716
ANZ Bank Loans	3,776,320	3,916,296
Loans from Members	755,329	779,329
Loans from Marlborough Returned Services Association Inc	55,000	55,000
Total Financial Liabilities Measured at Amortised Cost	5,172,626	5,246,990

The fair value of financial instruments equate to their carrying value.

26. In line with guidelines set by the Department of Internal Affairs, gaming equity will now be disclosed separately in the Statement of Financial Position from the year ended 30 June 2019 and for all future periods.

27. Events Subsequent to Balance Date

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

Independent Auditor's Report

to the members of Blenheim Workingmen's Club

Our Opinion

We have audited the financial statements of Blenheim Workingmen's Club (the Club) which comprise the statement of financial position as at 30 June 2019 and the statement of comprehensive revenue and expense, the statement of changes in net assets/equity and the statement of cash flows for the year then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Club as at 30 June 2019 and its financial performance and cash flows for the year ended on that date in accordance with the accounting standard, Public Benefit Entities Standards Reduced Disclosure Regime (PBE Standards RDR).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Club in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditors we have no relationship with, or interests in, the Club.

Information Other than the Financial Statements and Auditor's Report

Other information included in the Annual Report with the financial statements comprises the notice of meeting, President's Report, Chief Executive Officer's Report and the Annual Report of the Grants Committee. The Committee is responsible for this other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. We are required to report any misstatement of other information. We have nothing to report in this regard.

Committee's Responsibilities for the Financial Statements

The Committee is responsible, on behalf of the Club, for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entities Standards Reduced Disclosure Regime (PBE Standards RDR) and for such internal control as the Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

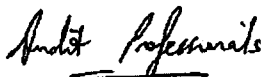
In preparing the financial statements the Committee is responsible for assessing the Club's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee either intends to liquidate the Club or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the External Reporting Board website: https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page8.aspx

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



Chartered Accountants
28 August 2019

Dunedin