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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, Private Bag 92061, Auckland Mail Centre.

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

Organisation Number: 44/011 - 1803044

Name of Dispensary/Club: Blenheim Workingmen's Club

Registered Office: 42 Alfred Street

Postal Address: Blenheim 7201

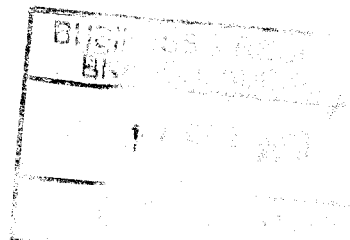
Financial Year Ended (DD/MM/YYYY): 30/6/2010

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

	Name	Residential Address
Committee of Management	Murray Mills	25 Henry Street Blenheim
	Russel Weaver	12A Perry Street Blenheim
	Barry Cresswell	5 Brydon Street Renwick
	Dawn Walker	56 New Renwick Road Blenheim
	Noel Collins	7 Handings Road RDC Blenheim.
	Pruce Matthews	14 Waihora Street Blenheim
	Marlene Lucas	158 Budge Street Blenheim
		refer attached sheet
Trustees	Rueben Walker	56 New Renwick Road Blenheim
	Val Blaylock	4a Brookfield Place Blenheim
	Ray Barrett	10a McCallum Street Blenheim.
Secretary	Ge Davis	54 Herford Street Blenheim
Treasurer	Gordon Harket	010 Renwick Road Blenheim

MEMBERSHIP

Total number of members at beginning of year	<u>7152</u>
Number who joined during year	<u>623</u>
Number who left during year	<u>933</u>
Total number of members at end of year	<u>7442</u>





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ANNUAL RETURN UNITED FRIENDLY SOCIETIES DISPENSARY & WORKING MEN'S CLUB

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Organisation Number:

Name of Dispensary/Club:

Registered Office:

Postal Address:

Financial Year Ended (DD/MM/YYYY):

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

	Name	Residential Address
Committee of Management	John Forrest	18 Glenroy Cres Blenheim
	Jason Clouston	40a Percy Street Blenheim
	Geoff Stobie	12a Gayle Place Blenheim
	Eric Houston	9 Eky Street Renwick
Trustees		
Secretary		
Treasurer		

MEMBERSHIP

Total number of members at beginning of year

Number who joined during year

Number who left during year

Total number of members at end of year

STATEMENT OF FINANCIAL POSITION

("BALANCE SHEET")

ASSETS

(Whole dollars only)
\$

Land and buildings	15,507,030
Term deposits & cash investments	128,433
Bank accounts & cash on hand	195,071
Furniture, fittings & other fixed assets	1,260,435
Stock / Inventories	142,447
Sundry debtors / Accounts receivable	98,270
Other assets (specify significant items)	
BRIDGE ST PROPERTY HELD FOR SALE	170,000

Total Assets \$ 17,501,686 (A)

7 LIABILITIES & MEMBERS EQUITY

Capital / Accumulated funds	8,722,325
PAYE/GST/Tax payable	34,983
Sundry creditors / Accounts payable	506,012
Bank loans / Overdraft	6,244,333
Other liabilities (if any - specify significant items)	
BRIDGE CLUB MONEY IN ADV	325,926
MEMBER LOAN/ DEBENTURES	849,900
SUBSCRIPTIONS REC'D IN ADVANCE	184,207
RSA	634,000

Total Liabilities & Equity \$ 17,501,686 (B)

NOTE: TOTALS (A) & (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 \$


Secretary


Treasurer

 2010,
Date

BLENHEIM WORKINGMEN'S CLUB

STATEMENT OF FINANCIAL POSITION

As at 30 June 2010

	Note	2010 \$	2009 \$
ASSETS			
Current Assets			
Cash on Hand		78,169	105,825
Cash at Bank - Gaming		116,902	29,703
Short Term Deposits - Winstanley Kerridge Ltd			
Trust Account - ANZ National Bank		35,052	97,763
Resident Withholding Tax Refund Due		13,063	12,724
Accounts Receivable	6	85,207	124,577
Stock on Hand		142,447	163,461
Budge Street Property held for sale	7	170,000	-
Total Current Assets		640,840	534,053
Non-Current Assets			
Property, Plant & Equipment	7	16,767,465	17,340,877
Bond - NZ Racing Board		15,000	15,000
Deposits in Foodstuffs (South Island) Ltd		78,381	66,198
Total Non-Current Assets		16,860,846	17,422,075
Total Assets		17,501,686	17,956,128
LESS LIABILITIES			
Current Liabilities			
Bank Overdraft (Secured)		228,591	-
GST Due for Payment		34,983	37,023
Accounts Payable	8	463,046	433,448
Owing for Loyalty Points		42,966	42,969
Subscriptions Received in Advance		184,207	192,460
ANZ Bank - Current Portion of Loans	9	390,000	720,000
Marlborough Bridge Club Inc - Money in Advance			
- Current Portion	10	10,600	10,600
		1,354,393	1,436,500

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

BLENHEIM WORKINGMEN'S CLUB

STATEMENT OF FINANCIAL POSITION (continued)

As at 30 June 2010

	Note	2010 \$	2009 \$
Non-Current Liabilities			
Members Debentures	11	98,900	99,100
ANZ Bank Loans - Non current portion	9	5,625,742	6,015,742
Loans from Members	12	751,000	750,000
Owed to Marlborough Returned and Services Association Inc.	13	634,000	634,000
Marlborough Bridge Club Inc - Money in Advance			
- Non current portion	10	315,326	326,100
		7,424,968	7,824,942
Total Liabilities		8,779,361	9,261,442
NET ASSETS REPRESENTED BY MEMBERS' FUNDS		<u>\$8,722,325</u>	<u>\$8,694,686</u>
MEMBERS' FUNDS			
Asset Revaluation Reserve	14	1,574,393	1,744,323
Retained Earnings	15	7,147,932	6,950,363
TOTAL MEMBERS' FUNDS		<u>\$8,722,325</u>	<u>\$8,694,686</u>

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

NOTES TO THE FINANCIAL STATEMENTS

For the year Ended 30th June 2010

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 profit-oriented 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.

STATEMENT OF MOVEMENT IN EQUITY

For the Year Ended 30 June 2010

Note	2010 \$	2009 \$
EQUITY AT START OF PERIOD	8,694,686	8,434,524
	<u>8,694,686</u>	<u>8,434,524</u>
SURPLUS & REVALUATIONS		
Blenheim Workingmen's Club Surplus	197,569	260,162
Decrease in Asset Revaluation Reserve	(169,930)	-
Total Recognised Revenue & Expenses:	<u>27,639</u>	<u>260,162</u>
EQUITY AT END OF PERIOD	<u>\$8,722,325</u>	<u>\$8,694,686</u>

For and on behalf of the Combined Committee

27 August 2010

BLenheim WORKINGMEN'S CLUB

STATEMENT OF FINANCIAL PERFORMANCE

For the year Ended 30th June 2010

	Note	2010 \$	2009 \$
REVENUE			
Bars & Restaurant Trading	3	3,956,360	4,283,664
Club Activities	4	262,787	294,240
Gaming Activities	5	1,332,809	1,494,588
Gaming Machine Service Revenue		105,394	105,394
Subscriptions		271,027	308,510
Total Revenue		5,928,377	6,486,396
Less Expenses			
Bar & Restaurant Trading	3	2,628,528	3,028,210
Club Activities	4	131,978	143,911
Gaming Activities	5	570,673	616,662
Wages		617,353	565,953
Audit Fees		13,700	13,500
Depreciation		306,719	320,574
Interest - Overdraft		10,395	454
Interest - Other		75,324	73,996
Interest - Borrowings		516,353	598,247
General Administration Expenses		751,904	802,873
Members Distributions and Benefits	16	190,352	163,900
Body Corporate Levy	17	40,594	-
Total Expenses		5,853,873	6,328,280
		74,504	158,116
Other Income			
Miscellaneous Income		132,946	90,400
Dividends Received		895	3,858
Interest Earned		3,600	12,338
		137,441	106,596
NET TRADING SURPLUS		211,945	264,712
Other Items			
(Loss) on Sale of Fixed Assets - Other assets		(1,539)	(3,194)
Section activity(deficit)	2	(12,837)	(1,356)
		(14,376)	(4,550)
NET SURPLUS		\$197,569	\$260,162

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

BLenheim WORKINGMEN'S CLUB

NOTES TO THE FINANCIAL STATEMENTS

For the year Ended 30th June 2010

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

CHANGES IN ACCOUNTING POLICIES

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

2. SECTION ACTIVITIES

The Blenheim Workingmen's Club has special interest groups (Sections) that operate autonomously from the management committee of the Club. Separate financial statements for each Section are available to members on request. Total held at 30 June 2010 for Sections is \$80,684 (2009: \$94,879).

BLLENHEIM WORKINGMEN'S CLUB

NOTES TO THE FINANCIAL STATEMENTS
For the year Ended 30th June 2010

	2010	2009
	\$	\$
3. BAR & RESTAURANT TRADING		
BARS - Sales	1,603,342	1,813,280
Cost of Sales	583,467	654,414
Gross Margin	<u>1,019,875</u>	<u>1,158,866</u>
OFF-SALES - Sales	74,143	84,590
Cost of Sales	60,736	66,579
Gross Margin	<u>13,407</u>	<u>18,011</u>
CIGARETTES - Sales	43,637	56,676
Cost of Sales	39,378	48,738
Gross Margin	<u>4,259</u>	<u>7,938</u>
RESTAURANT - Sales	1,972,436	1,950,055
Cost of Sales	1,380,354	1,524,084
Gross Margin	<u>592,082</u>	<u>425,971</u>
MARLBOROUGH CLUB - Sales	262,802	305,395
Cost of Sales	175,145	197,565
Gross Margin	<u>87,657</u>	<u>107,830</u>
OUT CATERING - Sales	-	73,668
Cost of Sales	4,826	66,093
Gross Margin	<u>(4,826)</u>	<u>7,575</u>
Total Income	<u>1,712,454</u>	<u>1,726,191</u>
Less Expenses		
Wages - Bars	372,409	452,044
Bar Supplies	6,622	7,932
Staff Drinks	5,591	10,761
Total Expenses	<u>384,622</u>	<u>470,737</u>
BARS & RESTAURANTS CONTRIBUTION	<u><u>\$1,327,832</u></u>	<u><u>\$1,255,454</u></u>

TREASURER'S REPORT

It is a pleasure to welcome you to the 122nd Annual General Meeting and the presentation of the Balance Sheet for the year ended 30th June 2010.

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

This past year has also seen difficult trading with the continued recessionary times, especially in Marlborough.

It is pleasing to show with the commitment of our Heads of Department and their respective Staff we have been able to meet our financial commitments and produce a surplus for the year.

To our loyal Members, thank you for your loyal patronage and usage of your Clubs facilities.

Finally to Lee Davis, it has been a pleasure being involved with you, our Bankers, Auditors and Administration Staff for your total commitment to our Clubs' business.

Gordon Herkt,
 Treasurer.

ANNUAL REPORT OF THE GRANTS COMMITTEE 2010

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

Grant	500
Plus Payments made to Authorised Purposes as listed below	<u>773,855</u>
	\$774,355
Authorised Purposes Payments 2009/2010 excluding grants/distributions as listed above	
Bank Charges	1
Sky TV	17,501
Interest and Professional fees re development	516,353
Principal Repayments	<u>240,000</u>
Total Authorised Purposes excl GST	\$773,855

sealed and provision for drop sheets to be fixed to provide shelter from prevailing winds. This allows us to cater more comfortably for the larger Member functions and has had regular use over the last six months.

However the year was harder than the bottom line indicates with no real signs the recession will relent so it is imperative that all our Members continue to use their facilities on every occasion so that we can continue to meet our obligations with the bank, whilst still providing the Member benefits, services and maintaining the low prices that you all enjoy.

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

Staff

It is also important that we take this moment to recognise the efforts and the extra mile our Staff go to, to ensure our Members receive the attention they deserve. I know we do not get it right every time but with 9000 members it is difficult to cater for the individual needs of everyone. I encourage constructive criticism as it is a tool we use to improve our performance but I also encourage our members to be patient and professional about their dealings with our staff.

Clubs of Marlborough

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

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

Lee Davis,
Chief Executive Officer.

BLENHEIM WORKINGMEN'S CLUB

NOTES TO THE FINANCIAL STATEMENTS

For the year Ended 30th June 2010

4. CLUB ACTIVITIES	Gross Takings	Expenses	2010 Net	2009 Net
Raffles	54,676	41,116	13,560	11,467
Wheel/Globe	451	160	291	60
Pool	6,552	209	6,343	6,939
Billiards	3,804	4,092	(288)	1,150
Gym	140,383	71,906	68,477	55,568
Housie	27,732	9,531	18,201	48,199
TAB	22,696	4,688	18,008	20,709
Tea & Coffee	2,095	-	2,095	2,553
Kids Room	4,398	276	4,122	3,684
TOTAL	262,787	131,978	130,809	150,329
5. GAMING ACTIVITIES				
GAMING REVENUE			2010 \$	2009 \$
Proceeds			1,331,194	1,493,887
Interest on Gaming Machine Funds			1,615	701
Total Sales			1,332,809	1,494,588
DIRECT GAMING COSTS				
Operator's Licence - Renewal Cat. A			1,130	1,130
Operator's Licence - Amendment			-	226
Venue Licence - Renewal Cat. A.			113	113
Venue Licence - Amendment			226	677
Gaming Machine Duty			299,518	336,044
Problem Gambling Levy			26,209	28,564
Salaries & Wages - Direct			76,180	76,180
Service & Repair			28,021	28,653
Gaming Machine Fees			11,333	12,533
Electricity			12,800	12,800
Electronic Monitoring Fees			13,684	13,704
Insurance			6,933	6,933
Cleaning			5,339	5,339
Miscellaneous Venue Costs			896	896
Depreciation - Gambling Equipment			70,289	76,435
Total			552,674	600,227
INDIRECT GAMING COSTS (Authorised Purposes)				
Bank Charges			1	14
Sections Grants (Note 16)			500	-
Sky TV			17,501	16,421
Total			18,002	16,435
GROSS SURPLUS FROM GAMING			\$762,136	\$877,926

Also spent on authorised purposes were \$Nil (2009: \$73,250) for purchase of plant and equipment, \$516,353 (2009: \$575,878) for interest and professional fees on the property development, \$Nil (2009: \$12,103) for members welfare meals and principal payments of \$240,000 (2009: \$240,000).

BLenheim WORKINGMEN'S CLUB

NOTES TO THE FINANCIAL STATEMENTS

For the year Ended 30th June 2010

6. ACCOUNTS RECEIVABLE

	2010	2009
	\$	\$
Trade Debtors	62,951	74,577
Owing by Marlborough Bridge Club Inc.	10,000	50,000
Owing by Body Corporate	12,256	-
	<u>\$85,207</u>	<u>\$124,577</u>

7. PROPERTY, PLANT & EQUIPMENT

Asset	Cost or Valuation	Depreciation 2010	Accumulated Depreciation	Book Value 30.06.10	Book Value 30.06.09
Land	1,286,000	-	-	1,286,000	1,364,000
Freehold Buildings	14,744,445	159,247	523,415	14,221,030	14,530,270
Plant	1,580,190	133,492	657,943	922,247	1,024,150
Beer Tanks	70,866	2,295	53,839	17,027	19,322
Gym Equipment	157,363	8,746	78,725	78,638	87,384
Motor Vehicles	28,889	2,939	8,960	19,929	22,868
Gaming Machines	598,187	70,289	375,593	222,594	292,883
	<u>\$18,465,940</u>	<u>\$377,008</u>	<u>\$1,698,475</u>	<u>\$16,767,465</u>	<u>\$17,340,877</u>

(a) Land and Buildings

The land and buildings shown above comprise the Russell Terrace property and the Alfred Street property for the Clubs of Marlborough. The Russell Terrace property was revalued in 2006 to independent valuation. The valuers were Alexander Hayward Limited, independent registered valuers. The basis of valuation is fair value between a willing but not anxious buyer and a willing but not anxious seller.

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

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

The Budge Street bowling club property is available for sale and its value has been reduced to \$170,000 which is its estimated selling price.

(b) Gaming Depreciation

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

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

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

On a personal note I have been privileged to be your President for the past nine years. The last five in particular have been a steep learning curve and I feel the experience gained can only benefit the Clubs.

With this in mind I am prepared to carry on as President if that is the Members' wish

Murray Mills,
President.

CHIEF EXECUTIVE OFFICER'S REPORT

Finance

The recession continued to bite into the Marlborough economy throughout the year, which if nothing else encouraged enhancements to the way we operate, which in turn made us more efficient in our business and assisted greatly in producing a good result in a difficult year.

Our Catering Operation continues to grow as we expand our services to meet the expectations of our wide and diverse membership and in many respects so too has our Bar revenue with the exception of tap beer products that reflect the National decline. Also following downward trends has been our Gaming revenue as the discretionary dollar tightens which is evident and reflected in the general Members average spend.

We have listened to our Members throughout the year resulting in improvements on the North and South Decks to provide shelter from prevailing winds and the movable walls inside the Club that supply separation and privacy between the Bistro/Café Area and the Club Bar.

As these items were not allowed for in the budget, sponsorship was sought to cover or contribute towards the costs and I take this opportunity to name those sponsors. Pernod Riccard contributed towards the cost of the movable walls, DB Breweries covered the costs of the improvements on the North Terrace affectionately known as the "Fish Tank" and our gaming providers Gaming Machine Distributors covered the cost of the improvements on the South Deck. Thanks to those providers and I hope our members support your products.

You will also note the improvements under the North Terrace with the area

PRESIDENT'S REPORT

Year Ending 30th June 2010

Welcome to the 122nd Annual General Meeting of the Blenheim Workingmen's Club now trading as the Clubs of Marlborough.

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

Finance

Trading has been good with general expenses tracking close to expectations but with a few surprises thrown in. We are still trading in a recession but holding our own.

Thanks to the members that support your Club. Without it we would not be able to offer the facilities and services that we do. To those Members that do not really use your Club, a cup of coffee once a week would increase our bottom line. We are still getting the numbers through, though general Member spend is down.

Staff

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

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

Sections and Volunteers

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

Contributing Members

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

General

To the President and Members of the Marlborough Returned and Services

BLENHAM WORKINGMEN'S CLUB

NOTES TO THE FINANCIAL STATEMENTS

For the year Ended 30th June 2010

8. ACCOUNTS PAYABLE

	2010	2009
	\$	\$
Trade Creditors	168,356	193,375
Holiday pay accrual	133,793	140,227
PAYE and Other IRD Deductions	3,127	2,061
Wages accrued	10,840	7,269
Gaming Trade Creditors	54,676	1,867
Interest Payable	60,092	63,994
Capitation Fees	-	10,922
ACC Levies	7,405	13,733
Canon Finance Limited lease owing	8,699	-
Owing to Body Corporate	16,058	-
	<u>\$463,046</u>	<u>\$433,448</u>

9. ANZ BANK LOANS

Funding for the Clubs of Marlborough building project was from the ANZ National Bank who provided a total loan facility of \$11,410,000. The interest rate applying at balance date is 5.74% p.a. plus 2.00% margin equals 7.74% p.a. The total amount owing at balance date is \$6,015,742 (2009: \$6,735,742). The ANZ National Bank loans are secured over the land and buildings by a specific security agreement over plant and equipment, and by a general security agreement over all assets and undertakings of the Club.

The bank loan facilities have been renewed on 5 August 2010 and loan repayments are \$30,000 per month (previously \$60,000 per month).

Approximately \$390,000 will be repayable in the year to 30 June 2011 (2009: \$720,000).

There is a bank covenant requiring the interest on bank borrowings to be less than 0.57 (2009: 0.5) times earnings before interest and depreciation. There were no breaches of this covenant during the 2010 financial year.

10. MARLBOROUGH BRIDGE CLUB INC

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

BLLENHEIM WORKINGMEN'S CLUB

NOTES TO THE FINANCIAL STATEMENTS
For the year Ended 30th June 2010

11. MEMBERS DEBENTURES

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

12. LOANS FROM MEMBERS

Funding for certain specific items excluded from the project contract, was received from contributing member funds. These contributions are unsecured loans from members for an initial period of two years at an interest rate of 10% per annum, with further provision to roll over. All but one of the contributing members have rolled their funds over and at balance date the interest rate was still 10%, to be reviewed in September 2010.

13. OWED TO MARLBOROUGH RETURNED AND SERVICES ASSOCIATION INC

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

14. ASSET REVALUATION RESERVE

The balance in this reserve comprises:

	2010	2009
	\$	\$
Budge Street Bowling Club land and buildings	200,070	370,000
Russell Terrace land and buildings	<u>1,385,000</u>	<u>1,385,000</u>
	1,585,070	1,755,000
Deduct estimated disposal costs	<u>10,677</u>	<u>10,677</u>
	<u><u>\$1,574,393</u></u>	<u><u>\$1,744,323</u></u>

The reduction in this reserve is to bring the Budge Street property to its estimated selling price (refer Note 7).

15. RETAINED EARNINGS

	2010	2009
	\$	\$
Opening balance	6,950,363	6,690,201
Surplus for the year	210,406	261,518
Deficit - Section Activity	(12,837)	(1,356)
Closing Balance:	<u><u>\$7,147,932</u></u>	<u><u>\$6,950,363</u></u>

NOTICE OF MEETING

Sunday 3rd October 2010 at 10.30am

BUSINESS

1. Confirmation of Minutes of AGM held on 4th October 2009.
2. Adoption of the Annual Report and Balance Sheet for the period ending 30th June 2010.
3. Election of Committee.
4. Election of (3) Trustees.
5. Election of five (5) Board of Appeal Members.
6. Appointment of Auditor.
7. Notices of Motion as per the Clubs Notice Board and pursuant to club Rule 21.6 (b).
8. Subscriptions.
9. General Business.

BLENHEIM WORKINGMEN'S CLUB

Trading as Clubs of Marlborough

ANNUAL GENERAL MEETING
Sunday 3rd October 2010 at 10.30am

OFFICERS

		Meeting Attendance
President	Murray Mills	11
Vice President	Jason Clouston	9
Treasurer	Gordon Herkt	11
Committee	Dawn Walker	11
	Prue Matthews	11
	Noel Collins	10
	John Forrest	9
	Marlene Lucas	11
	Russel Weaver	9
	Barry Cresswell	11
MRSA Representatives	Geoff Stobie	11
	Ernie Thomson	9
Trustees	Ray Barrett	10
	Val Blaylock	8
	Rueben Walker	11
Chief Executive Officer	Lee Davis	11
Bankers	ANZ National	
Auditors	PricewaterhouseCoopers	
Solicitor	Peter Radich Radich Law	

Please Note:

There are only 11 meetings throughout the year.

BLENHEIM WORKINGMEN'S CLUB

NOTES TO THE FINANCIAL STATEMENTS

For the year Ended 30th June 2010

16. MEMBER DISTRIBUTIONS & BENEFITS

Member distributions and benefits are made up as follows:

	2010 \$	2009 \$
Members' Welfare Meals	10,137	12,103
Members' Taxi Rebate	1,206	1,300
Members' Vouchers	10,048	61,981
Newspapers	2,254	1,874
Sections Grants		800
Sick members	983	985
Loyalty Points Accrual	18,294	28,257
Membership Draws	35,950	36,200
MRSA	20,400	20,400
	<u>190,352</u>	<u>163,900</u>
Plus Section Grant paid from Gaming Account	500	-
	<u>\$190,852</u>	<u>\$163,900</u>

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 (2009: \$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.

17. BODY CORPORATE

On 1 July 2009 a separate body corporate entity commenced activities. Body Corporate No 393782 was formed to meet costs in connection with the common property of the two Proprietors, Marlborough District Council and Clubs of Marlborough for the 42 Alfred Street site. The \$40,594 expense is net of a \$28,760 credit for expenses recharged to the Body Corporate relating to part of the previous year.

18. 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. The contingent liability would be 3/7ths of the sale proceeds, which amounts to approximately \$4.7million at 30 June 2010, 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. (2009: Nil)

19. CAPITAL COMMITMENTS

At balance date there are no significant capital commitments other than for an IT Upgrade of \$32,000 (2009: Nil).

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 Forsyth Barr House
 The Octagon
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 Dunedin, New Zealand
 www.pwc.com/nz
 Telephone +64 3 470 3600
 Facsimile +64 3 470 3601

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Auditors' Report

To the members of Blenheim Workingmen's Club

We have audited the financial statements on pages 8 to 19. The financial statements provide information about the past financial performance of the Blenheim Workingmen's Club for the year ended 30 June 2010 and the financial position of the Blenheim Workingmen's Club as at that date. This information is stated in accordance with the accounting policies set out on pages 12 and 13.

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

Committee's Responsibilities

The Committee is responsible for the preparation and presentation of the financial statements which fairly reflect the financial position of the Blenheim Workingmen's Club as at 30 June 2010 and the financial performance of the Blenheim Workingmen's Club for the year ended on that date.

Auditors' Responsibilities

We are responsible for expressing an independent opinion on the financial statements presented by the Committee and reporting our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- (a) the significant estimates and judgements made by the Committee in the preparation of the financial statements; and
- (b) whether the accounting policies are appropriate to the circumstances of the Club, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have no relationship with or interests in the Club other than in our capacity as auditors.

Unqualified Opinion

We have obtained all the information and explanations we have required.

In our opinion the financial statements on pages 8 to 19 fairly reflect the financial position of the Blenheim Workingmen's Club as at 30 June 2010 and its financial performance for the year ended on that date.

Our audit was completed on 27 August 2010 and our unqualified opinion is expressed as at that date.



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Blenheim Workingmen's Club

Trading as



CLUBS OF MARLBOROUGH

ANNUAL REPORT
and

BALANCE SHEET
for Annual General Meeting
Sunday 3rd October 2010.

42 Alfred Street, Blenheim.
Phone (03) 578 1059 Fax (03) 578 1058