

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

Friendly Societies and Credit Unions Act 1982

Name of dispensary / club

the Blenheim Workingmens Club trading as the Clubs of Marlborough

Organisation number

1803044

Financial year ended

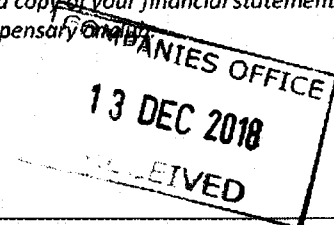
30 /06 /2018

### IMPORTANT

- > This form is used for both united friendly societies dispensaries and working men’s clubs, registered under Part II of the Friendly Societies and Credit Unions Act 1982 ('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 dispensary.

### 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		
Trustees	John Cragg	51 Kinross Street Blenheim
	Ross Cooke	20 Brook Street Renwick
	Val Blaylock	4a Brookfield place Blenheim
Secretary	Lee Davis	54 Leefield Street Blenheim
Treasurer	Lee Davis	54 Leefield Street Blenheim

### B. Membership

Total number of members at beginning of year

4836

Number who joined during year

295

Number who left during year

-532

Total number of members at end of year

4599

Form AR – UFSWMC | Annual return –  
United friendly societies dispensary & working men’s club (continued)

Name of dispensary / club

the Blenheim Workingmens Club trading as 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 dispensary/club 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 dispensary/club 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

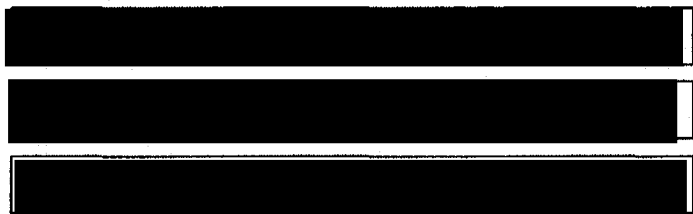
Date: 10/12/2018

Form completed by:

Name: Lee Davis

Address:

54 Leefield Street Blenheim



# Guidance notes for completing an annual return for a united friendly societies dispensary or working men's club

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).

## Preparation of financial statements

Annual financial statements must be prepared unless the dispensary or club has opted out, by way of a resolution of a majority of the members at a meeting of the society or branch held within 6 months from the start of the financial year, in accordance with section 64 of the Act.

### NOTE

*A dispensary or club cannot opt out where:*

- > *the rules expressly provide that section 64 does not apply (section 64(1)); or*
- > *in respect of a financial year if, in each of the 2 preceding financial years, the total operating expenditure of the dispensary or club is \$30 million or more (section 64(2)).*

## Audit of financial statements

Section 64A of the Act requires a society or branch to appoint an auditor to audit its financial statements where the society or branch:

- > is a specified not-for-profit (NFP) entity (section 64A(1)); or
- > is not a specified NFP and the rules of the society require (section 64A).

### NOTE

*An entity is a specified NFP entity in respect of an accounting period if, in each of the 2 preceding accounting periods of the entity, the total operating payments of the entity are \$125,000 or more.*

### NOTE

*A change of trustees, change of name and amendments to registered rules should be notified using the relevant form(s). Please contact us on 0508 266 726 for further assistance.*

**Committee of Management Blenheim Workingmen's Club trading as Clubs of Marlborough as at 30 June 2018**

Gordon Herkt Old Renwick Road Blenheim  
Jason Clouston 40a Percy Street Blenheim  
Sue Wallace unit 1/44 Alma Street Renwick  
Marlene Lucas 158 Budge Street Blenheim  
Prudence Matthews 14 Waikura Street Blenheim  
Barry Voss 2/5 Manor Place Blenheim  
Phil Gibbons 258 New Renwick Road Blenheim  
Deana Quissy 216 Howick Road Blenheim  
Dawn Walker 56 New Renwick Road Blenheim  
Christine Bamber Hillside Terrace Witherlea Blenheim  
Rodner Shoemark 24a Alabama Road Blenheim

Lee Davis  
Chief Executive Officer  
Clubs of Marlborough



# **Blenheim Workingmen's Club**

Trading As



**CLUBS MARLBOROUGH**

**Annual Report**

and

**Balance Sheet**

for Annual General Meeting  
Sunday 14th October 2018

42 Alfred Street, Blenheim

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



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# BLENHEIM WORKINGMEN'S CLUB

## Trading As Clubs of Marlborough

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### OFFICERS

		Meeting Attendance
President	Gordon Herkt	11
Vice President	Jason Clouston	11
Committee	Dawn Walker	11
	Prue Matthews	9
	Phil Gibbons	9
	Sue Wallace	6
	Marlene Lucas	11
	Ray Barrett	3
	Deana Quissy	9
	Barry Voss	8
MRSA Representatives	Ross Cooke	1
	Rod Shoemark	1
	Chris Bamber	7
	Peter Clark	8
Trustees	John Cragg	8
	Val Blaylock	9
	Rueben Walker	3
	Ross Cooke	6
Chief Executive Officer	Lee Davis	11

*Please note that from July 2017 there were only 11 meetings throughout the year and that Ross Cooke and Rod Shoemark were replaced as the MRSA Appointed Representatives prior to the September 2017 Committee Meeting and that Ray Barrett (Committee) and Rueben Walker (Trustee) were replaced at the October 2017 elections by Barry Voss (Committee) and Ross Cooke (Trustee) so have only been in Office since October 2017.*

# **NOTICE OF MEETING**

**Sunday 14th October 2018**

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## **BUSINESS**

1. Confirmation of Minutes of the AGM held on 8th October 2017.
2. Adoption of the Annual Report and Financial Statements for the year ended 30 June 2018.
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

**PRESIDENT'S REPORT  
YEAR ENDING 30<sup>TH</sup> JUNE 2018**

It is again a pleasure to welcome you all to our 130<sup>th</sup> annual General Meeting of the Blenheim Workingman's 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.

**FINANCE**

With the net proceeds of \$1,326,699.00 from the sale of the Marlborough Club being used to reduce our mortgage with the Bank in July last year it not only reduced our overall debt to the Bank to \$3,916,296.00 but it has also produced some significant savings with some expenses such as Interest, Insurance, Rates and Power, which is evident in this year's Balance Sheet.

The ASB theatre is now operational, with the current construction of their new space, the 'Anderson Theatre, and our team are working very closely with the theatre in regards to catering requirements and hall hire, which is beneficial to our operation. We just need a more united relationship with the Convention Centre as a combined hub for us all to operate more financially. Also with the decrease in bar and restaurant sales, it is great to see our sections being proactive and utilising the club more. Our priority this financial year is to reintroduce principal payments on our remaining bank loan in negotiation with the bank on favourable terms to suit the Club going forward. For a full understanding of the balance sheet, please refer to the notes in the Financial Statement.

**STAFF**

This past year has been full on and it is with thanks to our C.E.O, Lee Davis, Heads of Departments and their respective staff, we have held it together. To you all, a big thank you, it is not easy in hospitality.

To our Administration, Front of House and Reception staff, the effort you all put in is much appreciated. To our Cleaning staff, as usual an essential part of our operation, working the early hours to keep our lovely building in pristine condition for our members, well done. Also the Fitness Centre, thank you for your efforts, at last we have been able to authorise the purchase of the new treadmills for the gym and trust this will attract more members.

We know it has taken some time, but there is light at the end of the tunnel, so thank you all once again.

**CONTRIBUTING MEMBERS**

Thank you for your continued support, our collective loan from members has reduced by \$50,000.00 this financial year to \$779,329.00. These loans allowed for capital expenditure on the club for items not included in the original bank loan and have been much appreciated from you all.

**SECTIONS AND VOLUNTEERS**

This past year has seen great use by our sections, thank you for your initiative and patronage of the Club. The input from Chairman, Phil Gibbons, Vice Chair, Val Wadsworth and Deana Quissy, your secretary, who have real passion for the sections attributes with taking on National and South Island events. Well done. It is great to see the Club humming.

To all our volunteers involved in Housie, Quiz Nights and Raffles, thank you all for your dedication and assistance, this is appreciated.

**COMMITTEE**

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

To my Clubs of Marlborough Committee and trustees, thank you for your club dedication, sometimes challenging. It has been a great honour to be involved this year. We need to create celebrations. Super Sunday is still a favourite and our creative Quarterly Super Sunday Big Draws have had a good following.

To my various sub committees, I thank you for your input for Entertainment, Kids Club, and Christmas party events

Thank you, you are all deserving

Gordon Herkt

President

CLUBS OF MARLBOROUGH

### Chief Executive Officers Report

As forecast, the proceeds from the sale of the Marlborough Club last July being used to decrease our borrowings produced significant savings in our financial costs and certain associated general expenses such as rates, power and insurance.

This coupled with other genuine expense savings across the board assisted greatly in reducing this year's deficit after Deprecation to -\$127,994 (2017 -\$245,584) an improvement on the previous year of \$117,590.

We also need to be mindful that after factoring out our Depreciation of \$215,111 we are left with an Operating Profit of \$87,117

These improvements also reflected positively in our Cash Flows, producing a surplus for the year of \$144,615 (2017 \$14,787/2016 -\$64,409) a positive shift in the last two years of \$209,024 and a sound footing for the year ahead

#### **Bar and Catering Revenue.**

Although turnover was down slightly on last year our GP% have held due to a 10% increase in the sale price of food and beverage items to offset reasonable increases in food and beverage costs throughout the year and of course the significant impact the Minimum Wage increase has had since being enforced by the Government in April, which was generally applied across the board to all Staff.

We have suffered from some Member resistance to our price increases since April with a noticeable decrease in sales, particularly Bar, but it is financially imperative that we move our prices to offset cost increases and to maintain a healthy margin, or we are simply being busy fools with no hope of debt reduction or the ability to maintain the many services that we continue to provide to you, the Member.

#### **Gaming.**

Gaming turnover tracked well to Budget but fell away in April/May but still returned a fair profit to the Club for the year. To maintain or indeed grow on this performance we are committed to a Gaming Machine Replacement Programme that will see upgrades approximately twice a year, keeping our Gaming experience ranked as the best in town.

#### **Section Activity.**

Congratulations to those Sections that have responded to our pleas for increased Section activity. You will note in the accounts the increase in activity and we thank you for stepping up to the mark and financially assisting the Club where you can, which is essential and most appreciated. Confirmed Section events for 2019 and 2020 are starting to look strong as well.

**In summary** your Committee continues to work hard to provide facilities and services to meet your many varying needs and my Staff are dedicated to delivering you with a worthy experience on every occasion but to achieve our combined desire to return our Club operation to a trading surplus with the sole aim of reducing your mortgage we need your continued support, after all **this is your Club**

To my dedicated President and Committee and of course our many Sections that I work with throughout the year, you are to be congratulated for the work you have undertaken this year and I thank you for your support. To my team of dedicated Staff, we need to continue rising to the challenge and to provide a standard of service that complements our wonderful facilities and to make our Members proud to continue to belong.

**Lee Davis**  
Chief Executive Officer

## ANNUAL REPORT OF THE GRANTS COMMITTEE 2018

**Blenheim Workingmen's Club**  
**For the year ended 30 June 2018**

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	\$
Payments made to Authorised Purposed as listed below	676,476
 <i>Authorised Purposed Payments 2017/2018</i>	
Advertising and Publishing	1,151
Asset Purchases	20,359
Body Corporate Levy	95,238
Capitation Fees	30,526
Cleaning	8,943
Computer Costs	2,201
Light, Power, Heating & Gas	143,185
Membership Cards	2,242
Newspapers	512
Printing & Stationery	4,369
Rates	12,890
Repairs & Maintenance	12,616
Security	3,750
Sky TV	17,761
Telephone	958
Interest	209,775
Loan Principal Repayments	60,000
Contributing Members Repayments	50,000
<hr/>	
Total Authorised Purposes excl GST	676,476
Total Authorised Purposes Incl GST	729,981

## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

**Blenheim Workingmen's Club**  
**For the year ended 30 June 2018**

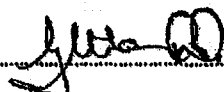
	<i>Note</i>	<b>2018</b>	<b>2017</b>
<b>REVENUE</b>		<b>\$</b>	<b>\$</b>
<b>Revenue from exchange transactions</b>			
Bars and Restaurant Trading	5	2,902,415	2,954,989
Club Activities	6	191,813	204,038
Gaming Activities	7	1,283,051	1,310,239
Dividends		1,062	1,310
Interest Received		1,475	1,096
Hall Hire		31,031	36,457
Section Activities	4	230,411	196,416
Subscriptions		212,333	229,373
Sundry Income		6,200	4,093
		<u>4,859,791</u>	<u>4,938,011</u>
<b>Revenue from non-exchange transactions</b>			
Donations/Scholarships		325	1,231
Insurance Claims		13,300	-
Marlborough Bridge Club Contribution	14	12,161	12,161
Rebates		5,021	5,067
		<u>30,807</u>	<u>18,459</u>
<b>Total Revenue</b>		<u><b>4,890,598</b></u>	<u><b>4,956,470</b></u>
<b>EXPENSES</b>			
Bar and Restaurant Trading	5	2,095,713	2,094,011
Club Activities	6	101,363	118,911
Gaming Activities (including depreciation)	7	912,510	869,042
Section Activities	4	219,958	182,753
Wages- Unallocated		573,040	592,753
Audit Fees - Non Gaming Portion		12,900	12,900
Loss on Sale of Property, Plant & Equipment		-	9,602
Finance Costs - Interest		275,615	336,488
- Independent finance appraisal		15,292	-
Lease of Equipment		29,068	27,264
General Administration Expenses		408,717	476,344
Members Distributions and Benefits	19	164,583	250,539
Body Corporate Levy	21	(5,278)	529
		<u>4,803,481</u>	<u>4,971,137</u>
Surplus/(Deficit) for the year prior to Depreciation		87,117	(14,667)
Depreciation Expense (excluding gaming machines)	10	215,111	230,917
Surplus/(Deficit) for the year after Depreciation		<u>(127,994)</u>	<u>(245,584)</u>
Other Comprehensive Revenue and Expense		-	-
<b>Total Other Comprehensive Revenue and Expense</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR</b>		<u><b>(127,994)</b></u>	<u><b>(245,584)</b></u>

**STATEMENT OF CHANGES IN NET ASSETS/EQUITY**

**Blenheim Workingmen's Club**  
**For the year ended 30 June 2018**

	Note	Accumulated Comprehensive Revenue and Expense \$	Asset Revaluation Surplus \$	Total Net Assets/Equity \$
Balance as at 1 July 2016		7,454,371	1,483,776	8,938,147
Transfer from Asset Revaluation Surplus	18	1,483,776	(1,483,776)	-
Total Comprehensive Revenue and Expense for the year		(245,584)	-	(245,584)
Balance as at 30 June 2017		8,692,563	-	8,692,563
Balance as at 1 July 2017		8,692,563	-	8,692,563
Total Comprehensive Revenue and Expense for the year		(127,994)	-	(127,994)
Balance as at 30 June 2018		8,564,569	-	8,564,569

For and on behalf of the Combined Committee



## STATEMENT OF FINANCIAL POSITION

**Blenheim Workingmen's Club**  
As at 30 June 2018

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	8	310,681	285,025
Cash and Cash Equivalents - Gaming	8	26,985	92,541
Receivables from exchange transactions	9	47,504	30,614
Prepayments		-	8,229
Inventories - Merchandise		72,965	90,002
Russell Terrace Property Held for Sale	10	-	1,325,699
<b>Total Current Assets</b>		<u>458,135</u>	<u>1,832,110</u>
<b>Non-Current Assets</b>			
Property, Plant & Equipment	10	13,832,324	14,002,606
Other Investments - Foodstuffs Shares	25	29,821	32,808
<b>Total Non-Current Assets</b>		<u>13,862,145</u>	<u>14,035,414</u>
<b>Total Assets</b>		<u>14,320,280</u>	<u>15,867,524</u>
<b>LESS LIABILITIES</b>			
<b>Current Liabilities</b>			
Bank Overdraft (secured)	8	49,657	33,987
GST Due for Payment		23,146	24,788
Property Deposit Received in Advance		-	133,000
Accounts Payable	11	486,649	458,122
Owing to Members	12	9,716	9,229
Subscriptions in Advance		166,492	138,733
Other Income in Advance		1,887	1,958
ANZ Bank - Current Portion of Loans	13	-	1,434,285
Marlborough Bridge Club Inc - Contribution in Advance - Current Portion	14	12,161	12,161
		<u>749,708</u>	<u>2,246,263</u>
<b>Non-Current Liabilities</b>			
ANZ Bank Loans - Non current portion	13	3,916,296	3,776,830
Loans from Members	15	779,329	829,329
Loan from Marlborough Returned Services Assn Inc.	16	55,000	55,000
Marlborough Bridge Club Inc - Contribution in Advance - Non-Current portion	14	255,378	267,539
		<u>5,006,003</u>	<u>4,928,698</u>
<b>Total Liabilities</b>		<u>5,755,711</u>	<u>7,174,961</u>
<b>NET ASSETS REPRESENTED BY MEMBERS' FUNDS</b>		<u>8,564,569</u>	<u>8,692,563</u>
<b>NET ASSETS/EQUITY</b>			
Asset Revaluation Surplus	17	-	-
Accumulated Comprehensive Revenue and Expense	18	8,564,569	8,692,563
<b>TOTAL EQUITY</b>		<u>8,564,569</u>	<u>8,692,563</u>

## STATEMENT OF CASH FLOWS

**Blenheim Workingmen's Club**  
**For the year ended 30 June 2018**

	<i>Note</i>	<b>2018</b>	<b>2017</b>
		\$	\$
<b>Cash Flows from Operating Activities</b>			
Receipts from activities		4,414,167	4,512,270
Receipts from members subscriptions		240,092	212,860
Receipts from interest and dividends		2,537	2,406
Payments to suppliers and employees		(4,237,620)	(4,389,594)
Net Receipts for Section Activities		10,453	13,663
Net GST Paid		(1,642)	(5,183)
Interest paid on borrowings		(283,372)	(331,635)
<b>Net Cash Flows from Operating Activities</b>		<u>144,615</u>	<u>14,787</u>
<b>Cash Flows from Investing Activities</b>			
Proceeds from maturity of investments - Foodstuffs shares		2,987	10,873
Sale of Russell Terrace Property		1,192,699	133,000
Proceeds from sale of Plant & Equipment		16,000	1,000
Payments for purchase Plant & Equipment		67,052	(120,719)
<b>Net Cash Flows from Investing Activities</b>		<u>1,144,634</u>	<u>24,154</u>
<b>Cash Flows from Financing Activities</b>			
Loans Drawn from ANZ Bank		-	180,000
Loans Drawn from members/Marlborough RSA Inc		-	40,000
Repayment of Loans - ANZ Bank		(1,294,819)	(208,715)
Repayment of Loans - members/Marlborough RSA Inc		(50,000)	(10,000)
<b>Net Cash Flows From/(To) Financing Activities</b>		<u>(1,344,819)</u>	<u>1,285</u>
<b>Net Cash Inflows/(Outflows)</b>		<u>(55,570)</u>	<u>40,226</u>
<b>Cash Balances</b>			
Cash and cash equivalents at beginning of year		<u>343,579</u>	<u>303,353</u>
Cash and cash equivalents at end of year	8	<u>288,009</u>	<u>343,579</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 2018

### 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 PBR 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 2018.

### 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 2018

### 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 2018

- 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 of 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 Income during the financial period in which they are incurred.

# Notes to the Financial Statements

## Blenheim Workingmen's Club For the year ended 30 June 2018

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 receivables 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 pays. 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 2018 for sections is \$104,821 (2017: \$90,386), which are part of the Cash and Cash Equivalents in the Statement of Financial Position.

	2018	2017
	\$	\$
Revenue	230,411	196,416
Expenses	219,958	182,752
Surplus for year	10,453	13,664

# Notes to the Financial Statements

Blenheim Workingmen's Club  
For the year ended 30 June 2018

## 5. Bar & Restaurant Trading

	2018 \$	2017 \$
BARS - Sales	1,092,071	1,128,353
Cost of Sales (Incl wages \$335,742, 2017 \$356,032)	740,285	741,595
Gross Margin	351,786	386,758
OFF-SALES - Sales	49,493	51,877
Cost of Sales	42,911	46,060
Gross Margin	6,582	5,817
CIGARETTES - Sales	22,222	32,303
Cost of Sales	19,480	27,662
Gross Margin	2,742	4,641
Restaurant- Sales	1,738,629	1,742,456
Cost of Sales (Incl wages \$643,797, 2017 \$658,657)	1,289,918	1,275,040
Gross Margin	448,711	467,416
OUT CATERING - Sales	-	-
Cost of Sales	1,507	969
Gross Margin	(1,507)	(969)
<b>TOTAL NET INCOME:</b>	<b>808,314</b>	<b>863,663</b>
Less Expenses:		
Staff Drinks/General Hospitality	1,612	2,685
<b>BAR &amp; RESTAURANT CONTRIBUTION</b>	<b>806,702</b>	<b>860,978</b>
Summary		
Total Revenue	2,902,415	2,954,989
Total Expenses	2,095,713	2,094,011
	<b>806,702</b>	<b>860,978</b>

Bar and restaurant gross margins have reduced in 2018 as a direct result of providing a discount to members at point of sale, which has replaced the loyalty points programme which ceased on 30 June 2017 (refer note 20). The saving by not incurring a loyalty point expense in 2018 approximates the decrease in bar and restaurant gross margins.

## 6. Club Activities

Activity	Gross Takings \$	Expenses \$	2018 Net \$	2017 Net \$
Raffles	62,673	45,253	17,420	7,336
Pool	5,589	233	5,356	4,591
Billiards	4,930	3,348	1,582	498
Gym	55,752	39,895	15,857	13,607
Housle	46,709	12,325	34,384	39,934
TAS	9,084	309	8,775	10,872
Tea and Coffee	2,477	-	2,477	3,916
Kids Room	4,599	-	4,599	4,102
Ham Raffles	-	-	-	271
<b>TOTAL:</b>	<b>191,813</b>	<b>101,363</b>	<b>90,450</b>	<b>85,127</b>

Gym expenses includes \$37,951 wages (2017 \$47,450)

## Notes to the Financial Statements

Blenheim Workingmen's Club  
For the year ended 30 June 2018

### 7. Gaming Activities

	2018	2017
	\$	\$
<b>GAMING REVENUE</b>		
Proceeds from Gaming Machines	1,280,634	1,315,942
Gain/(Loss) on Sale of Assets	2,028	(6,412)
Interest on Gaming Machine Funds	389	709
<b>Total Revenue</b>	<b>1,283,051</b>	<b>1,310,239</b>

	2018	2017
	\$	\$
<b>DIRECT GAMING COSTS</b>		
Accounting Fees	1,008	750
Audit Fees	1,500	1,500
Cleaning	8,316	7,560
Electricity	19,956	18,144
Electronic Monitoring Fees	21,730	21,822
Gaming Machine Duty	294,545	302,649
Gaming Machine Fees	20,107	19,072
Insurance - Gaming	10,800	9,828
Miscellaneous Venue Costs	1,400	1,260
Operator's Licence - Renewal Cat.A	1,130	1,130
Problem Gaming Levy	19,145	19,688
Salaries & Wages - Direct	105,576	95,982
Service & Repair	28,084	27,900
Venue Licence - Amendment	507	507
Venue Licence - Renewal Cat.A	113	113
Depreciation - Gaming Machines (note 10)	42,251	49,111
<b>Total Direct Gaming Costs</b>	<b>576,168</b>	<b>577,016</b>

	2018	2017
	\$	\$
<b>INDIRECT GAMING COSTS</b>		
<b>(Authorised Purposes)</b>		
Advertising & Publishing	1,151	895
Body Corporate Levy (Note 21)	95,238	88,154
Capitation Fees	30,526	20,074
Cleaning	8,943	11,631
Computer Costs	2,201	1,894
Light Power Heating & Gas	143,185	125,352
Membership Cards	2,242	2,359
Newspapers	512	-
Printing & Stationery	4,369	3,961
Purchases	-	4,973
Rates	12,890	-
Repairs & Maintenance	12,616	11,146
Security	3,750	903
Sky TV	17,761	20,684
Telephone	958	-
<b>Total Indirect</b>	<b>336,342</b>	<b>292,027</b>
<b>Total Gaming Expenses</b>	<b>912,510</b>	<b>869,043</b>
<b>GROSS SURPLUS FROM GAMING</b>	<b>370,541</b>	<b>441,197</b>

Also spent on authorised purposes were \$209,775 (2017 \$271,168) for interest, \$50,000 (2017 \$10,000) for repayments of loans to contributing members and \$60,000 (2017 \$80,000) for loan principal payments to the ANZ Bank. Also \$20,359 (2017 \$31,623) was applied towards asset purchases.

The gaming activities have also been allocated a greater portion of various costs in the 2018 financial year compared to prior years.

## Notes to the Financial Statements

Blenheim Workingmen's Club  
For the year ended 30 June 2018

### B. Cash and Cash Equivalents

	2018 \$	2017 \$
ANZ 00 Account - (Bank Overdraft)	(49,657)	(33,987)
ANZ 02 Account - (Sections)	27,136	10,214
ANZ 03 Account - (House)	17,029	30,340
ANZ 04 Account (Gaming)	26,985	92,541
ANZ 25 Account	77,685	77,415
ANZ 01 Account	74,196	60,801
Cash on Hand	70,943	70,068
Foodstuffs - Trading Credit Account	4,126	4,126
Foodstuffs - At Call Deposit Account	39,566	32,061
Cash and Cash Equivalent in the Statement of Cash Flows	286,009	343,579

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

### 9. Accounts Receivable

	2018 \$	2017 \$
Receivables from Exchange Transactions	47,504	30,614
	47,504	30,614
Made up of:		
Trade Debtors	36,669	24,246
Owing by Body Corporate	10,835	6,368
	47,504	30,614

### 10. Property, Plant & Equipment

	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

## Notes to the Financial Statements

Blenheim Workingmen's Club  
For the year ended 30 June 2018

### 10. Property, Plant & Equipment (continued)

	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
<b>Balance at 30 June 2018</b>	<b>17,402,329</b>	<b>(3,570,005)</b>	<b>13,832,324</b>

	Opening Balance	Additions	Disposals	Reclassification to assets held for sale	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Land						
-Alfred Street	634,000	-	-	-	-	634,000
-Russell Terrace	940,000	-	-	(940,000)	-	-
Buildings						
-Alfred Street	12,900,180	23,225	-	-	(157,049)	12,766,356
-Russell Terrace	403,368	-	-	(395,301)	(8,067)	-
Beer Tanks	3,260	-	-	-	(2,294)	966
Gym Equipment	65,709	-	-	-	(6,571)	59,138
Plant	377,740	46,994	-	-	(55,881)	368,853
Motor Vehicles	9,187	-	-	-	(1,055)	8,132
Gaming Machines	171,184	50,500	(7,412)	-	(49,111)	165,161
<b>Balance at 30 June 2017</b>	<b>15,504,628</b>	<b>120,719</b>	<b>(7,412)</b>	<b>(1,335,301)</b>	<b>(280,028)</b>	<b>14,002,606</b>

Reclassification to assets held for sale includes the sale of the Russell Terrace property on 7 July 2017.

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Land - Alfred Street	634,000	-	634,000
Buildings - Alfred Street	14,385,450	(1,619,092)	12,766,358
Beer Tanks	70,866	(69,900)	966
Gym Equipment	181,941	(122,803)	59,138
Plant	1,379,884	(1,011,033)	368,851
Motor Vehicles	28,889	(20,757)	8,132
Gaming Machines	654,696	(489,535)	165,161
<b>Balance at 30 June 2017</b>	<b>17,335,726</b>	<b>(3,333,120)</b>	<b>14,002,606</b>

(a) Land and Buildings

## Notes to the Financial Statements

### Blenheim Workingmen's Club For the year ended 30 June 2018

#### (a) Land and Buildings

The Russell Terrace property was sold on 7th July 2017. The net proceeds on sale were \$1,325,699 which equated to the book value at 30 June 2017.

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 24). 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 as 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 \$19,000,000. 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 \$31,079,000. 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 \$42,251 (2017 \$49,111). Depreciation on all other depreciable assets is shown as an operating expense \$215,111 (2017 \$230,917).

#### 11. Accounts Payable

	2018 \$	2017 \$
Trade Creditors - operating	128,722	92,279
- purchase of gaming machines	39,100	-
Holiday Pay Accrual	131,327	140,945
PAYE and Other IRD Deductions Owing	35,928	35,828
Wages Accrued	21,070	19,989
Gaming Trade Creditors	43,189	70,624
Interest Payable	65,310	73,067
ACC Levies	1,323	1,834
Owing to Body Corporate	6,180	9,056
Audit Fee Accrued	14,500	14,500
	<b>486,649</b>	<b>458,122</b>
Payables for Exchange Transactions	479,771	451,271
Payables for Non-Exchange Transactions	6,878	6,851
	<b>486,649</b>	<b>458,122</b>

# Notes to the Financial Statements

## Blenheim Workingmen's Club For the year ended 30 June 2018

### 12. Owing to Members

	2018 \$	2017 \$
Member Club Accounts	9,716	9,229
	9,716	9,229

### 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 November 2013 and has a facility limit of \$5,384,830. The total amount owing at balance date is \$3,916,296 (2017 \$5,211,115). The loan is repayable in the 2019 financial year but it is intended to be renewed for a further 5 years.

The interest rates applying at balance date were 5.25% per annum (2017 5.15% per annum). The interest rate increased to 5.35% from 13 August 2018.

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. There is a bank covenant requiring earnings before interest and depreciation to be no less than 1.2 times the interest on bank borrowings (2017 1.2). The Club complied with this covenant as at 30 June 2018.

	2018 \$	2017 \$
Total Loans Owing	3,916,296	5,211,115
Less Current portion - due within 1 year	-	(1,434,285)
Non-Current portion - due beyond 1 year	3,916,296	3,776,830

### 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 2018 financial year \$12,161 was recognised as income (2017 \$12,161). The balance of the Marlborough Bridge Club Inc contribution remaining is \$267,539 (2017 \$279,700) of which \$12,161 is the current portion and \$255,378 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 (2017 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 (2017 \$55,000). The advance is unsecured, with interest paid at 8% for \$25,000 (2017 8%) and 6% for \$30,000 (2017 6%). The loan is repayable in September 2018 but is intended to be renewed for a further period.

## Notes to the Financial Statements

### Blenhelm Workingmen's Club For the year ended 30 June 2018

#### 17. Asset Revaluation Reserve

	2018	2017
	\$	\$
Opening Balance	-	1,483,776
Less transfer to Accumulated Comprehensive Revenue & Expense	-	(1,483,776)
Closing Balance	-	-

The asset revaluation surplus arose from revaluations of the Russell Terrace land and buildings in past years, and has been eliminated following the sale of the Russell Street property in July 2017.

#### 18. Accumulated Comprehensive Revenue and Expense

	2018	2017
	\$	\$
Opening Balance	8,692,563	7,454,371
(Deficit) for the year	(127,994)	(245,584)
Transfer from Asset Revaluation Reserve	-	1,483,776
Closing Balance	8,564,569	8,692,563

#### 19. Members Distributions & Benefits

	2018	2017
	\$	\$
Members' Tax Rebate	8,186	8,288
Members' Vouchers	91,591	99,728
Newspapers	2,406	3,181
Loyalty Points Accrual (refer note 20)	-	61,642
Membership Draws	42,000	57,900
Marlborough RSA Contribution	20,400	20,400
Total	164,583	250,539

#### 20. Loyalty Points

Loyalty Points Accrual is the amount accrued during the year after Loyalty points have been issued with some being redeemed. Loyalty points expired on 30 June 2017 and therefore there is no longer any amount carried forward in the accounts. The loyalty points programme has been withdrawn by the Committee. This has been replaced by applying discounts at the point of sale.

#### 21. Body Corporate Levy

On 1 July 2009 a separate body corporate entity commenced activities. Body Corporate No. 393782 was formed to meet costs including clearing, 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 \$88,683 (2017 \$88,683), \$95,238 was charged to indirect gaming costs (2017 \$88,154). Net income of \$5,278 arose in 2018 as a result of transferring more funds between the main trading bank account and the gaming bank account for the 2018 levy.

#### 22. 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 used is shown in (b).

Committee members have lent \$110,000 to the Club (2017 \$120,000), with no new advances in 2018 and one repayment of \$10,000. Marlborough RSA Inc as lent \$55,000 (2017 \$55,000).

## Notes to the Financial Statements

### Blenheim Workingmen's Club For the year ended 30 June 2018

#### (b) Key Management Personnel Compensation

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

	2018 \$	2017 \$
Remuneration paid to President (0.1 FTE)	3,098	3,242
Remuneration paid to Committee Members (0.7 FTE's)	-	-
Remuneration paid to Key Management Personnel (8 FTE's)	408,754	409,402
	411,852	412,644

#### 23. 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 (2017 same contingent liability). The contingent liability would be 3/7ths of the sale proceeds, which amounts to approximately \$5.2 million at 30 June 2017. 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 (2017 Nil).

#### 24. Capital Commitments

At balance date there are no capital commitments (2017 \$10,000 for external signage).

#### 25. Other investments - Foodstuffs Shares

	2018 \$	2017 \$
Foodstuffs - Trading Deposit Shares	16,611	16,611
Foodstuffs - Retained Patronage Shares	13,210	16,197
	29,821	32,808

#### 26. 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:

	2018 \$	2017 \$
Less than one year	16,086	19,399
One to three years	22,873	7,489
Three to five years	18,590	-
	57,549	26,888

## Notes to the Financial Statements

**Blenheim Workingmen's Club**  
**For the year ended 30 June 2018**

### 27. Financial Instruments

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

	2018 \$	2017 \$
<b>Loans and Receivables</b>		
Cash and Cash Equivalents	288,009	343,579
Receivables	47,504	30,614
<b>Total Loans and Receivables</b>	<b>335,513</b>	<b>374,193</b>
<b>Financial Liabilities Measured at Amortised Cost</b>		
Accounts Payable	486,649	458,122
Owing to Members	9,716	9,229
ANZ Bank Loans	3,916,296	5,211,115
Loans from Members	779,329	829,329
Loans from Marlborough Returned Services Association Inc	55,000	55,000
<b>Total Financial Liabilities Measured at Amortised Cost</b>	<b>5,246,990</b>	<b>6,562,795</b>

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

### 28. 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 2018 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 2018 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.

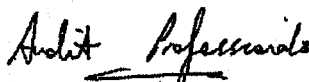
In preparing the financial statements the Committee is responsible for assessing the Club's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee either intends to liquidate the Club or to 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](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  
29 August 2018

Dunedin