



**NEW ZEALAND
COMPANIES OFFICE**



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Post your completed form to: Registrar of Friendly Societies and Credit Unions, Private Bag 92061, Victoria Street West, Auckland 1142

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

Friendly Societies and Credit Unions Act 1982

Name of dispensary / club

Blenheim Workingmens Club T/A Clubs of Marlborough

Organisation number

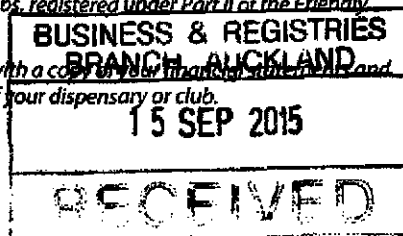
1803044

Financial year ended

30 /06 /2015

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 three months of the end of the financial year of your dispensary or club.



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	Gordon Herkt	Old Renwick Road, Blenheim
	Jason Clouston	40a Percy Street, Blenheim
	Dawn Walker	56 New Renwick Road, Blenheim
	Prue Matthews	14 Walkura Street, Renwick
	Barry Voss	2/5 Manor Place, Blenheim
	John Forrest	18 Glenroy Crescent, Blenheim
Trustees	John Cragg	9 Elzy Street, Blenheim
	Val Blaylock	4a Brookfield Place, Blenheim
	Rueben Walker	56 New Renwick Road, Blenheim
Secretary	Lee Davis	54 Leefield Street, Blenheim
Treasurer	N/A	N/A

B. 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

5965	BUSINESS & REGISTRIES BRANCH, AUCKLAND
396	
553	
5808	
27 OCT 2015	
RECEIVED	



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A. Names and addresses of officers

As at the date of the return; continue on a separate sheet if necessary)

	<i>Name</i>	<i>Residential address</i>
<i>Committee of management</i>	Marlene Lucas	25 Henry Street, Blenheim
	Ken Jones	9 Page Street, Blenheim
	Barry Cresswell	5 Brydon Street, Blenheim
<i>Trustees</i>		
<i>Secretary</i>		
<i>Treasurer</i>		

B. 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

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

Name of dispensary / club

Blenheim Workingmens Club T/A 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 7201

Postal address for communication

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

42 Alfred Street, Blenheim 7201

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 one of the following options:

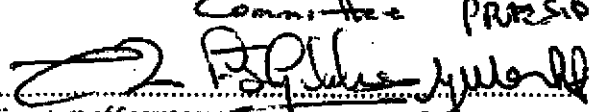
- A signed copy of the financial statements and auditor’s report (where applicable) are enclosed because the dispensary/club is:
 - an FMC reporting entity/ issuer (section 61); or
 - a specified not-for-profit (section 62).

OR

- Financial statements have not been prepared because the dispensary/club has opted out in accordance with section 64.

E. Certification

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

Committee PRESIDENT

 Signature of Secretary or Treasurer

Date: 11/09/2015

Form completed by:

Name: Michelle Bassett

Address:
 c/o 42 Alfred Street, Blenheim 7201

Email address:

Telephone number:

Fax number (if any):

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

Name of dispensary / club

Blenheim Workingmens Club T/A Clubs of Marlborough

Organisation number

1803044

Payment details

The fees shown below all include GST and are quoted in New Zealand dollars.

Amount

\$255.55 – Financial statements filing fee

\$60.00 – Annual return fee

The annual return fee includes a \$10 FMA Levy and \$10 XRB Levy.

Method of payment

Choose your payment method from the options below. Please do not send cash or a purchase order

Cheque

Make your cheque payable to the Registrar of Friendly Societies and Credit Unions

or

Credit card

Credit card type:

Visa

Mastercard

Amex

Diners

Expiry date:

/

Name of cardholder:

Card number:

Card Security Code:

Signature of cardholder:

NOTE

Your Card Security Code number is the three or four-digit number printed on your card.
For Visa, Mastercard & Diners cards this is typically found printed on the signature panel on the back of your card.
On Amex cards this is a four-digit number printed on the front of the card, above the main credit card number.

or

Direct debit

Your (or your organisation) name:

OR

Your nine-digit User ID No:

Signature:

Statement of Financial Position

Blenheim Workingmens Club As at 30 June 2015

	Note	2015 \$	2014 \$
ASSETS			
Current Assets			
Cash on Hand		344,741	207,413
Cash at Bank - Gaming		175,952	144,149
Accounts Receivable	6	53,180	41,058
Prepaid Expenses		1,300	290
Stock on Hand		84,281	94,864
Total Current Assets		659,654	487,774
Non-Current Assets			
Property, Plant & Equipment	7	15,744,449	15,922,091
Deposits in Foodstuffs (South Island) Ltd		151,272	139,971
Total Non-Current Assets		15,895,721	16,062,062
Total Assets		16,555,375	16,549,836
LESS LIABILITIES			
Current Liabilities			
GST Due for Payment		33,352	34,679
Accounts Payable	8	428,800	444,426
Owing to Members	9	70,869	65,467
Subscriptions Received in Advance		168,490	152,870
ANZ Bank - Current Portion of Loans	10	120,000	160,000
ANZ Bank - Interest owing on Loans		27,609	27,600
Income in Advance		7,976	2,636
Marlborough Bridge Club Inc - Money in Advance - Current Portion	11	12,161	12,161
		869,247	899,839
Non-Current Liabilities			
Members Debouces	12	97,908	97,908
ANZ Bank Loans - Non current portion	10	5,209,834	5,159,830
Loans from Members	13	973,329	759,000
Owed to Marlborough Returned and Services Assn Inc	14	634,000	634,000
Marlborough Bridge Club Inc - Money in Advance - Non current portion	11	291,861	304,822
		7,206,924	6,954,752
Total Liabilities		8,076,172	7,854,591
NET ASSETS REPRESENTED BY MEMBERS' FUNDS		\$8,479,203	\$8,695,245
MEMBERS' FUNDS			
Asset Revaluation Reserve	15	1,483,776	1,483,776
Retained Earnings	16	6,995,427	7,211,469
TOTAL MEMBERS' FUNDS		\$8,479,203	\$8,695,245

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements and Auditor's Report.

Notes to the Financial Statements

Blenheim Workingmens Club For the year ended 30 June 2015

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 Workingmens Club, (a society registered under the Friendly Societies and Credit Unions Act 1962). The financial statements have been prepared according to generally accepted accounting practice in New Zealand (NZ GAAP).

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.

As a public benefit entity, Blenheim Workingmens Club is required to comply with the new financial reporting framework for financial statements which has been developed by the External Reporting Board (The XRB). This will apply for the first time for the year ending 30 June 2016. The Club will be a Tier 2 entity that will be required to comply with new Non-for-Profit Public Benefit Entities Standards that are based on International Public Sector Accounting Standard (IPSAS).

In the 2015 financial year the Club has continued to prepare its financial statements following the existing accounting standards as appropriate for entities that are not publicly accountable and not defined as large in the standard XRB1.

The change in 2016 is not expected to have any significant impact on the measurement of the figures reported or the presentation and disclosure of the information reported except that a Statement of Cash Flows will be required to be included within the financial statements.

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 Club's activities. Gaming activities revenue includes deductions from the proceeds of gaming machines, for direct and indirect gaming costs, for authorised purposes.

(b) Income Tax

The Club is not subject to income tax under exemptions provided by S.CB1 of the Income Tax Act for Friendly Societies.

(c) Accounts Payable

Accounts Payable are stated at the amounts owing at balance date.

(d) Accounts Receivable

Accounts Receivable are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

(e) Property, Plant & Equipment

Property, plant and equipment have been included at cost or valuation, less accumulated depreciation. Land and buildings for the Russell Terrace property are recorded at revalued amount and the Alfred Street property is recorded at historical cost, less depreciation. All other items are recorded at historical cost less depreciation. All costs related to the development of property were capitalised into the property, including interest on borrowings on the Clubs of Marlborough premises to the completion date.

(f) Cash and Deposits

Cash and deposits are carried at cost.

(g) Depreciation

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

- (a) Plant, furniture and fittings, and gym equipment 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
- (g) Motor Vehicles 10-20% DV

(h) Stock on Hand

Stock on hand is recorded at the lower of cost and net realisable value. Cost is based on the first-in first-out basis.

Notes to the Financial Statements

(i) Goods & Services Tax (GST)

The Statement of Financial Performance has been prepared so that all components are stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST, with the exception of account receivables and payables.

(j) Changes in Accounting Policies

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

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 are available to respective Section members on request. Total held at 30 June 2015 for Sections is \$105,680 (2014: \$109,199).

3. BAR & RESTAURANT TRADING

	2015	2014
	\$	\$
BARS - Sales	1,323,307	1,380,504
Cost of Sales (incl wages \$373,810, 2014 \$386,340)	815,903	878,660
Gross Margin	507,404	481,844
OFF-SALES - Sales	53,988	58,354
Cost of Sales	46,995	46,297
Gross Margin	6,993	12,057
CIGARETTES - Sales	44,532	48,431
Cost of Sales	39,195	41,242
Gross Margin	5,337	7,189
RESTAURANT - Sales	1,842,603	1,844,002
Cost of Sales (incl wages \$651,037, 2014 \$657,718)	1,306,747	1,323,349
Gross Margin	535,856	520,753
OUT CATERING - Sales		
Cost of Sales	1,029	1,611
Gross Margin	(1,029)	(1,611)

Statement of Movements in Equity

Blenheim Workingmens Club For the year ended 30 June 2015

	Note	2015 \$	2014 \$
EQUITY AT START OF PERIOD	23	8,695,245	9,124,306
		<u>8,695,245</u>	<u>9,124,306</u>
SURPLUS & REVALUATIONS			
Net (Deficit) for the year		(216,042)	(243,171)
(Decrease) in Asset Revaluation Reserve	15	0	(185,890)
Total Recognised Revenue & Expenses		<u>(216,042)</u>	<u>(429,061)</u>
EQUITY AT END OF PERIOD		<u><u>\$8,479,203</u></u>	<u><u>\$8,695,245</u></u>

For and on behalf of the Combined Committee



28 August 2015

Statement of Financial Performance

Blenheim Workingmens Club For the year ended 30 June 2015

	Note	2015 \$	2014 \$
REVENUE			
Bars & Restaurant Trading	3	3,264,430	3,311,291
Club Activities	4	231,714	212,761
Gaming Activities	5	1,160,277	1,149,086
Subscriptions		242,975	232,391
Total Revenue		4,899,396	4,905,529
Less Expenses			
Bar & Restaurant Trading	3	2,211,310	2,292,188
Club Activities	4	126,069	135,932
Gaming Activities	5	616,198	631,007
Wages - Unallocated		557,898	542,912
Audit Fees - Non Gaming Portion		9,500	13,550
Depreciation	7	244,703	260,002
Interest - Overdraft		6,389	5,707
Interest - Other		62,167	49,825
Interest - Borrowings		335,581	316,106
Lease of Equipment		21,149	13,014
General Administration Expenses		719,709	722,514
Members Distributions and Benefits	17	200,125	189,333
Body Corporate Levy	18	76,291	78,394
Total Expenses		5,187,089	5,250,484
		(287,693)	(344,955)
Other Income			
Miscellaneous Income		68,536	82,784
Dividends Received		2,962	3,201
Interest Earned		8,792	4,876
		80,290	90,861
NET TRADING (DEFICIT)		(207,403)	(254,094)
Other Items			
(Loss) on Sale of Plant & Equipment		(5,150)	0
Section activity surplus / (deficit)	2	(3,489)	10,924
		(8,639)	10,924
NET (DEFICIT)		\$(216,042)	\$(243,171)

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements and Auditors' Report.

Notes to the Financial Statements

	2015	2014
	\$	\$
TOTAL NET INCOME:	1,654,561	1,626,232
Less Expenses:		
Staff Drinks / General Hospitality	1,441	1,129
BARS & RESTAURANT'S CONTRIBUTION	\$ 1,653,120	\$ 1,619,103
Summary		
Total revenue	3,264,430	3,311,291
Total expenses	2,211,310	2,292,188
	\$ 1,053,120	\$ 1,019,103

4. CLUB ACTIVITIES

Activity	Gross	Expenses	2015	2014
	Takeings		Net	Net
Raffles	65,024	49,862	15,162	4,940
Pool	3,501	312	3,189	4,137
Billiards	2,485	3,977	(1,492)	(1,463)
Gym	78,368	53,433	24,935	17,102
Housie	58,526	16,205	42,321	30,643
TAB	16,511	1,225	15,286	14,646
Tea & Coffee	3,398	-	3,398	2,857
Kids Room	2,727	115	2,612	2,904
Ham Raffles	1,174	940	234	1,063
TOTAL:	\$ 231,714	\$ 126,089	\$ 105,625	\$ 76,829

Gym expenses includes \$52,971 wages (2014 \$63,341).

Notes to the Financial Statements

5. GAMING ACTIVITIES		
	2015	2014
GAMING REVENUE	\$	\$
Gain / (Loss) on Sale of Assets	263	(1,977)
Interest on Gaming Machine Funds	3,819	3,142
Proceeds	1,156,195	1,147,921
Total Sales	1,160,277	1,149,086
DIRECT GAMING COSTS		
Accounting Fees	750	800
Audit Fees	1,500	1,450
Cleaning	7,560	7,530
Electricity	18,144	18,072
Electronic Monitoring Fees	14,752	13,776
Gaming Machine Duty	265,952	269,386
Gaming Machine Fees	11,333	11,333
Insurance - Gaming	9,828	9,789
Miscellaneous Venue Costs	1,260	1,255
Operator's Licence - Amendment	565	-
Operator's Licence - Renewal Cat. A	1,130	1,130
Problem Gambling Levy	17,420	17,320
Salaries & Wages - Direct	95,981	95,601
Service & Repair	28,170	27,900
Venue Licence - Amendment	451	-
Venue Licence - Renewal Cat. A	113	113
Depreciation - Gaming Machines (Note 7)	56,358	49,326
Total Direct Gaming Costs	531,267	519,781
INDIRECT GAMING COSTS (Authorised Purposes)		
Bank Fees	1	-
Capitation Fees	20,481	375
Light Power Heating & Gas	45,316	94,585
Repairs & Maintenance	1,980	-
Sky TV	17,153	16,266
Total Indirect Costs	84,931	111,226
Total Gaming Expenses	616,198	631,007
GROSS SURPLUS FROM GAMING	544,079	518,079

is restoring. Club Raffles and Housie have also received good Member support and our volunteers are to be thanked for their efforts. Also of note is our Manageable Overheads that have been well contained.

In summary, we have traded through another difficult year but through various initiatives and strategies implemented we have produced some positive results. But at the end of the day it comes down to Member usage and the continued support that you give to your Club if we are to return to producing a surplus, but more importantly, reducing our mortgage.

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

Clubs of Marlborough. I thank all Club Members for your support throughout the year and encourage you all to continue to utilise the extensive facilities and services that your Club provides. Visitors to our Club over the past year confirm we are still the envy of the Club movement. To my President, Committee and various other Societies and Committees that I have worked with over the past year, thank you for your support. It continues to be a challenge but we are prepared for that and eagerly look towards the completion of the Civic Theatre, the financial rewards that it will bring and a trading surplus for the year end.

Lee Davis,
Chief Executive Officer.

ANNUAL REPORT OF THE GRANTS COMMITTEE 2015

Payments made to Authorised Purposes as listed below	605,327
	<u>605,327</u>
Authorised Purposes Payments 2014/2015	
Bank Fee	1
Capitation Fee	20,481
Contributing Members	40,000
Interest	335,581
Light, Power, Heating & Gas	45,316
Principal Repayments	144,815
Repairs & Maintenance	1,980
Sky TV	17,153
Total Authorised Purposes excl GST	<u>605,327</u>

CHIEF EXECUTIVE OFFICER'S REPORT

Finance.

Another full year under the construction of the Civic Theatre, continued resistance from some in utilising the Alfred Street Car Park Building and the new Drink/Drive legislation introduced on the 1st of December 2014 have all impacted on our performance, contributing towards another significant deficit.

However, the deficit of \$216,042 in 2015 was a reduction compared to the \$243,171 deficit incurred in 2014. Before depreciation there was a cash surplus of approximately \$85,000 in 2015 compared to approximately \$66,000 in 2014. While this is an improvement, this is not a large amount to fund the purchase of fixed assets.

As you will see when you analyse the accounts, your Committee, Management and Staff have worked hard throughout the year to offset this downward turn and in many areas they have done extremely well and are all to be congratulated. Despite this overall improved performance the Bar has suffered an immediate downturn as a direct result of the new Drink/Drive legislation and will continue to remain under pressure as the Government ramps up its scaremongering advertising campaigns to support the new legislation.

The fact is, within the guidelines, you are still allowed to moderately drink and drive and the Club also supports a large range of quality low alcohol beers and wines. But of course to be sure, the 50% Taxi Rebate Scheme is still the best offer in town for our Members.

Unfortunately, this improved performance is insufficient to support our commitment to the Bank. Due to our poor trading we have been unable to service our mortgage and we are currently on a Principal Holiday and unless our Bar Revenue recovers and our gaming continues to return to previous levels, things will not change. So it is imperative that we support and take full advantage of the financial synergies that the opening of the new Civic Theatre will provide for our Club and Members and that we sincerely look to get a greater financial return out of our investments, in particular the Marlborough Club.

Our catering operation is still being well supported and enhancements to our gaming lounge have improved performance. A restructuring of our Fitness Centre has reversed downward trends and by introducing specific classes for our older Members and mums with babies our membership

Notes to the Financial Statements

Also spent on authorised purposes were \$335,981 (2014: \$316,109) for interest, \$40,000 (2014: \$0) for repayments of loans to contributing members, and loan principal payments to the ANZ bank of \$144,815 (2014: \$250,000).

6. ACCOUNTS RECEIVABLE

	2015	2014
	\$	\$
Trade Debtors	42,753	30,209
Owing by Body Corporate	10,427	10,849
Total	\$ 53,180	\$ 41,058

7. PROPERTY, PLANT AND EQUIPMENT

Asset	Cost or Valuation	Depreciation 2015	Accumulated Depreciation	Book Value 30.06.15	Book Value 30.06.14
Land					
- Russell Terrace	940,000	0	0	940,000	940,000
- Alfred Street	634,000	0	0	634,000	634,000
Freehold Buildings					
- Russell Terrace	420,000	8,400	8,400	411,600	420,000
- Alfred Street	14,345,073	159,741	1,304,180	13,040,893	13,200,635
Plant	1,314,856	65,236	899,806	415,050	475,434
Beer Tanks	70,866	2,294	65,312	5,354	7,848
Gym Equipment	179,275	7,640	110,133	69,142	76,184
Motor Vehicles	28,689	1,393	18,491	10,398	11,790
Gaming Machines	730,030	56,358	512,218	217,812	156,200
	\$18,662,989	\$301,062	\$2,918,540	\$15,744,449	\$15,922,091

(a) Land and Buildings

The land and buildings shown above comprise the Russell Terrace property, and the Alfred Street property for the Clubs of Marlborough. The Russell Terrace property was revalued at 30 June 2014 to independent valuation of \$1,360,000. The valuers were Alexander Hayward Limited, independent registered valuers. The basis of valuation is fair value between a willing but not anxious buyer and a willing but not anxious seller. The valuation at 30 June 2014 was \$185,890 below book value and the property was written down to the valuation amount in the 2014 financial year. The most recent rating valuation of the property is also \$1,360,000.

Notes to the Financial Statements

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 valuation of the land and buildings for 42 Alfred Street is for \$19,000,000 (previously \$17,950,000). 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 a 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 556,358 (2014 549,326). Depreciation on all other depreciable assets is shown as an operating expense \$244,703 (2014 5260,802).

8. ACCOUNTS PAYABLE

	2015	2014
	\$	\$
Trade Creditors	120,464	142,105
Holiday Pay Accrued	133,050	132,328
PAYE and Other IRD Deductions	39,129	38,896
Wages Accrued	7,272	3,890
Gaming Trade Creditors	49,728	24,167
Interest Payable	56,069	47,095
ACC Levies	6,142	5,247
Insurance	-	28,375
Owing to Body Corporate	2,396	7,513
Audit Fee Accrued	14,400	14,400
Total	428,800	444,426

throughout the year to restore the financial viability of our Fitness Centre. Well done, your combined efforts are appreciated.

CONTRIBUTING MEMBERS

Thank you for your continued support and to our new Contributing Members who have invested, these funds assist in covering the shortfall of desired items deleted from the original tender

SECTIONS AND VOLUNTEERS

Thanks to Combined Section Chairman Phil Gibbons and Vice Chairman Val Wadsworth and the recent appointment of your Secretary Deana Quissey. To all of you it is a pleasure to see the passion you have shown towards lifting the profile of all the Sections, but also of Clubs of Marlborough. This is the area we have to look to for revenue in attracting Island and National Clubs New Zealand tournaments and social gatherings of our Adjuncts at the Club. Finally, to all our volunteers that assist with House and Club Raffles – we sincerely thank you, your efforts are most appreciated.

COMMITTEE

To the President and Members of the Marlborough Returned and Services Association. This past year has been very involved for you all with the commemoration of 100 years of ANZAC. The dedication and commitment you have all put in is truly admirable. It is lovely to see our Club being utilised on such occasions – it gives it heart and a great feeling. To those appointed to our Clubs of Marlborough Committee – thank you again for assisting to ensure harmony in our relationship continues.

To my Committee and Trustees, it is a privilege to work with you. Thank you for your dedication in your respective roles, especially with the running of the Kids Club promotions, Christmas Party and Super Sundays.

Gordon Herkt
President
Clubs of Marlborough.

PRESIDENT'S REPORT

Year Ending 30th June 2015

It is a pleasure to welcome you to our 127th Annual General Meeting of the Blenheim Workingmen's Club, now trading as the Clubs of Marlborough. To those Members and family who have had a loss of a loved one or suffered through illness, please accept our sympathies.

FINANCE

This year again the Club has suffered a deficit of \$216,042 (\$243,171 in 2014) and prior to depreciation we produced an operating profit of \$85,000 (\$66,000 in 2014).

The economy in New Zealand has not improved over the last 12 months and looks like continuing for a while yet. Some of the initiatives introduced last year to help offset the downturn have been successful and show in the trading figures of this report. We are also assisting our Adjuncts which are the backbone of any Club to attract Island or National Clubs New Zealand Tournaments as was seen in August this year with the Card Section hosting of the National Euchre Championships.

With the new Civic Theatre nearing completion this will assist with our general trading but to take full advantage of the financial synergies the placement of the Theatre can offer, a close working relationship needs to exist between the Theatre, Clubs and Convention Centre, otherwise it is a recipe for disaster. Club Management is working hard to ensure we extract that to its fullest potential and that Marlborough's "Convention Hub" becomes a successful reality, not just a vision.

STAFF

To my CEO Lee, Heads of Department and respective Staff, again this past year has been difficult. But with your dedication and great work ethics you have all carried out your duties with pride for our Members, which I thank you for.

To our Administration Staff thank you for your co-operation your services are appreciated. To the cleaning division, again the unsung heroes who keep our facilities clean and hygienic, the work that most Members see and appreciate. And of course our Fitness Centre team who have worked hard

Notes to the Financial Statements

9. OWING TO MEMBERS

	2015	2014
	\$	\$
Club Loyalty Points	63,438	57,901
Member Club Accounts	7,431	7,566
Total	70,869	65,467

10. ANZ BANK LOANS

Funding for the Clubs of Marlborough building development was from the ANZ National Bank who provided a loan facility of \$11,410,000. 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 \$5,329,834 (2014: \$5,319,830) and \$120,000 is expected to be repaid in the year to 30 June 2016 (2014: \$100,000).

The interest rates applying at balance date are 6.05 - 6.40% per annum (2014 6.00% per annum).

The ANZ National Bank loans are secured by first mortgage over the land and buildings by a specific security agreement over the plant and equipment and by a general security agreement over all assets and undertakings of the club. There is a bank covenant requiring earnings before interest and depreciation to be no less than 1.5 times the interest on the bank borrowings (2014: 1.5). This was revised to be no less than 1.3 times commencing with the three months to 30 June 2015. During the 2015 financial year and at 30 June 2014 there was a breach of this covenant but the Club was compliant with the revised ratio at 30 June 2015.

11. MARLBOROUGH BRIDGE CLUB INC

The Marlborough Bridge Club Inc. agreed to contribute up to \$400,000 (plus GST if any) to the building development, 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 2015 financial year \$12,161 was recognised as income (2014: \$12,161). The balance of the Marlborough Bridge Club Inc contribution remaining is \$306,022 (2014: \$316,183).

12. MEMBERS DEBENTURES

Unsecured advances were made to The Marlborough Club Inc. by its members many years ago. They are now a liability of the Blenheim Workingmen's Club, and are interest free. As the debentures are for only \$100 each and the Estates of members normally do not require repayments, the Committee is looking at the possibility of these monies being applied as donation income in the future.

13. 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 (previously 6-10%).

14. OWED TO MARLBOROUGH RETURNED AND SERVICES ASSOCIATION INC

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

Notes to the Financial Statements

15. ASSET REVALUATION RESERVE

	2015	2014
	\$	\$
Opening balance	1,483,776	1,669,666
Less revaluation following independent valuation at 30 June 2014	-	(185,890)
Closing balance	1,483,776	1,483,776

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

16. RETAINED EARNINGS

	2015	2014
	\$	\$
Opening balance	7,211,469	7,454,040
(Deficit) for the year	(216,042)	(243,171)
Closing Balance	\$6,995,427	\$7,211,469

17. MEMBER DISTRIBUTIONS & BENEFITS

	2015	2014
	\$	\$
Members' Welfare Meals	13,078	12,249
Members' Taxi Rebate	9,816	5,986
Members' Vouchers	101,483	99,544
Newspapers	2,412	2,191
Sick members	-	-
Loyalty Points Accrual	17,936	19,863
Membership Draws	35,000	29,100
MRSA	20,400	20,400
Total	200,125	189,533

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 (2014: \$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.

NOTICE OF MEETING

Sunday 4th October 2015 at 10.30am

BUSINESS

1. Confirmation of Minutes of the AGM held on 5th October 2014.
2. Adoption of the Annual Report and Balance Sheet for the period ending 30th June 2015.
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.

BLenheim WORKINGMEN'S CLUB

Trading as Clubs of Marlborough

ANNUAL GENERAL MEETING
Sunday 4th October 2015 at 10.30am

OFFICERS

		Meeting Attendance
President	Gordon Herkt	10
Vice President	Jason Clouston	11
Committee	Dawn Walker	10
	Prue Matthews	11
	Barry Voss	11
	John Forrest	9
	Marlene Lucas	10
	Ken Jones	9
	Barry Cresswell	11
MRSA Representatives	Ernie Thomson	10
	Rod Shoemark	9
Trustees	John Cragg	11
	Val Blaylock	10
	Rueben Walker	10
Chief Executive Officer	Lee Davis	11

Please Note:

There are only 11 meetings throughout the year.

Notes to the Financial Statements

18. BODY CORPORATE LEVY

On 1 July 2009 a separate body corporate entity commenced activities. Body Corporate No. 395782 was formed to meet costs including cleaning, repairs and rubbish collection, in connection with the common property of the two Proprietors, Marlborough District Council and Clubs of Marlborough, for the 42 Alfred Street site. These costs are recovered through the levy charged to the Club.

19. RELATED PARTY TRANSACTIONS

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

20. CONTINGENT LIABILITIES

At balance date there are no known contingent liabilities other than the contingent liability to Marlborough Returned And Services Association Inc. in the event that the property at Alfred Street were to be sold (2014: same contingent liability). The contingent liability would be 3/7ths of the sale proceeds, which amounts to approximately \$4.7million at 30 June 2015, 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 (2014: Nil).

21. CAPITAL COMMITMENTS

At balance date there are no significant capital commitments (2014: \$0).

22. LEASE COMMITMENTS

The Club entered into several lease arrangements for the computer system and equipment with varying terms. The financial obligations under the leases at balance date are (2014: Nil):

Less than one year	\$ 16,237
One to three years	~\$ 13,129
Three to five years	\$ -
Total	\$ 29,366

23. PRIOR PERIOD ADJUSTMENT

The comparative figures for 2014 have been restated to recognise the amounts owing for interest on the bank loans and the audit fee accrual at balance date. This has increased current assets by \$27,600 and current liabilities by \$42,000 and reduced accumulated funds by \$14,400 at 30 June 2014. This adjustment has no impact on the reported result for the year ended 30 June 2014.

24. EVENTS SUBSEQUENT TO BALANCE DATE

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

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

Report on the Financial Statements

We have audited the financial statements of Blenheim Workingmen's Club on pages 8 to 19, which comprise the statement of financial position as at 30 June 2015, the statement of financial performance and statement of movements in equity for the year then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information.

Committee's Responsibility for the Financial Statements

The Committee is responsible for the preparation and fair presentation of financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal controls as the Committee determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

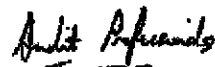
Other than in our capacity as auditors we have no relationship with, or interests in, Blenheim Workingmen's Club.

Opinion

In our opinion, the financial statements on pages 8 to 19 present fairly, in all material respects, the financial position of the Blenheim Workingmen's Club as at 30 June 2015 and its financial performance for the year ended on that date in accordance with generally accepted accounting practice in New Zealand.

Restriction on Use of our Report

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



Chartered Accountants
28 August 2015

Dunedin

CONTENTS

Officers	2
Notice of Meeting	3
President's Report	4
Chief Executive Officer's Report	6
Annual Report of Grants Committee	7
Statement of Financial Performance	8
Statement of Movements in Equity	9
Statement of Financial Position	10
Notes to Financial Statements	11
Auditors' Report	20



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CLUBS OF MARLBOROUGH

ANNUAL REPORT
and

BALANCE SHEET
for Annual General Meeting
Sunday 4th October 2015.

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