

# Consolidated Financial Report

Ashburton Club & M.S.A  
For the year ended 31 March 2024

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# Directory

## Ashburton Club & M.S.A For the year ended 31 March 2024

### Nature of Business

Members Club with the operation of a Retail Bottle Store

### Address

266 Havelock Street, Ashburton

### Committee

J. Withell (President)  
M. Campbell (Vice President)  
R. McCraw  
L. Hampton  
K. Drummond  
M. Myers (Trustee)

### Independent Auditors

Ashton Wheelans  
Level 2, 83 Victoria Street  
Christchurch

### IRD Number

010-295-068

### Friendly Societies Number

1803041

### Entity Structure

Friendly Society

# Approval of Financial Report

## Ashburton Club & M.S.A For the year ended 31 March 2024

The Committee are pleased to present the approved financial report including the consolidated financial statements of Ashburton Club & M.S.A for year ended 31 March 2024.

APPROVED ON BEHALF OF THE COMMITTEE



J. Withell

President

Date ..... 18/7/24 .....



M. Myers

Trustee

Date ..... 18/7/24 .....

# Consolidated Statement of Service Performance

## Ashburton Club & M.S.A For the year ended 31 March 2024

Ashburton Club & MSA has more than 3000 members. The membership categories are Junior, Life and Ordinary. The object of the Club shall be to provide fellowship among members for their mutual benefit and provide social amenities, entertainment and recreation.

Ashburton Club & MSA is a member of Clubs New Zealand incorporated, which further provides enhancing and promoting all aspects of Club business and member interaction.

	2025 TARGET	2024 ACTUAL	2023 ACTUAL
<b>Performance Measures</b>			
Member Numbers at Balance Date	3,500	3,261	3,380
Events Held	50	52	36
Attendance by Committee at Meetings	12	12	15
Membership Promotions	240	164	194
Number of Sections	18	18	18

Bar food is available for members all day for member's support and convenience. Catering is available at all functions if required. Members can avail of catering facilities for sections or functions.

	2025 TARGET	2024 ACTUAL	2023 ACTUAL
<b>External Revenue Sources</b>			
Private Functions & Catering	52	48	-
Voluntary Member Events	74	53	-
Corporate Advertising/Sponsorship	15	3	-

\*2023 data unavailable for Private Functions & Catering

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# Consolidated Statement of Comprehensive Revenue and Expense

## Ashburton Club & M.S.A For the year ended 31 March 2024

	NOTES	2024	2023
<b>Revenue from Exchange Transactions</b>			
Members Subscriptions		82,298	87,783
Bar Sales		730,720	614,335
Bottle Store Sales		2,526,589	2,482,059
Gaming Income	14	698,820	763,608
Lease Received		163,468	113,665
Other Income	2	46,724	28,087
Sections Income		154,913	141,799
<b>Total Revenue from Exchange Transactions</b>		<b>4,403,532</b>	<b>4,231,336</b>
<b>Cost of Sales</b>			
Membership Costs		4,372	8,626
Bar Purchases		229,221	246,973
Bottle Store Purchases		2,173,638	1,993,333
Gaming Expenses (Including Depreciation)	14	318,356	289,487
Lease Expenses		13,805	5,061
Raffle Costs		2,324	700
Van Expenses		7,764	3,280
<b>Total Cost of Sales</b>		<b>2,749,480</b>	<b>2,547,460</b>
<b>Gross Surplus</b>		<b>1,654,051</b>	<b>1,683,876</b>
<b>Revenue from Non-Exchange Transactions</b>			
Dividends Received		265	318
Donations		2,000	-
Interest Income		3,920	2,169
Inland Revenue Penalties & Interest Remitted		183,853	-
Insurance Claims		51,642	6,153
Wage Subsidy Received		600	5,995
<b>Total Revenue from Non-Exchange Transactions</b>		<b>242,280</b>	<b>14,634</b>
<b>Gross Surplus &amp; Other Income</b>		<b>1,896,331</b>	<b>1,698,510</b>

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These financial statements should be read in conjunction with the accompanying notes and independent auditor's report.

	NOTES	2024	2023
<b>Expenses</b>			
Administrative Expenses	3	381,499	436,989
Employment Expenses	4	874,307	692,412
Property Expenses	5	323,778	263,808
Other Operating Expenses	6	25,640	147,047
Section Expenses		167,523	152,795
<b>Total Expenses</b>		<b>1,772,746</b>	<b>1,693,051</b>
<b>Total Comprehensive Revenue &amp; Expenses Before Depreciation, Interest and Tax</b>		<b>123,585</b>	<b>5,459</b>
<b>Depreciation (excluding Gaming)</b>			
Depreciation (excluding gaming)		364,194	380,684
<b>Total Depreciation (excluding Gaming)</b>		<b>364,194</b>	<b>380,684</b>
<b>Financing Expenses</b>			
Interest - BNZ Current Account	7	26,745	5,221
Interest - BNZ Project Loan	7	223,081	148,678
Interest- Overdraft	7	-	17
<b>Total Financing Expenses</b>		<b>249,826</b>	<b>153,916</b>
<b>Less Provision for Taxation</b>			
Under & (Over) provision for Income Tax in prior years		(232,350)	-
<b>Total Less Provision for Taxation</b>		<b>(232,350)</b>	<b>-</b>
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b>(258,086)</b>	<b>(529,141)</b>

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These financial statements should be read in conjunction with the accompanying notes and independent auditor's report.

# Consolidated Statement of Changes in Net Assets/Equity

## Ashburton Club & M.S.A For the year ended 31 March 2024

	NOTES	2024	2023
<b>Net Assets/Equity</b>			
Opening Balance		7,150,935	7,680,076
<b>Increases (Decreases)</b>			
Total Comprehensive Revenue and Expense for the Year		(245,476)	(518,245)
Sections Movements		(12,609)	(10,895)
<b>Total Increases (Decreases)</b>		<b>(258,086)</b>	<b>(529,141)</b>
<b>Total Net Assets/Equity</b>		<b>6,892,850</b>	<b>7,150,935</b>

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These financial statements should be read in conjunction with the accompanying notes and independent auditor's report.



# Consolidated Statement of Financial Position

## Ashburton Club & M.S.A As at 31 March 2024

	NOTES	31 MAR 2024	31 MAR 2023
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	8	193,029	342,397
Accounts Receivable from Exchange Transactions	9	50,796	26,961
Prepaid Expenses and Deposits		398	6,928
Inventories	10	288,260	338,299
Westpac Term Deposits	9	16,528	17,247
<b>Total Current Assets</b>		<b>549,011</b>	<b>731,833</b>
<b>Non-Current Assets</b>			
Equities (Unlisted)	12	7,566	8,947
Property, Plant and Equipment		9,945,293	10,180,534
<b>Total Non-Current Assets</b>		<b>9,952,859</b>	<b>10,189,481</b>
<b>Total Assets</b>		<b>10,501,870</b>	<b>10,921,315</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables from Exchange Transactions	9	540,220	336,723
Accruals		67,199	79,738
GST Payable		79,500	5,977
Provision for Taxation	17	47,390	464,320
Employee Entitlements	11	58,282	39,630
Current Portion of Bank of New Zealand Loan 003		250,000	-
Current Portion of Project Plus Loan	9	-	120,720
Loyalty Points Reserve		47,922	50,731
Income in Advance		68,806	63,380
<b>Total Current Liabilities</b>		<b>1,159,320</b>	<b>1,161,219</b>
<b>Non-Current Liabilities</b>			
Loan	9	2,449,700	2,609,160
<b>Total Non-Current Liabilities</b>		<b>2,449,700</b>	<b>2,609,160</b>
<b>Total Liabilities</b>		<b>3,609,020</b>	<b>3,770,379</b>
<b>Net Assets</b>		<b>6,892,850</b>	<b>7,150,935</b>
<b>Equity</b>			
Accumulated Revenue and Expense		6,806,863	7,052,339
Sections	13	85,987	98,596
<b>Total Equity</b>		<b>6,892,850</b>	<b>7,150,935</b>

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These financial statements should be read in conjunction with the accompanying notes and independent auditor's report.

# Consolidated Statement of Cash Flows

## Ashburton Club & M.S.A For the year ended 31 March 2024

	NOTES	2024	2023
<b>Statement of Cash Flows</b>			
<b>Cash Flow from Operations</b>			
<b>Cash Received From</b>			
Cash Received from Operations		4,623,019	4,072,774
Interest Received		3,920	2,169
Dividend Received		265	318
Donation Received		2,000	-
Wage Subsidy Received		600	5,995
Club Income Tax (Paid)		(184,579)	98,688
<b>Total Cash Received From</b>		<b>4,445,225</b>	<b>4,179,944</b>
<b>Cash Applied To</b>			
Cash Paid to Suppliers and Employees		4,264,601	4,024,175
Interest Paid		249,826	243,898
Goods and Services Tax Paid / (Received)		(97,664)	37,611
<b>Total Cash Applied To</b>		<b>4,416,763</b>	<b>4,305,684</b>
<b>Total Cash Flow from Operations</b>		<b>28,462</b>	<b>(125,740)</b>
<b>Cash Flows from Investing</b>			
<b>Cash Received From</b>			
Investment		2,100	(123)
<b>Total Cash Received From</b>		<b>2,100</b>	<b>(123)</b>
<b>Cash Applied To</b>			
Fixed Assets Purchased		149,750	13,056
<b>Total Cash Applied To</b>		<b>149,750</b>	<b>13,056</b>
<b>Total Cash Flows from Investing</b>		<b>(147,650)</b>	<b>(13,179)</b>
<b>Cash Flows from Financing</b>			
<b>Cash Received From</b>			
Term Loan Drawdowns		-	250,000
<b>Total Cash Received From</b>		<b>-</b>	<b>250,000</b>
<b>Cash Applied To</b>			
Term Loan Repayments		30,180	20,120
<b>Total Cash Applied To</b>		<b>30,180</b>	<b>20,120</b>
<b>Total Cash Flows from Financing</b>		<b>(30,180)</b>	<b>229,880</b>
Net Increase/(Decrease) in Cash		(149,368)	90,961
Cash & cash equivalents at beginning of period		342,397	251,436
Cash & cash equivalents at end of period		193,029	342,397
Net Change in cash for period		(149,368)	90,961

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These financial statements should be read in conjunction with the accompanying notes and independent auditor's report.

# Consolidated Statement of Accounting Policies

## Ashburton Club & M.S.A

### For the year ended 31 March 2024

#### 1. Reporting Entity

The Ashburton Club & MSA is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act (2013). Ashburton Club & M.S.A, is a registered Friendly Society under the Friendly Societies and Credit Union Act 1982.

These consolidated financial statements for the year ended 31 March 2024 comprise Ashburton Club & MSA and its controlled entity, Ashburton MSA Liquor Centre Limited, 100% owned by the Club (together referred to as the 'Group').

#### 2. Basis of Preparation

##### (a) Statement of Compliance

The Consolidated Financial Statements of Ashburton Club & MSA have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") Reduced Disclosure Regime and other applicable Financial Reporting Standards, as appropriate for Tier 2 not-for-profit public benefit entities, for which all reduced disclosure regime exemptions have been adopted.

The club qualifies as a Tier 2 reporting entity as for the two preceding reporting periods it has had between \$2 million and \$30 million operating expenditure and is not publicly accountable. The requirement has increased to be between \$5m and \$33m in this financial year, but the club will continue to report under Tier 2 voluntarily for consistency.

##### (b) Basis of Consolidation

The Consolidated Financial Statements incorporate the club and subsidiary controlled by the club. Control is achieved when the club;

- has power over the subsidiary
- is exposed or has rights, to variable returns from its involvement with the subsidiary
- has the ability to use its power to affect its returns

The financial statements of the group's controlled entity are included in the consolidated financial statements from the date that control commences until the date that control ceases.

All intragroup balances and transactions are eliminated in preparing the consolidated financial statements.

##### (c) Measurement Basis

The measurement base adopted is that of historical cost.

##### (d) Functional and Presentation Currency

The financial statements are presented in New Zealand dollars (\$) rounded to the nearest dollar. There has been no change in the functional currency of the entity during the year.

##### (e) Accounting Policies

The accounting policies detailed in the following notes have been applied consistently to all periods presented in these financial statements and have been applied consistently by both entities in the Group.

##### (f) Going Concern

The financial statements have been prepared on the basis that the entity is a going concern. For further commentary on the basis that the entity is a going concern, please refer to note 22.

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### 3. Use of Judgements and Estimation Uncertainties

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

- Stock values at lower of cost and net realisable value (Refer Note 10)
- Going Concern (Refer Note 22)
- Provision for Income Tax & Taxable Expenditure Deductions
- Transactions are classified as capital in nature if they add to the value of the asset
- Prepayments
- Disposals of Assets

#### Assumptions and Estimation Uncertainties - Tax

A significant amount of work has been completed on behalf of the Club to review income tax payable from revenue derived outside of the Club's membership dating back to the March 2016 financial year. The club is required to return taxable income from business activities outside of the circle of membership but is allowed a deduction for expenditure which is attributable to generating the taxable income.

Deductions for expenses are subject to estimation based on the proportional area of the land and buildings used for the taxable activity and are limited to those expenses which directly correlate to generating taxable income.

Depreciation has been reviewed for assets and is calculated on the IRD rates provided by their depreciation guide to estimate the useful life of the assets.

#### Judgements, Assumptions, & Estimates - Fixed Assets

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of the management of the Group.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes including how the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset.
- Property valuation & impairment.

#### Changes in Accounting Estimates

There have been no changes in accounting estimates that have a material effect on the financial statements.

### 4. Revenue

Revenue is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to the entity, and measured at fair value of consideration received or receivable. The following specific recognition criteria in relation to the group's revenue streams must also be met before revenue is recognised.

#### (a) Revenue from Exchange Transactions

Exchange transactions are those in which the entity receives assets or services, or has liabilities extinguished, and in exchange directly provides approximately equal value, in the form of cash, goods, services, or use of assets.

#### (i) Membership Fees and Subscriptions

Revenue is recognised over the period of the membership or subscription (usually 12 months). Amounts received in advance for memberships or subscriptions relating to future periods are recognised as a liability until such time as the period covering the membership or subscription occurs.

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**(ii) Sale of Goods**

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

**(iii) Lease Income**

Lease income is recognised in surplus or deficit on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total lease income, over the term of the lease.

**(iv) Gaming Proceeds**

Gaming proceeds are the net inflow from gaming machines.

Gaming Licensing Laws restrict the use to which the proceeds from gaming machines can be applied to. However, as the club is traditionally the ultimate beneficiary of these "Authorised Purpose Payments" then the Gaming Revenue is recognised when earned and not when applied or distributed.

**v) Section Income**

The sections balances are treated as part of the Club equity on the basis that:

- The sections exist solely within the Club structure
- If the section ceases the money would be retained by the Club
- If a new section is established, it must be done with the Club's approval.

Movement in section funds are considered to be income and expenses to the Club, and any funds in or out are recorded in the Statement of Comprehensive Revenue and Expense. Balances retained are held in equity.

**(b) Revenue from Non-Exchange Transactions**

Non-Exchange transactions are those where the entity receives assets or services, or has liabilities extinguished but provides no direct consideration of approximately equal value in exchange.

**(i) Donations and Fundraising**

The club's fundraising activities involve funding earned by the club's sections for sporting activities. Fundraising and donation non-exchange revenue is recognised at the point at which the cash is received.

**(ii) Government Grants & Subsidies**

Revenue from Government resurgence support grants and Wage subsidies are initially recognised as a current liability, until such time as all the terms and conditions attached to the grant or subsidy have been satisfied. Once the corresponding expenditure has been incurred, including payment of salaries and wages, the liability is reduced, with the grant or subsidy income being recognised through the Statement of Comprehensive Revenue and Expense on a gross basis. Wherever any of the terms and conditions of the grant or subsidy cannot be satisfied, any unutilised portion is subsequently returned to Government.

**(iii) Volunteer Services**

The Value of services provided by volunteers is not recorded as this is not able to be easily quantified.

## 5. Financial Instruments

The club initially recognises financial instruments when the club becomes party to the contractual provisions of the instrument. The club classifies financial assets as financial assets at amortised cost and financial liabilities as at amortised cost. Financial instruments are initially measured at fair value. Subsequent measurement is dependent on the classification of the financial instrument and is detailed in the accounting policies below:

### (i) Financial Assets at Amortised Cost

Financial Assets at amortised cost includes financial assets with fixed or determinable payments that are not quoted in an active market. Miscellaneous instruments are subsequently measured at amortised cost using the effective interest method, less any impairment losses or provisions for expected credit losses. They comprise cash and receivables.

### (ii) Amortised Cost Financial Liabilities

Financial liabilities classified as amortised cost are non-derivative financial liabilities that are not classified as 'fair value through surplus or deficit' financial liabilities. Financial liabilities classified as amortised cost are subsequently measured at amortised cost using the effective interest method. They comprise loans and payables.

### (iii) Impairment of Financial Assets

PBE IPSAS 41 requires the group to record Expected Credit Losses (ECLs) on all of its debt instruments classified at amortised cost. The allowances for receivables are measured, using the simplified approach, at an amount equal to lifetime ECLs, while all other debt instruments classified at amortised cost are measured using the general approach. Evidence of ECLs may include the following indicators:

- The debtors or entity of debtors are experiencing significant financial difficulty
- The probability that debtors will enter bankruptcy or other financial reorganisation
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

The entity considers evidence of impairment for financial assets measured at amortised cost at both a specific asset and collective level.

All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in surplus or deficit and are reflected in a provision against receivables.

When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the Consolidated Statement of Comprehensive Revenue and Expense.

## 6. Inventory

Inventory is initially measured at cost, except items acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

Inventories are subsequently measured at the lower of the original purchase cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

## 7. Property, Plant & Equipment and Depreciation

Property, Plant and Equipment and other fixed assets are recorded at cost less accumulated depreciation and impairment losses. Depreciation has been charged in the financial statements at rates to expense the cost of the assets based on expected use.

Cost includes expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in surplus or deficit.

### (a) Subsequent Expenditure

Subsequent expenditure is capitalised only when it is probable that additional future economic benefits associated with the expenditure will flow to the entity. Ongoing repairs and maintenance are expensed as incurred.

### (b) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their residual values using the straight-line method or diminishing value method over their useful lives and is recognised in the Consolidated Statement of Comprehensive Revenue and Expense. Land is not depreciated. Assets under construction are not subject to depreciation. The depreciation rates are as follows.

Buildings	2% Straight Line & 2% - 50% Diminishing Value
Plant & Equipment	7.5% - 50% Diminishing Value
Gaming Machines	10% - 40% Diminishing Value
Furniture & Fittings	2% - 40% Diminishing Value
Motor Vehicles	20% Diminishing Value
Plant & Equipment (Restaurant)	10% - 67% Diminishing Value
Furniture & Fittings (Restaurant)	2% - 67% Diminishing Value

Depreciation methods, useful lives, and residual values are reviewed at reporting date and adjusted when there is indicative evidence that these no longer represent the best estimate of expected usage of the asset.

## 8. Provisions

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

### (i) Employee Entitlements

Employee entitlements relate to salaries, wages, annual leave and other benefits and are recognised when they accrue to employees. Any amounts owing to employees are shown in the Consolidated Statement of Financial Position.

### (ii) Income Tax

Income tax is accounted for using the taxes payable method. Taxation expense is the estimated total tax for the period, in accordance with the annual taxation return to the Inland Revenue Department. As a Friendly Society, the Club only pays income tax on its income derived from business activities outside of the membership base. The subsidiary is subject to income tax on all profits.

### (iii) Goods and Services Tax (GST)

These financial statements have been prepared on a GST exclusive basis. However the value of Accounts Receivable & Accounts Payable includes the GST portion where invoiced.

## 9. Comparative Period

Comparatives have changed due to adding the sections income and expenses from the reserves. However, certain line items have been reclassified in the comparative balances to achieve clearer presentation. This reclassification does not impact the overall performance of the Club for the comparative period.

## 10. Changes in Accounting Policy

There have been no other changes in accounting policies, and the policies have been applied consistently with those from previous financial statements.



# Notes to the Financial Statements

## Ashburton Club & M.S.A For the year ended 31 March 2024

### 1. Finance & Operating Leases

#### (a) Finance Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. As at 31 March 2024 the Group does not current have any finance leases (2023: NIL)

#### (b) Operating Leases

Leases that do not meet the definition of finance leases are classified as operating leases.

Operating leases are not recognised in the Group's Consolidated Statement of Financial Position. Payments made or received under operating leases are recognised in surplus or deficit on a straight line basis over the term of the lease.

##### (i) Lease Revenue as Lessor

During the 2024 year the Club leased out parts of its buildings to the Liquor Centre and to other third parties. The lease to the subsidiary is for five years with the leases to the other third parties for a maximum period of three years.

The leases to the third parties are non-cancellable operating leases for three years with no contingent rent payment due on these leases.

At 31 March 2024 lease income is derived from

- Cappelli's Hair Salon - 3 year term
- Stoked Cycles - 3 year term
- Nedloh Investments Limited - 1 year term

The future non-cancellable minimum lease receipts of lease revenue as lessor at reporting date are as follows:

Lease Receivable	2024	2023
Not later than one year	\$124,975	\$127,800
Later than one year but not later than five years	\$36,725	\$38,900

##### (ii) Lease Expense as Lessee

The leases from the third parties are non-cancellable operating leases.

At 31 March 2024 lease expense is derived from

- ACR POS System Limited - 3 year term
- Glory Global - 5 year term
- Heartland Technology - 5 year term

The future non-cancellable minimum lease payments of lease payable as lessee at reporting date are as follows:

Lease Payable	2024	2023
Not later than one year	\$29,100	\$1,620
Later than one year but not later than five years	\$61,438	\$2,295

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	2024	2023
<b>2. Other Income</b>		
Billiard Table Income	937	1,039
Commission	4,328	5,309
Pool Table Revenue	1,912	2,026
Raffle Proceeds	7,777	6,174
Rebates	21,333	8,101
Van Income	6,524	4,800
Other Sundry Income	3,912	637
<b>Total Other Income</b>	<b>46,724</b>	<b>28,087</b>
	2024	2023

**3. Administrative Expenses**

Accounting Fees	27,055	62,510
Advertising	34,557	24,243
Audit Fees	24,132	48,450
Bad Debts	51,398	139
Bank Charges	32,176	24,473
Club Affiliation Fees	13,588	17,636
Committee Functions and Expenses	3,054	910
Computer Expenses	10,224	17,523
Commission	363	1,373
Conference Costs	3,367	1,255
Health & Safety	1,507	7,239
Insurance	103,031	122,082
Legal Fees	1,999	35,682
Printing & Stationery	9,336	15,011
Professional Fees	-	40,352
Postage & Courier	9,227	1,449
Rental of Equipment	7,716	5,319
Subscriptions & Licences	44,604	4,397
Telephone	4,165	4,726
Travel	-	2,221
<b>Total Administrative Expenses</b>	<b>381,499</b>	<b>436,989</b>
	2024	2023

**4. Employment Expenses**

Accident Compensation Levies	862	7,631
Consultancy Fees	15,030	52,973
Staff Expense	54,673	36,523
Wages & Salaries	803,741	595,286
<b>Total Employment Expenses</b>	<b>874,307</b>	<b>692,412</b>

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	2024	2023
<b>5. Property Expenses</b>		
Cleaning Expenses	38,130	43,672
Club Entertainment	19,014	46,589
Electricity & Gas	87,348	80,165
Loss on disposal of Fixed Assets	3,610	-
Low Value Assets	1,039	6,964
Property Expenses Racecourse Road	-	41
Rates	27,018	25,289
Repairs & Maintenance	132,751	41,976
Security	14,869	19,112
<b>Total Property Expenses</b>	<b>323,778</b>	<b>263,808</b>
	2024	2023

<b>6. Other Operating Expenses</b>		
Discounts Given	204	36,129
Donations, Sponsorship & Scholarships	5,765	4,228
Contract Labour - External	-	3,120
Interest Expense - Inland Revenue	4,955	89,982
IRD Penalties	7,273	9,083
General Expenses	7,443	4,505
<b>Total Other Operating Expenses</b>	<b>25,640</b>	<b>147,047</b>
	2024	2023

<b>7. Financing Expenses</b>		
Interest Expense - BNZ Current Account	26,745	5,221
Interest Expense - Overdraft	-	17
Interest Expense - Loan	223,081	148,678
<b>Total Financing Expenses</b>	<b>249,826</b>	<b>153,916</b>
	2024	2023

<b>8. Cash &amp; Cash Equivalents</b>		
<b>Cash at Bank</b>		
AMEX	563	346
Bank of New Zealand - 00 General Account	796	-
Foodstuffs Trading Deposit	3,852	2,852
Foodstuffs at Call Deposit	28,836	25,704
Heartland Bank - Call deposit	257	257
Heartland Bank - Gaming Call Deposit	29	29
MSA Club Account	20,781	33,688
MSA Liquor Account	37,608	64,578
MSA Gaming Depreciation Account	7,625	49,965
MSA Gaming Account	1,088	64,916

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	2024	2023
MSA Tab Account	3,809	-
Cash Clearing Account	13,603	2,384
Eftpos Clearing Account	16,053	16,826
<b>Cash at Bank (Overdrafts &amp; Credit Cards)</b>		
Mastercard	(1,412)	(197)
Mastercard - #508	(60)	-
Bank of New Zealand - 00 General Account	-	(53)
<b>Total Cash at Bank</b>	<b>133,428</b>	<b>261,295</b>
<b>Cash on Hand</b>		
ATM Cash	-	25,060
Bar Floats	3,150	3,800
Gaming Float	50,433	39,774
Office Float	2,818	10,269
TAB Float	1,000	-
Till Float	800	800
Tin Float	1,400	1,400
<b>Total Cash on Hand</b>	<b>59,601</b>	<b>81,102</b>
<b>Total Cash &amp; Cash Equivalents</b>	<b>193,029</b>	<b>342,397</b>
	2024	2023

## 9. Financial Instruments

### Financial Assets at Amortised Cost

Accounts Receivable from Exchange Transactions	50,796	26,961
Term Deposits	16,528	17,247
<b>Total Financial Assets at Amortised Cost</b>	<b>67,324</b>	<b>44,208</b>

### Financial Liabilities - Amortised Cost

Accounts Payable from Exchange Transactions	540,220	336,723
Bank of New Zealand Project Plus Loan	2,449,700	2,359,160
Bank of New Zealand - Term Loan 003	-	250,000
Current Portion of Bank of New Zealand Loan 003	250,000	-
Current Portion of Project Plus Loan	-	120,720
<b>Total Financial Liabilities - Amortised Cost</b>	<b>3,239,920</b>	<b>3,066,603</b>

<b>Total Financial Instruments</b>	<b>(3,172,596)</b>	<b>(3,022,395)</b>
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### BNZ Project Loan

- The loan is interest only until July 2025.
- The facility matures on 20th January 2027.
- Interest rate at 31 March 2024 9.18% (2023: 8.46%)

### BNZ Term Loan 003

- The loan is interest only for the 2024 Financial Year
- Interest rate at 31 March 2024 10.8% (2023: 8.67%)

BNZ have a General Security Agreement over all assets and undertakings of the club.

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	2024	2023
<b>10. Inventory</b>		
Club Bar	21,993	8,323
Liquor Centre Bottle Store	266,267	329,976
<b>Total Inventory</b>	<b>288,260</b>	<b>338,299</b>

Inventory is initially measured at cost, except items acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

Inventories are subsequently measured at the lower of cost and net realisable value. The cost of inventories is based on and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Securities in the form of Floating charges and general security charges have been registered against inventory by various suppliers.

	2024	2023
<b>11. Employee Entitlements</b>		
Wages Accrual	13,374	13,436
Holiday Pay Balance	44,908	26,194
<b>Total Employee Entitlements</b>	<b>58,282</b>	<b>39,630</b>

	2024	2023
<b>12. Equities (Unlisted)</b>		
Shares- Foodstuffs Retained Patronage	4,530	5,911
Shares - Electricity Ashburton Ltd	100	100
Shares - Foodstuff A Shares	1	1
Shares - Foodstuff B Shares	2,935	2,935
<b>Total Equities (Unlisted)</b>	<b>7,566</b>	<b>8,947</b>

	2024	2023
<b>13. Section Reserve</b>		
Basketball Section	312	312
Billiards Section	3,995	3,928
Cards Section	4,465	4,259
Cornhole Section	(252)	-
Cricket Section	597	2,891
Dance Section	4,483	4,473
Fishing and Hunting Section	2,954	3,481
Gardening Section	4,046	3,979
Golden Oldies Rugby Section	1,652	3,230
Golf Section	1,974	2,759
Golden Oldies Hockey Section	1,496	2,649
Indoor Bowls Section	2,023	2,629
Male Choir Section	8,365	7,582
Orchestra Section	17,861	14,619
Outdoor Bowls Section	12,079	6,581
Outdoor Bowls Mid Cant bowls Tourney	(343)	1,091
Petanque Section	2,232	6,803
Pool Section	3,847	3,608
Racing Section	9,603	14,733
Staff Section	(2,757)	510
Table Tennis Section	1,609	1,609
Tai Chi	1,308	1,308
Travel	768	768
Wine Club	3,671	4,796
<b>Total Section Reserve</b>	<b>85,987</b>	<b>98,596</b>

	2024	2023
<b>14. Gaming Machine Summary</b>		
<b>Gaming Machine Receipts</b>		
Gross Receipts from Gaming Machines	698,345	762,040
Interest Received on Gaming Funds	475	77
Gaming Receipts from Non Payouts	-	1,491
<b>Total Gaming Machine Receipts</b>	<b>698,820</b>	<b>763,608</b>
<b>Expenses</b>		
Accounting & Audit Fees	2,928	3,500
Depreciation	17,095	22,625
Electricity	25,862	1,997
Administration Support	11,390	5,556
License	14,952	13,665
Levies	5,518	8,002
Duty	160,168	172,816
Grants	2,435	-
Machine Service Contract	19,160	16,440
Repairs & Maintenance	8,063	-
Management Fees - Wages	33,100	27,840
Insurance	5,065	4,103
Monitoring Fees	12,529	12,943
Loss on Sale of Gaming Machines	91	-
<b>Total Expenses</b>	<b>318,356</b>	<b>289,487</b>
Gaming Machine Surplus	380,464	474,121
<b>Undistributed Funds Carried Forward</b>		
Undistributed Funds Carried Forward	51,454	64,916
<b>Total Undistributed Funds Carried Forward</b>	<b>51,454</b>	<b>64,916</b>
<b>Less Authorised Purpose Expenditure</b>		
Less Authorised Purpose Expenditure	414,558	487,582
<b>Total Less Authorised Purpose Expenditure</b>	<b>414,558</b>	<b>487,582</b>
Undistributed Funds to Carry Forward	17,361	51,454

## 15. Related Party Transactions

### (a) Transactions

Transactions between the Club and its subsidiary are recorded at normal commercial terms. The subsidiary pays rent to the Club, contracts staff from the club.

Some expenses are also charged to the subsidiary on a pro-rate basis.

The Club purchases all bar stock from the subsidiary and also purchases inventory (potatoes) from the Club President at market rate.

The Subsidiary company is dependent on the Club to continue to provide financial support to the company for the foreseeable future so that the company may continue as a going concern.

### (b) Key Management Personnel

Key management personnel, as defined by PBE IPSAS 20 Related Party Disclosure, are the members of the governing body of the Group and any persons controlling the activities of the entity.

Committee members may also be members of the Club. They are able to use the Club's facilities on the same terms as those that apply to other Club members.

Honorariums are paid to President and Vice President for their time in attending meetings.

<b>Members Governing Body</b>	2024	2023
President	\$Nil	\$Nil
Vice President	\$Nil	\$Nil

<b>Management Personnel</b>	2024	2023
Number of Persons	1	1

	2024	2023
<b>16. Imputation Credit Account - Subsidiary</b>		
Opening Balance	112,119	111,544
<b>Additions</b>		
Resident withholding tax paid on interest and dividends	705	376
Imputation Credits on Dividends Received	103	124
Other Adjustment	(40)	75
<b>Total Additions</b>	<b>768</b>	<b>575</b>
<b>Total Imputation Credit Account - Subsidiary</b>	<b>112,887</b>	<b>112,119</b>

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2024 2023

**17. Income Tax****Club Tax**

Losses to carry forward from 2023 per financials	(170,285)	-
Tax Loss Adjustment for 2021 - 2023	(660,853)	-
Taxable Income	(338,068)	(170,285)
<b>Taxable Income / (Losses to Carry Forward)</b>	<b>(1,169,206)</b>	<b>(170,285)</b>

Club Income Tax Expense	-	-
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**Liquor Centre Tax**

Losses to carry forward from 2023 per financials	(93,646)	(197,388)
Tax Loss Adjustment for 2021 - 2023	(95,512)	-
Net Profit / (Loss) for the Year	81,404	103,742
<b>Taxable Income / (Losses to Carry forward)</b>	<b>(107,753)</b>	<b>(93,646)</b>

Liquor Centre Income Tax Expense	-	-
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Group Tax Expense	-	-
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**Group Provision for Taxation**

Opening Balance	464,320	365,631
Provision for Taxation current year	-	-
Resident Withholding Tax Paid	(705)	(376)
Income Tax Payments	-	-
IRD Penalties & Interest Reversal	(183,853)	-
Tax Provision Reversal	(232,350)	-

**Penalties & Use of Money Interest**

Penalties and UOMI assessed in this period	(23)	99,065
<b>Total Penalties &amp; Use of Money Interest</b>	<b>(23)</b>	<b>99,065</b>

Income Tax Refunds	-	-
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<b>Closing Balance</b>	<b>47,390</b>	<b>464,320</b>
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**18. Provision for Income Tax**

During the 2024 financial year, the Club applied for reassessment of the 31 March 2016 to 31 March 2020 income tax returns with the Inland Revenue. The Inland Revenue accepted the proposed reassessments of the income tax returns, resulting in a reduction of income tax liability including penalties and interest from \$464,958 to \$48,633.

The provision for income tax has been reversed in the year ended 31 March 2024 by \$232,350 (refer page 7) and interest and penalties remission totaled \$183,853 (refer page 6).

In addition to this, the Inland Revenue has accepted an arrangement to pay the remaining tax in instalments over the next five years.

**19. Capital Commitments**

There are no capital commitments as at 31 March 2024. (2023; Nil)

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## 20. Contingent Assets and Liabilities

At balance date the Club has a contingent liability to Westpac New Zealand Ltd for a \$10,000 Performance Bond in favour of the Racing Industry Transition Board (RITA), formerly the Totalisation Agency Board. (31 March 2023: \$10,000 Totalisation Agency Board)

There are no further contingent assets and liabilities as at 31 March 2024. (2023; Nil)

## 21. Events after Reporting Date

The club has entered into a conditional contract to sell land used previously for recreational purposes at Racecourse Road, Ashburton.

The land has been conditionally sold at that date of the signing of these financial statements and is still subject to due diligence with the purchaser.

Other than the land being sold at Racecourse Road, there are no events subsequent to balance date at the time the report was prepared. (2023: Nil)

## 22. Going Concern

The reported result for this financial year is a loss of \$258,086 (Last year loss: \$529,141), refer page 7. The operating cash surplus for the year is \$25,462 (Last year operating cash loss: \$125,740) refer page 10. The Group, whilst improving its financial performance on the 2023 year and producing a larger total comprehensive revenue & expenses before depreciation, interest and tax, continues to produce an overall loss.

The Club continues to be supported to date by its banking partners, Bank of New Zealand and Westpac. The committee acknowledge the current negative working capital position, noting that the \$250,000 BNZ loan is classified as a current liability and may be required to be repaid on the sale of Racecourse Road (refer note 22). As such, the Committee acknowledge that there is material uncertainty in the use of the going concern principle. However, as part of the pending sale of land the committee expect that the Group will have stronger liquidity and an improved cash trading position.

The Committee is working tirelessly to right the club financially. The initiatives continue to include improved bottle store profitability, upgrading gaming machines with more modern games, and increased utilisation of facilities (lease revenue), and the use of volunteers and the committee to volunteer their time. The committee has an arrangement with IRD for the historical Inland Revenue debt, having received a positive outcome of a reduced income tax balance and the write off of penalties and interest in the 2024 financial year. The Club when settled on land sale, plans to operate all trading accounts within the terms agreed going forward. The Committee are reassured by the change in culture and atmosphere at the club this last year, and feel changes made already, and those on the horizon will impact the club in a positive way.

The Committee has adopted the going concern assumption for the preparation of these financial statements, based on the continued improvements made within the group, the planned sale of Racecourse Road, Ashburton and the support of its banking partners.

	LAND	BUILDING	MOTOR VEHICLES	PLANT & EQUIPMENT	GAMING MACHINES ASSETS	FURNITURE & FITTINGS	TOTAL
<b>23. Property Plant &amp; Equipment</b>							
<b>31 March 2024</b>							
<b>Cost</b>							
Opening Balance	255,277	12,356,493	98,072	1,033,740	615,072	648,508	15,007,162
Additions	-	2,500	-	95,146	52,104	-	149,750
Disposals	-	-	(18,666)	(205,297)	(43,189)	(236,558)	(503,710)
<b>Closing Balance</b>	<b>255,277</b>	<b>12,358,993</b>	<b>79,406</b>	<b>923,589</b>	<b>623,987</b>	<b>411,950</b>	<b>14,653,202</b>
<b>Accumulated Depreciation</b>							
Opening Balance	-	2,746,640	78,825	848,961	580,022	572,179	4,826,627
Depreciation Charge	-	304,027	3,843	44,757	17,095	11,569	381,290
Disposals	-	-	(18,632)	(202,871)	(43,049)	(235,458)	(500,010)
<b>Closing Balance</b>	<b>-</b>	<b>3,050,667</b>	<b>64,036</b>	<b>690,847</b>	<b>554,068</b>	<b>348,290</b>	<b>4,707,907</b>
Book Value 1 April 2023	255,277	9,609,853	19,247	184,779	35,050	76,329	10,180,535
Book Value 31 March 2024	255,277	9,308,326	15,370	232,742	69,919	63,660	9,945,297
<b>31 March 2023</b>							
<b>Cost</b>							
Opening Balance	255,277	12,348,234	98,072	1,025,943	615,072	648,508	14,994,106
Additions	-	8,259	-	4,797	-	-	13,056
Disposals	-	-	-	-	-	-	-
<b>Closing Balance</b>	<b>255,277</b>	<b>12,356,493</b>	<b>98,072</b>	<b>1,030,740</b>	<b>615,072</b>	<b>648,508</b>	<b>15,007,162</b>
<b>Accumulated Depreciation</b>							
Opening Balance	-	2,424,504	74,013	809,830	557,397	557,575	4,423,319
Depreciation Charge	-	322,136	4,812	39,131	22,625	14,605	403,308
Disposals	-	-	-	-	-	-	-
<b>Closing Balance</b>	<b>-</b>	<b>2,746,640</b>	<b>78,825</b>	<b>848,961</b>	<b>580,022</b>	<b>572,180</b>	<b>4,826,627</b>
Book Value 1 April 2022	255,277	9,923,730	24,059	219,113	90,933	90,933	10,570,787
Book Value 31 March 2023	255,277	9,609,853	19,247	184,779	35,050	76,328	10,180,535

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## INDEPENDENT AUDITOR'S REPORT

To the Members of the Ashburton Club & M.S.A

### Opinion

We have audited the Consolidated Financial Report of Ashburton Club & M.S.A (the Club) on pages 5 to 27, which comprise the consolidated statement of financial position as at 31 March 2024 and the consolidated statement of service performance, consolidated statement of comprehensive revenue and expense, consolidated statement of changes in net assets/equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial report, including a summary of significant accounting policies.

In our opinion:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b) the Consolidated Financial Report on pages 5 to 27 presents fairly, in all material respects:
  - the service performance for the year then ended; and
  - the financial position of the Club as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards - Reduced Disclosure Regime.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the consolidated statement of service performance in accordance with international standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Report* section of our report. We are independent of the Club in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, 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.

Ashton Wheelans has assisted with the formatting of the Consolidated Financial Report. This information has been obtained from management whom have maintained the accounting records throughout the year. All decisions affecting the Consolidated Financial Report have been made by the Committee and management, whom take full responsibility for the Consolidated Financial Report. The assistance we provide has not affected our independence. Except for this matter and other than in our capacity as auditor we have no relationship with, or interests in the Club.

### Material Uncertainty Related to Going Concern

We draw attention to Note 22 of the Consolidated Financial Report, which indicates that the Club has incurred a loss of \$258,086 for the year ended 31 March 2024, and financial challenges the club is facing. As acknowledged by the Committee in Note 22, these events or conditions, along with other matters as set forth in Note 22, indicate that a material uncertainty exists that may cast significant doubt on the Club's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Committee's Responsibilities for the Consolidated Financial Report

The Committee is responsible on behalf of the Club for:

- a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- b) The preparation and fair presentation of the Consolidated Financial Report on behalf of the Club which comprises
  - the consolidated statement of service performance; and
  - the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in net assets/equity, consolidated statement of financial position, consolidated statement of cash flows, statement of accounting policies and notes to the Consolidated Financial Report in accordance with Public Benefit Entity Standards - Reduced Disclosure Regime, and

**INDEPENDENT AUDITOR'S REPORT**

To the Members of the Ashburton Club & M.S.A

**Committee's Responsibilities for the Consolidated Financial Report (cont)**

- c) for such internal control as the Committee determine is necessary to enable the preparation of a Consolidated Financial Report that is free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Report, the Committee is responsible on behalf of the Club 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 intend 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 Consolidated Financial Report**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Report as a whole is 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) and ISAE (NZ) 3000 (Revised) 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 this Consolidated Financial Report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Committee, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Club's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Club to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Report, including the disclosures, and whether the Consolidated Financial Report represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.



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ASHTON WHEELANS LIMITED

Chartered Accountants  
Level 2, 83 Victoria Street  
Christchurch  
18 July 2024