



# **FINANCIAL REPORT**

## **2022/2023**

## Presidents Report 2023

Greetings Members,

As predicted last year it has been another difficult 12 months financially with soaring costs across all areas of the Clubs Purchases, Utilities and Wage increases M. Wright will have more in her finance report

As this is my final year as President, I would like to wish the Incoming President, Vice President Executives and Board members all the best

To the members thanks for your support over the last 6 years as President

To the Vice President, Executives and Board members thank you for your time and efforts this year

I personally would like to thank one of the Executives for his contribution far exceeding what is normally expected – Allan Swale is a huge asset to this Club

To Yvonne Kessel our Welfare Officer thank you

The Appeals committee thank you

To Adriana, Capri, Margaret, Rosie and Tea thanks ladies it has been great working with you this year

To all of our Staff, Bar, Restaurant and Door personnel thank you for your support

To George and Dot thank you

To Scott our Club Manager thank you for all of your efforts this year

Also, our Section Convenors and their committees thank you for volunteering your time throughout the year

It has been a pleasure working with all of you

Finally, our thoughts go out to the Club members and their families who have sadly passed away this year

R. Leijh

## FINANCE REPORT

2022 / 2023 has been a challenging year for club as it recovers from the earlier impact of Covid on the Hospitality Industry in general. Although there were no Lockdown closures due to the pandemic there have been several ongoing impacts.

- increased prices across the board
- slow down as members return to use the Club fully.
- withdrawal of Government assistance

The Club is again reporting a significant loss (after depreciation) of \$234,070 however this is a considerable improvement on last year given that it was achieved in a recovering Hospitality market and with only minimal Government assistance.

On a positive note, combined Revenues from Bar and Gaming are \$763,032 higher than last year and subscription revenue has increased in line with an increase in member numbers. The Restaurant has struggled through the year but is continuing to improve showing a small surplus of \$593 compared to a loss of \$77,435 last year. Bar and Restaurant trading have both been impacted by increased prices (liquor and food) and the Board and Management have had to juggle keeping Bar and Meal price increases reasonable while maintaining a profit margin sufficient to keep the Club running. The Club has continued to support members with increased spending on Entertainment, Section activities, Club promotions and Taxi travel and has maintained Funeral Grants and Community Grants. A significant point to note is that the Club received \$357,418 in covid relief last year compared to \$8,872 this year.

Throughout the year the Board met essential Repairs and Maintenance commitments but held back on some planned capital expenditure until the trading results become stronger. New Assets costing \$108,412 were approved. These included - updating Games, Gaming Room Improvements, Security cameras and Tills.

During the year scheduled repayments (\$68,330) were made reducing the Bank Loan and the Government Covid Loan of \$40,600 was repaid in full. Interest rates have almost doubled during the year (4.6% to 8.19%) and interest charges have increased accordingly. In previous years, the club has forward paid against the loan. This reduces the loan balance (and therefore the interest charge) but allows the Club to use the funds as necessary. The balance prepaid at the beginning of the year was \$300,000 and although the Club has used and repaid the fund as cash flow required, the balance remains unchanged at year end.

Although the final loss is significant, the Club remains in a strong financial position with Equity of close to \$7 million. The Board and Management remain positive and are taking steps to ensure that, the Club remains in a strong position to rebuild over the next few years.

Thanks to Scott Adams, Adriana and Capri in the office, Robert Jones, Doug Montgomery, Tia in the Restaurant, the Board and all Staff. Thanks for your hard work and support through the year. Special thanks to Robbie who is standing down as President. His energy and commitment to the Club has been rock solid.

Margaret Wright

# Entity Information

MANUREWA COSMOPOLITAN CLUB INC.

## Entity Type and Legal Basis

Incorporated Society

## Incorporated Societies Number

2692851

## New Zealand Business Number

9429046553478

## Entity's Purpose or Mission

The Manurewa Cosmopolitan Club's objective is to conduct, administer and maintain a chartered club for its members by providing amenities and facilities where members may meet and enjoy companionship with one another.

## Entity Structure

### Executive Committee

President – Robert Leijh

Vice President – Rodney Buck

Executives – Kevin Ralph, John Oliver, Alan Swale

Board Members – Owen Newson, Terry Kemp, Yvonne Sheed, Nadine Bryson

Club Manager – Scott Adams

Accountant – Margaret Wright

## Main Sources of Entity's Cash and Resources

Gaming Income

Bar Sales

Restaurant Sales

Membership Fees

## Main Methods Used by Entity to Raise Funds

Gaming Machines, Bar Sales, Restaurant Sales

## Physical Address

6-10 Alfriston Road

Manurewa

Auckland 2102

## Postal Address

PO Box 75 – 130

Manurewa



**MANUREWA COSMOPOLITAN CLUB INC.**  
**TRADING ACCOUNTS**  
**FOR THE YEAR ENDED 31st MARCH 2023**

	<u>THIS YEAR</u>	<u>LAST YEAR</u>
<b><u>BAR TRADING</u></b>		
Liquor Sales-Revenue from exchange transactions	1,039,683	655,296
Less Cost of Goods Sold	407,962	258,902
Direct Wages	269,204	313,178
	<u>677,166</u>	<u>572,080</u>
	<u>362,517</u>	<u>83,217</u>
<b><u>GAMING</u></b>		
Gaming Income- Revenue from exchange transactions	1,164,563	785,918
Less Direct Expenses		
Gaming Duty	267,283	180,783
Problem Gambling Levy	13,504	7,051
Gaming Licences	14,845	15,579
Electronic Monitoring Expenses	12,219	10,639
Machine Service & Repair	18,046	16,972
	<u>325,896</u>	<u>231,024</u>
Operating Expenses		
Accounting Fees	2,500	1,500
Audit Fee	2,200	1,200
Depreciation	49,986	44,743
Insurance	5,076	3,600
Power & Lighting	7,665	5,040
Wages - Gaming Room	108,777	79,389
	<u>176,204</u>	<u>135,472</u>
Surplus Before Distributions	<u>662,463</u>	<u>419,422</u>
<b><u>DISTRIBUTIONS</u></b>		
	Note 7.	
Members Welfare	21,195	15,770
Funeral Grants	9,500	10,000
Community Grants	4,313	8,714
Sporting Activities	27,393	10,000
Maintenance of Club Facilities	515,134	375,154
Repayment of Loan	86,360	-
	<u>663,895</u>	<u>419,638</u>
Balance to Gaming Funds	<u>(1,432)</u>	<u>(216)</u>
<b><u>RESTAURANT</u></b>		
Sales	622,409	371,261
Less Cost of Goods Sold	316,862	170,334
Direct Wages	304,954	278,362
	<u>621,816</u>	<u>448,696</u>
	<u>593</u>	<u>(77,435)</u>

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



**MANUREWA COSMOPOLITAN CLUB INC.**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 31st MARCH 2023**

	<u>THIS YEAR</u>	<u>LAST YEAR</u>
<b>INCOME</b>		
Bar Trading	362,517	83,217
Restaurant	593	(77,435)
Gaming Income	662,463	419,422
Membership-Revenue from exchange transactions		
Subscriptions	165,592	163,235
Association Affiliation Fee	13,068	12,942
Nominations	5,850	3,704
	<u>184,510</u>	<u>179,881</u>
Other Income-Revenue from exchange transactions		
Nuts, Chips & Miscellaneous	2,434	1,323
Interest, Dividends & Donations Received	591	1,414
Restaurant / Café Expenses recovery	3,600	3,000
Covid Wage Subsidy and Grant     Note 8.	8,872	357,418
Commissions & Hireage	8,242	5,664
Add back Depreciation charged to Gaming	49,986	44,743
	<u>73,725</u>	<u>413,563</u>
<b>TOTAL INCOME:</b>	<u><u>1,283,808</u></u>	<u><u>1,018,648</u></u>
<b>Less CLUB ACTIVITY COSTS:</b>		
Bands & Entertainers	59,062	24,258
Sports & Sponsorship	25,847	8,720
Club Clothing	2,899	1,752
T.A.B.	(4,154)	206
Membership Draw	26,729	12,052
Club Promotions	19,668	10,359
Hospitality - Club & Staff	11,873	8,347
Subsidised Taxi Travel	18,849	13,499
Members Welfare	1,811	1,816
Funeral Grants	9,500	10,500
Community Grants & Donations	2,422	8,714
<b>TOTAL COSTS</b>	<u><u>174,507</u></u>	<u><u>100,222</u></u>
<b>SURPLUS FROM CLUB ACTIVITIES</b>	<u><u>1,109,301</u></u>	<u><u>918,426</u></u>

*NOTE: This Statement should be read in conjunction with the Notes to the Financial Statements & the Auditor's Report.*



**MANUREWA COSMOPOLITAN CLUB INC.**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 31st MARCH 2023**

	<u>THIS YEAR</u>	<u>LAST YEAR</u>
<b>SURPLUS FROM CLUB ACTIVITIES</b>	1,109,301	918,426
<b>Less CLUB OVERHEADS:</b>		
ACC Levies	9,282	5,066
Accountancy	8,092	5,789
Advertising	2,143	811
Audit Fee	7,861	6,811
Affiliation Fee - Clubs NZ	12,541	12,869
Bank & Credit Card Charges	9,448	7,140
Club Tea & Coffee	2,431	957
Cleaning & Laundry	102,054	72,152
Computer Software & Expenses	14,414	19,715
Executive Expenses	31,849	29,170
Conference Expenses	6,704	942
Insurance	Note 3. 60,029	53,936
Interest & Loan Fees	18,323	7,876
Legal Expenses	1,599	2,414
Loss (gain) on Sale	773	(1,440)
Permits & Licences	9,935	3,230
Plant & Sky Television Hire	61,255	51,132
Power, Lighting & Heating	99,075	56,804
Postages & Stationery	30,498	25,655
Rates	53,562	47,166
Repairs & Maintenance	102,584	100,209
Replacements - Bar & Restaurant	7,006	4,177
Rubbish Removal	9,418	7,261
Salaries & Wages	341,687	330,566
Security	34,977	37,308
Staff Uniforms & Expenses	6,888	8,542
Stock Control Services	7,800	3,712
Subscriptions to Associations	-	697
Telephones & Internet	4,201	4,831
<b>TOTAL EXPENSES</b>	<u>1,056,429</u>	<u>905,499</u>
<b>OPERATING SURPLUS BEFORE DEPRECIATION</b>	<u>52,872</u>	<u>12,927</u>
Less Depreciaton	Note 2. 286,941	283,024
<b>OPERATING SURPLUS (LOSS) AFTER DEPRECIATION</b>	<u>(234,070)</u>	<u>(270,096)</u>

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



**MANUREWA COSMOPOLITAN CLUB INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31st MARCH 2023**

	<u>THIS YEAR</u>	<u>LAST YEAR</u>
<b>CURRENT ASSETS</b>		
Cash on Hand & Floats	36,200	34,000
BNZ Trading Account	39,958	53,309
BNZ Gaming Account	62,830	86,009
BNZ Trustees Account	28,086	64,244
Accounts Receivable	7,852	2,115
Stock on Hand	35,966	29,626
 TOTAL CURRENT ASSETS	 <u>210,893</u>	 <u>269,302</u>
 <b>INVESTMENTS</b>		
BNZ Term Deposit - Trustees	-	30,000
	<u>-</u>	<u>30,000</u>
 <b>FIXED ASSETS</b>		
As per schedule	Note 2. 7,204,093	7,383,568
<b>TOTAL ASSETS</b>	<u><u>7,414,985</u></u>	<u><u>7,682,871</u></u>


*NOTE: This Statement should be read in conjunction with the Notes to the Financial Statements & the Auditor's Report.*

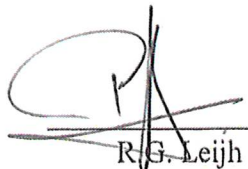


**MANUREWA COSMOPOLITAN CLUB INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31st MARCH 2023**

	<u>THIS YEAR</u>	<u>LAST YEAR</u>
<b>CURRENT LIABILITIES</b>		
Interest Bearing loans & Borrowings	68,640	68,040
Covid Loan	-	40,600
Funds Held for Sections & Members	134,935	136,670
Accounts Payable	175,447	119,095
Provisions & Accruals	137,319	115,152
G.S.T. Payable	1,418	3,087
	<u>517,758</u>	<u>482,644</u>
<b>NON CURRENT LIABILITIES</b>		
Bank Term Loan	210,520	279,450
<b>MEMBERS' EQUITY</b>		
Accumulated Funds B/Fwd	6,917,523	7,187,403
Profit (Loss) from year to date	(232,638)	(269,880)
<b>TOTAL MEMBERS EQUITY</b>	<u>6,684,885</u>	<u>6,917,523</u>
<b>GAMING EQUITY</b>		
Accumulated Funds B/Fwd	3,254	3,470
Profit from year to date	(1,432)	(216)
<b>TOTAL GAMING EQUITY</b>	<u>1,822</u>	<u>3,254</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u><u>7,414,985</u></u>	<u><u>7,682,871</u></u>

Approved:

  
 \_\_\_\_\_  
 S D. Adams  
 (Manager)

  
 \_\_\_\_\_  
 R.G. Leijh  
 (President)

Dated: 24/05/2023

*NOTE: This Statement should be read in conjunction with the Notes to the Financial Statements & the Auditor's Report.*

**MANUREWA COSMOPOLITAN CLUB INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

	THIS YEAR	LAST YEAR
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Receipts</b>		
Receipts from exchange transactions	3,528,698	2,018,784
Interest Income	335	1,895
<b>Payments</b>		
Payment to Suppliers and Employees	(3,385,357)	(1,987,822)
Interest Paid	(18,325)	(7,876)
<b>Net Cash Flows from Operating Activities</b>	<u>125,351</u>	<u>24,981</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Receipts</b>		
Proceeds from maturing Term Investments	-	20,000
Proceeds from sale of property plant and equipment	-	13,879
<b>Payments</b>		
Purchase of property, plant and equipment	(108,239)	(128,636)
<b>Net Cash Flows from Investing Activities</b>	<u>(108,239)</u>	<u>(94,757)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowing	100,000	85,970
Repayment of Loans	(158,930)	-
<b>Net cash flows from financing activities</b>	<u>(58,930)</u>	<u>85,970</u>
<b>CASH AND CASH EQUIVALENTS</b>		
Net increase/(decrease) in cash and cash equivalents	(41,818)	16,194
Cash and cash equivalents at 1 April	184,587	168,393
<b>Cash and Cash Equivalents at 31 March</b>	<u>142,769</u>	<u>184,587</u>
<b>Ending Cash Comprises</b>		
Cash on Hand & Floats	36,200	34,000
BNZ Cash Transfer Account	3,780	11,270
BNZ Trading Account	39,959	53,308
BNZ Gaming Account	62,830	86,009
<b>Total</b>	<u>\$ 142,769</u>	<u>184,587</u>

*NOTE: This Statement should be read in conjunction with the Notes to the Financial Statements & the Auditor's Report.*



## MANUREWA COSMOPOLITAN CLUB INC.

### STATEMENT OF SERVICE PERFORMANCE

For the year ended 31 March 2023

*'What did we do?', 'When did we do it?'*

#### Description of Entity's Outcomes

The Manurewa Cosmopolitan Club Incorporated is a community orientated organisation that aims to provide its members with a variety of social opportunities in an environment that is safe and enjoyable, where members can bring their families, interact with their peers, participate in a variety of interest groups, and meet new people.

The Board and Management have worked to establish the Manurewa Cosmopolitan Club as a social and an event centre for the community.

There is also a long-term focus on asset improvement and ensuring the Clubs continued strength and viability into the future.

#### Description and Quantification of the Entity's Outputs.

	<b>2023</b>	<b>2022</b>
Membership	3350	3207

In line with previous years, the Club also continued to support Members welfare, Sporting groups and Community groups.

**MANUREWA COSMOPOLITAN CLUB INC.  
ACCOUNTING POLICIES AND NOTES  
FOR THE YEAR ENDED 31st MARCH 2023**

**A. STATEMENT OF ACCOUNTING POLICIES**

The Manurewa Cosmopolitan Club Incorporated is a public benefit entity for the purposes of financial reporting. The Club was incorporated on the 17th of January 2018.

The financial statements and the accompanying notes summarise the financial results of activities carried out by the Club. The objective of the Club is to conduct, administer and maintain a Chartered Club for its members by providing amenities and facilities where members may meet and enjoy companionship with one another.

The Accounting Policies which the Board consider appropriate for the measurement and reporting of the Club's results and financial position are:

**A. i. Basis of Reporting**

**(a) Statement of Compliance**

For the purposes of complying with generally accepted accounting practice in New Zealand (NZ GAAP), the Club is a public benefit not-for-profit entity and has elected to report in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime ("PBE Standards RDR") on the basis that it does not have public accountability and is not defined as large. All reduced disclosure regime exemptions have been adopted.

**(b) Measurement Basis**

The financial statements have been prepared on the basis of Historical cost.

**(c) Functional and presentation currency**

The financial statements are presented in New Zealand Dollars (\$), which is the functional and presentation currency, rounded to the nearest dollar.

**(d) Changes in Accounting Policies**

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those used in previous years.

**(e) Basis of Preparation**

The financial statements have been prepared on a going concern basis.

**A. ii. Particular Accounting Policies**

**(a) Revenue**

Revenue received by the Club from exchange transactions from Bar and Gaming activities is recognised on a daily basis. Revenue from rentals received and receivable is recognised on a monthly basis.

The Club did not receive any non-exchange revenue during the current financial period.

(b) Classification of Non-Financial Assets

The majority of property, plant and equipment held by the Club is classified as noncash generating assets.

(c) Fixed Assets and Depreciation

Fixed Assets are recorded at cost and (other than freehold land) are depreciated on a straight-line basis at rates which are expected to write off the cost of those assets over the term of their useful lives. Depreciation is calculated on specific assets as follows:

Buildings	2%
Plant	10% - 20%
Furniture & Fixtures	20%
Office Equipment	10% - 20%
Gaming Machines	20%

Depreciation recovered on the disposal of items or losses on sale of operating plant in the normal course of business is taken into account in arriving at the operating profit.

(d) Stock on Hand

Stock on hand has been valued at the lower of cost or realisable value.

(e) Investments

Investments are recorded at cost. Any interest derived is credited to the revenue statement on an accrual basis.

(f) Goods & Services Tax

The statement of Financial Performance has been prepared exclusive of Goods and Services Tax. All items in the Statement of Financial Position are stated net of GST with the exception of accounts receivable and trade creditors.

(g) Subscription Income

Subscription income is recognised in the statement of Financial Performance when the Club receives the money from members. The Club does not invoice members for annual subscriptions and therefore it is not practical to account for this income on an accrual basis.

(i) Employee Benefits (Holiday Pay)

Holiday Pay and other outstanding wages are provided for in the accounts on an accrual basis and are expensed in the period in which employment services are provided.

(j) Income Tax

Income Tax expense charged to the Statement of Financial Performance recognises the current obligations and all amounts arising from the differences between the accounting results and assessable income for the period, calculated using the liability method.

## B. NOTES TO THE FINANCIAL STATEMENTS

### 1. Financial Instruments

The financial instruments shown in the statement of Financial Position relate to the following categories of assets and liabilities.

The Club has a bank overdraft facility with a limit of \$947,680 (2022: \$1,016,010) with the Bank of New Zealand fully secured over Land and buildings. The current interest rate as at 31 March 2023 was 8.19% (2022: 4.6%). The balance at 31st March 2023 was \$279,160 (2022: \$347,490).

### 2. Property, Plant and Equipment

As at 31st March 2023 the Club held Fixed Assets with a Net Book Value of \$7,204,093 made up as follows:

	Cost	Depreciation This Year	Accumulated Depreciation	Net Book Value
Land	1,400,179	-	-	1,400,179
Buildings	8,423,997	166,904	3,103,389	5,320,608
Outdoor Bowling Complex	855,131	5,147	796,292	58,839
Plant and Equipment	1,130,745	91,025	818,842	311,903
Furniture and Fittings	557,252	20,826	452,663	104,589
Office Equipment	34,344	3,041	26,370	7,975
	12,401,648	286,941	5,197,557	7,204,093

As at 31st March 2022	Cost	Depreciation This Year	Accumulated Depreciation	Net Book Value
Land	1,400,179	-	-	1,400,179
Buildings	8,413,147	166,451	2,936,486	5,476,661
Outdoor Bowling Complex	849,933	10,103	781,043	58,788
Plant and Equipment	1,218,211	83,094	905,538	312,673
Furniture and Fittings	557,252	19,908	431,838	125,414
Office Equipment	41,662	3,467	31,810	9,852
	12,480,384	283,024	5,096,817	7,383,568

The reconciliation of Net Book Value from 2022 to 2023 is as follows:

	Opening NBV	Additions	Disposals	Depreciation	Closing NBV
Land	1,400,179	-	-	-	1,400,179
Buildings	5,476,661	10,850	-	166,904	5,320,608
Outdoor Bowling	58,788	5,198	-	5,147	58,839
Plant and Equipment	312,673	91,202	-	91,025	312,850
Furniture and Fittings	125,414	-	-	20,826	104,589
Office Equipment	9,852	1,162	947	3,041	7,028
	7,383,567	108,412	947	286,941	7,204,093

3. Insurance  
The current valuation of Club property for insurance purposes was provided by Abbott Underwriting Agency as at 14<sup>th</sup> April 2022. Their valuation to provide reinstatement insurance cover for buildings, plant and stock including the bowling complex was \$ 22,620,000.

4. Capital Commitments.  
The Club has no Capital Commitments as at 31<sup>st</sup> March 2023 (2022: \$Nil)

5. Funds Held on Behalf of Members  
Funds held for Club sub-sections in the Trustees bank accounts are made up as follows:

	<u>This Year</u>	<u>Last Year</u>
BNZ Trustees Account	28,086	64,244
BNZ Term Loan offset	90,000	40,000
BNZ Term Deposit	-	30,000
	<u>118,086</u>	<u>134,244</u>
Held for GST on Trust Funds	<u>192</u>	<u>(832)</u>
	<u>118,278</u>	<u>133,412</u>

In addition, the Club is holding funds for various sports and recreation functions:

	<u>16,657</u>	<u>3,258</u>
Balance shown in accounts	<u>\$134,935</u>	<u>\$136,670</u>

6. Gaming Machine Income  
The Gaming and Lotteries Act 1977 restricts the use of surplus funds from gaming activities as held in the Machine Bank accounts to Authorised Purposes.  
The authorised purposes in the licence held by the Manurewa Cosmopolitan Club Inc. include: charitable donations, sporting activities, maintenance and development of Club facilities and grounds including Club equipment and furniture and fittings. Where funds from this source have been used for Club operations they are included in the Statement of Financial Performance.

7. Details of Authorised Expenditure:

	2023	2022
<b>Income Before Distribution</b>	662,463	419,422
Distributions:		
Members Welfare	21,195	15,770
Funeral Grants	9,500	10,000
Community and Youth Grants	4,313	8,714
Sports and Sponsorship	27,393	10,000
<b>Maintenance and Development Club Facilities</b>		
Accounting Fees	7,710	1,416
Advertising	169	-
Audit Fees	7,104	7,104
Affiliation Fee	12,869	13,520
Bank Fees	60	40
Cash Machine Lease	23,005	23,005
Cleaning	74,720	50,083
Club Tea & Coffee	4,284	2,001
Computer Maintenance	8,295	14,687
Conference Expenses	6,196	1,027
Executive Expenses	1,101	2,020
Insurance (Non-Gaming)	52,367	48,689
Legal fees	1,599	1,064
Licences & Registration	806	130
Multiscreen Maintenance	2,496	2,036
Printing, Postage & Stationery	27,166	22,683
Power & Gas (Non-Gaming)	89,637	51,486
Rates	42,211	30,256
Repairs & Maintenance	79,528	64,622
Rubbish Collection	9,078	5,474
Security	6,883	2,024
Sky Television	-	399
Staff Expenses	4,015	960
Subscriptions	-	52
Telephones	4,616	2,980
Water	10,427	5,341
Valuations	1,870	-
	471,108	353,099
<b>Capital Expenditure</b>		
Additions to Assets	44,026	22,054
Repayments of Loan	86,360	-
	663,895	419,638
Balance to Gaming Equity	(\$1,432)	(\$216)

8. Effect of Covid 19

The New Zealand Government made available several measures to assist the Club to cope financial with the impact of operating restrictions. The Club has taken full advantage of the Covid – 19 Wage Subsidy Scheme and Resurgence Grants and received government support of \$8,872 (2022 \$357,418).

The Club applied for and was granted a Covid – 19 Small Business Cashflow Loan of \$40,600 on June 5<sup>th</sup>, 2020. The Loan was repaid in full in June 2022.



9. Contingent Liabilities.  
The Club has a contingent liability with regard to a Guarantee Bond in favour of the T.A.B. for \$10,000, (2022: \$10,000) and a letter of credit with the bank in respect of Armourguard Security for \$10,000, (2022: \$10,000). There are no other known contingent liabilities.
10. Related Parties  
Members of the Board of Management have provided goods and services to the Club during the year, all of which have been charged to the Club at normal commercial rates.
11. Post Balance Date Events  
There are no material post balance date events. (2022: \$nil)
12. Taxation  
As an Incorporated Society the Club is liable for income tax on any income earned from outside the circle of its membership. This includes interest and rent received less the share of costs incurred in order to earn that income. The Club files an annual tax return. For the most recent tax return for 2022 there was no tax to pay.
13. Compensation of Key Management Personnel  
An honorarium was paid to Board of Management of \$30,747 (2022: \$25,550) for their duties as Board Members.
14. Operating Lease Commitments  
At balance date the Club had outstanding commitments under non-cancellable operating leases regarding equipment rental, which are due as follows:
- |                    | 2023          | 2022          |
|--------------------|---------------|---------------|
|                    | \$            | \$            |
| Within one year    | 15,597        | 30,024        |
| In the second year | -             | 15,597        |
|                    | <u>15,597</u> | <u>45,621</u> |
- The photocopier lease comprises the lease of Aficio SP3510SF Printer and Aficio MPC5503A copier.  
Lease payments are due each month of \$585 with no purchase option at the end of the lease term.  
The final lease instalment is due on the 31<sup>st</sup> October 2023.  
The cash recycler lease comprises the equipment rental and monthly service charge for the cash count machine.  
Lease payments are due each month of \$1,917 with no purchase option at the end of the lease term.  
The final lease instalment is due on the 3<sup>rd</sup> September 2023

## INDEPENDENT AUDITOR'S REPORT

To MEMBERS of the MANUREWA COSMOSPOLITAN CLUB INC

### Opinion

We have audited the general-purpose financial report (hereinafter referred to as 'financial report') of the MANUREWA COSMOPOLITAN CLUB ("the CLUB") which comprises the financial statements on pages 5-7 and 9-14, and the statement of service performance information on page 8. The complete set of financial statements comprises:

- The statement of financial position as at 31 March 2023;
- The statement of comprehensive revenue & expenses for the year then ended;
- The statement of changes in net assets/equity for the year then ended;
- The statement of cash flows for the year ended; and
- The notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial report present fairly, in all material respects:

- The financial position of the CLUB as at 31 March 2023 and its financial performance, and its cash flows for the year ended; and
- The service performance for the year ended 31 March 2023, in accordance with the entity's service performance criteria.

in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

### Basis for Opinion

We conducted our audit of the statement of financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard (NZ AS) 1 *The Audit of Service Performance Information*. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the audit of the 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.

Other than in our capacity as auditor, and assisting with the financial statements format, we have no other relationship with, or interests in, the Society.

### Other Matter

The corresponding service performance information for the year ended 31 March 2022 is unaudited.

### Responsibilities of the Executive Committee for the financial report

The executive committee is responsible, on behalf of the CLUB, for:

- a) the preparation and fair presentation of the financial statements and service performance information in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board;

- b) service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity Standards Reduced Disclosure Regime; and
- c) for such internal control as the executive committee determines is necessary to enable the preparation of financial statements and service performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial report, the executive committee is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the executive committee either intends to liquidate the CLUB or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the audit of the financial report**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, and the service performance, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 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 financial report.

A further description of the auditor's responsibilities for the audit of the financial report is located at the XRB's website at:

<http://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-14/>.

### **Restriction on Responsibility**

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

*Audit Integrity*

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**Audit Integrity Ltd**  
*Chartered Accountants*  
East Tamaki, Auckland  
25 May 2023