



PAPATOETOE COSMOPOLITAN CLUB (INC)

FIFTY-NINTH ANNUAL REPORT AND FINANCE STATEMENTS

To be presented to members at the ANNUAL GENERAL MEETING
to be held in the clubrooms on Sunday 28th May 2023 at 10:00am

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 59th Annual General Meeting of the Papatoetoe Cosmopolitan Club (Inc) will be held in the Clubrooms on SUNDAY 28th May 2023 at 10:00am.

BUSINESS

- 1) Minutes of the 58th Annual General Meeting held on Sunday 19th June 2022
- 2) Presentation of the Annual Report and Financial Statements for the Year Ended 31st January 2023
- 3) Subscriptions 2022/23
- 4) Appointment of:
Auditor: AUDIT INTEGRITY Ltd,
Solicitors: MURDOCH PRICE,
Bank: BNZ
- 5) Remit
- 6) Presentation of Awards
- 7) General Business

LIFE MEMBERS

G Absolum	K Andrews	W Bolton	H Brewer
M Clark	A Donovan	G Green	J Harkness
L Holmes	J Howarth	G Klinac	T McCown
B Norgate	A Strachan	B Bailey	

DECEASED MEMBERS 2022/3

On behalf of all Members, we extend sincere condolences to the families of the following members who passed away during the year. (1.02.2022 – 1.02.2023)

	Passed Away	Date Joined
John Cafferkey	23.04.2022	16.12.2015
Judy Foot	27.05.2022	22.03.2000
Richard Coleman	05.06.2022	28.12.1996
Warren Bartlett	14.06.2022	28.08.1964
John Chapman	28.09.2022	19.08.2015
Brian Moseley	21.06.2022	12.01.2021
John Waite	06.07.2022	10.11.1997
John Van Diepen	25.08.2022	06.07.1964
Frank Francis	03.10.2022	06.07.1964
Barry Smith	16.07.2022	07.03.1992
Noel Gherardi	04.01.2023	27.07.2018

EXECUTIVE COMMITTEE 2022/2023

PRESIDENT: David Selby

VICE PRESIDENT: Warren Broad

COMMITTEE: Cherrie Jeffries
Ian Bond
Ngaire Devereaux
Rosa Broad
Dianne Millanta

MANAGER: Niall Hanlon

AUDITORS: Audit Integrity Ltd.

SOLICITORS: Murdoch Price

BANK: Bank of New Zealand

PRESIDENT'S REPORT 2022

This year has been a lot more productive for the club as Covid has subsided and we were able to operate in more normal circumstances.

We have finally been able to get the much-awaited break through completed and I thank the members for their patience. The audio system has had more upgrades to encompass upstairs and is a top-notch system throughout the whole club now.

The relocation of the snooker and 8 ball areas will be a great advantage to the club. It puts the club in a position where we can host National tournaments without the need for setting up areas as in the past, to enable the hosting of such events. Not many clubs are able to do this, so we are fortunate.

The next steps are the exterior plans for the club and cosmetic upgrades and maintenance to keep the club up to date, modern and in good repair.

I would like to thank Niall and his team for all the work they did behind the scenes to complete the major upgrades this year.

Financially, the club is in a strong position, a lot better than most, so we can look forward to a bright future.

Thank you to the Sections and Committee for your help during the year – it has been much appreciated.

To the Staff, a big thank you once again for going above and beyond to serve us, the members. We appreciate your smiles.

To the Members, thank you for your support – keep it up, it's your club.



David Selby
President

CLUB MANAGER'S REPORT

Welcome to this year's managers report. I have been looking forward to sharing our progress with everyone.

First things first, it is apt to give everyone a quick refresh on the outcomes of last year's AGM primarily in terms of the project focussed journey you wanted your club to embark on. With the sale of our old clubrooms our club decided to invest \$2.0m and use the remainder on strategic projects comprising of a mixture of modernising our existing facilities ie, repairs and maintenance and introducing brand new areas, ie, capital expenditure with the aim of all projects being the improvement and future proofing of the club for everyone involved.

We have made great strides last year with our big ticket items having completed our ground floor toilet upgrade, our link between the restaurant and sports bar, the snooker and 8ball relocation, our audio-visual enhancements, gaming room upgrade, our exterior fencing, our alarm and cctv upgrade along with a host of many others.

It is important to note that we are bang on target financially with all works completed to date and we have still posted a pre depreciation profit in the year we delivered them.

At this point it is also imperative to explain why depreciation for this year came in higher than last year when you consider we no longer have the old clubroom on our books. Basically, when a club is aggressively moving from one project to another in a single financial year the depreciation applied to each completed project's cost centre is heavily weighed towards the year in which the work was completed which in turn means that the depreciation amounts applied to these projects will greatly reduce in following years.

We are now in year 2 of our club upgrade. As a result of our sound cost management on work delivered, we remain fully funded to complete the remainder of our items in the pipeline without the need to draw down on any club savings. Our next project of significance for this year is the exterior to our function room which we hope to have shovel ready before the end of this calendar year.

In terms of club savings, we have \$2.0 million in various term deposits which has realised income of circa \$50k at time of writing. The long-term plan for our club regarding our savings remains constant with last year's AGM namely, we will keep our \$2million on term deposit and only remove 80% of interest earned to fund future investments or projects as the club continues to build on our strong financial position. This approach ensures that our nest egg will continue to grow in real terms above the rate of inflation whilst also providing the club with alternative options to invest in such as government bonds, stocks or additional club upgrades in accordance with the business needs of the club in that particular year down the long-term track.

So, in terms of the operational results for last year it is great to announce that all classes of trade posted very healthy contributions towards the club's bottom line. It is important to stress that under normal trading conditions i.e., a calendar year without major projects

being completed one after another the profit achieved by our bar, kitchen and gaming would have been more than enough to post a very healthy post depreciation taxable net profit.

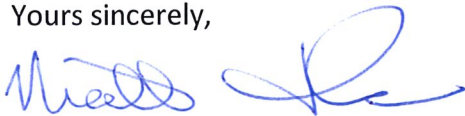
The kitchen has traditionally been a financial burden on the club that needed to be offset by other areas eg, our bar, however we are very proud to say that we have turned the kitchen / function space into one that generates healthy income for our club.

Another point of note is that our links within our community continue to grow. It is fantastic that our club can play our part in supporting our local community whether that be our local rugby and football teams, our local schools, sections and all other items of local significance such as Christmas kids appeal. We endeavour to continue our commitment to all local initiatives which is for the greater good of all within our local community.

At this point I need to acknowledge and thank all our staff; we have a great team without whom none of our results would be achievable. Many thanks to our wonderful President for all the work behind the scenes along with our Vice President, Finance committee and Executive committee.

In conclusion a massive thank you to you our members for being the loyal supporters that you are and for your help in growing our club again making it such a wonderful place to be involved with.

Yours sincerely,



Niall Hanlon

Club Manager

**MINUTES OF THE 58TH ANNUAL GENERAL MEETING
OF THE PAPATOETOE COSMOPOLITAN CLUB (INC)**

HELD IN THE CLUBROOMS ON

Sunday 19th June 2022 at 10.00am

The President, David Selby, opened the meeting at 10.30am and advised that there is a quorum of 100 members present and welcomed everyone to the AGM. He informed everyone of the housekeeping rules, cell phones switched off and indicated the exits to be used in case of an emergency. He requested the use of the roaming microphone when members are addressing the meeting and state your name and card number.

The President formally declared the 58th Annual General Meeting of the Papatoetoe Cosmopolitan Club open and called for the presentation of the 58th Annual Reports and Balance Sheet.

Members in Attendance – 100

Apologies

June McCormack (626), John McCormack (11), Anne Trevena (1224), Diane Millanta (102), Gary Eichstead (873), Bill Falkner (332), Denis Redaway (1145), Deborah Tahere (879), Mike Clark (459), Sapphire Ratu (631), Cheryl Willis (596), Rosanne Jamieson (1421), Alex Jamieson (1567), Pip Webb (599), Eddie Webb (607), Dodie Bore (1294), Hans Amena (505), Steve Webb (738), Maxine Taaka (516), Mike Bing (600), Kevin McBeth (211), Alister Conner, Navinder Cruze, Ken Barn, Alan Wilson, Gary Speechling, Peter Void, Carol Wright.

Introduction of the Top Table: (right to left)

Sharon Sum (Auditor – RSM Hayes Audit Ltd), Niall Hanlon (Secretary/Manager), David Selby (President), Warren Broad (Vice President), Jane Williamson (Minute Taker).

David Selby:

On behalf of all Members, we extend sincere condolences to the families of the following members who passed away during the year and called for members to be upstanding for a moment's silence.

<u>Member Name</u>	<u>Passed Away</u>	<u>Date Joined</u>
Ralph Wing	14.06.2021	22.06.1964
Graham Wood	11.07.2021	14.12.2005
Joe Crow	21.09.2021	29.06.2017
William Easterbrook	06.11.2021	07.01.1971
Dawn Espie	22.09.2021	20.03.2014
Annie Marsters	21.09.2021	28.08.2019
Jim Crymble	19.12.2021	25.02.2002
Frank Livingstone	09.01.2021	06.09.2007
Raymond O'Donnell	02.01.2022	15.11.1977

Brian Breen	26.09.2021	10.03.1966
Ivan Hudson	19.03.2021	01.04.1992
Shona Burbank	09.01.2022	18.10.2012
MaryAnn Webber	25.06.2021	20.10.2010

Confirmation of Minutes of the 57th Annual General Meeting:

Minutes Accepted: **Moved: Chris Webb** **Seconded: Frank Green**

Matters Arising:

Nil

President's Report

David Selby read his report:

It has been another year of Covid disruptions which we seem to have navigated and are in good shape considering so may haven't weathered so well.

We are very fortunate to have Niall overseeing the running of the club with his enthusiastic approach and his likeable manner. A major asset in this industry.

We have managed to make some progress with updates in between closures. Some of the toilets have had a makeover while the sound system has been revamped to 21st century standards. We are one of the first clubs to have this system which should prove its worth over years to come.

Thank you to the Sections and Committee for your help during the year – it has been much appreciated. Hopefully the Sections will be able to operate more fully this year as Covid subsides.

To the staff, a big thank you once again for going above and beyond to serve us, the members.

I sincerely hope that this year will be more fruitful and that we can plough ahead with more updates to our building to make it even better for your enjoyment.

Moved: Maureen Shaker

Seconded: Sheryl Corles-Davis

Club Manager's Report

Welcome everyone and thanks for attending, it is nerve wracking trying to get the 100 attendees. On behalf of the board members who couldn't be here today, thank you for attending and allowing today to go ahead.

As you know 2021/22 has been a very difficult year to navigate, the club was closed for over 4 months and there was an additional 3 months of restrictions on trade with the various traffic light settings. We all remember the dark days of "have you got your vaccine pass", wearing masks, only 100 people allowed etc.

Despite all the adverse settings presented by lockdowns the club has had a stunning year and we look forward to an uninterrupted 2022/23 season.

Thank you to all our staff who worked like trojans throughout the entire year and with all our club re-openings post lockdown. The additional work required back and front of house under restrictions is worthy of a mention and I could not be prouder of our team who stuck with us through thick and thin.

Our President, Vice President, Executive and Finance committee are foremost in my mind and on behalf of our team I would like to thank them for their assistance during the extended lockdown periods of 2021.

In summary, on behalf of all those involved behind the scenes we need to congratulate you, our members most of all for your continued support and loyalty in 2021. I can tell you that there are not many clubs in Aotearoa that have such a loyal membership base. A lot of clubs had a very tough year last year with the whole Covid thing. Please take a moment and give yourselves a pat on the back for your loyalty which has not gone unnoticed when the club needed you, you answered the call. On behalf of the Executive committee, President and Vice President a massive thank you to our members.

We have made a lot of progress working within the community and will continue to build in 2022/23. An extension of our membership base we also see the greater Papatoetoe community as part of our extended family and we want to do more and help and assist with all the other fraternities and clubs in the region, working together to make Papatoetoe a much better place and bring back some of the past glory days.

Our club rebuild strategy is also well underway and we hope that you are enjoying the improvements we are making to our wonderful club. And as always, please feel free to contact the committee or myself with any ideas or updates.

David Selby

A reminder that voting for Vice President will take place after the meeting. Those standing are Warren Broad and Ruth Smith.

Financial Report:

The club posted a net profit of \$2.4 for the financial year 2021/22. This was due to the sale of the old clubrooms which was completed last May.

Covid19 had a major impact on last year's trading as we were closed for 4 months and had an additional 3 months of restricted traffic light settings whilst the costs remained.

Bar sales were down \$50,000 from the previous year however our margin remained at 61%. While that may be concerning, it should be noted that the bar was effectively only open for half the year and if you expand our sales into a 12 month window this would show an annual growth of 17% up on the previous year which is impressive. The bar posted \$13,000 loss on the profit and loss, however, when you account for the wage subsidy we received from the government, the bar actually posted a profit of \$86,000.

A real highlight of last year was the amazing turnaround in the Kitchen sales, they were up a staggering \$82,000 for the year and the function income actually doubled which is even more impressive considering the Covid effects on the year. I have no doubt with an uninterrupted 2022/23 year we will post our first surplus in several years. The functions side of the club is becoming more and more important to our 5 year plan and sustainability of the future growth of the club. Historically if we had a major function here the bar revenue we received from hosting the event was attributed to the kitchen income but now we are looking at each income stream standing on its own feet. These numbers with the adjustments made as to how we record bar profits from functions make that number even more appetising

The gaming revenue was also heavily impacted being down \$111,000 however the net gaming trading surplus remained strong at \$389,000 which is up 8% year on year when expanded into a 12 month window.

The club has a very healthy liquid situation with current assets moving from a ratio of 3:1 prior to the sale across the road to a ratio of 12:1. Basically the club can service all short-term liabilities 12 times over.

Our club is debt free having paid off loans totalling \$131,000 to the NZ Government small business, BNZ and Heartland Bank.

After real estate fees and expenses the old clubrooms sale netted us \$3.2million. As at 31.01.22 we still had \$3million with BNZ after paying for a host of asset improvements totalling \$244,000.

The club has plentiful monetary reserves and looks forward to a prosperous future.

It is important to give you a snapshot of where the money went from the sale of the old premises. At the last EGM we all voted collectively to invest \$2.2million into a share portfolio and hold the other million dollars back for future upgrade plans

The \$2million is invested with the BNZ and going back to August last year Dave and myself were watching the balance and we could see with a low risk sort of strategy that the fluctuations were very wide and unpredictable. Around Christmas time the balance of the account was \$15,000 in profit but all the signs in the market are that this year could be particularly tough. The 4 members of the financial committee meet once a month to discuss the financial well-being of the club and things aren't looking good and we made a collective decision, as a committee, that there has to be a better place for our money. This was ratified by the executive committee at the January meeting and we got to work to get everything out of that portfolio. It took about 3 weeks to unwind the investment and the \$15,000 went down to about \$13 or \$14,000. But the good news is that we made all that back and a few grand on top with the \$2million in the bank in various term deposits so we have done the right thing. With what has happened in the investment market since January, it is probably our greatest achievement because we would have been looking at a 20% loss. There is a great saying in share markets, "it's not timing the markets, it's time in the market". I strongly disagree with that because entry point in a low market is the problem. Our money is still intact, we've got \$2million generating a monthly return of \$3.5 - \$4,000. We are still looking at Craig's Investment Park with \$250,000 but in 3 or 4 months' time that market may have run its course. It's dangerous times out there but our money is as safe as houses

In terms of the business model and how we operate. We have income from our gaming, our kitchen, bar and term deposit. We also have a really big asset upstairs and we are asking members if you can come with any ideas in terms of starting a business, outsourcing the area if there is something that could work up there.

In summary it was a very tricky year last year, we have \$3.4million net profit, \$3million in cash and don't owe anyone a thing. Well done and thank you to the members for making it happen.

David Selby

Does anyone have any financial questions?

As there are none I'll excuse Sharon, our auditor, thank you Sharon.

Subscriptions are \$70 for members, \$35 for seniors. Subscriptions will remain the same for next year.

Moved: Melissa McGregor

Seconded: Tony Armstrong

Appointments of the Auditor, we are looking to change the auditor which will be confirmed at a later date. Confirmation that Murdoch Price will remain as our lawyers and the BNZ our bank.

Moved: Chris Webb

Seconded: Sheryl Coles-Davis

David Selby

Presentation of trophies –

Club Personality of the Year and President's trophy. The members were asked to nominate a Club Personality and two nominations were received, both for the same person.

Warren Broad

Shaenade is very friendly, kind and helpful. She always has a smile, makes you feel welcome. She is the voluntary support officer and works in the garden etc. She is a great staff member. Please come forward and accept your trophy, congratulations Shaenade.

Shaenade

Thank you everyone.

David Selby

The President's trophy, this person is our operations and functions manager, they oversee the operations of the club and the functions and these are a critical part of our 5 year plan. They are responsible for staff members, the bar and front of house, also for the upgrade and 5 year plan. Congratulations to Jenny Robinson.

Jenny Robinson

Thank you, this is a nice surprise.

General Business:

George Wright (492):

With the old club being sold we should expect more traffic in the area, right?

David Selby

I'd expect so, with any improvement you expect more traffic.

George Wright (492):

At the present time the gates over the road are not going very well, if there is going to be more traffic around here it is probably about time to put another gate on the carpark around the back.

David Selby

We do have plans to do that, we are looking at quotes. The gates across the road are now manual and will stay like that, we are not going to put swipe cards back in because as people leave they don't hand them back in and some people just use them as a general carpark. There was also power needed which came from the old building. Now the gates are manual there are less cars parked there during the week days. The gates are locked when the bar staff leave at night and opened about 10 o'clock the next morning so your cars are very safe locked in there overnight.

We are planning to put a fence right along between the mosque and us because we are well aware that at night some people could wander around behind the club leaving rubbish etc.

Gordon Bennett (1543):

The manual gate across the road is okay except when I come back in the morning to get my car to go to work and the gate is still locked.

Niall Hanlon:

The reason we had to move to manual locks on the gate is because the old gates required a power source which came from the old building. To have power running from our current building to the gates across the road is just not feasible, far too expensive. The duty manager at the end of the night closes the gate and the office staff open it again in the morning about 8.30 -9am. As Dave has pointed out, with a new fence between our club and the mosque we could have a similar setup to what we had before because we could get the power from this building.

David Selby

As there is no further general business I'd like to thank everyone for coming. Remember the voting will take place next door. The club is in good hands and we have a bright looking future. Buffet breakfast is available next door until 2pm.

Meeting Closed at 11am

Financial Statements

PAPATOETOE COSMOPOLITAN CLUB
For the year ended 31 January 2023

Prepared by McQueen & Associates Limited

Contents

3	Directory
4	Statement of Service Performance
5	Approval of Financial Report
6	Statement of Financial Performance Summary
7	Bar Trading Account
8	Kitchen Trading Account
9	Non-trading Income & Expenses
10	Gaming Machine Trading Account
11	Statement of Profit or Loss
13	Sports Section Accounts
15	Statement of Financial Position
16	Statement of Cash Flows
17	Notes to the Financial Statements
26	Audit Report

Directory

PAPATOETOE COSMOPOLITAN CLUB

For the year ended 31 January 2023

Entity's Purpose or Mission

The Papatoetoe 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 Type and Legal Basis

Incorporated Society

Registered Office

53 Rangitoto Road
Papatoetoe
Auckland 2025

Incorporated Societies Number

224278

New Zealand Business Number

9429042799856

Bankers

Bank of New Zealand

Chartered Accountant

McQueen & Associates Limited
Level 4, 165 The Strand
Parnell
Auckland 1010

Auditors

Audit Integrity Limited
Level 1, Building 2, 15 Accent Drive
East Tamaki
Auckland 2013

Statement of Service Performance

PAPATOETOE COSMOPOLITAN CLUB

For the year ended 31 January 2023

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

Description of Entity's Outcomes

The Papatoetoe 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 Papatoetoe 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 of and Quantification of the Entity's Outputs

	2023	2022
Number of Memberships	857	698

Approval of Financial Report

PAPATOETOE COSMOPOLITAN CLUB

For the year ended 31 January 2023

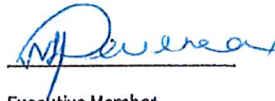
The Governing body are pleased to present the approved financial report including the historical financial statements of Papatoetoe Cosmopolitan Club Inc for year ended 31 January 2023.

APPROVED



Executive Member

Date 6/4/2023



Executive Member

Date 6/4/23

Statement of Financial Performance Summary

PAPATOETOE COSMOPOLITAN CLUB

For the year ended 31 January 2023

	2023	2022
Summarised Income & Expenses		
Subscription Income (Exchange transactions)	47,618	36,019
Bar Trading		
Income (Exchange transactions)	766,673	498,418
Cost of Sales	(305,666)	(198,523)
Wages	(313,516)	(273,969)
Other Income	27,632	28,258
Other Expenses	(83,879)	(66,812)
Net Bar Trading Surplus/(Deficit)	91,244	(12,627)
Kitchen Trading		
Income (Exchange transactions)	305,093	275,956
Expenses	(227,621)	(355,660)
Net Kitchen Trading Surplus/(Deficit)	77,471	(79,703)
Non-trading Operations		
Income	80,761	39,949
Expenses	(63,989)	(49,059)
Net Non-trading Surplus/(Deficit)	16,772	(9,109)
Gaming Trading		
Income (Exchange transactions)	987,296	644,251
Expenses	(361,674)	(254,817)
Net Gaming Trading Surplus/(Deficit)	625,622	389,434
Other Operating Expenses	(856,528)	(851,101)
Depreciation Expenses	(170,471)	(154,161)
Other Income	32,582	3,179,234
Other Expenses	-	(43,777)
Net Surplus/(Deficit) before Taxation	(135,689)	2,454,209
Income Tax Expense	(11,624)	(38,353)
Net Surplus/(Deficit) for the Year	(147,314)	2,415,856

These financial statements should be read in conjunction with the Notes to the Financial Statements.

Bar Trading Account

PAPATOETOE COSMOPOLITAN CLUB

For the year ended 31 January 2023

	2023	2022
Bar Trading Account		
Income		
Bar Sales	765,600	498,169
Off License Sales	1,073	249
Total Income	766,673	498,418
Less Cost of Sales		
Opening Inventory	17,409	16,285
Bar Purchases	306,824	199,647
Closing Inventory	(18,567)	(17,409)
Total Cost of Sales	305,666	198,523
Gross Surplus from Trading	461,006	299,896
Less Wages		
Wages	313,516	273,969
Total Wages	313,516	273,969
Net Bar Surplus/(Deficit) after Wages	147,491	25,926
Other Trading Income		
Games Equipment	7,824	4,955
Social Functions	10,234	19,250
TAB Commission	9,574	4,053
Total Other Trading Income	27,632	28,258
Less Other Expenses		
Bar Issues	8,087	5,475
Coasters	-	1,215
Entertainment	1,431	-
General Expenses	103	77
Glassware	223	1,742
Promotional / Entertainment	17,695	9,572
Sky/TV	18,279	12,808
Stocktaking	7,800	5,100
TAB Wages	30,000	30,080
TAB Expenses	259	744
Total Other Expenses	83,879	66,812
Net Other Trading Surplus/(Deficit)	(56,247)	(38,553)
Net Bar Trading Surplus/(Deficit)	91,244	(12,627)

These financial statements should be read in conjunction with the Notes to the Financial Statements.

Kitchen Trading Account

PAPATOETOE COSMOPOLITAN CLUB

For the year ended 31 January 2023

	2023	2022
Kitchen Trading		
Income		
Kitchen Income	133,591	175,470
Function Income	138,590	90,196
Function Licences, Security & Cleaning Fees Paid	7,408	3,151
Room Hire	15,504	7,139
Kitchen Rent	10,000	-
Total Income	305,093	275,956
Expenses		
Opening Inventory	3,754	2,755
Cleaning	5,184	1,797
Food Purchases	84,108	123,240
Function Cleaning Costs	1,371	-
Function Licences	1,547	3,484
Function Security Costs	-	667
Non-consumable Kitchen Expenses	2,884	7,938
Other Function Expenses	1,681	615
Sundry Kitchen Equipment Replacements	2,520	-
Wages	124,572	218,918
Closing Inventory	-	(3,754)
Total Expenses	227,621	355,660
Net Kitchen Trading Surplus/(Deficit)	77,471	(79,703)

These financial statements should be read in conjunction with the Notes to the Financial Statements.

Non-trading Income & Expenses

PAPATOETOE COSMOPOLITAN CLUB

For the year ended 31 January 2023

	2023	2022
Non-trading Income & Expenses		
Non-trading Income		
Back Garage Rent	-	891
Carpark Security Tags Sales	78	157
Cellphone Tower Rent	9,937	9,937
Clothing Sales	50	-
Dividends Received	360	374
Donations Received	893	613
Faith Baptist Rent	-	12,554
Interest Received	40,365	5,750
Raffle Income	12,923	548
Room Hire Revenue	6,626	2,348
Other Income	9,530	6,157
Trophies Plus Rent	-	622
Total Non-trading Income	80,761	39,949
Expenses		
Clothing Cost of Goods Sold	1,590	-
Club Draw	27,270	14,620
Donations - Community	2,719	162
Donations - Sports Sections	12,134	4,977
Loss on Investments	-	10,944
Membership Cards	683	570
Portfolio Management Fees	338	1,294
Raffle Expenses	8,571	5,465
Representative Sports	10,196	10,254
Sundry Expenses	489	686
Welfare Payments & Donations	-	85
Total Expenses	63,989	49,059
Net Non-trading Surplus/(Deficit)	16,772	(9,109)

These financial statements should be read in conjunction with the Notes to the Financial Statements.

Gaming Machine Trading Account

PAPATOETOE COSMOPOLITAN CLUB

For the year ended 31 January 2023

	2023	2022
Gaming Trading		
Income		
Gaming Machine Takings	987,296	644,251
Total Income	987,296	644,251
Expenses		
Accountancy	2,000	2,000
Audit	2,000	2,000
Depreciation	49,434	36,288
Electricity	6,880	5,593
EMS Monitoring	12,851	2,242
Gaming Duty	237,462	153,879
Gaming Service Contract	14,157	14,294
Gaming Systems Costs	2,126	1,998
Insurance	2,830	2,830
Licences & Registrations (DIA)	11,934	13,598
Loss on Sale of Gaming Equipment	-	94
Wages	20,000	20,000
Total Expenses	361,674	254,817
Net Gaming Trading Surplus/(Deficit)	625,622	389,434

These financial statements should be read in conjunction with the Notes to the Financial Statements.

Statement of Profit or Loss

PAPATOETOE COSMOPOLITAN CLUB

For the year ended 31 January 2023

	NOTES	2023	2022
Operating Revenue			
Subscriptions		47,618	36,019
Gross Surplus/(Deficit) from Bar Trading Account		91,244	(12,627)
Gross Surplus/(Deficit) from Kitchen Trading Account		77,471	(79,703)
Gross Surplus/(Deficit) from Non-trading Income and Expenses		16,772	(9,109)
Gross Surplus/(Deficit) from Gaming Trading Account		625,622	389,434
Total Operating Revenue		858,727	324,014
Gross Surplus/(Deficit)		858,727	324,014
Expenses			
ACC Costs		5,073	3,863
Accountancy		9,631	4,380
Advertising		7,713	4,744
AGM Expenses		500	2,315
Bank Charges		2,314	1,661
Capitation Fees		3,241	3,480
Cleaning Materials		13,873	9,632
Computer Expenses		11,019	7,294
Conference Expenses		-	1,453
Contract Cleaning		79,435	57,551
EFTPOS Charges		4,331	1,339
Electricity/Gas		91,405	74,307
Equipment Hire		12,610	18,310
General Expenses		8,964	6,207
Glory Expense		3,880	5,132
Honorarium		7,000	7,000
Hospitality		9,009	5,028
Insurance		37,181	42,041
Interest Expense		16	1,156
Legal Expenses & Consultancy		130	2,772
Licences & Registrations		3,097	9,105
Low Value Assets		3,795	4,249
Printing & Stationery		8,150	7,995
Rates		84,516	91,611
Remuneration to Auditors - Audit Fees		10,269	6,753
Repairs & Maintenance		160,108	178,068
Security		3,058	2,714
Staff Training Expenses		1,990	171
Staff Uniforms		2,464	3,113
Subscriptions		8,982	3,588
Taxi Fees - Members		1,200	1,602

These financial statements should be read in conjunction with the Notes to the Financial Statements.

	NOTES	2023	2022
Telephone & Tolls		12,710	11,504
Wages		248,149	270,301
Website Expenses		712	663
Total Expenses		856,528	851,101
Net Surplus/(Deficit) before Depreciation		2,199	(527,087)
Non Cash Expenditure			
Depreciation on Buildings		84,748	85,517
Depreciation on Carparks		401	418
Depreciation on Furniture & Fittings		19,641	17,114
Depreciation on Plant & Machinery		65,444	50,148
Depreciation on Website		237	473
Loss on Sale of Furniture & Fittings		-	301
Loss on Sale of Plant & Machinery		-	190
Total Non Cash Expenditure		170,471	154,161
Operating Surplus/(Deficit) before Other Income		(168,272)	(681,247)
Other Income			
Capital Gain on Sale of Fixed Assets		-	2,710,371
Commissions Received		1,482	1,185
Depreciation Recovered		-	219,273
Government Wage Subsidy & Support Payments (Non-Exchange transactions)		31,101	248,405
Total Other Income		32,582	3,179,234
Other Expenses			
Prior Period Write Off		-	43,777
Total Other Expenses		-	43,777
Surplus/(Deficit) before Income Tax		(135,689)	2,454,209
Taxation			
Income Tax Expense	10	11,624	38,353
Total Taxation		11,624	38,353
Net Surplus/(Deficit) Transferred to Accumulated Funds		(147,314)	2,415,856

These financial statements should be read in conjunction with the Notes to the Financial Statements.

Sports Section Accounts

PAPATOETOE COSMOPOLITAN CLUB

For the year ended 31 January 2023

	2023	2022
Sports Sections		
Sports - Darts		
Opening Balance	2,453	4,000
Sports - Darts Income	2,498	1,313
Sports - Darts Expenses	(2,500)	(2,859)
Total Sports - Darts	2,451	2,453
Sports - Fishing		
Opening Balance	2,315	1,905
Sports - Fishing Income	595	410
Total Sports - Fishing	2,910	2,315
Sports - Fitclub		
Sports - Fitclub Income	1,144	-
Total Sports - Fitclub	1,144	-
Sports - Golf		
Opening Balance	5,832	5,586
Sports - Golf Income	(366)	245
Sports - Golf Expenses	(174)	-
Total Sports - Golf	5,292	5,832
Sports - Indoor Bowls		
Opening Balance	5,021	6,140
Sports - Indoor Bowls Income	4,620	3,751
Sports - Indoor Bowls Expenses	(5,554)	(4,869)
Total Sports - Indoor Bowls	4,087	5,021
Sports - League		
Opening Balance	6,535	2,848
Sports - League Income	-	3,687
Sports - League Expenses	(1,722)	-
Total Sports - League	4,813	6,535
Sports - Outdoor Bowls		
Opening Balance	155	1,334
Sports - Outdoor Bowls Income	1,733	432
Sports - Outdoor Bowls Expense	(226)	(1,612)
Total Sports - Outdoor Bowls	1,661	155
Sports - Pool 8 Ball		
Opening Balance	999	2,150
Sports - Pool 8 Ball Income	5,041	274
Sports - Pool 8 Ball Expenses	(4,182)	(1,426)
Total Sports - Pool 8 Ball	1,857	999

These financial statements should be read in conjunction with the Notes to the Financial Statements.

	2023	2022
Sports - Punters Club		
Opening Balance	4,935	1,961
Sports - Punters Club Income	(531)	3,895
Sports - Punters Club Expense	(290)	(921)
Total Sports - Punters Club	4,113	4,935
Sports - Seniors		
Opening Balance	6,336	8,339
Sports - Seniors Income	5,315	4,630
Sports - Seniors Expenses	(6,230)	(6,634)
Total Sports - Seniors	5,421	6,336
Sports - Snooker		
Opening Balance	438	1,960
Sports - Snooker Income	661	(198)
Sports - Snooker Expenses	(1,586)	(1,324)
Total Sports - Snooker	(487)	438
Sports - South City Sounds		
Opening Balance	836	1,314
Sports -South City Sounds Expense	-	(478)
Total Sports - South City Sounds	836	836
Sports - Table Tennis		
Opening Balance	2,374	2,374
Total Sports - Table Tennis	2,374	2,374
Sports - Tennis		
Opening Balance	4,005	3,981
Sports - Tennis Income	466	945
Sports - Tennis Expenses	(922)	(922)
Total Sports - Tennis	3,549	4,005
Total Sports Sections	40,022	42,232

These financial statements should be read in conjunction with the Notes to the Financial Statements.

Statement of Financial Position

PAPATOETOE COSMOPOLITAN CLUB

As at 31 January 2023

	NOTES	31 JAN 2023	31 JAN 2022
Assets			
Current Assets			
Bank Accounts & Cash	3	480,672	1,718,689
Debtors & Prepayments	3	2,252	1,349
Inventory	3	18,567	22,753
Other Current Assets	3	2,519,525	1,606,010
Total Current Assets		3,021,016	3,348,800
Non-Current Assets			
Property, Plant & Equipment	5	3,134,842	2,916,151
Total Non-Current Assets		3,134,842	2,916,151
Total Assets		6,155,858	6,264,951
Liabilities			
Current Liabilities			
Creditors & Accrued Expenses	4	211,043	156,015
Other Current Liabilities	4	102,254	119,061
Total Current Liabilities		313,297	275,077
Total Liabilities		313,297	275,077
Total Assets less Total Liabilities (Net Assets)		5,842,561	5,989,875
Accumulated Funds			
Accumulated Funds - General	6	5,828,824	5,978,703
Accumulated Funds - Gaming	7	13,737	11,172
Total Accumulated Funds		5,842,561	5,989,875

These financial statements should be read in conjunction with the Notes to the Financial Statements.

Statement of Cash Flows

PAPATOETOE COSMOPOLITAN CLUB

For the year ended 31 January 2023

2023

2022

'How the entity has received and used cash'

Cash Flows from Operating Activities

Receipts from Providing Goods or Services	2,160,229	1,493,782
Interest, Dividends & Other Investment Receipts	39,821	5,788
Cash Receipts from Property Rental	16,641	20,072
Receipts from Government Wage Subsidies	31,101	248,405
Refund/(Payment) of GST	(3,752)	(3,763)
Refund/(Payment) of Tax	(19,875)	(15,257)
Payments to Suppliers & Employees	(2,105,632)	(1,973,223)
Net Cash Flows from Operating Activities	118,533	(224,195)

Cash Flows from Investing/Financing Activities

Payments to Acquire Property, Plant & Equipment	(438,595)	(169,821)
Proceeds from Sale of Property	-	3,250,768
Loan Interest	(16)	(1,156)
Cash Flows from Other Investing	(915,728)	(1,412,794)
Cash Flows from Loans	-	(129,710)
Net Cash Flows from Investing/Financing Activities	(1,354,340)	1,537,286

Section Accounts

Section Accounts	(2,210)	(1,662)
Total Section Accounts	(2,210)	(1,662)

Prior Period Write Off

Prior Period Write Off	-	(43,777)
Total Prior Period Write Off	-	(43,777)

Net Cash Flows

(1,238,017) 1,267,652

Net Increase/(Decrease) in Cash

Opening Cash Balance	1,718,689	451,037
Ending Cash Balance	480,672	1,718,689

Ending Cash Comprises as per Statement of Financial Position

BNZ Bank - Trading Account	120,110	62,987
BNZ Bank - Sports Account	39,195	43,198
BNZ Bank - Gaming Account	90,270	84,710
BNZ Bank - Gaming Depreciation Account	20,531	40,000
BNZ Bank - Property Account	163,479	1,420,730
Cash on Hand	47,086	67,063
Cash and Cash Equivalents at End of Period	480,672	1,718,689

These financial statements should be read in conjunction with the Notes to the Financial Statements.

Notes to the Financial Statements

PAPATOETOE COSMOPOLITAN CLUB

For the year ended 31 January 2023

1. Reporting Entity

The financial statements presented here are for the entity Papatoetoe Cosmopolitan Club (Inc). Papatoetoe Cosmopolitan Club (Inc) is an Incorporated Society, and these financial statements have been prepared in accordance with the Incorporated Societies Act 1908. 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.

2. Statement of Accounting Policies

The financial statements comply with generally accepted accounting practice in New Zealand (NZ GAAP). The Club is a public benefit entity for the purpose of financial reporting. They comply with Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR) and disclosure concessions have been applied.

For the purposes of complying with NZ GAAP, the Club is a public benefit not-for-profit entity and has elected to report in accordance with PBE Standards RDR on the basis that it does not have public accountability and it is not defined as large.

Basis of Preparation

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

Historical Cost

The financial statements have been prepared on a historical cost basis.

Significant Judgements and Estimates

The preparation of the Club's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets and liabilities affected in future periods.

a) Judgements

In the process of applying the Club's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

- (i) Classification of non-financial assets as cash generating assets or non-cash generating assets.

For the purpose of assessing impairment indicators and impairment testing, the Club classifies non-financial assets as either cash-generating or non cash-generating assets.

The majority of property, plant & equipment held by the Club are classified as cash-generating assets.

b) Assumptions and estimation uncertainties

The key assumptions that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are described below. The Club based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Club. Such changes are reflected in the assumptions when they occur. The following assumptions and estimation uncertainties have the most significant effect on the amounts recognised in the financial statements.

- (i) Useful lives and residual values

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 Club;
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes;
- The nature of the processes in which the asset is deployed;
- Availability of funding to replace the asset;
- Changes in the market in relation to the asset.

Impairment of Non-Financial Assets

The carrying amounts of the Club's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated.

The recoverable amount of an asset or Cash Generating Unit ("CGU") is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows (for cash generating assets) or future remaining service potential (for non cash generating assets) are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised as surplus or deficit in the Statement of Financial Performance. An impairment loss is reversed only by the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

Impairment of Financial Assets

Financial Assets classified as loans and receivables.

The Club considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) 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.

In assessing collective impairment, the Club uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for the management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

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 reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised.

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 surplus or deficit.

Inventories

Inventories are stated at the lower of cost, determined on a first-in-first-out basis, and net realisable value.

Accounts Receivable

Accounts receivable are recognised initially at fair value, less an allowance for any uncollectable amounts. Individual debts that are known to be uncollectable are written off in the period that they are identified.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the club and the revenue can be reliably measured, regardless of when payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognised.

(i) Revenue from exchange transactions

Gaming Machine and Bar Revenue

Revenue shown in the Gaming Trading Account comprise the amounts received for gaming services supplied to customers in the ordinary course of business. Revenue recognised in relation to the gaming proceeds is recognised on a daily basis. Gaming profits represent the net win to the club from gaming activities, being the difference between the amounts wagered and the amounts won by gaming patrons.

Bar Revenue in the Bar Trading Account is recognised when there has been a transfer of risks and rewards to the customer i.e. when the goods are sold to the customers.

Interest Revenue

Revenue is recognised as interest accrues using the effective interest method.

Rental Revenue

Rental revenue is accounted for on a straight line basis over the lease term

Subscription Income

Subscriptions received are recognised in the Statement of Financial Performance when the club receives the money from members.

(ii) Revenue from non-exchange transactions

Non exchange transactions are those where the Club receives an inflow of resources (i.e cash and other tangible or intangible items) but provides no (or nominal) direct consideration in return. The Papatoetoe Cosmopolitan Club (Inc) did not have any non-exchange transactions during the year.

Leases

Finance lease

Finance leases which effectively transfer to the company substantially all of the risks and rewards incidental to ownership of the leased item are capitalised at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

Operating lease

Operating lease payments, where the lessors effectively retain substantially all the risk and benefits of ownership of the leased items, are recognised as an expense in profit or loss on a straight line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

Accounts Payable

Accounts Payable represents liabilities for goods and services provided to the Club as at the end of the financial year that are unpaid and due within one year.

Financial Instruments

Financial assets and financial liabilities are recognised when the Club becomes a party to the contractual provisions of the financial instrument.

The Club derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Club is recognised as a separate asset or liability.

The Club derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Club classifies financial assets as loans and receivables.

The Club classifies financial liabilities as an amortised cost.

(i) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are subsequently measured at amortised cost using effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and receivables.

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and on hand and short term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(ii) Amortised cost and 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.

Financial liabilities classified as amortised cost comprise payables and loans payable.

Employee Entitlements

Employee entitlements to salaries and wages i.e. annual leave are recognised when they accrue to employees.

Borrowings

Borrowings are recognised at the fair value of the amount borrowed. The interest expense from borrowings is recognised in the Statement of Financial Performance. The portion of borrowing due within 12 months is classified as current liabilities and amount due for more than 12 months are classified as non-current liabilities in the Statement of Financial Position.

Goods and Services Tax

All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

	2023	2022
3. Analysis of Assets		
Bank Accounts & Cash		
BNZ Bank - Trading Account	120,110	62,987
BNZ Bank - Sports Account	39,195	43,198
BNZ Bank - Gaming Account	90,270	84,710
BNZ Bank - Gaming Depreciation Account	20,531	40,000
BNZ Bank - Property Account	163,479	1,420,730
Cash on Hand	47,086	67,063
Total Bank Accounts & Cash	480,672	1,718,689
Debtors & Prepayments		
Other Receivables	2,252	1,349
Total Debtors & Prepayments	2,252	1,349
Inventory		
Inventories	18,567	21,163
Stock on Hand - Club Clothing	-	1,590
Total Inventory	18,567	22,753
Other Current Assets		
Staff Fund	505	2,005
Staff Loans	925	1,300
BNZ Portfolio	-	617
Term Deposits	2,518,095	1,602,088
Total Other Current Assets	2,519,525	1,606,010
	2023	2022

4. Analysis of Liabilities

Creditors & Accrued Expenses		
Accounts Payable	194,304	135,524
GST	16,739	20,491
Total Creditors & Accrued Expenses	211,043	156,015
Other Current Liabilities		
Bonds & Deposits	3,150	2,110
Holiday Pay Accrual	40,859	44,613
Sports Section	40,022	42,232
TAB Clearing Account	416	4,050
Income Tax Payable	17,807	26,057
Total Other Current Liabilities	102,254	119,061

	2023	2022
5. Property Plant & Equipment		
Buildings		
Buildings at Cost	4,235,423	4,080,487
Accumulated Depreciation on Buildings	(2,339,064)	(2,254,316)
Total Buildings	1,896,359	1,826,171
Carpark Land & Buildings		
Carpark Land & Buildings at Cost	738,218	705,580
Accumulated Depreciation on Carpark Land & Buildings	(17,467)	(17,066)
Total Carpark Land & Buildings	720,751	688,514
Furniture and Fittings		
Furniture & Fittings at Cost	653,800	640,550
Accumulated Depreciation on Furniture & Fittings	(546,671)	(527,030)
Total Furniture and Fittings	107,129	113,520
Gaming Equipment		
Gaming Equipment at Cost	398,597	315,447
Accumulated Depreciation on Gaming Equipment	(309,872)	(260,438)
Total Gaming Equipment	88,725	55,009
Plant & Equipment		
Plant & Machinery at Cost	861,562	706,940
Accumulated Depreciation on Plant & Machinery	(539,919)	(474,475)
Total Plant & Equipment	321,643	232,465
Website		
Website at Cost	1,893	1,893
Accumulated Depreciation on Website	(1,656)	(1,419)
Total Website	237	473
Total Property Plant & Equipment	3,134,842	2,916,151

All Property, Plant and Equipment are recorded at cost with depreciation being deducted on all tangible fixed assets other than freehold land. Depreciation is calculated using rates permitted under the Income Tax Act 2007 (excluding buildings). Gains and losses on disposal of assets are taken into account in determining the operating result for the year.

Depreciation is charged to the Statement of Financial Performance over the estimated useful lives of each item of property, plant and equipment. Depreciation rates are as follows:

- Buildings 2% CP
- Furniture & Fittings 8% - 67% DV
- Gaming Equipment 16% - 50% DV
- Plant & Equipment 8% - 67% DV
- Website 50% DV

	2023	2022
6. Accumulated Funds - General		
Accumulated Funds		
Opening Balance	5,989,875	3,574,018
Accumulated Surpluses/(Deficits)	(149,879)	2,458,790
Movement in Gaming Funds	2,565	(42,934)
Total Accumulated Funds	5,842,561	5,989,875
Total Accumulated Funds - General	5,842,561	5,989,875
	2023	2022

7. Accumulated Funds - Gaming

Accumulated Funds		
Accumulated Funds Gaming	11,172	54,106
Net Gaming Income for the Current Year	625,622	389,434
Authorised Gaming Purpose Expenditure (see note 18)	(623,057)	(432,368)
Total Accumulated Funds	13,737	11,172
Total Accumulated Funds - Gaming	13,737	11,172
	2023	2022

8. Contingent Liabilities and Guarantees

Totalisator Agency Board	10,000	10,000
Total Contingent Liabilities and Guarantees	10,000	10,000
	2023	2022

9. Operating Leases

Within One Year	20,520	20,520
After One Year But Not More Than Five Years	17,100	37,620
More Than Five Years	-	-
Total Operating Leases	37,620	58,140
	2023	2022

10. Taxation

Net Taxable Income		
Taxable Income	42,660	138,127
Total Net Taxable Income	42,660	138,127
Less Income Tax Exemption	(1,000)	(1,000)
Total Taxable Income	41,660	137,127
Tax Payable at 28%	11,665	38,396
Less Imputation Credits	40	42
Income Tax Expense	11,624	38,353
Deductions from Tax Payable		

	2023	2022
Opening Balance	(26,057)	(2,961)
Prior period tax paid (refunded)	-	13,269
Resident withholding tax paid	19,875	1,988
Total Deductions from Tax Payable	(6,182)	12,296
Income Tax Payable (Refund Due)	17,807	26,057

The Papatoetoe Cosmopolitan Club (Inc) is liable for taxation only on income earned from entities or activities outside the Club and its members. It also receives an exemption on its income of \$1,000.

	2023	2022
11. Financial Instruments		
Financial Assets		
Cash & Cash Equivalents	480,672	1,718,689
Trade & Other Receivables	2,252	1,349
Short Term Investments	2,518,095	1,602,705
Financial Liabilities		
Trade & Other Creditors	194,304	135,524
Sports Section Liability	40,022	42,232

The carrying amounts of financial instruments presented in the Statement of Financial Position relate to the following categories of assets and liabilities.

12. Section Balances

The Club has a number of sports sections that operate independently. The Club Management in practice does not control the activities of those sections. For these reasons the results of the sections have not been consolidated with the Club's financial statements. The monies owing to the sections are under current liabilities in the Club's Statement of Financial Position.

13. Related Parties

There were no transactions involving related parties during the financial year (2022: Nil).

14. Capital Commitments

There are no capital commitments as at 31 January 2023 (2022: Nil).

15. BNZ Bank - Gaming Depreciation Account

Funds held in the BNZ Bank - Gaming Depreciation Account from the gaming machine proceeds are restricted to certain approved uses. These are as noted in the Class 4 venue license which is displayed in the gaming area of the club.

	2023	2022
16. Gaming Authorised Purpose Expenditure		
ACC Costs	5,073	-
Accountancy	9,631	4,380
Administration Wages	25,758	40,000
Advertising	6,258	3,863
Audit Fees	8,869	6,753

	2023	2022
Capitation Fees	3,241	3,480
Cleaning Materials	12,831	9,290
Computer Expenses	10,553	4,971
Conference Expenses	-	626
Contract Cleaning	77,614	55,771
Consultants	-	2,772
Donations - Community	2,719	-
Donations - Sports Sections	6,500	1,593
Door/Security Wages	59,867	-
Electricity/Gas	78,409	47,011
Equipment Hire	7,799	12,459
General Expenses	5,645	686
Glory Expenses	3,505	-
Honorarium	7,000	-
Insurance	37,181	41,459
Licences and Registrations	2,524	2,147
Low Value Assets	831	-
Membership Cards/Key Tags	775	570
Printing & Stationery	4,215	4,490
Promotional/Entertainment	2,042	-
Purchasing Non Gaming Assets	40,580	19,845
Rates	80,933	59,094
Repairs and Maintenance	68,347	78,670
Representative Sports	10,000	-
Security	2,289	2,349
Sky/TV	18,279	12,808
Staff Training	217	-
Staff Uniforms	2,018	1,267
Subscriptions	8,094	2,918
Taxis - Members	1,280	1,593
Telephone and Tolls	12,151	11,504
Website Expenses	26	-
Total Gaming Authorised Purpose Expenditure	623,057	432,368



INDEPENDENT AUDITOR'S REPORT

To Members of the PAPATOETOE COSMOPOLITAN CLUB INC

Opinion

We have audited the performance report of the PAPATOETOE COSMOPOLITAN CLUB ("the CLUB") on pages 3 to 25, which comprises, entity information, statement of service performance; the statement of financial position including sports section accounts as at 31 January 2023 and the statement of Profit or loss which includes Bar trading account, Kitchen trading account, Gaming trading account and Non-trading account, and statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying performance report on pages 3 to 25 present fairly, in all material respects, the financial position of the CLUB as at 31 January 2023 and its financial performance and its cash flows for the year ended, including the entity information and service of performance, 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 in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described below in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the CLUB in accordance with Professional and Ethical Standard 1 *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 CLUB.

Executive committee members Responsibility for the Performance Report

The executive committee members are responsible for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity NZ IPSAS Standards with the Reduced Disclosure Regime and for such internal control as the executive committee members determine is necessary to enable the preparation of the performance report that are free from material misstatement, whether due to fraud or error. This includes:

- 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 performance report which comprises:
 - the entity information.
 - the statement of service performance
 - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with PBE-SFR-A-NFP issued in NZ by the NZ Accounting Standards Board, and
- (c) for such internal control as the governance determines is necessary to enable the preparation of a performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the executive committee members are 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 members either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the performance report 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 not 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 performance 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. A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at:

<http://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-8/>.

Other matters

The prior year comparatives were audited by RSM Hayes Audit, who issued an unqualified audit opinion on the 16th May 2022.

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

Audit Integrity Ltd

Chartered Accountants

East Tamaki, Auckland

7 April 2023

REMIT –

- 1: The Executive propose reducing the age of junior membership from 15 to 10.
- 2: The Executive also propose a reduction from 100 to 75 regarding future Annual General Meetings.