



# **TAURANGA CITIZENS CLUB INC**

## **55<sup>th</sup> ANNUAL GENERAL MEETING**

**(Since Charter Granted)**

**at the Clubrooms**

**Sunday 13<sup>th</sup> August 2023 at**  
**11.00am**

### **AGENDA**

1. Apologies
2. Confirmation of Minutes of the 54<sup>th</sup> Annual General Meeting.
3. President's Report
4. Receive Annual Accounts and Balance Sheet
5. Election of Officers
6. Election of Auditor
7. Election of Patrons
8. President's Honoraria
9. Notices of Motion
10. Subscriptions
11. General Business
  - (a) Rebranding the Club

# Executive For 2022/23

## 12 Executive Meetings Held

President	MJ (Mel) Turvey
Senior Vice President	B (Bruce) Heappey
Junior Vice President	G (Glenda) Chapman
CEO (Aug 21-Mar 23)	L (Lee) Davis
Mger (Mar 23-Aug 23)	WJ (Joanna) Middleton
Committee	A (Andrew) Matthews B (Bruce) Heappey B (Barbara) Turley G (Pedro) Petersen P (Phyllis) Spencer C (Cornwall) Stowers
Life Members	T (Terry) Attwood (Deceased) B (Buster) Stovold M (Marie) Maguire (Mrs) (Deceased) E (Betty) Stamp (Mrs) (Deceased) L (Lorrena) Rosell (Mrs) A (Tony) Handley E (Earl) Beatty (Deceased) L (Lorna) Harper (Deceased) G (Gary) Armstrong E (Betty) Soole (Deceased) SW (Chook) Hawkings
Patron	J (Joy) Hodgkinson G (Gary) Armstrong

Financial Membership as at 31<sup>st</sup> July 2023 (5430)

## Presidents Report 2023

I am honoured to present this report for the year ending 31<sup>st</sup> May 2023. I have completed my first year as President and have endeavoured to look after the Members assets and to ensure the growth of the Club for the future is positive.

On behalf of the Members, Executive, Management and Staff, I would like to extend our deepest sympathy to the Members who have lost loved ones during the past year.

This past year the Executive approved the upgrade for the car park and 3 new gaming machines. More recently they approved the re-roofing and a new air conditioning unit for the TAB area, this has certainly had a few problems with the wet weather causing many leaks but we are on top of it now. Going ahead we are revisiting the centre bar again. A centre bar will be very helpful with staffing especially with the new gaming legislation that will be going ahead in September. Hopefully we will have a presentation ready for the AGM.

This past year has again had fantastic financial results for the Club. To hold our own financially during times when Clubs are struggling to survive is fantastic. Sadly, there have been a number of clubs that have closed their doors this past year. Our membership is continuing to grow; we have an average of 60 new members joining each month.

To all our Sports Adjuncts, we thank you for the great year you have had representing the Club at various tournaments and hosting other Clubs so professionally, they have been very successful and the feedback from the visitors has been positive.

To all our Volunteers we are so grateful for your help, without your input it would be difficult to run the events, raffles and promotions that we host in the Club.

We extend our gratitude to our sponsor, John's Photo Pharmacy, without whom we could not have the membership draws and wonderful promotions that you have helped support over the past year.

I would like to take this opportunity to thank our Acting Manager Joanna Middleton who stepped back into the role to ensure the Club ran smoothly after the CEO resigned earlier this year. Joanna your efforts have not gone un-noticed by the Members and Executive, we have all appreciated what you have done for the club not only these past few months but over the many years you have been here.

I also would like to thank James and the Bar Staff for doing such a great job, Debbie and the Bistro team for the fantastic meals they serve, Kelly and his team in The Citz Restaurant for the delicious meals they constantly turn out; Erica and her team in the Office and Reception.

I would also like to thank the drivers who ensure you arrive into the Club and are returned back home safely, David who looks after the cleaning of the carpets and Darryl who ensures the snooker and 8 ball tables are up to scratch.

What a fantastic team.

I extend my thanks to my Executive who have supported me over the past year and worked hard to ensure the Club remains a financially viable identity.

And finally, I thank you the Members for your support, as without you the Club would not be what it is today. I wish you all the best for the future and hope to see you all in the Club again soon.

MJ Turvey (Mel)  
**President**

## Managers' Report

It is with great pleasure that I am able to present this report to you the Members. We have come through 3 years of turbulence and major change at Executive and Management level.

Due to great teamwork, we have kept the club growing steadily in the right direction. This is no small feat as many clubs are closing their doors or are finding it difficult to make ends meet.

There is legislative change for gaming from September this year, please be kind to the staff as they are only doing their job and have no control over the rules and regulations enforced by government.

### **Staff**

My thanks are extended to the bar staff, they have done wonderful work in looking after members and guests needs, and welcoming them into the club. To our Bar Manager James and your team, I extend a huge thank you. You have all ensured all is running smoothly in the Bar areas.

I also thank Debbie and her team who do wonderful, tireless work, catering for the Members and Guests who frequent our Citz Bistro. The Bistro team has catered for many functions throughout the year; all have been very well received by Members and Guests. Debbie's fantastic dishes speak for themselves!

I would like to take this opportunity to thank Kelly and the Restaurant team for their valiant efforts this past year. Your fresh tasty food is appreciated by all that dine in the Restaurant.

I sincerely extend my gratitude and thanks to Erica who organises the office area efficiently and with diligence. I thank the reception team who welcome Members and Guests into our Club; they are our first port of call.

Courtesy coach drivers, I thank you for transporting our members to and from the Club premises safely. To our maintenance team I also thank you.

The Club sadly said goodbye to a number of Staff members this past year and I wish them all the best for their future. On the up side we welcome a number of new staff who are already a large part of the team.

Finally, and most importantly I thank the President Mel Turvey, his Executive (special thanks to Andrew who has helped in the office and reception whenever he was required these last few months, very much appreciated); the many Volunteers who help with raffles, leaner and money in the bag, and finally you the Members for your continued patronage over the past year.

I wish you all a happy, healthy and prosperous year ahead.

Kind regards  
**WJ Middleton (Joanna)**

**TAURANGA CITIZENS CLUB INCORPORATED**  
**ANNUAL ACCOUNTS**  
**FOR THE YEAR ENDED 31 MAY 2023**

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## Statement of Service Performance

### Tauranga Citizens Club Incorporated

#### Description of Entity's Outcomes

The objects for which the Club is established are as follows:

To conduct, administer and maintain a Chartered Club for its members and for such persons as are authorized from time to time in accordance with the terms of any charter or licence granted to the Club;

To provide amenities and cultural activities and promote sports and generally to provide an atmosphere where the members may meet and enjoy fellowship with one another;

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

The Club has an annually elected committee of governance who appoint a manager, who is responsible for the Club's staff and operations.

The Club is a trading entity, open 365 days a year, providing sufficient income for the maintenance of facilities for members' dining, leisure and sporting activities and employment of staff.

The club also owns a Restaurant that caters to the public as well as members of the club.

	2023	2022
Club membership	6046	5856
Number of members' adjuncts	12	12
<b><u>Gross Income</u></b>		
Bar	1,158,766	789,936
Bistro	1,021,871	633,602
Gaming	1,080,545	803,929
The Citz Restaurant Co. Ltd.	554,618	355,087
<b><u>Gross Profit</u></b>		
Bar	67%	64%
Bistro	50%	49%
Gaming	61%	57%
The Citz Restaurant Co. Ltd.	61%	64%

**TAURANGA CITIZENS CLUB INCORPORATED**  
**STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE**  
**FOR THE YEAR ENDED 31 MAY 2023**

	Note	2023	2022
Revenue	6	4,231,056	2,913,401
Cost of Goods Sold	5	1,128,269	753,295
Less: Gross Surplus		3,102,787	2,160,106
Other Direct Expenses	5	1,887,738	1,601,333
Net Trading Surplus		1,215,049	558,773
Other Club Revenue	5	47,923	456,548
Net Club Income		1,262,972	1,015,321
Less: Administration Expenses	5	1,249,244	966,064
Profit before taxation		13,728	49,257
Less: Taxation		11,384	20,975
Less: <b>Surplus / (Deficit) for year</b>		<b>2,344</b>	<b>28,282</b>
<b>Other Comprehensive Revenue and Expense</b>			
Gain/(Loss) on revaluation of property, plant and equipment		-	-
Other Comprehensive Revenue and Expense for the year		-	-
Total Comprehensive Revenue and Expense for the year		<b>2,344</b>	<b>28,282</b>
<b>Surplus Attributable to:</b>			
Owners of the Controlling Entity		2,344	28,282
<b>Total Comprehensive Revenue and Expense</b>		<b>2,344</b>	<b>28,282</b>

TAURANGA CITIZENS CLUB INCORPORATED  
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED 31 MAY 2023

	<u>Retained Earnings</u>
Balance as at 1 June 2020	10,182,717
Comprehensive Revenue and Expense for year	<u>165,179</u>
Total Comprehensive Revenue and Expense for year	<u>165,179</u>
Closing Equity as at 31 May 2021	<u><u>10,347,896</u></u>
Balance as at 1 June 2021	10,347,896
Comprehensive Revenue and Expense for year	<u>28,282</u>
Total Comprehensive Revenue and Expense for year	<u>28,282</u>
Closing Equity as at 31 May 2022	<u><u>10,376,178</u></u>
Balance as at 1 June 2022	10,376,178
Comprehensive Revenue and Expense for year	<u>2,344</u>
Total Comprehensive Revenue and Expense for year	<u>2,344</u>
Closing Equity as at 31 May 2023	<u><u>10,378,522</u></u>



TAURANGA CITIZENS CLUB INCORPORATED  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MAY 2023

Note	2023	2022
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Proceeds from:		
Sales	4,017,879	2,707,748
Purchases and Goods and services provided	(2,532,944)	(1,763,505)
Cash payments to and on behalf of employees	(1,521,664)	(1,359,897)
Members Nominations and Subscriptions	180,933	129,140
Grants Donations and Bequests	9,083	8,344
Rental Income on Investment Property	70,040	65,764
Sundry Income		
Covid 19 Wage Subsidy & Resurgence Support Payment	15,076	450,156
Net GST	(2,924)	(2,234)
Net Taxation	(20,361)	(17,783)
	215,118	217,733
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Interest Received	32,652	6,393
Payment for Purchases of Property, Plant and Equipment	(183,928)	(73,698)
Payments for Purchases of Investments	(20,103)	(5,583)
Net Cash Inflow/(Outflow) from Investing Activities	(171,379)	(72,888)
Net Increase / (Decrease) in Cash and Cash Equivalents	43,739	144,845
Cash and Cash Equivalents at the Beginning of the Year	739,624	594,779
Cash and Cash Equivalents at the End of the Year	783,363	739,624

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TAURANGA CITIZENS CLUB INCORPORATED  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MAY 2023

	Note	2023	2022
<b>ASSETS</b>			
<u>Current assets</u>			
Cash & Cash Equivalents	8	783,363	739,624
Receivables (from Exchange Transactions)	9	19,729	21,086
Inventories	10	62,979	46,810
Other Investments	11	568,991	548,888
Work in Progress		4,370	50,132
Pre-paid Insurance		16,066	15,348
Taxation Receivable (payable)	7	(7,941)	2,733
		<u>1,447,557</u>	<u>1,424,621</u>
<u>Non-Current assets</u>			
Property, Plant & Equipment	13	8,282,727	8,244,837
Investment Property	13	1,166,434	1,179,262
Deferred Tax Asset	7	42,566	29,172
		<u>9,491,727</u>	<u>9,453,271</u>
<b>Total Assets</b>		<b>10,939,285</b>	<b>10,877,892</b>
<b>LIABILITIES</b>			
<u>Current Liabilities</u>			
Payables (from Exchange Transactions)	14	225,442	224,960
Deferred Revenue	16	139,523	94,196
Employee Benefit Liability	15	188,400	168,818
<b>Total Liabilities</b>		<u>553,365</u>	<u>487,974</u>
<u>Long Term Liabilities</u>			
Fuji Lease		7,398	13,740
<b>Total Liabilities</b>		<b>560,763</b>	<b>501,714</b>
<b>NET ASSETS / EQUITY</b>			
Accumulated Revenue & Expense	17	<u>10,378,522</u>	<u>10,376,178</u>
Net Assets / Equity Attributable to the Owners of the Controlling Entity		<u>10,378,522</u>	<u>10,376,178</u>
<b>TOTAL NET ASSETS / EQUITY</b>		<b>10,378,522</b>	<b>10,376,178</b>
<b>TOTAL NET ASSETS / EQUITY &amp; LIABILITIES</b>	17	<u><b>10,378,522</b></u>	<u><b>10,376,178</b></u>

President



Date

2/08/2023

Committee Member



Date

1/08/2023



**TAURANGA CITIZENS CLUB INCORPORATED**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2023**

**Note 1 - Reporting entity**

TAURANGA CITIZENS CLUB INCORPORATED is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act 2013.

These consolidated financial statements for the year ended 31 May 2023 comprise the controlling entity and its controlled entities (together referred to as the 'Group') and individually as 'Group entities'.

**Note 2 - Basis of preparation**

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR"), as appropriate for Tier 2 not-for-profit entity.

The Group qualifies as a Tier 2 reporting entity as for the current and prior periods it has had between \$2m and \$30m operating expenditure and is not publicly accountable.

These financial statements were authorised for issue by the Committee on 2 August 2023.

(b) Measurement basis

The consolidated financial statements have been prepared on the historical cost basis. For clarity, land and buildings and investment properties were included at valuation, being their deemed cost, on transition to the PBE standards - RDR financial framework.

(c) Functional and presentation currency

The financial statements are presented in New Zealand dollars (\$) which is the controlling entity's functional and Group's presentation currency, rounded to the nearest dollar.

There has been no change in the functional currency of the Group during the year.

**Note 3 - Use of judgements and estimates**

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

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

(a) Judgements

Judgements made in applying accounting policies that have had the most significant effects on the amounts recognised in the consolidated financial statements include the following:

- Revenue recognition for grants, donations, legacies and bequests, being non-exchange revenue (see note 4.b.(ii))
- Classification of lease arrangements as either operating or finance leases (see note 4.(l))

(b) Assumptions and estimation uncertainties

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 May 2022 include the following:

- Key assumptions underlying determining the recoverable amounts for impairment testing (see note 4.(j))
- Useful life, recoverable amount, depreciation/amortisation method and rate (see note 4.(h))

**TAURANGA CITIZENS CLUB INCORPORATED**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2023**

**Note 4 - Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Group.

The significant accounting policies of the Group are detailed below:

- (a) Basis of consolidation
- (b) Revenue
- (c) Employee benefits
- (d) Finance income and finance costs
- (e) Financial instruments
- (f) Impairment of non-derivative financial assets
- (g) Inventory
- (h) Property, plant and equipment
- (i) Investment property
- (j) Impairment of non-financial assets
- (k) Taxation
- (l) Leases
- (m) Guarantees
- (n) Work in Progress
- (o) Mortgages

**(a) Basis of consolidation**

i Controlled entities

Controlled entities are entities controlled by the Group, being where the Group has power to govern the financial and operating policies of another entity so as to benefit from that entity's activities. The financial statements of the Group's controlled entities are included in the consolidated financial statements from the date that control commences until the date that control ceases.

ii Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements, including accounts payable and receivable this year.

iii Consistencies of Group Accounting Policies

The controlling entity is a not for profit business. The controlled entity is a simple profit focussed business. As such, no difference arises due to transactions in the controlled entity being accounted for using generally accepted for-profit accounting policies rather than transactions being accounted for under the PBE - RDR financial framework. The accounting policies have therefore been applied consistently across the group.

**(b) Revenue**

Revenue is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to the Group, and measured at the fair value of consideration received or receivable.

The following specific recognition criteria in relation to the Group's revenue streams must also be met before revenue is recognised.

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

**i. Revenue from exchange transactions**

Membership fees and subscriptions

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

**TAURANGA CITIZENS CLUB INCORPORATED**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2023**



Sale of goods

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

If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The timing of the transfers of risks and rewards varies depending on the individual terms of the sales agreement. For sales of Bar, Bistro and restaurant products, transfer occurs when the product is received by the customer.

Amounts received in advance for services to be provided in future periods are recognised as a liability until such time as the service is provided.

Rental income on investment property

Rental income from investment property and from sub-lease of operating leases is recognised in surplus or deficit on a straight-line basis over the term of the lease.

**ii. Revenue from non-exchange transactions**

Non-exchange transactions are those where the Group receives an inflow of resources (i.e. cash and other tangible items) but provides no (or nominal) direct consideration in return.

With the exception of services-in-kind, inflows of resources from non-exchange transactions are only recognised as assets where both:

- It is probable that the associated future economic benefit or service potential will flow to the entity, and
- Fair value is reliably measurable.

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow.

Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where both:

- It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation, and
- The amount of the obligation can be reliably estimated.

The following specific recognition criteria in relation to the Group's non-exchange transaction revenue streams must also be met before revenue is recognised.

Fundraising

The Group's fundraising activities involve regular weekly raffles. Fundraising non-exchange revenue is recognised at the point at which cash is received.

Grants, Donations, Legacies and bequests

The recognition of non-exchange revenue from Grants, Donations, Legacies and bequests depends on the nature of any stipulations attached to the inflow of resources received, and whether this creates a liability (i.e. present obligation) rather than the recognition of revenue.

Stipulations that are 'conditions' specifically require the Group to return the inflow of resources received if they are not utilised in the way stipulated, resulting in the recognition of a non-exchange liability that is subsequently recognised as non-exchange revenue as and when the 'conditions' are satisfied.

Stipulations that are 'restrictions' do not specifically require the Group to return the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a non-exchange liability, which results in the immediate recognition of non-exchange revenue.

**iii. Other Income**

Dividends

Income from dividends is recognised when the Group's right to receive payment is established, and the amount can be reliably measured.

Insurance proceeds

Income from insurance proceeds is recognised when the Group's right to receive payment is established, and the amount can be reliably measured.

**TAURANGA CITIZENS CLUB INCORPORATED**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2023**

**(c) Employee benefits**

Short-term employee benefits

Short-term employee benefit liabilities are recognised when the Group has a legal or constructive obligation to remunerate employees for services provided within 12 months of the reporting date, and is measured on an undiscounted basis and expensed in the period in which employment services are provided.

**(d) Finance income and finance costs**

Finance income comprises interest income on financial assets. Interest income is recognised as it accrues in surplus or deficit, using the effective interest method.

**(e) Financial instruments**

The Group initially recognises financial instruments when the Group becomes a party to the contractual provisions of the instrument.

The Group 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 Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled, or expires.

The Group also derecognises financial assets and financial liabilities when there have been significant changes to the terms and/or the amount of contractual payments to be received/paid.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies financial assets into the following categories: loans and receivables.  
The Group classifies financial liabilities into the following category: amortised cost.

Financial instruments are initially measured at fair value, directly attributable transaction costs.

Subsequent measurement is dependent on the classification of the financial instrument, and is specifically detailed in the accounting policies below.

i Loans and receivables

Loans and receivables are subsequently measured at amortised cost using the effective interest method; less any impairment losses. Loans and receivables comprise of cash and cash equivalents and receivables.

Cash and cash equivalents represent highly liquid investments that are readily convertible into a known amount of cash with an insignificant risk of changes in value, with maturities of 3 months or less.

ii Amortised cost financial liabilities

Financial liabilities classified as amortised cost are non-derivative financial liabilities that are not classified as fair value through surplus or deficit financial liabilities. Financial liabilities classified as amortised cost are subsequently measured at amortised cost using the effective interest method. Financial liabilities classified as amortised cost comprise payables, deferred revenue and employee entitlements.

**(f) Impairment of non-derivative financial assets**

A financial asset not subsequently measured at fair value through surplus or deficit is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

**TAURANGA CITIZENS CLUB INCORPORATED**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2023**

Objective evidence that financial assets are impaired includes default or delinquency by a counterparty, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a counterparty or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an equity security classified as an available-for-sale financial asset, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

**i Financial assets classified as held-to-maturity and loans and receivables**

The Group considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and held-to-maturity) 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 Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for 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 or held-to-maturity. 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.

**ii Financial assets classified as available-for-sale**

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in net assets/equity to surplus or deficit.

The cumulative loss that is reclassified from net assets/equity to surplus or deficit is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in surplus or deficit.

Changes in impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in surplus or deficit. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive revenue and expense.

**(g) Inventory**

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

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

**(h) Property, plant and equipment**

**i Recognition and measurement**

Items of property plant and equipment are initially measured at cost. Land and Buildings of the Tauranga Citizens Club Incorporated which are measured at fair value to assess their deemed cost on transition to the PBE standards - RDR financial framework.

Items of property, plant and equipment are subsequently measured under the:

Cost model: Cost (or fair value for items acquired through non-exchange transactions) less accumulated depreciation and impairment.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

**ii Subsequent expenditure**

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

**iii Depreciation**

For plant and equipment, depreciation is based on the cost of an asset less its residual value. Significant components of individual assets that have a useful life that is different from the remainder of those assets, those components are depreciated separately.

Depreciation is recognised in surplus or deficit on a straight-line or diminishing value basis over the estimated useful lives of each component of an item of property, plant and equipment. Land is not depreciated.

The diminishing value depreciation rates are:

• Buildings	3% DV
• Fixtures, Fittings & Furniture	10 - 60% DV
• Gaming Machines	20% SL
• Plant, Office & Sports Equipment	9 - 60% DV
• Motor Vehicles	31.2% DV

Depreciation methods, useful lives, and residual values are reviewed at reporting date and adjusted if appropriate.

**(i) Investment property**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

**i Recognition and measurement**

Investment properties are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

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

**ii Depreciation**

Investment properties are depreciated in line with the diminishing value depreciation rate for Investment Property - Buildings at 3% DV.



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**(j) Impairment of non-financial assets**

The carrying amounts of the Group's non-financial assets, inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value, 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.

**(k) Taxation**

Income derived from trading with members is exempt from taxation. Income derived from non-member activities is subject to taxation.

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income.

Current income tax assets and/or liabilities comprise those obligations to and claims from Inland Revenue and other taxation authorities relating to the current or prior reporting period that are unpaid at the reporting date. Current tax is payable on taxable profit which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxes are calculated using the liability method on temporary differences between the carrying amount of assets and liabilities and their tax bases without any discounting and using the enacted tax rates. Deferred tax rates are recognised to the extent that it is probable that they will be able to be utilised. Deferred tax liabilities are always provided for in full.

Changes in the deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity respectively.

**(l) Leases**

Classification and treatment

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases.

i Finance leases

Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

ii Operating leases

Leases that are not finance leases are classified as operating leases.

Operating leases are not recognised in the Group's statement of financial position. Payments made under operating leases are recognised in surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

**(m) Guarantees**

The BNZ bank provides a guarantee to the NZ Racing Board for the TAB Agency for a sum of \$10,000.00.

**(n) Work in Progress**

The Club is engaging consultants to undertake feasibility studies into possible future opportunities. The costs are currently treated as work in progress and may be capitalised if they form part of the cost of future capital expenditure.

**(o) Mortgages**

- (i) Tauranga Citizens Club Inc.: The Bank of New Zealand holds a registered first mortgage over property situated at Cameron Rd, Tauranga. Certificate of Title No. SA670/17.
- (ii) The Citz Restaurant Ltd. Nil.

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NOTES TO AND FORMING PART OF THE CONSOLIDATED STATEMENTS  
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Note 5: Trading Accounts		2023	2022	Variance
Bar				
	Sales	1,158,766	789,936	368,830
Less:	Cost of Goods Sold	377,333	280,763	96,570
	Gross Profit	781,433	509,173	272,260
		67%	64%	
	Wages and Salaries	318,953	312,842	6,111
	Other Expenses	58,501	37,568	20,933
	Total Expenses	377,454	350,410	27,044
	Other Income: Covid 19 Wage Subsidy	-	85,325	(85,325)
	Net Income	<b>403,979</b>	<b>244,088</b>	<b>159,891</b>
Bistro				
	Sales	1,021,871	633,602	388,269
Less:	Cost of Goods Sold	511,307	325,470	185,837
	Gross Profit	510,564	308,132	202,432
		50%	49%	
	Wages and Salaries	422,173	366,098	56,075
	Other Expenses	19,354	12,629	6,725
	Total Expenses	441,527	378,727	62,800
	Other Income: Covid 19 Wage Subsidy	-	85,325	(85,325)
	Net Income	<b>69,037</b>	<b>14,730</b>	<b>54,307</b>
Property				
	Rent 671 Cameron Rd	32,600	29,883	2,717
	Rent 673 Cameron Rd	37,440	35,881	1,559
	Other Income	16,783	16,660	123
	Total Income	86,823	82,424	4,399
Less:	Total Expenses	29,921	30,536	(615)
	Net Income	<b>56,902</b>	<b>51,888</b>	<b>5,014</b>
The Citz Restaurant Co Ltd.				
	Sales	554,618	355,087	199,531
Less:	Cost of Goods Sold	218,427	129,545	88,882
	Gross Profit	336,191	225,542	110,649
		61%	64%	
	Covid Support Payment	-	15,652	(15,652)
	Resurgence Support Payment	-	30,000	(30,000)
	Total Income	336,191	271,194	64,997
Less:	Expenses			
	Restaurant Wages	272,052	217,875	54,177
	Non-taxable Income: Covid 19 Wage Subsidy	-	(59,222)	59,222
	Other Expenses	111,976	94,902	17,074
	Total Expenses	384,028	253,555	130,473
	Net Trading Surplus (Deficit)	(47,837)	17,639	(65,476)
	Less: Income Tax	(13,394)	4,939	(18,333)
	Net Income	<b>(34,443)</b>	<b>12,700</b>	<b>(47,143)</b>

TAURANGA CITIZENS CLUB INCORPORATED  
NOTES TO AND FORMING PART OF THE CONSOLIDATED STATEMENTS  
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Note 5: Trading Accounts

Gaming

	2023	2022	Variance
Interest Received	117	48	69
Sales	1,080,428	803,881	276,547
Total Income	1,080,545	803,929	276,616

Less: Expense			
EMS Monitoring	13,118	12,050	1,068
Gaming Machine Duty	248,494	184,893	63,601
GM Annual Compliance	13,264	13,264	-
Gaming Operator Amendment Fee	1,131		1,131
Gaming Operator Renewal Fee	1,130	1,130	-
Gaming Service & Repair	20,859	21,640	(781)
Gaming Venue Amendment Fee	507		507
Gaming Venue Renewal Fee	113	113	-
Gaming Wages	52,800	52,800	-
Problem Gambling Levy	13,109	7,211	5,898
Insurance	6,400	5,600	800
Audit	820	3,000	(2,180)
Accounting and Administration	2,400	2,400	-
Power	12,000	12,000	-
Depreciation	30,596	28,602	1,994
Total Expense	416,741	344,703	72,038
Net Income	663,804	459,226	204,578

Welfare

Welfare Donations Received	8,888	8,344	544
Welfare Expenses	3,413	3,776	(363)
Surplus / (Deficit) for year	5,475	4,568	907

TAURANGA CITIZENS CLUB INCORPORATED  
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Note 5 (cont'd): Consolidated Financial Statements

	2023	2022	Variance
<b>Trading Revenue</b>			
Revenue	4,231,056	2,913,401	1,317,655
Cost of Goods Sold	1,128,269	753,295	374,974
Gross Surplus	<b>3,102,787</b>	<b>2,160,106</b>	<b>942,681</b>
	73%	74%	
<b>Other Direct Expenses</b>			
Bar Sundries	4,353	4,325	28
Cleaning, Laundry & Rubbish	167,668	114,150	53,518
Entertainment	99,812	51,423	48,389
Hireage	6,500	6,549	(49)
Membership Draws	24,700	8,139	16,561
Minibus Expenses	12,678	10,460	2,218
Personnel Costs	9,644	10,517	(873)
Promotions	11,001	12,592	(1,591)
Raffles Expenses	22,854	16,505	6,349
TAB Expenses	859	65	794
Wages and Salaries	1,527,669	1,366,608	161,061
	<b>1,887,738</b>	<b>1,601,333</b>	<b>286,405</b>
Net Trading Surplus	<b>1,215,049</b>	<b>558,773</b>	<b>656,276</b>
<b>Other Income</b>			
Donations	195	-	195
Covid 19 Wage Subsidy	15,076	315,199	(300,123)
Covid Support Payment		47,304	
Resurgence Support Payment		87,652	(87,652)
Interest Received from loans and receivables	32,652	6,393	26,259
	47,923	456,548	(408,625)
Net club Income	<b>1,262,972</b>	<b>1,015,321</b>	<b>247,651</b>
<b>Administration Expenses</b>			
Advertising	7,201	15,554	(8,353)
Affiliation and Licence Fees	37,040	28,787	8,253
ATM, Bank, Credit Card & Eftpos Fees	24,301	20,346	3,955
Computer Expenses	30,815	12,714	18,101
Committee, Conference & Meeting Expenses	16,721	3,437	13,284
Donations & Gifts	3,033	1,368	1,665
Fire & Security Monitoring	17,303	12,143	5,160
General Expenses	2,037	2,577	(540)
Gaming Machine Expenses	311,725	240,301	71,424
Hospitality	99,545	52,834	46,711
Housie Expenses and Donations	11,638	-	11,638
Insurance	64,433	59,103	5,330
Low Cost Assets	908	2,233	(1,325)
Management Costs Recovered	13,200	13,200	-
President's Honorarium	13,578	7,905	5,673
Printing, Postage & Office Supplies	49,888	35,635	14,253
Professional Fees	24,149	24,429	(280)
Rates	69,160	67,740	1,420
Repairs & Maintenance	130,598	74,842	55,756
Sky TV	23,571	18,982	4,589
Sponsorship	2,835	2,450	385
Telephone & Communications	6,135	5,418	717
Utilities	131,522	94,540	36,982
Welfare Expenses	3,413	3,776	(363)
Depreciation	154,495	165,750	(11,255)
Total Administration Expenses	<b>1,249,244</b>	<b>966,064</b>	<b>283,180</b>
Income Tax	11,384	20,975	(9,591)
Net Surplus (Loss) for the year	<b>2,344</b>	<b>28,282</b>	<b>(25,938)</b>

TAURANGA CITIZENS CLUB INCORPORATED  
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**Note 6: Revenue**

	2023	2022	Variance
<u>Revenue from Exchange Transactions</u>			
Car Park Income	19,202	17,397	1,805
Club Promotions	3,365	5,016	(1,651)
Commissions & Rebates	16,538	14,285	2,253
Entertainment Income	16,829	3,330	13,499
Insurance Recovered	20,764	14,580	6,184
Minibus Income	13,706	9,873	3,833
Raffles	42,027	39,147	2,880
Rates & Water Rates recovered	13,231	13,222	9
Rent	70,040	65,764	4,276
Room Hire	1,132	662	470
<u>Sales:</u>			
Bar	1,158,766	789,936	368,830
Bistro	1,021,871	633,602	388,269
Gaming Machine Takings	1,080,428	803,881	276,547
The Citz Restaurant Ltd.	554,618	355,087	199,531
Housie Income	12,353	-	12,353
Club: Advertising, Coffee, Clothing etc.	31,124	998	30,126
Sports Tables	10,068	6,428	3,640
Subscriptions & Nominations	135,606	130,934	4,672
Sundry Income	500	915	(415)
	<u>4,222,168</u>	<u>2,905,057</u>	<u>1,317,111</u>
<u>Revenue from Non-Exchange Transactions</u>			
Welfare Donations Received	8,888	8,344	544
Total Revenue	<u>4,231,056</u>	<u>2,913,401</u>	<u>1,317,655</u>

TAURANGA CITIZENS CLUB INCORPORATED  
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Note 7: Taxation

	2023			2022		
	Club	Restaurant	Consolidated	Club	Restaurant	Consolidated
Profit (loss) before tax	111,697		111,697	31,618		31,618
Taxable income from trading		(47,837)	(47,837)		17,639	17,639
less non taxable income	41,657		41,657	(34,146)		(34,146)
	70,040	(47,837)	22,203	65,764	17,639	83,403
Less: Rental Expenses	(13,200)			(13,885)		
Add: Interest Income	32,652			6,393		
	89,492	(47,837)		58,272	17,639	
Less \$1000 Exemption	(1,000)	-		(1,000)	-	
	88,492	(47,837)		57,272	17,639	
taxable income	88,492			57,272		
tax losses to carry forward for use in future years		(62,736)			(14,899)	
Current tax charge at 28%	24,778		24,778	16,036		16,036
under/over charge from prior years						
Current deferred tax at 28%		(13,394)	(13,394)		4,939	4,939
<b>Total tax charge</b>	24,778	(13,394)	11,383	16,036	4,939	20,975

  

	2023		2022	
	Club	Restaurant	Club	Restaurant
<b>Income Tax Liability</b>				
Balance at the start of the year:	(2,733)		(1,032)	
tax refund received after year end	2,733		1,032	
tax charge for the year	24,778		16,036	
RWT paid during the year	-		-	
provisional tax paid by 31 May	(11,224)		(12,512)	
provisional tax paid after year end (28 June)	(5,613)		(6,257)	
<b>Tax payable (refund due)</b>	7,941		(2,733)	
<b>Deferred Tax Asset</b>				
Balance at the start of the year:		(29,172)		(34,111)
deferred tax for the year		(13,394)		4,939
<b>Balance at the end of the year</b>		(42,566)		(29,172)
<b>Losses available to carry forward:</b>				
losses brought forward		104,185		121,824
add loss/deduct profit arising in the year		47,837		(17,639)
losses carried forward		152,022		104,185
<b>deferred tax asset at 28%</b>		42,566		29,172

Deferred tax has been recognised on tax losses accumulated by The Citz Restaurant Limited on the assumption that these losses will be offset against future profits of the company in the short to medium term.

TAURANGA CITIZENS CLUB INCORPORATED  
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**Note 8: Cash and Cash Equivalents**

Current Assets

	2023	2022
Cash on Hand	65,500	63,860
Bank Deposits	717,863	675,764
Cash and Cash Equivalents in the Statement of Cash Flows	<u>783,363</u>	<u>739,624</u>

**Note 9: Receivables - Exchange Transactions**

Trade Receivables from Exchange Transactions	19,729	21,086
Net Trade Receivables from Exchange Transactions	<u>19,729</u>	<u>21,086</u>

**Note 10: Inventories**

Stock on Hand	<u>62,979</u>	<u>46,810</u>
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**Note 11: Other Investments**

Bank Term Deposits @ 4.70% and 5.00%	<u>568,991</u>	<u>548,888</u>
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**Note 12: Distribution of Gaming Surplus to Authorised Purposes**

<u>Funds Available for Distribution (GMP)</u>	663,804	459,226
plus: Undistributed Funds brought forward	-	-
	<u>663,804</u>	<u>459,226</u>

Funds Distributed

Accounting	11,614	10,003
Advertising	6,316	10,092
Affiliation and Licence Fees	35,255	24,841
Audit	6,046	7,730
Bank Charges	17,346	13,135
Cleaning and Rubbish	88,841	68,105
Computer Expenses	31,717	26,644
Conference Expenses	4,659	-
Fire and Security	17,862	11,266
Hireage	6,587	5,593
Insurance (Fixed portion)	33,486	36,865
Medical Supplies & First Aid Training	192	262
Power (Fixed Portion)	73,802	50,563
Printing, Post & Office Supplies	48,482	13,730
Professional fees	1,775	-
Rates	54,004	36,754
Repairs & Maintenance	63,375	29,743
Sky TV plus Members' Expenses and Promotions	26,755	18,978
Staff Admin & Wages: (Exc. Bar, Bistro and Drivers)	129,819	89,873
Telecoms	5,871	5,049
	<u>663,804</u>	<u>459,226</u>

**TAURANGA CITIZENS CLUB INCORPORATED**  
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**Note 13: Property, Plant & Equipment**

	Cost or Valuation				Accumulated Depreciation				BOOK VALUE		
	2023	OPENING BALANCE	ADDITIONS	DISPOSALS	CLOSING BALANCE	1.6.2022	OPENING BALANCE	DEPN		DISPOSALS	CLOSING BALANCE
Club and Car Park Land		5,640,000	52,613		5,692,613						5,692,613
Club Buildings		3,438,029			3,438,029		1,246,393	(43,833)		1,290,226	2,147,803
Fixtures, Fittings & Furniture		439,102	3,134		442,236		392,935	(10,780)	2,449	401,266	40,970
Gaming Machines		577,366	80,000	(95,737)	561,629		462,959	(30,596)	95,737	397,818	163,811
Office Equipment		83,601	7,817	(7,644)	83,774		71,583	(6,080)	7,645	70,018	13,756
Plant		867,677	41,810	(49,724)	859,763		658,785	(49,913)	49,725	658,973	200,790
Sports Equipment		94,913	522	(14,975)	80,460		85,258	(2,296)	14,975	72,579	7,881
Motor Vehicles		36,957			36,957		34,976	(618)		35,594	1,363
<b>Total Fixed Assets</b>		<b>11,177,645</b>	<b>185,896</b>	<b>(168,080)</b>	<b>11,195,461</b>		<b>2,952,889</b>	<b>(144,116)</b>	<b>170,531</b>	<b>2,926,474</b>	<b>8,268,987</b>
Finance Leased Fuji Xerox Copier		13,740			13,740		-			-	13,740

Security held over items of property plant and equipment

At reporting date, the property at the Corner of Cameron Road and Thirteenth Avenue Tauranga has a first mortgage registered in the name of the BNZ bank.

Commercial Properties	1,383,465	1,383,465	204,203	(12,828)	217,031	1,166,434
<b>Total Fixed assets &amp; Investment Properties</b>	<b>12,574,850</b>	<b>185,896</b>	<b>(168,080)</b>	<b>3,157,092</b>	<b>(156,944)</b>	<b>9,449,161</b>





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Note 14 - Payables – Exchange Transactions	2023	2022
<b>Payables</b>		
Trade payables from exchange transactions	158,985	152,049
GST Payable	50,394	53,318
Provisional tax	-	6,257
Sundry Provisions	9,721	6,994
Fuji Lease	6,342	6,342
	225,442	224,960

Note 15 - Employee Benefit Liability	2023	2022
Current: Accrued Holiday Pay	149,588	134,973
Non-current: Non-current portion of long term employee benefits		
Payroll Payables	38,812	33,845
<b>Total employee benefit liability</b>	188,400	168,818

Note 16 - Deferred Revenue	2023	2022
Membership fees and subscriptions received in advance	139,523	94,196
	139,523	94,196

**Note 17 - Capital and Reserves**

(i) *Reconciliation of total comprehensive income to components of net assets/equity*

Capital and Reserves 2023	Revaluation surplus	Accumulated revenue and expense	Total net assets/equity
	2023	2023	2023
Balance as at June 1 2022	6,507,547	3,868,631	10,376,178
Surplus or deficit	-	2,344	2,344
Balance as at 31 May 2023	6,507,547	3,870,975	10,378,522

**Note 18 - Financial Instruments**

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

<b>Loans and receivables</b>	2023	2022
Cash and Cash Equivalents	783,363	739,624
Receivables (from Exchange Transactions)	19,168	21,086
Investments - Term Deposits	568,991	548,888
Deferred Tax Asset (Restaurant)	42,566	29,172
Taxation Receivable (Club)	-	2,733
<b>Total Cash and Receivables</b>	1,414,088	1,341,503
<b>Financial liabilities measured at amortised cost</b>		
Payables (from Exchange Transactions)	225,442	224,960
Fuji Lease (Long Term Balance)	7,398	13,740
Employee Benefit Liability	188,400	168,818
Membership fees and subscriptions received in advance	139,523	94,196
<b>Total Financial Liabilities Measured at Amortised Cost</b>	560,763	501,714



**TAURANGA CITIZENS CLUB INCORPORATED**  
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**Note 19 - Group Entities**

	<u>Country of Incorporation</u>	<u>2023</u>	<u>2022</u>
The Citz Restaurant Company Limited	New Zealand	100%	100%

**Note 20 - Related party transactions**

Controlling entity and ultimate controlling entity

The controlling and ultimate controlling party of the group is Tauranga Citizens Club Incorporated.

Sale of goods

During the period the Group did not sell any goods to related parties. At reporting date there were no receivables from related parties. There were no amounts written off or impaired during the period (2022: nil).

Donations, grants, and sponsorship

There were no donations, grants or sponsorship from related parties.

Advances made

The Group provided no advances to related parties.

Advances received

The Group has been provided with no advances from related parties.

**Note 21 - Related party transactions (Key Personnel)**

(i) Key management personnel remuneration

The Group classifies its key management personnel as defined by PBE IPSAS 20 into two classes:

- Members of the governing body
- Senior management, responsible for reporting to the governing body

Senior management are employed as employees of the Group, on normal employment terms.

Key Management Remuneration

	<b>2023</b>	<b>2022</b>
Total remuneration	\$552,375	\$464,926
Number of FTEs	5.8	6

(ii) The Club President from 1 June 2022 to 14 August 2022, Stephen Hawkings is a director at Emac Electrical Limited who is a supplier to the club in the amount of \$1,619 in the period ended 14 August 2022. (2022: \$18,076)

(iii) The current Club President and previous Vice-President, Mel Turvey is an independent contractor and a supplier to the club in the amount of \$11,314 in the year ended 31 May 2023. (2022: \$9758)

All transactions are conducted on normal commercial terms and conditions.

**Note 22 - Commitments and Contingencies**

(i) Commitments

The Club did not enter into any new commitments in the year. (2022 Nil)

(ii) Contingent liabilities

There are no pending lawsuits or contingent liabilities known as at 31 May 2023.

(iii) Contingent assets

There were no contingent assets as at 31 May 2023. (2022: Nil)

**Note 23 - Events after reporting date**

There were no known subsequent events after 31 May 2023. (2022: Nil)

**Note 24 - Ability to operate**

At the date of issuing the financial statements, the board considers that the entity has sufficient financial resources to enable the entity to continue to operate for the foreseeable future and as a result the financial statements have been prepared on the going concern basis.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TAURANGA CITIZENS CLUB INCORPORATED AND GROUP

### Opinion

We have audited the general-purpose financial report of the Tauranga Citizens Club Incorporated (“the Club”) and its subsidiary, The Citz Restaurants Company Limited (together, “the Group”), which comprise the consolidated financial statements and the consolidated service performance information. The complete set of consolidated financial statements comprise the consolidated statement of financial position as at 31 May 2023, the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in net assets/equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the accompanying general purpose financial report presents fairly, in all material respects:

- the consolidated financial position of the Group as at 31 May 2023, and its consolidated financial performance, and its consolidated cash flows for the year then ended; and
- the consolidated service performance for the year ended 31 May 2023, in accordance with the Group’s service performance criteria, in accordance with Public Benefit Entity Standards Reduced Disclosure Regime (“PBE Standards RDR”) issued by the New Zealand Accounting Standards Board.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the consolidated service performance information in accordance with the ISAs and New Zealand Auditing Standard (NZ AS) 1 *The Audit of Service Performance Information (NZ)*. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the General Purpose Financial Report section of our report. We are independent of the Group 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 we have no relationship with, or interests in, the Group or its subsidiary.

### Other Information

The Committee members are responsible for the other information. The other information obtained at the date of this auditor’s report is information contained in the general purpose financial report, but does not include the consolidated service performance information and the consolidated financial statements and our auditor’s report thereon.

Our opinion on the consolidated service performance information and consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

PARTNERS: Fraser Lellman CA  
Donna Taylor CA

Janine Hellyer CA  
Paul Manning CA

Michael Lim CA  
Linda Finlay CA

In connection with our audit of the consolidated service performance information and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated service performance information and the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Committee members' Responsibilities for the General-Purpose Financial Report**

Those charged with governance are responsible on behalf of the Group for:

(a) the preparation and fair presentation of the consolidated financial statements and consolidated service performance information accordance with Public Benefit Entity Standards RDR 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 RDR; and

(c) such internal control as those charged with governance determine is necessary to enable the preparation of the consolidated financial statements and consolidated service performance information that are free from material misstatement, whether due to fraud or error.

In preparing the general-purpose financial report those charged with governance are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless those charged with governance either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the General-Purpose Financial Report**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole, and the consolidated service performance information 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 or collectively, they could reasonably be expected to influence the decisions of users taken on the basis of this general-purpose financial report.

A further description of the auditor's responsibilities for the audit of the general-purpose financial report is located at the XRB's website at <https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-13/>

This description forms part of our auditor's report.

### **Who we Report to**

This report is made solely to the Club's members, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state 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 Club and the Club's members, as a body, for our audit work, for this report or for the opinions we have formed.

*BDO Tauranga*

BDO Tauranga  
Tauranga  
New Zealand  
02 August 2023