

**TUAKAU COSMOPOLITAN CLUB INCORPORATED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

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**STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE**

	NOTE	Incorporated Society 2018 \$	Friendly Society 2017 \$
<b>Revenue</b>			
Trading Gross Income		722,558	746,131
Non-Trading Income		115	75
		<u>722,673</u>	<u>746,206</u>
Operating costs		766,710	803,324
		<u>(44,037)</u>	<u>(57,118)</u>
Abnormal Expenses	8	(5,173)	(9,546)
Finance income		5,073	4,878
Surplus before taxation		<u>(44,137)</u>	<u>(61,786)</u>
Taxation	4	1,140	-
Net Surplus/(Deficit) for the year		<u>(45,277)</u>	<u>(61,786)</u>
Other comprehensive revenue and expense			-
<b>Total comprehensive revenue and expense for the year</b>		<u><u>(45,277)</u></u>	<u><u>(61,786)</u></u>

**TUAKAU COSMOPOLITAN CLUB INCORPORATED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**STATEMENT OF FINANCIAL PERFORMANCE**

	NOTE	Incorporated Society 2018 \$	Friendly Society 2017 \$
<b><u>THE SOURCES OF INCOME WERE:</u></b>			
<u>Members direct contributions by way of:</u>			
Subscriptions - Exchange transactions	19,537	19,537	18,824
			18,824
<u>Trading from the Bar made up of:</u>			
Liquor & Sundry Sales - Exchange transactions	468,854		452,143
<u>Less:</u>			
Cost of sales	203,388		201,878
		265,466	250,265
<u>Trading from Gaming Machines made up of:</u>			
Gaming Machine Profits - Exchange transactions	166,280		180,230
Gain on Sale of Plant (Net)	-		588
<u>Less:</u>			
Gaming machine duty	38,074		42,342
Electronic monitoring costs	8,439		9,902
Licence fees	11,219		10,887
Problem gambling levies	2,478		2,752
Service and repair	9,584		9,707
Power	6,363		5,685
Depreciation Gaming Machines	20,647		21,596
Loss on Disposal Gaming Machines (Net)	-		-
Cost of wages	7,768		7,768
Audit fees	2,727		2,640
Accounting fees	1,155		1,305
Insurance	2,993		2,753
Reference Material	548		548
Telephone, Tolls & Internet	487		495
		53,798	62,438
<u>Other Sources of Revenue - Exchange transactions</u>			
Interest received	5,073		4,878
Rents received	20,209		16,344
Club & Sports Sections	11,195		(3,996)
Authorised Purposes Payments - ex Gaming	36,237		78,138
TAB Commission			3,461
Sundry income	246		987
		72,960	99,812
<u>Other Income</u>			
Donations received - Non-Exchange transactions	115		75
		115	75
<b><u>TOTAL OPERATING INCOME</u></b>		<b><u>411,876</u></b>	<b><u>431,414</u></b>

**TUAKAU COSMOPOLITAN CLUB INCORPORATED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**STATEMENT OF FINANCIAL PERFORMANCE (Cont'd)**

	NOTE	Incorporated Society 2018 \$	Friendly Society 2017 \$
<b><u>OPERATING EXPENDITURE WAS CHARGED TO THE ACCOUNTS AS FOLLOWS:</u></b>			
The costs of operating our Club for the year were made up of:			
ACC levies		1,514	1,198
Accounting fees		7,545	7,395
Advertising and promotion		6,684	6,110
Audit fees		5,536	6,360
Bank charges		770	741
Cleaning & Laundry		8,212	9,225
Telephone, Tolls & Internet		2,565	2,593
Computer costs		2,873	2,138
Consultancy		790	500
Eftpos Fees		3,555	2,423
Entertainment & Hospitality		21,604	22,889
General expenses		238	52
Insurance		11,973	11,014
Interest paid		54	3
Members Welfare		909	3,773
Licences		6,364	7,742
Raffles & Members Draws		5,190	10,571
Printing, Postage and stationery		4,335	6,110
Power		25,458	22,744
Rates		14,528	10,667
Presidents Shout		3,916	4,179
Repairs and maintenance - Club		25,822	19,913
Repairs and maintenance - House		665	-
Security		6,755	5,847
Salaries and wages		190,483	168,864
Wages - Holiday & Termination Pay Accrual		(3,449)	21,517
Staff expenses		5,231	4,416
Transport costs - Van		3,937	2,721
		<u>364,057</u>	<u>361,705</u>
Indirect operating costs for the year were made up of:			
Authorised Purposes Payment		36,237	78,138
AGM expenses		1,945	1,224
Extra-Ordinary Expenses		5,173	9,546
Donations made		180	1,441
Section donations		3,410	4,914
Charitable, Sporting & Youth Donations		750	1,050
		<u>47,695</u>	<u>96,313</u>
		411,752	458,018
<b><u>TOTAL OPERATING COSTS</u></b>			
In addition the Club has made the following provisions for the impairment of Club assets:			
Depreciation (excluding Gaming Machines)		44,261	32,986
Loss on Sale - Assets		-	6,156
Depreciation Recovered		-	(3,960)
		<u>44,261</u>	<u>35,182</u>
<b><u>TOTAL EXPENSES</u></b>			
		<u>456,013</u>	<u>493,200</u>
Taxation	4	1,140	-
<b><u>SURPLUS/(DEFICIT) TRANSFERRED TO MEMBERS FUNDS</u></b>			
[Being excess of expenses over total recognised income]		<u>(45,277)</u>	<u>(61,786)</u>

**TUAKAU COSMOPOLITAN CLUB INCORPORATED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**STATEMENT OF MOVEMENTS IN ACCUMULATED FUNDS**

NOTE	Incorporated Society 2018 \$	Friendly Society 2017 \$
<b><u>ACCUMULATED FUNDS - GENERAL</u></b>		
Members funds at the beginning of the year	1,317,843	1,379,629
Net Surplus/(Deficit) being an excess of total recognised expenses over total recognised income	(58,678)	(40,122)
Gaming Surplus/(Deficit) for the year	13,401	(21,664)
<b>Accumulated funds carried forward</b>	<b><u>1,272,566</u></b>	<b><u>1,317,843</u></b>

**STATEMENT OF FINANCIAL POSITION**

**AS AT 31 DECEMBER 2018 THE TOTAL ASSETS OF THE CLUB WERE MADE UP AS FOLLOWS:**

**CURRENT ASSETS**

ANZ Bank - Operating Accounts	6	112,799	95,003
Cash on Hand & Floats		28,820	23,862
Accounts Receivable		25,839	-
GST Refund Due		-	4,601
Petty Cash		3	100
Sky Receiver Bonds		975	975
Stock on hand		<u>11,857</u>	<u>11,440</u>
<b>Total Current Assets</b>		180,293	135,981

**NON-CURRENT ASSETS**

Property, Plant & Equipment - As Per Schedule		1,029,141	1,085,980
ANZ investments	7	92,676	145,592
TAB Licence & Agency		<u>51,625</u>	<u>51,625</u>
<b>Total Non-Current Assets</b>		1,173,442	1,283,197

**TOTAL ASSETS**

<b><u>1,353,735</u></b>	<b><u>1,419,178</u></b>
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**AS AT 31 DECEMBER THE CLUB HAD THE FOLLOWING LIABILITIES:**

**CURRENT LIABILITIES**

GST Payable	2,009	-
Holiday & Termination Pay Accrual	18,068	21,517
Accounts payable (from exchange transactions)	59,552	78,603
Bonds held	400	400
Taxation	1,140	-
Funds Due to Westpac Rescue	-	815
<b>Total Current Liabilities</b>	<u>81,169</u>	<u>101,335</u>

**TOTAL LIABILITIES**

<u>81,169</u>	<u>101,335</u>
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**ACCUMULATED FUNDS**

1,272,566	1,317,843
<u>1,272,566</u>	<u>1,317,843</u>

**TOTAL LIABILITIES AND MEMBERS FUNDS**

<b><u>1,353,735</u></b>	<b><u>1,419,178</u></b>
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EXECUTIVE MEMBER  
Dated this       day of March 2019

EXECUTIVE MEMBER

TUAKAU COSMOPOLITAN CLUB INCORPORATED  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

**STATEMENT OF CASH FLOWS**

	NOTE	Incorporated Society 2018 \$	Friendly Society 2017 \$
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Receipts from transactions		696,719	746,131
Receipts from non-trading transactions		115	75
Interest received		5,073	4,878
<b>Receipts from operating activities</b>		701,907	751,084
Payments to suppliers and employees		646,520	644,185
Interest paid			3
Other Costs - Including Gaming Payments		77,577	84,102
<b>Payments for operating activities</b>		724,097	728,290
<b><u>Net cash flows from operating activities</u></b>		<u>(22,190)</u>	<u>22,794</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Proceeds received from Sale of Assets		-	7,348
<b>Receipts from investing activities</b>		-	7,348
Payments for the purchase of Property, Plant & Equipment		(8,068)	111,535
Payments for investment in the Investments		52,916	4,635
<b>Payments for investing activities</b>		44,848	116,170
<b><u>Net cash flows from investing activities</u></b>		<u>44,848</u>	<u>(108,822)</u>
<b><u>Net increase/(decrease) in cash and cash equivalents</u></b>		22,657	(86,028)
Cash and cash equivalents at the beginning of the year		118,965	204,993
<b><u>Cash and cash equivalents at the end of the year</u></b>		<u>141,622</u>	<u>118,965</u>
Ending cash comprises:			
Cash on hand and floats		28,823	23,962
ANZ Bank accounts		112,799	95,003
<b><u>Cash and cash equivalents at the end of the year</u></b>		<u>141,622</u>	<u>118,965</u>

**TUAKAU COSMOPOLITAN CLUB INCORPORATED**  
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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	Incorporated Society 2018	Friendly Society 2017
<b><u>FIXED ASSETS</u></b>		
<b>Freehold Land</b>		
At cost	89,289	89,289
 Land & Buildings	 313,415	 313,415
	<hr/> 313,415	<hr/> 313,415
Buildings		
At Cost	847,101	845,892
Purchases	-	1,210
Accumulated Depreciation	352,476	336,281
Total Buildings	<hr/> 494,625	<hr/> 510,820
 Motor Vehicles		
At cost	54,361	23,582
Purchases	-	54,631
Sales & Assets Scrapped	-	(388)
Less Accumulated Depreciation	20,213	28,657
Total Motor Vehicles	<hr/> 34,418	<hr/> 49,168
 Furniture & Fittings		
At cost	126,524	167,591
Purchases	-	13,893
Sales & Assets Scrapped	-	(5,411)
Less Accumulated Depreciation	99,597	143,640
Total Furniture & Fittings	<hr/> 26,927	<hr/> 32,433
 Games Machines		
At cost	324,321	313,074
Purchases	7,000	25,000
Sales & Assets Scrapped	-	(912)
Less Accumulated Depreciation	298,019	290,210
Total Games Machines	<hr/> 33,302	<hr/> 46,949
 Plant & Equipment		
At cost	277,079	268,921
Purchases	1,068	16,801
Sales & Assets Scrapped	-	(745)
Less Accumulated Depreciation	240,982	241,070
Total Plant & Equipment	<hr/> 37,165	<hr/> 43,907
 Total Fixed Assets	 <hr/> 1,029,141	 <hr/> 1,085,981

Most recent Rateable Valuation (18 October 2017) re Land & Buildings totals \$2,500,000.

**TUAKAU COSMOPOLITAN CLUB INCORPORATED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**1. REPORTING ENTITY**

The TUAKAU COSMOPOLITAN CLUB INCORPORATED was incorporated as an Incorporated Society in New Zealand on 11 August 2017 and commenced operation on 1 January 2018. The financial statements and accompanying notes summarise the financial results of activities carried on by the Club. The objective of the Club is to conduct, administer and maintain a chartered Club for its members, providing amenities and facilities where members may meet, enjoy companionship, and support one another.

**2. BASIS OF REPORTING**

a) Statement of compliance

The Club is a public benefit entity for the purpose of financial reporting and complies with Public Benefit Entity reporting standards. For the purposes of compliance with generally accepted accounting practice in New Zealand (NZ GAAP), the club is a public benefit not-for-profit entity and is eligible to apply Public Benefit Entity Accounting Standards Reduced Disclosure Regime ("PBE Standards RDR") on the basis that it does not have public accountability and is not defined as large.

All reduced disclosure regime exemptions have been adopted. This decision results in the Club not preparing a Statement of Service Performance for both reporting periods.

b) Measurement base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis have been adopted.

c) Functional and presentation currency

The financial statements are presented in New Zealand dollars (\$) and all values are rounded to the nearest whole dollar. The functional currency of the Club is New Zealand dollars.

d) Changes in Accounting Policies

There are no changes in the accounting policies.

e) Basis of preparation

Reliance is placed on the fact that the Club is a going concern and accrual accounting involving the matching of revenue and expenses is used.

**3. SIGNIFICANT JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the Club's financial statements requires management to make judgements, estimates and assumptions that affect the reported values for revenues, expenses, assets and liabilities, and the accompanying disclosures. All judgements, estimates and assumptions are believed to be reasonable based on the most current set of circumstances available. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustment to the carrying value of assets or liabilities affected in future periods.

The areas subject to judgements, estimates or assumptions that can have a material impact on reporting are:

(i) Depreciation of property, plant and equipment is subject to an assessment of the economic life of each asset based on past experience or available information from other sources. The following indicators are used to consider the economic life and residual value of assets;

- The condition of the asset based on an assessment by management;
- 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 utilised;
- The availability of funding to replace the asset;
- Market changes in relation to the asset.

(ii) Impairment of assets relies on an assessment of the ability of the asset to continue to return future economic benefit to the Club. An asset will be impaired if there is determined to be no future economic benefit or the benefit has materially diminished.

**TUAKAU COSMOPOLITAN CLUB INCORPORATED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**4. SIGNIFICANT ACCOUNTING POLICIES**

**Revenue** is recognised to the extent that it is probable that the economic benefits of service potential will flow to the Club and the revenue can be reliably measured, regardless of when the 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 recognition criteria described below must also be met before revenue is recognised.

**(i) Revenue from Exchange Transactions**

*Gaming Machine and Bar Revenue*

Gaming machine profits shown in the Statement of Financial Performance comprise the amounts received for gaming services supplied to customers in the ordinary course of business. Profit is recognised on a daily basis and represents the net win to the Club, being the difference between the amounts wagered and the amounts won by gaming patrons.

Bar revenue is recognised when there has been a transfer risk and reward to the customer (ie. when goods are sold to the customer)

*Subscriptions Levies*

Revenue from members are recognised when received. Member subscriptions expire on 30 June in each year.

*Interest Revenue*

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

*Rental Revenue*

Rents received or receivable is recognised as revenue on a straight-line basis over the term of the lease.

**(ii) Revenue from Non-exchange Transactions**

Non-exchange transactions are those where the Club receives an inflow of resources (ie. Cash and other tangible or intangible items of economic benefit) but provides no, or only nominal, direct consideration in return.

*Grants Received*

*They received no grants from any other organisations.*

*Gaming Machine Authorised Purpose Payments*

The Gaming and Gambling Act 2003 restricts the use of surplus funds from gaming activities as held in the Machine Bank accounts to Authorised Purposes.

The authorised purposes in the licence held by the Tuakau Cosmopolitan Club Inc include: charitable donations, sporting activities, maintenance and development of Club facilities and grounds including Club equipment and furniture and fittings. Where funds from this source have been used for Club operations they are included in the Statement of Financial Performance.

**Property, plant and equipment** is initially measured at the cost for each item acquired, except for those assets acquired through non-exchange transactions which are instead recognised at fair value as the deemed cost on acquisition. Cost includes all expenditure incurred to put an item in a condition to return economic benefit to the Club.

Items of property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment, or using the revaluation model. If adopted revaluation must be performed on a class-by-class basis, so that if an asset is revalued, the entire class to which the asset belongs must be revalued. The Club has not adopted the revaluation model in respect of any class of property, plant and equipment.

Any gain or loss on the 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 as a surplus or deficit in the Statement of Financial Performance.

Subsequent expenditure is capitalised only when it is probable that increased economic benefits associated with the asset will flow to the Club in the future. Otherwise expenditure will be categorised as repairs and maintenance and expensed as it is incurred.



**TUAKAU COSMOPOLITAN CLUB INCORPORATED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Depreciation** is recognised that will write off the cost of the asset, less the estimated residual value, over the estimated useful life of the asset. Assets are depreciated on the basis of diminishing value at the rates listed below:

Buildings	3.0% to 21.6%
Fixtures and Fittings	7.5% to 26.4%
Office Equipment	39.6% to 50.0%
Gaming Machines	15.0% to 48.0%
Bar Equipment	10.0% to 60.0%
Kitchen Equipment	10.0% to 21.6%
Motor Vehicle(s)	30%

**Impairment of assets** other than inventories is considered at each balance date. Where events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, the recoverable amount will be estimated. If the estimated recoverable amount is less than the carrying value of the asset, an impairment loss is recognised.

The estimated recoverable amount of receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at their original effective interest rate. Receivables with a short duration are not discounted.

The estimated recoverable amount of other assets is their fair value less costs to sell and their value in use. Value in use is determined by discounting to present value the estimated future cash flows from the use and ultimate disposal of the asset. Where the future economic benefits of the asset are not primarily dependent on the asset's ability to generate net cash inflows, but the asset is necessary for its service potential, value in use shall be determined as depreciated replacement cost.

An impairment loss will be reversed if warranted by a change in the estimated recoverable amount.

**Cash and cash equivalents** include cash on hand, deposits held at call with banks, and any other short term highly liquid investments with original maturities of three months or less; and bank overdrafts.

**Receivables** are stated at their estimated realisable value.

**Inventories** are initially measured at cost, except items acquired through non-exchange transactions, which are instead measured at fair value as their deemed cost upon initial recognition. Subsequently inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

**Goods and services tax (GST)** is excluded in the preparation of financial statements except Accounts Receivable and Accounts Payable at balance date, which are recorded inclusive of GST. GST payable or refundable at balance date is disclosed separately in the Statement of Financial Position.

**TAXATION**

The Club is liable for Income tax only on the income earned from the activities outside the Club's circle of membership. Income tax is payable on non-member income after the deduction of tax-deductible expenses..

**Operating leases** - The Club does not have any operating leases.

**Members funds** is the member's interest in the Club measured as the difference between total assets and total liabilities.

**Finance income** comprises interest income received on financial assets; recognised as it accrues using the effective interest method.

**Finance costs** comprise interest expense incurred on financial liabilities.

**TUAKAU COSMOPOLITAN CLUB INCORPORATED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Employee entitlements** are measured at undiscounted nominal values based on accrued entitlements at current rates of pay. Entitlements will include unpaid salary, wages or other remuneration due at balance date, annual leave earned but not taken and any long service leave due.

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

*Long-term employee benefit obligations* are recognised when the Club has a legal or constructive obligation to remunerate employees for services provided beyond 12 months of reporting date.

The Club did not incur any long-term employee benefit obligations during the current financial period.

**5. FINANCIAL INSTRUMENTS**

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

	<b>2018</b>	<b>2017</b>
<i>Financial assets</i>		
Cash and Cash Equivalents	234,298	264,557
Receivables from Exchange transactions	25,839	-
	<u>260,137</u>	<u>264,557</u>
<i>Financial liabilities</i>		
Accounts payable from exchange transactions	59,552	78,602

**1) 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 at 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 the 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 in 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 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 trade and other payables.

**TUAKAU COSMOPOLITAN CLUB INCORPORATED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**6. ANZ BANK STATEMENTS COMPRISE THE FOLLOWING:**

	2018	2017
Cheque Account	\$ 45,384	\$ 3,581
Savings Account	1,057	23,979
Gaming Machine Account	29,150	37,281
Sections Funds Account	35,469	27,492
Welfare Account	640	1,239
Premium Call Account	173	307
TAB Account	916	1,114
Van Purchase Account	10	10
	<u>\$ 112,799</u>	<u>\$ 95,003</u>

**7. ANZ INVESTMENTS:**

	2018	2017
Trustee Account 1000	63,123	60,122
Investment Account 1001	-	56,886
Investment Account 1002	29,553	28,584
	<u>\$ 92,676</u>	<u>\$ 145,592</u>

**8. ABNORMAL EXPENSES**

Inland Revenue penalties \$173, and estimate of legal costs - \$5000 - for change of society's nature i.e. Friendly Society to Incorporated Society and incorporation of society.

**9. CAPITAL COMMITMENTS & CONTINGENT LIABILITIES**

(a) CAPITAL COMMITMENTS

Estimated capital expenditure for the 2019 financial year is NIL.

(b) CONTINGENT LIABILITIES

At balance date there are no known contingent liabilities (2018:\$0). Tuakau Cosmopolitan Club Inc. has not granted any securities in respect of liabilities payable by any other party whatsoever.

**10. COMPARATIVES**

The comparative balances are for the Tuakau Cosmopolitan Club, the friendly society.

**11. SUBSEQUENT EVENTS**

There were no material events subsequent to the balance date which affects the financial statements.

**12. CHANGE IN LEGAL STATUS**

As per the agreement dated 18 December 2017 between Tuakau Cosmopolitan Club (the "Friendly Society") and Tuakau Cosmopolitan Club Incorporated (the "Society"), it was agreed to transfer all obligations, operations and assets to the Society.

As at 31 December 2018, other than the change in the legal structure of the Friendly Society to an Incorporated Society there are no other changes to the size or nature of the Club operations.

All properties were transferred to the Society on 8 February 2018 except for the bank accounts which are still held by the Friendly Society as an agent.

In consideration of the Friendly Society entering into agreement transferring all property, operations, obligations and assets to the Society, the Society unconditionally and irrevocably guarantees the Friendly Society the due punctual payment all moneys payable and owed by the Friendly Society from the date of the deed until such time that the Friendly Society is dissolved.