

# **Clutha Licensing Trust**

## **Annual Report For the Year ended 31 March 2024**

**Clutha Licensing Trust**  
**Annual Report**  
**For the Year ended 31 March 2024**

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■ ■	Contents	2
■ ■	Directory	3
■ ■	Approval by Trustees	4
■ ■	Independent Auditor's Report	5-7
■ ■	Statement of Cash Flows	8
■ ■	Statement of Financial Performance	9
■ ■	Statement of Comprehensive Income	10
■ ■	Statement of Changes in Equity	10
■ ■	Statement of Financial Position	11
■ ■	Notes to the Financial Statements	12-18

# Clutha Licensing Trust

## Directory As at 31 March 2024

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<b>Nature of Business:</b>	Hotelier & Liquor Retailers
<b>Trust Members:</b>	S Morris – President J Lyders M Cochrane S Hayward J McPhee
<b>Accountants:</b>	Shand Thomson Ltd, P O Box 2, Balclutha
<b>Bankers:</b>	ANZ Bank, 33 Clyde Street, Balclutha Bank of New Zealand, 38 Main Street, Gore
<b>Solicitors:</b>	Sumpter Moore, P O Box 89, Balclutha
<b>Inland Revenue Department:</b>	010-070-481
<b>Auditors:</b>	Crowe New Zealand Audit Partnership On behalf of the Auditor General

## Clutha Licensing Trust

### Approval by Trustees As at 31 March 2024

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The Trustees of Clutha Licensing Trust here present the financial statements for the year ended 31 March 2024.

The Trustees are responsible for presenting financial statements in accordance with New Zealand law and generally accepted accounting practice, which give a true and fair view of the financial position of the Trust as at 31 March 2024 and the results of its operations for the year ended on that date.

The Trustees consider the financial statements of the Trust have been prepared using accounting policies which have been consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The Trustees believe that proper accounting records have been kept which enable with reasonable accuracy, the determination of the financial position of the Trust and facilitate compliance of the financial statements with the Financial Reporting Act 2013.

The Trustees consider that they have taken adequate steps to safeguard the assets of the Trust, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

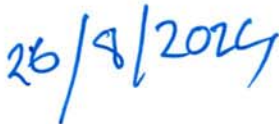
The trustees do not have the power to amend the financial statements after issue.

S Morris  
President



For and on behalf of the Trustees

Dated:



## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF CLUTHA LICENSING TRUST'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

The Auditor-General is the auditor of Clutha Licensing Trust (the Trust). The Auditor-General has appointed me, Philip Sinclair, using the staff and resources of Crowe New Zealand Audit Partnership, to carry out the audit of the financial statements of the Trust, on his behalf.

#### Opinion

We have audited the financial statements of the Trust on pages 8 to 18, that comprise the statement of financial position as at 31 March 2024, the statement of financial performance, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include the summary of accounting policies and other explanatory information.

In our opinion the financial statements of the Trust:

- present fairly, in all material respects:
  - its financial position as at 31 March 2024; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with New Zealand Equivalents to International Financial Reporting Standards with Reduced Disclosure Regime.

Our audit was completed on 26 August 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Members and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

#### Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Responsibilities of the auditor for the audit of the financial statements* section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Responsibilities of the Members for the financial statements**

The Members are responsible on behalf of the Trust for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Members are responsible for such internal control as they determine is necessary to enable them to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Members are responsible, on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Members are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Members resolve to amalgamate or liquidate the Trust, or to cease operations, or have no realistic alternative but to do so.

The Members' responsibilities arise from the Sale and Supply of Alcohol Act 2012.

## **Responsibilities of the auditor for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, 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 carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Members.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Members and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Our responsibilities arise from the Public Audit Act 2001.

### **Other information**

The Members are responsible for the other information. The other information comprises the information included on pages 3 and 4 but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, 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.

### **Independence**

We are independent of the Trust in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Trust.



Philip Sinclair  
Crowe New Zealand Audit Partnership  
On behalf of the Auditor-General  
Dunedin, New Zealand

# Clutha Licensing Trust

## Statement of Cash Flows

### For the Year Ended 31 March 2024

	Note	FY24 \$	FY23 \$
<b>Cash Flows from Operating Activities</b>			
<b>Cash was Provided from:</b>			
Receipts from Customers		11,657,238	11,778,031
Receipt from a Government Grant		2,995	28,190
Taxation Refunded		-	1,473
Interest Received		79,939	28,671
Dividends Received		-	4,328
		<u>11,740,172</u>	<u>11,840,693</u>
<b>Cash was Applied to:</b>			
Payments to Suppliers & Employees		11,358,758	11,575,969
Taxation Paid		100,741	56,522
		<u>11,459,499</u>	<u>11,632,491</u>
<b>Net Cash Inflow from Operating Activities</b>		<u>280,673</u>	<u>208,202</u>
<b>Cash Flow from Investing Activities</b>			
<b>Cash was Provided from:</b>			
Sale of Financial Assets		1,050,000	-
Proceeds on Sale of Property, Plant & Equipment		12,174	1,181,476
		<u>1,062,174</u>	<u>1,181,476</u>
<b>Cash was Applied to:</b>			
Purchase of Financial Assets		-	950,000
Purchase of Capital Work in Progress		68,567	369,085
Purchase of Property, Plant & Equipment		47,415	105,419
		<u>115,982</u>	<u>1,424,504</u>
<b>Net Cash Inflow  (Outflow) from Investing Activities</b>		<u>946,192</u>	<u>(243,028)</u>
<b>Cash Flows from Financing</b>			
<b>Cash was Provided from:</b>			
Proceeds from Borrowing		-	-
<b>Cash was Applied to:</b>			
Payment of Lease Liabilities		66,995	68,741
<b>Net Cash Inflow  (Outflow) from Financing Activities</b>		<u>(66,995)</u>	<u>(68,741)</u>
Net Increase  (Decrease) in Cash Held		1,159,870	(103,567)
Add Opening Cash Brought Forward		1,628,834	1,732,401
<b>Ending Cash Carried Forward</b>	20	<u>2,788,704</u>	<u>1,628,834</u>



# Clutha Licensing Trust

## Statement of Financial Performance For the Year Ended 31 March 2024

	Note	FY24	FY23
		\$	\$
<b>Revenue</b>			
Liquor		9,091,270	9,128,662
Food		1,604,667	1,632,177
Accommodation		693,329	697,465
		<u>11,389,266</u>	<u>11,458,304</u>
<b>Less</b>			
Cost of Sales		6,877,758	6,987,855
<b>Gross Margin</b>		<u>4,511,508</u>	<u>4,470,449</u>
<b>Plus Other Revenue</b>			
Other Income	2	228,417	296,405
Dividends Received		-	1,459
Interest Received		84,583	34,949
		<u>313,000</u>	<u>332,813</u>
<b>Less Expenses</b>			
ACC Levies		14,928	12,921
Accounting & Secretarial fees		59,997	34,523
Audit Fees		91,123	96,594
Donations		16,559	23,178
Honorarium & Expenses	11	48,866	62,152
Insurance		99,684	69,364
Interest		6,425	5,910
Legal Fees		7,128	58,494
Other Expenses	3	1,160,671	1,164,103
Salaries & Wages	24	2,898,636	2,926,004
		<u>4,404,017</u>	<u>4,453,243</u>
		<u>420,491</u>	<u>350,019</u>
Depreciation	26	530,415	511,064
(Gain) Loss on Disposal		9,946	(225,225)
		<u>540,361</u>	<u>285,839</u>
<b>Profit (Loss) before Taxation</b>		<u>(119,870)</u>	<u>64,180</u>
<b>Plus  (Less)</b>			
Taxation	25	(141,187)	(46,417)
<b>Profit (Loss) after Taxation</b>		<u>(261,057)</u>	<u>17,763</u>

# Clutha Licensing Trust

## Statement of Comprehensive Income For the Year Ended 31 March 2024

	Note	FY24 \$	FY23 \$
<b>Profit (Loss) after Taxation</b>		(261,057)	17,763
<b>Other Comprehensive Income</b>			
Revaluation of Other Financial Assets	10	(7,000)	(31,000)
Revaluation of Property, Plant & Equipment	26	-	449,500
Deferred Tax on Revaluation of Buildings	25	-	29,400
		(7,000)	447,900
<b>Total Comprehensive Income</b>		(268,057)	465,663

## Statement of Changes in Equity For the Year Ended 31 March 2024

		FY24 \$	FY23 \$
<b>Equity at the Beginning of the Period</b>		9,588,144	9,122,481
Profit (Loss) for the Period		(261,057)	17,763
Other Comprehensive Income (Loss)		(7,000)	447,900
Total Comprehensive Income for the Period		(268,057)	465,663
<b>Equity at End of Period</b>	12	9,320,087	9,588,144

# Clutha Licensing Trust

## Statement of Financial Position As at 31 March 2024

	Note	FY24 \$	FY23 \$
<b>Trust Equity</b>			
Reserves	12	9,320,087	9,588,144
<b>Total Trust Equity</b>		<u>9,320,087</u>	<u>9,588,144</u>
<b>Represented by:</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	20	2,788,704	1,628,834
Other Financial Assets	10	300,000	1,350,000
Taxation Refund Due	25	33,665	-
Accounts Receivable	6	216,041	232,367
Prepayments		24,379	27,265
Inventory	7	1,292,439	1,252,177
		<u>4,655,228</u>	<u>4,490,643</u>
<b>Non Current Assets</b>			
Property, Plant & Equipment	26	6,439,810	6,878,614
Capital Works in Progress		465,967	440,625
Other Financial Assets	10	121,000	126,500
Intangible Assets	18	4,939	4,299
		<u>7,031,716</u>	<u>7,450,038</u>
<b>Current Liabilities</b>			
Accounts Payable & Accruals	8	944,043	964,085
Taxation Payable	25	-	28,011
Employee Entitlements	9	297,165	288,840
Leased Assets	16	57,960	62,763
		<u>1,299,168</u>	<u>1,343,699</u>
<b>Non Current Liabilities</b>			
Employee Entitlements	9	2,378	2,300
Leased Assets	16	64,684	83,308
Deferred Tax Liability	25	1,000,627	923,230
		<u>1,067,689</u>	<u>1,008,838</u>
<b>Net Assets</b>		<u>9,320,087</u>	<u>9,588,144</u>

# Clutha Licensing Trust

## Notes to the Financial Statements For the Year ended 31 March 2024

### Note 1 – Summary of Accounting Policies

#### Statement of Compliance

The Clutha Licensing Trust ("The Trust or CLT") is a profit orientated entity, and is a Licensing Trust operating under the Sale & Supply of Alcohol Act 2012. The Trust is a registered Trust incorporated 1955 and domiciled in Balclutha. The Trust operates entities that operate in the hospitality sector providing bars, restaurants and accommodation services.

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZGAAP"). The statements comply with the NZ IFRS reduced disclosure regime, and other Financial Reporting Standards, as appropriate for profit orientated entities. Under the terms of the Accounting Standards Framework issued by the External Reporting Board (XRB) the Trust has designated itself a Tier 2 For Profit entity and therefore applies the Tier 2 Accounting Standards (NZ IFRS Reduced Disclosure Regime). The Trust is eligible to report under the Tier 2 For Profit standards because it does not have public accountability and is not large. The Trust has applied disclosure concessions.

#### Basis of Preparation

These financial statements are for the Clutha Licensing Trust only. The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain Land, Buildings and Financial Instruments.

Cost is based on the fair value of the consideration given in exchange for assets.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 March 2024 and the comparative information presented in these financial statements for the year ended 31 March 2023.

The financial statements are presented in New Zealand dollars rounded to the nearest whole dollar, except for Note 26 Property, Plant and Equipment which is rounded to the nearest thousand.

#### Changes in Accounting Policy

In the current reporting period the following amended standards have been adopted:

- NZ IAS 1 Disclosure of Accounting Policies
- NZ IAS 8 Definition of Accounting Estimates

There were no other changes in accounting policies during the year.

#### Standards Issued and Not Yet Effective

FRS 44 Disclosure of Fees for Audit Firms' Services (amended) has been issued and adopted but it is not mandatory for the 31 March 2024 financial year.

#### Critical Judgements Estimates and Assumptions

In the application of NZ IFRS management is required to make judgements, estimates, and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable

under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period of the revision and future periods if the revision affects both current and future periods.

#### Key Sources of Estimation Uncertainty

Judgements made by management in the application of NZ IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Key sources of estimation uncertainty include:

- **Estimating the remaining useful life of various items of property, plant and equipment**  
If the useful life does not reflect the actual consumption of benefits of the asset, the Trustees could be over or under estimating the depreciation charge recognised as an expense in the statement of financial performance.
- **Allowance for impairment loss**  
Management assess the likelihood of recovery of accounts receivable which are outstanding beyond normal contractual terms. A general or specific impairment loss is determined based on this assessment.
- **Determination of fair value**  
Certain financial assets are recognised and measured at fair value. Where active markets exist, fair value is based on quoted market prices. Where there is no active market, fair value may be determined by the use of other valuation techniques. Changes in assumptions used in the valuation techniques could affect the reported fair value of the financial assets.  
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be measurable under the circumstances.

The principal accounting policies applied in the preparation of the financial report are set out below. These policies have been consistently applied unless otherwise stated.

#### Property, Plant and Equipment

Land and buildings are measured at fair value. Fair value is determined on the basis of an independent valuation prepared by external valuation experts every two years, based on discounted cash flows or capitalisation of net income (as appropriate). The fair values are recognised in the financial statements of the Trust, and are reviewed at the end of each reporting period to ensure that the carrying value of the land and buildings is not materially different from their fair values.

Any revaluation increase arising on the revaluation of land and buildings is credited to the asset revaluation reserve, except to the extent that it reverses a decrease for the same asset previously recognised as an expense in profit or loss, in which case the increase is credited to the statement of financial performance to the extent of the decrease previously charged. A decrease in the carrying amount arising on the revaluation of land and buildings is charged as an expense in profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to any previous revaluation of the asset.

Depreciation on the revalued buildings is charged to the statement of financial performance. On the subsequent sale or retirement of a revalued property, the attributable revaluation reserve, net of any related deferred taxes, is transferred directly to retained earnings.

All other property, plant and equipment is stated at historical cost less accumulated depreciation and any allowance for impairment. Cost includes all expenditure that is directly attributable to the acquisition of the item.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land.

Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each annual reporting period. The following estimated useful lives are used in the calculation of depreciation:

	<b>FY24</b>	<b>FY23</b>
Buildings & Fit-outs	1 – 67 years	1 – 67 years
Leasehold Improvements	1 -16 years	1 -16 years
Office Equipment (excluding IT)	10-15 years	10-15 years
Office Equipment (IT)	1 – 8 years	1 – 8 years
Furniture & Fittings	5 -15 years	5 -15 years
Carpet & Vinyl	5 – 20 years	5 – 20 years
Plant & Equipment	5 – 20 years	5 – 20 years
Motor Vehicles	10 years	10 years

#### Impairment of Assets

At each balance sheet date, the Trust reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Trust estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately unless the asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### Revenue Recognition

Revenue is measured at the fair value of the consideration received and represents rental received and property expenses recovered in the normal course of business. Revenue is recognised at a point in time, upon satisfaction of the relevant performance obligations. Transaction price is allocated to the relevant performance obligations. The following specific recognition criteria must be met before revenue is recognised:

#### Food and Beverage

Revenue from the sale of food and beverage is recognised at the time the food and beverage is provided and the sale is not conditional on any further actions of the Trust.

#### Accommodation

Revenue from accommodation is recognised when the accommodation is utilised and the Trust is entitled to invoice.

#### Taxation

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable differences. Deferred tax assets are recognised to the extent that it is probably that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised. Deferred tax is not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using the tax rates that have been enacted at balance date.

Current and deferred tax is charged or credited to surplus or deficit, except when it relates to items charged or credits directly to equity, in which case the tax is dealt with in equity.

#### Inventory

Inventories held for sale or used in production of goods and services on a commercial basis are valued at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business. Cost of inventories is based on a weighted average cost basis.

#### Financial Instruments

Financial assets and financial liabilities are recognised on the Trust's Statement of Financial Position when the Trust becomes a party to the contractual provisions on the instrument. Regular purchases and sales of financial assets are recognised on trade date - the date on which the Trust commits to purchase or sell the asset.

#### Cash & Cash Equivalents

Cash and cash equivalents comprise cash on hand, short term deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### Accounts Receivable

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for expected credit losses. The Trust applies the simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance. The measurement of expected credit losses is a function of the probability of default, loss given default and the exposure at default. The allowance recognised is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

## ■ Accounts Payable

Accounts payable are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method. These amounts represent liabilities for goods and services provided to the Trust prior to the end of the financial year, which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade payables are considered to be the same as their fair values, due to their short term nature.

## ■ Other Financial Assets

Financial assets at fair value through other comprehensive income (FVOCI) comprise: Other financial assets which are not held for trading, and which the group has irrevocably elected at initial recognition to recognise in the category. These are strategic investments and the Trust considers this classification to be more relevant. These financial assets have contractual cash flows that are solely principal and interest and the objective of the Trust's business model is achieved both by collecting contractual cash flow and selling financial assets.

The fair value of investments in shares traded in an active market is based on quoted market bid prices at the balance sheet date. The fair value of investments not traded on an active market is determined using valuation techniques. Where the fair value of investments in shares cannot be reliably measured (on the basis that only a range of fair values could be determined and the probability of the various estimates in the range could not be determined without further information from the entity being valued and this information has been sought and access to that information refused), the investments in shares will be valued at cost.

After initial recognition, investments in shares at fair value are subsequently measured at their fair value, with gains and losses recognised in the Statement of Comprehensive Income. On de-recognition the cumulative gain or loss previously recognised in equity is recognised in the Statement of Comprehensive Income.

## ■ Operating Lease Payments

Operating leases are capitalised under IFRS 16 Leases, recognising all lease liabilities and corresponding right of use assets on the balance sheet.

Lease liabilities are recorded at the value of fixed payments. The right of use asset arising from a lease arrangement at initial recognition reflects the lease liability, initial direct costs, lease payments made before the commencement date of the lease, less any lease incentives.

The Trust has applied the practical expedient under C3 of IFRS 16 in that it has not reassessed whether a contract contains a lease as at the date of initial application if the contract was previously identified as a lease under NZ IAS 17.

## Note 2 – Other Income

	FY24	FY23
	\$	\$
Gaming Machine Income	190,310	224,259
Equipment Rental	15,332	9,036
Rentals	17,696	24,975
Sundry Income	5,079	38,135
	<u>228,417</u>	<u>296,405</u>

## Note 3 – Other Expenses

	FY24	FY23
	\$	\$
Advertising	17,749	17,290
Bank Fees	58,559	56,846
Cleaning & Rubbish	45,565	36,846
Commissions Paid	63,193	60,455
Computer Expenses	60,751	49,547
Electricity & Heating	202,667	206,402
Entertainment	10,039	4,060
Franchise Payments	45,257	46,577

Hospitality	16,222	16,219
Laundry	95,350	76,964
Licence Fees	14,598	16,232
Motor Vehicle Expenses	46,922	35,683
Printing & Stationery	13,539	10,514
Rates	28,135	31,834
Rentals	28,709	21,313
Repairs & Maintenance	201,674	221,452
Security	48,090	63,690
Sky TV	37,123	38,877
Telephone	16,538	23,869
Other Expenses	109,991	129,433
	<u>1,160,671</u>	<u>1,164,103</u>

## Note 4 – Key Management Personnel Compensation

	FY24	FY23
	\$	\$
Key Management Personnel	203,502	334,263
Full Time Equivalent Members	2	3

Employees of the Trust (section 335(4)(b)(ii) of the Sale & Supply of Alcohol Act 2012)

Number of employees and former employees of the Trust who received in excess of \$100,000 by way of remuneration during the financial year are as follows:

Remuneration Band	FY24	FY23
\$190,001 - \$200,000	-	1
\$100,001 - \$110,000	1	-

## Comprised of the Following

	FY24	FY23
Remuneration	\$90k-\$100k	\$110k-\$120k
Vehicle Allowance	\$0k - \$10k	\$0k - \$10k
One Off Payments	-	\$70k - \$80k
<b>Total</b>	<b>\$100k-\$110k</b>	<b>\$190k - \$200k</b>

## Note 5 – Remuneration to Auditors

	FY24	FY23
	\$	\$
Audit of the financial statements	91,123	96,594

The auditor of the Clutha Licensing Trust is "Crowe New Zealand Audit Partnership" on behalf of the Auditor General.

## Note 6 – Accounts Receivable

	FY24	FY23
	\$	\$
Trade Receivables	199,745	204,107
Sundry Receivables and Accruals	16,296	28,260
	<u>216,041</u>	<u>232,367</u>

No interest is charged on trade receivables.

## Aged Trade Receivables

	FY24	FY23
	\$	\$
0 – 30 days	193,679	181,512
30 – 60 days	4,989	20,092
60 – 90 days	235	1,220
Over 90 days	842	1,283
	<u>199,745</u>	<u>204,107</u>

## Note 7 – Inventories

	FY24	FY23
	\$	\$
Liquor	1,255,632	1,214,734
Food	36,807	37,443
	<u>1,292,439</u>	<u>1,252,177</u>

## Note 8 – Accounts Payable & Accruals

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short term nature.

	FY24 \$	FY23 \$
Trade Creditors	724,594	774,822
Goods & Services Tax	107,619	84,280
Accrued Expenses	111,830	104,983
	<u>944,043</u>	<u>964,085</u>

### Aged Trade Payables

	FY24 \$	FY23 \$
0 – 30 days	734,034	820,941
30 – 60 days	(5,779)	(45,833)
60 – 90 days	127	(474)
Over 90 days	(3,788)	188
	<u>724,594</u>	<u>774,822</u>

## Note 9 – Employee Entitlements

	FY24 \$	FY23 \$
<b>Current Portion</b>		
Salaries and Wages Accrued	117,743	110,102
Provision for Holiday Pay	<u>179,422</u>	<u>178,738</u>
	<u>297,165</u>	<u>288,840</u>

### Non Current Portion

Provision for Long Service Leave	2,378	2,300
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The provision for Holiday Pay represents employee entitlements for annual and long service leave that has vested in the employee.

## Note 10 – Other Financial Assets

	FY24 \$	FY23 \$
<b>Current Other Financial Assets</b>		
At fair value:		
Term Deposits	300,000	1,350,000
<b>Non Current Other Financial Assets</b>		
At fair value:		
Shares in DB South Brewery Ltd (DBSI) (i)	117,000	124,000
Shares in Super Liquor Holdings Ltd (i)	-	2,500
Super Liquor Trading Advance	<u>4,000</u>	-
	<u>121,000</u>	<u>126,500</u>

These investments are designated as “Fair Value Through Other Comprehensive Income” financial instruments. Because of the nature of the shares and the fact that there is no active market, the Trust has elected to continue to use cost price (apart from DBSI shares) as an approximation of fair value.

The Trust holds 48,634 (2023 48,634) ordinary shares issued by DBSI, representing less than 1% of the 7,200,000 shares issued by the company. The value of the shares has been based on the valuation report as provided by Nexia New Zealand. This results in a share value of \$2.41 per share (2023 \$2.55). There is nothing to suggest that there has been any material movement in the total net assets of the company since 31 December 2023.

	FY24 \$	FY23 \$
Opening Value at 1 April	124,000	155,000
Revaluation (Devaluation)	<u>(7,000)</u>	<u>(31,000)</u>
Closing Value at 31 March	<u>117,000</u>	<u>124,000</u>

The revaluation|(devaluation) is shown as “other comprehensive income” in the Statement of Comprehensive Income.

### Interest Rates

The weighted average effective interest rates on financial assets were:

	FY24	FY23
Other Financial Assets – Current	5.46%	2.85%

## Note 11 – Remuneration of Trustees

Fees and expenses paid to Board members during the year:

	FY24 \$	FY23 \$
Presidents Honorarium	18,000	18,000
Board Members Fees and Expenses	30,866	44,152
	<u>48,866</u>	<u>62,152</u>

## Note 12 - Reserves

	FY24 \$	FY23 \$
Retained Earnings (a)	3,433,617	3,694,674
Revaluation Reserve (b)	5,886,470	5,893,470
	<u>9,320,087</u>	<u>9,588,144</u>

### (a) Retained Earnings

	FY24 \$	FY23 \$
Opening Balance	3,694,674	3,676,911
Profit (Loss) after Taxation	<u>(261,057)</u>	<u>17,763</u>
<b>Closing Balance</b>	<u>3,433,617</u>	<u>3,694,674</u>

### (b) Revaluation Reserve

	FY24 \$	FY23 \$
Opening Balance	5,893,470	5,445,570
Revaluation of Property, Plant & Equipment	-	664,500
Reversal of Revaluation on Disposal of Assets	-	(215,000)
Deferred Tax on Revaluation of Buildings	-	29,400
Revaluation of Other Financial Assets	<u>(7,000)</u>	<u>(31,000)</u>
<b>Closing Balance</b>	<u>5,886,470</u>	<u>5,893,470</u>

The asset revaluation reserve arises on the revaluation of land and buildings. If a revalued property is sold the portion of the asset revaluation reserve which is effectively realised as part of that transaction is transferred directly to retained earnings.

## Note 13 – Capital Commitments

The Trust has entered into a Contract for the rebuild of Hotel South Otago at 13-17 Clyde Street. As at balance date, the Trust has committed that they will pay \$1,505,777 plus GST or such greater or lesser sum as shall become payable under the Contract together with goods and services tax at the times and in the manner provided in the Contract. The agreement was made on 25 October 2023, and the project is likely to be completed in early 2025.

There were no other capital commitments at 31 March 2024 (2023 \$Nil).

## Note 14 – Contingent Liabilities and Assets

There were no contingent liabilities (2023 \$Nil).

## Note 15 – The Trusts Charitable Foundation

The Clutha Licensing Trust operates gaming machines in its outlets on behalf of the Trusts Charitable Foundation. Periodically the Trust applies for the proceeds less administration expenses for distribution to organisations within the community served by the Trust. Funds available for distribution at 31 March 2024 for TTCF Ltd were \$171,492 (2023 \$145,137).

Funds held by the Trusts Charitable Foundation are separate from and do not form part of these financial statements.



**Note 16 – Leased Assets**

	FY24	FY23
	\$	\$
Not later than one year	57,960	62,763
Later than one year and no later than five years	64,684	83,311
Later than five years	-	-
	<u>122,644</u>	<u>146,074</u>

**Note 17 – Related Party Transactions**

During the period, there have been related party purchases between Clutha Licensing Trust and board members. All transactions have been of low value.

**Note 18 – Intangible Assets**

The Trust holds liquor licences for all its establishments. These are issue for periods of 3 years, and are recognised as intangible assets. Their cost is amortised on a straight line basis over their useful life.

The trust also holds a lifetime license for a Team Viewer subscription. This is not amortised, but assessed for impairment.

	FY24	FY23
	\$	\$
<b>Liquor Licenses</b>		
<b>Cost</b>		
Opening Balance	49,310	46,835
Renewal of Licences	<u>3,300</u>	<u>2,475</u>
Closing Balance	<u>52,610</u>	<u>49,310</u>
<b>Accumulated Amortisation &amp; Impairment</b>		
<b>Losses</b>		
Opening Balance	45,804	43,787
Renewal of Licences	2,658	2,017
Impairment Losses	<u>-</u>	<u>-</u>
Closing Balance	<u>48,462</u>	<u>45,804</u>
Carrying Amount	<u>4,148</u>	<u>3,506</u>
<b>Software Licenses</b>		
Opening Balance	791	791
Carrying Amount	<u>791</u>	<u>791</u>

**Note 19 – Franchise Commitments**

Non-cancellable franchise commitments:

	FY24	FY23
	\$	\$
Not later than one year	-	29,450
Later than one year and no later than five years	-	-
Later than five years	-	-
	<u>Nil</u>	<u>29,450</u>

**Note 20 – Cash & Cash Equivalents**

	FY24	FY23
	\$	\$
Bank Accounts	1,961,902	1,363,132
Term Deposits	750,000	200,000
Imprest Accounts & ATMs	76,802	65,702
	<u>2,788,704</u>	<u>1,628,834</u>

The bank has perfected security interest in all present and after acquired property of Clutha Licensing Trust.

**Note 21 – Grants Paid**

The Trust has not made any grants during the year (2023 \$Nil).

**Note 22 – Subsequent Events**

There were no significant events that occurred after balance date.

**Note 23 – Government Grant**

The Trust was eligible for the Government Covid-19 wage subsidy scheme as well as the Resurgence Support Payment, and received \$2,995 in the current financial year (2023 \$28,190).

Revenue from government grants is recognised when the associated expenses are incurred, and the full sum has therefore been recognised in the 2024 financial year.

There are no unfulfilled conditions nor contingencies in relation to the subsidy.

**Note 24 – Salaries & Wages**

	FY24	FY23
	\$	\$
Wages & Salaries	2,820,324	2,834,771
Changes to Provisions (Note 9)	8,325	11,444
Kiwisaver Contribution	69,987	79,789
	<u>2,898,636</u>	<u>2,926,004</u>



## Note 25 – Income Tax

### Tax Calculation

The prima facie income tax expense on pre-tax accounting surplus(deficit) reconciles to the income tax expense in the financial statements as follows:

	FY24 \$	FY23 \$
Profit (Loss) before Income Tax	(119,870)	64,180
Income Tax Expense Calculated at 28%	(33,564)	17,970
Permanent Differences	585	-
Deferred Taxation Adjustment	174,166	28,447
<b>Taxation Expenses</b>	<b>141,187</b>	<b>46,417</b>
<b>Analysis of Taxation Expenses</b>		
Current Taxation	63,789	78,548
Deferred Taxation	77,398	(32,131)
	<b>141,187</b>	<b>46,417</b>

### Deferred Tax Liability

	Opening Balance	Charged to Income	Charged to Other Comprehensive Income	Closing Balance
	\$	\$	\$	\$
<b>FY24</b>				
Property, Plant and Equipment	1,032,191	74,224	-	1,106,414
Lease Commitments	(40,900)	6,560	-	(34,340)
Employee Entitlements	(68,061)	(3,386)	-	(71,447)
	<u>923,230</u>	<u>77,398</u>	<u>Nil</u>	<u>1,000,627</u>
<b>FY23</b>				
Property, Plant and Equipment	1,122,912	(218,121)	127,400	1,032,191
Lease Commitments	(58,031)	17,130	-	(40,900)
Employee Entitlements	(80,120)	12,059	-	(68,061)
	<u>984,761</u>	<u>(188,932)</u>	<u>127,400</u>	<u>923,230</u>

	FY24 \$	FY23 \$
<b>Taxation Provision</b>		
<b>Opening Balance</b>	28,011	3,578
<b>Plus</b>		
Tax Refunded	-	1,473
Current Taxation	63,789	78,548
	<u>63,789</u>	<u>80,021</u>
	91,800	83,599
<b>Less</b>		
Taxation Paid	101,230	46,932
Resident Withholding Tax	24,235	8,656
	<u>125,465</u>	<u>55,588</u>
<b>Closing Balance</b>	<u>(33,665)</u>	<u>28,011</u>

## Note 26 – Property, Plant & Equipment

An independent valuation of the Trust's land and buildings was performed by Colliers (Joe Chapman B.Com VPM MPINZ) an independent registered valuer on 31<sup>st</sup> March 2023.

The valuation concluded that the market value of land was \$1,605,000 and improvements \$4,525,000; a total market value of \$6,130,000. This resulted in an upwards revaluation of \$664,500 which was reflected in other comprehensive income.

The valuation also concluded that given market evidence, current economic conditions, the high proportion of domestic clientele and historic and current trading records, there was no impairment consideration required for the 31 March 2023 year.

A further review by Colliers as at 31 March 2024 concluded that asset values were not impaired for the 31 March 2024 year.

**Note 26 – Property, Plant & Equipment (continued)**

	Cost   Valuation	Accumulated Depreciation & Impairment	Carrying Amount	Current Year Additions	Current Year Assets included in a Disposal Group Classified as Held for Sale & Other Disposals	Current Year Disposals	Current Year Impairment Charges	Current Year Depreciation Expense	Revaluation Surplus	Reversal of Prior Revaluation on Assets Held for Disposal	Cost Revaluation	Accumulated Depreciation & Impairment	Accumulated Carrying Amount
<b>FY24</b>	31 Mar 2023 \$000	31 Mar 2023 \$000	31 Mar 2023 \$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	31 Mar 2024 \$000	31 Mar 2024 \$000	31 Mar 2024 \$000
Land	1,605	-	1,605	-	-	-	-	-	-	-	1,605	-	1,605
Buildings	5,972	1,447	4,525	7	-	-	-	355	-	-	5,979	1,801	4,177
Leasehold Imprvmnts	220	172	49	2	-	-	-	10	-	-	223	181	41
Carpet & Vinyl	233	219	15	-	-	-	-	1	-	-	233	219	14
Furniture & Fittings	1,143	1,087	56	10	-	-	-	18	-	-	1,151	1,106	45
Office Equipment	500	479	20	35	-	-	-	9	-	-	534	489	45
Leased Assets	390	229	161	45	-	-	-	73	-	-	424	302	122
Plant	2,206	1,973	233	22	-	-	-	37	-	-	2,226	2,010	216
Vehicles	616	401	215	1	-	15	-	27	-	-	602	429	173
Linen & Crockery	96	96	-	-	-	15	-	-	-	-	96	96	-
	\$12,982	\$6,103	\$6,879	\$122	\$-	\$30	\$-	\$530	\$-	\$-	\$13,073	\$6,633	\$6,440
<b>FY23</b>	31 Mar 2022 \$000	31 Mar 2022 \$000	31 Mar 2022 \$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	31 Mar 2023 \$000	31 Mar 2023 \$000	31 Mar 2023 \$000
Land	1,855	-	1,855	-	-	245	-	-	105	215	1,605	-	1,605
Buildings	6,197	1,123	5,074	-	-	888	-	324	560	-	5,972	1,447	4,525
Leasehold Imprvmnts	220	162	58	-	-	-	-	10	-	-	220	172	49
Carpet & Vinyl	233	218	15	-	-	-	-	1	-	-	233	219	15
Furniture & Fittings	1,149	1,066	83	-	-	8	-	21	-	-	1,143	1,087	56
Office Equipment	480	466	14	20	-	-	-	13	-	-	500	479	20
Leased Assets	361	154	207	30	-	-	-	75	-	-	390	229	161
Plant	2,179	1,936	243	40	-	23	-	37	-	-	2,206	1,973	233
Vehicles	613	371	242	3	-	4	-	30	-	-	616	401	215
Linen & Crockery	96	96	-	-	-	-	-	-	-	-	96	96	-
	\$13,383	\$5,592	\$7,791	\$93	\$-	\$1,169	\$-	\$511	\$665	\$215	\$12,982	\$6,103	\$6,879