

The Business – The hospitality industry (like many other industries) has undergone vast changes over recent years. These changes like the Sale and Supply of Liquor Act 2012, the Amenities and Good Order Act and the introduction of a lower Driver Breath Alcohol level in December 2014 have presented more challenges to the running of our day to day business.

One of the most dramatic changes is the toleration toward Intoxication under the new liquor act.

Being intoxicated when arriving at our premises and/or becoming intoxicated in our bars is legally not acceptable (please, this is not a Clutha Licensing Trust law), nor is behaving in an anti-social manner and/or becoming threatening and/or fighting with staff or other patrons within/around our premises.

Our staff and our liquor licenses are continually being challenged, week in and week out with all types of anti-social behavioral issues at our doorways and in our bars, and as such it is becoming necessary for some less desirable patrons to lose the right to be able to frequent our premises. Gone are the days where you can do as you see fit in a licensed premise, so please avoid being trespassed and consider a better attitude toward being in or around our premises.

We strive to deliver a positive hospitality experience each time you enter our premises. We are also aware that there are times where shortcomings have been presented within our business and it is our aim to ensure our staff deliver improved experiences for all that vote to support the Trust.

In confidence, if you have any less desirable experiences that you would like share with us to help us improve on what we do, we ask that you forward us an email to mail@clt-trust.co.nz

Please remember, these premises are owned by **YOU** the people of South Otago, so where possible we would appreciate that you support **YOUR** own business, before supporting those that put their profits directly in their own pockets.

The Trust operates directly the following premises:

- Rosebank Lodge – Balclutha
- Clutha Liquorland – Balclutha
- Hotel South Otago – Balclutha
- White Horse Inn – Milton
- Oak Tree Inn – Clinton
- Catlin's Inn – Owaka

Since the 1st August 2016 we have placed our small tavern the Bridge Tavern, Kaitangata out on a lease arrangement. It is hoped that under this lease the operator will be able to generate improved returns, which should benefit the community and your Trust.

Clutha District Senior Citizens Christmas Luncheons – On a much brighter note the Trust again hosted its annual Senior Citizens Christmas luncheons in early December at the Rosebank Lodge and we are planning this event for mid-December again this year. On entry, our guests make a small donation and last year these totaled **\$1,450.40**, which was donated to the South Otago Police/Anglican Family Care – Family Violence Safety Alarms project.

Trading & Financial – The financial report for the 2015/16 year (whilst yet to be audited) presents a slightly improved result over the prior year, by approximately \$15,000 (\$230,793) versus (\$245,808) with this year's result including \$480,955 in depreciation, which leaves us with a cash positive position of \$250,162.

We have experienced a further decline in liquor trading (down 1.5%) and a small decline in food sales (down 2%), but more positively we received income growth from accommodation sales (up 18.9%). Our Gross Margin result remained static.

The Trusts equity position as at 31.03.16 was \$6,398,951 versus \$6,338,922 last year.

Our focus is to continue to grow the food and accommodation sectors further and continually focus on all possible improvements that can be made within the liquor sector (both on & off premise).

Audited Accounts – Our annual accounts are yet to be completed and signed off by Audit New Zealand our assigned auditors.

A public notice will be placed in the Clutha Leader once these accounts are signed off and inspection/viewing will be made available at the Trust's offices if required. We apologise for any inconvenience this may have caused.

Operational Developments – the Trust has been undertaking a major Point of Sale upgrade within its premises. Management have been working site by site installing a Trust wide front of house sales system that will offer improved transactional processing for you the customer and other benefits once completed, along with improved operational controls. It is our plan to have this system fully operational by the end of this fiscal year, however in the interim we apologise if you experience any delays during the install process.

On the Property development front – we have been gathering information relating to a possible major upgrade and/or redevelopment at the Hotel South Otago and to date we cannot share with you any further details.

The Trustees wish to ensure that every avenue is explored before any long term commitment is made for this venue. Once a decision has been reached notice will be given to the community.

We continue to ensure that all our premises are of a high standard and as monies allow, we will add further benefits and improvements where they are needed most or where we see fit.

The Trusts Community Foundation Limited - supported 53 groups and organisations within South Otago during the 2015/16 period to the value of **\$380,361** (refer to the attached schedule of recipients), compared with 55 applications during the previous period totaling \$384,665.

The Clutha Licensing Trust also distributed **\$16,520** in sponsorships to community groups within our district during the past year.

In closing, I take the opportunity to thank my fellow Trustees for their support and commitment during the past year and I wish to thank our management team and all our staff for the dedication and commitment they have afforded the Trust and myself during this financial year.

Kind Regards, Blair Cross – President (as at 5th October 2016). Signed:

