

CLUTHA LICENSING TRUST

**Annual Report for the Financial Year
Ended 31 March 2013**

CLUTHA LICENSING TRUST
ANNUAL REPORT
For the Year ended 31 March, 2013

CONTENTS	PAGE
Trust Directory	3
Approval by Trustees	4
Income Statement	5
Statement of Comprehensive Income	6
Statement of Changes in Equity	6
Statement of Financial Position	7
Statement of Cashflows	8
Notes to the Financial Statements	9
Independent Auditors Report	20

g. 31/11
16/12

**CLUTHA LICENSING TRUST
TRUST DIRECTORY
For the Year ended 31 March, 2013**

Nature of Business:	Hotelier and Liquor Retailers
Trust Members:	D M McElrea - President I F Mathieson - Vice President D Edwards B Cross R Agnew J Gardner J Lyders D Roberstson-Dunn D Scoles
Registered Office:	Rosebank Lodge 265 Clyde Street Balclutha
Bankers:	Bank of New Zealand and ANZ
Solicitors:	Sumpter Moore
Auditors:	Audit New Zealand

5/3/11
JL

CLUTHA LICENSING TRUST
FINANCIAL STATEMENTS
For the Year ended 31 March, 2013

Approval by Trustees

The Trustees of the Clutha Licensing Trust present the financial statements for the year ended 31 March 2013.

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 2013 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 1993.

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.



D M McElrea
President



I F Mathieson
Vice - President

For and on behalf of the Trustees

Dated 1st August 2013



CLUTHA LICENSING TRUST
INCOME STATEMENT
For the Year ended 31 March, 2013

	Notes	2013 \$	2012 \$
Revenue			
Liquor		7,383,776	7,461,509
Food		1,440,837	1,444,261
Accommodation		490,201	482,270
		<u>9,314,814</u>	<u>9,388,040</u>
Cost of Sales		5,367,338	5,391,177
		<u>3,947,476</u>	<u>3,996,863</u>
Gross Profit			
Plus Other Revenue			
Other Income	3	504,907	499,376
Dividend received		11,152	13,742
Interest received		9,645	2,314
		<u>525,704</u>	<u>515,432</u>
Less Other Expenses			
ACC levies		31,783	46,030
Accounting and secretarial fees		28,000	28,000
Audit fees	6	39,513	32,906
Bad debts		20	-
Depreciation	12	542,639	484,455
Donations		16,901	14,334
Honorarium and expenses	14	44,618	42,017
Insurance		98,650	85,214
Interest		20,490	27,829
Legal fees		481	-
Other expenses	4	1,315,533	1,358,229
Salaries and wages		2,339,208	2,380,402
		<u>4,477,836</u>	<u>4,499,417</u>
Gain on sale of property, plant & equipment		4,522	3,478
Profit Before Taxation		(134)	16,356
Taxation Expense	2	79,723	18,617
(Loss) After Taxation		<u>(\$79,857)</u>	<u>(\$2,261)</u>

53M
CC

CLUTHA LICENSING TRUST
STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 31 March, 2013

	Notes	2013 \$	2012 \$
(Loss) After Taxation		(79,857)	(2,261)
Revaluation of Property, Plant and Equipment		-	556,977
Total Comprehensive Income		<u><u>(\$79,857)</u></u>	<u><u>\$554,716</u></u>

STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 March, 2013

Equity at the beginning of period	7,712,547	7,157,831
Total Comprehensive Income	<u>(79,857)</u>	<u>554,716</u>
Equity at the End of the Period	<u><u>\$7,632,690</u></u>	<u><u>\$7,712,547</u></u>

83M
Ue

CLUTHA LICENSING TRUST
STATEMENT OF FINANCIAL POSITION
As at 31 March, 2013

	Notes	2013 \$	2012 \$
Trust Equity			
Reserves	15	7,632,690	7,712,547
Total Trust Equity		<u>\$7,632,690</u>	<u>\$7,712,547</u>
Represented by:			
Current Assets			
Cash and cash equivalents	24	712,230	565,359
Accounts receivable	7	194,075	231,871
Prepayments		3,404	14,987
Inventory	8	878,857	814,467
Other Financial Assets	9	66,939	66,939
		<u>1,855,505</u>	<u>1,693,623</u>
Non Current Assets			
Property, plant and equipment	12	7,315,050	7,510,734
Capital works in progress		7,562	9,411
		<u>7,322,612</u>	<u>7,520,145</u>
Current Liabilities			
Accounts payable and accruals	10	939,152	952,778
Employee Entitlements	11	202,085	210,176
Taxation payable	2	78,489	17,709
ANZ Bank Loans	13	-	300,000
		<u>1,219,724</u>	<u>1,480,663</u>
Non Current Liabilities			
ANZ Bank Loans	13	300,000	-
Employee Entitlements	11	25,703	20,558
		<u>325,703</u>	<u>20,558</u>
Net Assets		<u>\$7,632,690</u>	<u>\$7,712,547</u>

f 311.
Alu

CLUTHA LICENSING TRUST
STATEMENT OF CASHFLOWS
For the Year Ended 31 March, 2013

	Notes	2013 \$	2012 \$
Cashflows from Operating Activities			
Cash was provided from:			
Receipts from customers		9,869,099	9,936,838
Interest received		9,645	2,314
Dividends received		11,152	13,742
		<u>9,889,896</u>	<u>9,952,894</u>
Cash was applied to:			
Payments to suppliers and employees		9,363,005	9,399,768
Interest paid		20,490	27,829
Taxation paid		18,946	734
		<u>9,402,441</u>	<u>9,428,331</u>
Net cash inflow (outflow) from operating activities	20	<u>487,455</u>	<u>524,563</u>
Cashflows from Investing Activities			
Cash was provided from:			
Proceeds on sale of property, plant and equipment		4,522	3,478
Proceeds of other financial assets realised		-	2,022
		<u>4,522</u>	<u>5,500</u>
Cash was applied to:			
Purchase of other financial assets		-	-
Purchase of property plant and equipment and capital work in progress		345,106	246,134
		<u>345,106</u>	<u>246,134</u>
Net cash inflow/(outflow) from investing activities		<u>(340,584)</u>	<u>(240,634)</u>
Cashflows from Financing Activities			
Cash was provided from:			
Proceeds from borrowings		-	-
Cash was applied to:			
Repayment of borrowings		-	-
		<u>-</u>	<u>-</u>
Net cash inflow/(outflow) from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		146,871	283,929
Add opening cash and cash equivalents		565,359	281,430
Closing Cash and Cash Equivalents		<u><u>\$712,230</u></u>	<u><u>\$565,359</u></u>

JSW
AL

CLUTHA LICENSING TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March, 2013

1. SUMMARY OF ACCOUNTING POLICIES

Statement of Compliance

Clutha Licensing Trust ("The Trust or CLT") is a profit oriented entity, registered in New Zealand under the Sale of Liquor Act 1989.

The financial statements have been prepared in accordance with NZ IFRS and Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They are a qualifying entity in that it qualifies for Differential Reporting as it is not large as defined under the Framework for differential reporting.

The Trust qualifies for differential reporting. The trust has taken advantage of all differential reporting exemptions except for:

- NZ IAS 7 Statement of Cash Flows

Basis of Preparation

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 2013 and the comparative information presented in these financial statements for the year ended 31 March 2012.

The financial statements are presented in New Zealand dollars rounded to the nearest whole dollar.

Changes in accounting policy

There have been no changes in accounting policies during the financial year.

Standards, amendments, and interpretations issued that are not yet effective and have not been early adopted

Standards, amendments, and interpretations issued but not yet effective that have not been early adopted, and which are relevant to the Trust, are:

- NZ IAS 1 *Presentation of Financial Statements* – this requires changes to the classification and presentation of the statement of comprehensive income.
- Amendments to NZ IFRS (NZ IFRS 1, NZ IAS 1, 16, 32, 34) arising from the Annual Improvements Project, of which changes to NZ IAS 1 and NZ IAS 32, are relevant to the Trust:
 - NZ IAS 1 clarifies the difference between voluntary additional comparative information and the minimum required comparative information.
 - NZ IAS 32 clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with NZ IAS 12 Income Taxes.
- NZ IFRS 9 *Financial Instruments* – this standard will eventually replace NZ IAS 39 *Financial Instruments: Recognition and Measurement*.

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 circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates. The 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 or in the period of the revision and future periods if the revision affects both current and future periods.

CLUTHA LICENSING TRUST
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the year ended 31 March, 2013

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 income statement.

- Allowance for Impairment Loss

Management assesses 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, based on a 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 income statement 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 revalued buildings is charged to the income statement. 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.

Plant and equipment is stated at 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.

Borrowing Costs

All borrowing costs are recognised in the Income Statement in the period in which they are incurred.

CLUTHA LICENSING TRUST
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the year ended 31 March, 2013

1. SUMMARY OF ACCOUNTING POLICIES (Cont)

The following estimated useful lives are used in the calculation of depreciation:

▪ Building	20-40 years
▪ Leasehold improvements	10-40 years
▪ Office equipment	5-10 years
▪ Furniture and fittings	5-10 years
▪ Carpet and vinyl	5-10 years
▪ Plant and equipment	15 years
▪ Motor vehicles	15 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.

Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual and long service leave, and sick leave when it is probable that settlement will be required and the benefits are capable of reliable measurement.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents rental received and property expenses recovered in the normal course of business. The following specific recognition criteria must be met before revenue is recognised:

(a) 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.

(b) Accommodation

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

(c) Dividend and Interest Revenue

Dividend from investments is recognised when the right to receive payment has been established.

Interest revenue is accrued on a time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

CLUTHA LICENSING TRUST
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the year ended 31 March, 2013

1. SUMMARY OF ACCOUNTING POLICIES (Cont)

Taxation

Current Tax

The tax expense is calculated using the taxes payable method. As a result, no allowance is made for deferred tax. Tax expense includes the current tax liability and adjustments to prior year tax liabilities.

GST

All items in the balance sheet are stated exclusive of GST, with the exception of receivables and payables, which include GST. All items in the income statement are stated exclusive of GST.

Cash flows are included in the cash flow statement on a net basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

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 of 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.

(a) Cash & Cash Equivalents

Cash and cash equivalents comprise cash on hand, 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 changes in value.

(b) Accounts receivable

Accounts receivable are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

(c) Accounts Payables

Accounts payable are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method.

(d) Other Financial Assets

Other financial assets represent financial assets classified as "Available for sale". "Available for sale" financial instruments are stated at fair value less impairment. Gains or losses arising from changes in fair value are recognised directly in equity.

(e) Inventory

Inventories are stated at the lower of cost or net realisable value.

(f) Operating Lease Payments

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Payments made under operating leases are recognised in the Income Statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Income Statement as an integral part of the total lease expense.

(g) Finance Lease Payments

Finance leases, which transfer to the Trust substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

CLUTHA LICENSING TRUST
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the year ended 31 March, 2013

1. SUMMARY OF ACCOUNTING POLICIES (Cont)

Minimum lease payments are apportioned between the finance charge and the reduction of any outstanding liability. Finance charges are allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(h) Donations

Donations are recognised through the income statement when they are approved by the Trustees and paid.

Cash Flow Statement

Definition of terms used in the cash flow statement:

- Cash and cash equivalents includes cash on hand, 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.
- Operating activities include all transactions that are not investing or financing activities.
- Investing activities are those activities relating to the acquisition and disposal of current and non-current investments and any other non-current assets.
- Financing activities are those activities relating to changes in the equity and debt capital structure of the Trust and those activities relating to the cost of servicing the Trust's capital.

2. INCOME TAXES	2013	2012
	\$	\$

(a) Taxation 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:

Profit before income tax	(134)	16,356
Income tax expense calculated at 28%	(38)	4,580
Permanent differences	4,042	3,574
Temporary differences	77,376	67,233
Use of previously unrecognised tax losses	-	(56,769)
Prior Period Adjustments	(1,657)	-
Taxation Expenses	<u>\$79,723</u>	<u>\$18,617</u>

(b) Taxation Provision Movements

Opening balance	17,709	(174)
Plus Current taxation	79,723	18,617
Taxation Refund	-	174
	<u>97,432</u>	<u>18,617</u>
Less Taxation Paid	(16,052)	-
Resident Withholding Tax	(2,893)	(908)
Closing balance	<u>\$78,487</u>	<u>\$17,709</u>

CLUTHA LICENSING TRUST
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the year ended 31 March, 2013

	2013 \$	2012 \$
3. OTHER INCOME		
Gaming Machine Income	211,120	211,192
Equipment Rental	13,547	12,709
Rentals	8,759	18,124
Managers Reimbursements	-	34,288
Rebates	233,748	192,272
Sundry Income	37,733	30,791
	<u>\$504,907</u>	<u>\$499,376</u>
4. OTHER EXPENSES		
Advertising	58,113	63,290
Bank Fees	30,454	30,753
Cleaning & Rubbish	50,183	58,120
Commissions Paid	38,843	37,911
Computer Expenses	21,829	18,552
Electricity & Heating	354,807	376,148
Entertainment	47,252	56,355
Franchise Payments	38,039	34,317
Hospitality	36,027	34,491
Laundry	38,741	35,845
Printing & Stationery	29,976	29,909
Rates	35,059	32,508
Rentals	55,893	74,042
Repairs & Maintenance	205,790	225,050
Sky TV	42,255	40,153
Telephone	46,220	46,547
Motor Vehicle Expenses	51,555	50,470
Other Expenses	134,497	113,768
	<u>\$1,315,533</u>	<u>\$1,358,229</u>

5. KEY MANAGEMENT PERSONNEL COMPENSATION

The compensation of the Trustees and General Manager and other senior management, being the key management personnel of the Trust, is set out below:

Short Term Employee Benefits	181,265	203,168
Employment Benefits	-	-
Other Long Term Employee Benefits	9,301	-
	<u>\$190,566</u>	<u>\$203,168</u>

Employees of the Trust (section 207 (1) (c) (iii) Sale of Liquor Act 1989)

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		
\$110,000 - \$120,000	1	-

The 2012 year has been calculated differently and will be consistently disclosed going forward.

6. REMUNERATION OF AUDITORS

Audit fees for financial statement audit for the 2012 year - PricewaterhouseCoopers	4,763	32,906
Audit fees for financial statement audit for the 2013 year - Audit NZ	34,750	-
Other advisory services	-	5,386
	<u>\$39,513</u>	<u>\$38,292</u>

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

CLUTHA LICENSING TRUST
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the year ended 31 March, 2013

	2013 \$	2012 \$
7. ACCOUNTS RECEIVABLE		
Trade Receivables	161,480	182,786
Sundry receivables and accruals	32,595	49,084
	<u>\$194,075</u>	<u>\$231,870</u>
No interest is charged on trade receivables.		
8. INVENTORIES		
Liquor	832,679	755,894
Food	46,178	58,573
Sundry stores	-	-
	<u>\$878,857</u>	<u>\$814,467</u>
9. OTHER FINANCIAL ASSETS		
At fair value:		
Shares in DB South Island Brewery Ltd (i)	53,096	53,096
Shares in Super Liquor Holdings Ltd (i)	2,500	2,500
Investments in Foodstuffs	11,343	11,343
	<u>\$66,939</u>	<u>\$66,939</u>
(i) These investments are designated as "Available for sale" 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 as an approximation of fair value.		
10. ACCOUNTS PAYABLE & ACCRUALS		
Trade Creditors	758,220	741,340
Goods & Services Tax	75,740	103,365
Accrued Expenses	105,192	108,073
	<u>\$939,152</u>	<u>\$952,778</u>
11. EMPLOYEE ENTITLEMENTS		
Provision for Holiday Pay (Current)	202,085	210,176
Provision for Long Service Leave (Non Current)	25,703	20,558
	<u>\$227,788</u>	<u>\$230,734</u>

The Provision for Holiday Pay represents employee entitlements for annual and long service leave which have "vested" in the employee. Provision for Long Service Leave represents unvested entitlements.

Handwritten signature/initials: JFM

CLUTHA LICENSING TRUST
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the year ended 31 March, 2013

12. PROPERTY, PLANT & EQUIPMENT

	Cost/Valuation 1 April, 2012	Additions	Disposals	Impairment	Revaluation	Cost/Valuation 31 March, 2013	Accumulated Depreciation & Impairment Charges 1 April, 2012	Depreciation Expense	Accumulated Depreciation Reversed on Revaluation	Accumulated Depreciation Reversed on Disposal	Accumulated Depreciation & Impairment Charges 31 March, 2013	Book Value 31 March, 2013
2013	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land	1,050,000	-	-	-	-	1,050,000	-	-	-	-	-	1,050,000
Buildings	5,600,000	51,744	-	-	-	5,651,744	-	312,163	-	-	312,163	5,339,58
Leasehold Improvements	127,954	55,291	-	-	-	183,245	70,939	7,963	-	-	78,902	104,34
Carpet and vinyl	207,081	12,711	-	-	-	219,792	172,626	9,796	-	-	182,422	37,371
Furniture and fittings	934,187	89,839	-	-	-	1,024,026	634,874	80,883	-	-	715,757	308,26
Office equipment	192,333	1,509	-	-	-	193,842	180,925	5,061	-	-	185,986	7,851
Plant	1,626,158	70,941	(309)	-	-	1,696,790	1,241,154	103,268	-	(78)	1,344,344	352,441
Motor vehicles	264,022	63,103	(13,717)	-	-	313,408	192,777	21,208	-	(13,717)	200,268	113,14
Linen, crockery, etc	89,054	2,048	-	-	-	91,102	86,760	2,297	-	-	89,057	2,04
Total Property, Plant and Equipment	10,090,789	347,186	(14,026)	-	-	10,423,949	2,580,055	542,639	-	(13,795)	3,108,899	7,315,051

	Cost/Valuation 1 April, 2011	Additions	Disposals	Impairment	Revaluation	Cost/Valuation 31 March, 2012	Accumulated Depreciation & Impairment Charges 1 April, 2011	Depreciation Expense	Accumulated Depreciation Reversed on Revaluation	Accumulated Depreciation Reversed on Disposal	Accumulated Depreciation & Impairment Charges 31 March, 2012	Book Value 31 March, 2012
2012	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land	1,195,000	-	-	-	-	1,195,000	-	-	-	-	-	1,050,000
Buildings	5,556,422	34,125	-	-	9,453	5,600,000	449,992	242,533	(692,525)	-	-	5,600,000
Leasehold Improvements	125,889	2,065	-	-	-	127,954	65,931	5,008	-	-	70,939	57,011
Carpet and vinyl	207,081	-	-	-	-	207,081	157,610	15,016	-	-	172,626	34,451
Furniture and fittings	875,784	58,403	-	-	-	934,187	554,954	79,920	-	-	634,874	299,311
Office equipment	189,858	2,785	(310)	-	-	192,333	171,940	9,295	-	(310)	180,925	11,401
Plant	1,553,752	73,509	(1,103)	-	-	1,626,158	1,127,555	113,599	-	-	1,241,154	385,001
Motor vehicles	215,186	63,058	(14,222)	-	-	264,022	191,873	15,126	-	(14,222)	192,777	71,241
Linen, crockery, etc	84,419	4,635	-	-	-	89,054	82,802	3,958	-	-	86,760	2,291
Total Property, Plant and Equipment	10,003,391	238,580	(15,635)	-	(135,547)	10,090,789	2,802,657	484,455	(692,525)	(14,532)	2,580,055	7,510,731

An independent valuation of the Trust's land and buildings was performed by Mike Barnsley, ANZIV, NNZPI, an independent registered valuer on 31st March 2012. The valuation, which conforms to New Zealand Property Institute Practice Standard - 3 Valuations for Financial Reporting Purposes, was determined by reference to discounted cash flows using an appropriate discount rate. Under the New Zealand Property Institute Practice Standard 1, which came into force from 1 May, 2004, all valuations must be assessed as at the date of inspection of the property, except where the valuation instructions are to assess the valuation at a retrospective date. Accordingly, the valuation date is the date of inspection.

[Signature]
 9/5/11

CLUTHA LICENSING TRUST
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the year ended 31 March, 2013

			2013 \$	2012 \$
13.	NON CURRENT LIABILITIES (SECURED)			
		<u>Interest Rate</u>	<u>Expiry Date</u>	
	ANZ Bank Loan	5.82%	30/4/2014	
			300,000	-
			<u>\$300,000</u>	<u>\$-</u>

The secured lending is by way of first mortgage over the Rosebank Lodge property, 263-267 Clyde Street, Balclutha. The loan is interest only over the term.

14. REMUNERATION OF TRUSTEES AND STAFF

Fees and expenses paid to Board members during the year:

President's honorarium	18,000	18,030
Board members' fees and expenses	26,618	23,987
	<u>\$44,618</u>	<u>\$42,017</u>

During the year, no current or former employee of the trust earned in excess of \$100,000 in remuneration by way of salary or other employment benefits (2012: Nil).

15. RESERVES

Retained Earnings (a)	4,723,313	4,803,170
Revaluation Reserve (b)	2,909,377	2,909,377
	<u>\$7,632,690</u>	<u>\$7,712,547</u>
(a) Retained Earnings		
Opening balance	4,803,170	4,805,431
Profit/(Loss) after taxation	(79,857)	(2,261)
Closing balance	<u>\$4,723,313</u>	<u>\$4,803,170</u>
(b) Revaluation Reserve		
Opening balance	2,909,377	2,352,400
Revaluation of land and buildings	-	556,977
Deferred tax on revaluation	-	-
Closing balance	<u>\$2,909,377</u>	<u>\$2,909,377</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.

Handwritten signature and initials

CLUTHA LICENSING TRUST
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the year ended 31 March, 2013

16. CAPITAL COMMITMENTS

There were no capital commitments at 31 March 2013 (2012: \$Nil).

17. CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 March 2013 (2012: \$Nil).

18. 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 2013 for TTCF Ltd were \$104,609 (2012: \$33,462) and TTCF Inc \$Nil (2012: \$Nil).

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

19. OPERATING LEASES

Non-cancellable operating lease commitments:

	2013	2012
	\$	\$
Not later than one year	63,476	8,919
Later than one year and not later than five years	71,300	91,064
Later than five years	-	-
	<u>\$134,776</u>	<u>\$99,982</u>

20. RECONCILIATION OF SURPLUS AFTER TAXATION TO NET CASH INFLOWS FROM OPERATING ACTIVITIES

	2013	2012
	\$	\$
Profit/(Loss) After Taxation	(79,857)	(2,261)
Non cash items:		
Gain on Sale of Assets	(4,522)	(3,478)
Depreciation	542,639	484,455
Long Service Leave	5,145	(905)
	<u>463,405</u>	<u>477,811</u>
Movements in working capital items:		
Provision for taxation	60,777	17,883
Inventory	(64,389)	30,320
Accounts payable and accruals	(13,626)	(59,188)
Employee entitlements	(8,091)	8,317
Accounts receivable and prepayments	49,379	49,420
Net Cash Inflow From Operating Activities	<u><u>\$487,455</u></u>	<u><u>\$524,563</u></u>

llc
g f m.

21. RELATED PARTY TRANSACTIONS

During the period there have been related party transactions between Clutha Licensing Trust and board members as follows:

Blair Cross being a director and shareholder of Kai Point Coal Ltd with transactions totalling \$509.45 (2012: \$963.58).

Blair Cross being a director and shareholder of McLellan Freight Ltd with transactions totalling \$42,179.21 (2012: \$47,180.68)

Robert Agnew being the owner of Milton Butchery with transactions totalling \$53,026.57 (2012: \$32,474.37)

All amounts are exclusive of GST.

22. FRANCHISE COMMITMENTS

Non-cancellable franchise commitments:

	2013	2012
	\$	\$
Not later than one year	35,400	35,400
Later than one year and not later than five years	92,650	128,050
Later than five years	-	-
	<u>\$128,050</u>	<u>\$163,450</u>

23. SUBSEQUENT EVENTS

Significant events that occurred after balance date were the resignations of three of the managers at different sites the Trust owned. The managers resigned for various differing reasons and the impact of this could not be quantified. (2012: \$Nil)

24. CASH & CASH EQUIVALENTS

	2013	2012
	\$	\$
Bank Accounts	504,676	380,954
Imprest Accounts & ATM's	82,347	71,494
Eft-pos & Suspense Accounts	125,207	112,911
	<u>\$712,230</u>	<u>\$565,359</u>

