



2011 ANNUAL REPORT





PRESIDENT'S REPORT 2011

Reflecting on the past twelve months and on previous reports, I note that the marketplace in which we operate in has not improved greatly and we are consistently working hard to ensure that we present the community and our loyal customers with positive, proactive premises and management, whilst trying to achieve/deliver reasonable price points to ensure return custom. This becomes difficult annually with Government excise increases, supplier increments and this year GST percentage adjustments, along with the labour market increasing its base wage cost, which triggers increased payments.

I am pleased to advise that the Clutha Licensing Trust improved its sales volume during the past fiscal year and for that I thank you for your continued support. Off premise sales have lifted due to lower points price and tighter economic times, but it is extremely pleasing to note that our bars and restaurants are trading well above the industry benchmark.

Our margin on sales was improved comparative to the past year by 1.5% as we consistently face increased costs associated with meeting sector, environmental & resource compliance, so this small lift is very pleasing.

Our operating surplus also lifted over the past year by \$250,000, but this included income and adjustments associated within the insurance payment relating to the Catlins fire in 2009 of approximately \$110,000.

We continually focus on making improvements to our premises and in the past year we have spent approximately \$500,000 on capital improvements and repairs & maintenance within and around our properties. Again in 2011/12 we see more improvements, which will hopefully entice a lift in custom within our businesses.

The Sale of Liquor Act review process is still being work through the many stages and it is unlikely that it will be dealt with this side of the elections. Whatever the outcome of this review, we ask that you remain tolerant toward our management and staff, whilst they work through the changes that we are likely to be faced with, including the high possibility of a split purchasing age level between bars and bottle stores and many other adjustments that we may be faced with.

Late last year our charitable foundation changed from one operating structure to another and we are now supported by and work in-conjunction with the Trust's Community Foundation Limited. During this transfer we encountered technical issues with the Department of Internal Affairs, which saw some funding applications regretfully not supported. I am pleased to advise that they are now back on track and awaiting your application/s.

The Trusts Charitable Foundation Incorporated & The Trusts Community Foundation Limited supported 41 groups and organizations within South Otago during the 2010/11 period to the value of \$191,727.75, compared with 59 applications during the previous period totaling \$582,084.49.

In closing, I take the opportunity to thank my fellow Trustees for their support and commitment during the past year and welcome our new members Blair Cross and Robert (Tiny) Agnew and I also wish to thank our management and staff for the dedication and commitment they have afforded the Trust and myself during this year. Kind Regards, Malcolm McElrea – President.



FINANCIAL REPORT

STATEMENT of COMPREHENSIVE INCOME for the year ended 31 March 2011				STATEMENT of FINANCIAL POSITION as at 31 March 2011			
		2011	2010			2011	2010
Operating Revenue				Current Assets		1,491,632	1,444,458
Sales		9,258,505	9,166,436	Non-current Assets		7,201,488	7,281,839
Other Income		621,229	815,379	Total Assets		8,693,120	8,726,297
Total Operating Revenue		9,879,734	9,981,815	Current Liabilities		1,213,825	1,324,114
Less Expenses		9,761,141	10,105,481	Non Current Liabilities		321,463	451,747
Less Finance Costs		43,982	51,949	Total Liabilities		1,535,288	1,775,861
Operating Surplus before Taxation		74,611	(175,614)	Net Assets		7,157,832	6,950,436
Taxation		0	29,563	Represented by:			
Operating Surplus after Taxation		74,611	(205,177)	Revaluation Reserves		2,334,166	2,334,166
Total Comprehensive Income		74,611	(205,177)	Retained Earnings		4,823,666	4,749,055
				Total Equity		7,157,832	7,083,221
STATEMENT of MOVEMENT in EQUITY for the year ended 31 March 2011				STATEMENT of CASH FLOWS for the year ended 31 March 2011			
		2011	2010			2011	2010
Equity at the beginning of the year		7,083,221	7,288,398	Cash flows from Operating Activities		631,310	588,587
Total Comprehensive Income		74,611	(205,177)	Cash flows from Investing Activities		(402,013)	(520,845)
Equity at 31 March 2011		7,157,832	7,083,221	Cash flows from Financing Activities		0	(300,000)
				Net Increase/(Decrease) in Cash		229,297	(232,258)
				Opening Cash Brought Forward		52,133	284,391
				Closing Cash		281,430	52,133

TO THE READERS OF THE CLUTHA LICENSING TRUST'S SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

We have audited the accompanying summary financial statements which were derived from the audited financial statements of the Clutha Licensing Trust (the Trust) for the year ended 31 March 2011 on which we expressed an unqualified audit opinion in our report dated 4 August 2011.

The summary financial statements comprise the summary balance sheet as at 31 March 2011, and summaries of the statement of comprehensive income and statement of changes in equity for the year then ended and the notes to the summary financial statements that include accounting policies and other explanatory information.

Opinion

In our opinion, the information reported in the summary financial statements complies with FRS-43: *Summary Financial Statements* and is consistent in all material respects with the audited financial statements from which they have been derived.

Basis of opinion

The audit was conducted in accordance with the Auditor-General's Auditing Standards, and the International Standards on Auditing (New Zealand).

The summary financial statements and the audited financial statements from which they were derived, do not reflect the effects of events that occurred subsequent to our report dated 4 August 2011 on the audited financial statements.

The summary financial statements do not contain all the disclosures required for audited financial statements under generally accepted accounting practice in New Zealand. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Trust.

Responsibilities of the Trustees and the Auditor

The Trustees are responsible for preparing the summary financial statements in accordance with FRS-43: *Summary Financial Statements*. We are responsible for expressing an opinion on those statements, based on the procedures required by the Auditor-General's auditing standards and the International Standard on Auditing (New Zealand) 810: *Engagements to Report on Summary Financial Statements*.

Other than in our capacity as auditor we have no relationship with, or interest in, the Trust.

Michael P Rondel - Polson Higgs - On behalf of the Auditor-General
Dunedin, New Zealand - 17 August 2011

SUMMARY of ACCOUNTS

These are summary financial statements for the Clutha Licensing Trust for the year ended 31 March 2011. The specific disclosures included in this Summary Financial Report have been extracted from the full financial reports dated 4th August 2011. The full financial statements dated 4th August 2011 have been prepared using Differential Reporting requirements as it is now a qualifying entity.

Change to Accounting Policies – The Trust has decided it will no longer account for income tax using the comprehensive method in accordance with NZIAS 12 *Incomes Taxes*. As the Trust qualifies for differential reporting it has decided to use the taxes payable method instead as allowed by NZIAS 12. The effect of this change has been applied retrospectively in accordance with NZIAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. The effect of the reinstatement has decreased the deferred tax liability in the balance sheet by \$149,089 at 1 April 2009 and \$132,785 at 31 March 2010.

The Summary Financial Report cannot be expected to provide as complete an understanding as provided by the full financial report of the financial performance, financial position and cashflows of the Trust.

A copy of the full financial statements may be obtained on request from the Trust's Head Office, 265 Clyde Street, Balclutha.

For and on behalf of the Trust

D M (Malcolm) McElrea
Chairman
17th August 2011

F W R (Ross) Lyders
Vice Chairperson



THE TRUSTS CHARITABLE & COMMUNITY FOUNDATION GRANTS

During the 2010/11 year The Trusts Charitable Foundation Inc: & the Trusts Community Foundation Limited distributed to the community, grants totaling \$191,727.75 to groups and organisations within the South Otago district. The Clutha Licensing Trust also supported a number of groups and organisations by way of further sponsorships to the value of \$12,640.00. Following are the recipients for this period:

NB: The significant decline in allocations this year was influenced by the \$300,000.00 allocation given to the Clutha Recreation Centre in the previous year.

The Trust Charitable Foundation Inc:			The Trust Community Foundation Limited		
Recipient	Amount	Period	Recipient	Amount	Period
Milton Primary Home and School Assn Inc	\$1,000.00	Apr-10	Allan Grange Golf Club Inc	\$1,700.00	Nov-10
South Otago Victim Support Group Inc	\$10,000.00	Apr-10	Lawrence Incorporated	\$27,218.00	Dec-10
Rosebank Kindergarten	\$500.00	Apr-10	Owaka Golf Club	\$2,090.00	Dec-10
Positively Clutha Women	\$2,000.00	Apr-10	Otago Shearing & Woolhandling Committee	\$8,359.00	Dec-10
Romahapa Hall Society Inc	\$2,000.00	Apr-10	South Otago Aero Club Inc	\$5,657.00	Feb-11
Catlins Search and Rescue	\$1,079.87	May-10	Otago Life Education Community Trust	\$5,000.00	Feb-11
Stirling Bowling Club Inc	\$1,300.00	May-10	Jennys Companionship Group Inc	\$1,900.00	Feb-11
Milton Coronation Hall Society Inc	\$1,500.00	May-10	South Otago Womens Golf Sub Assn	\$500.00	Feb-11
Tokomairiro High School Netball Club	\$1,000.00	May-10	Lawrence Netball Club	\$1,841.00	Feb-11
Lawrence Area School	\$1,000.00	Jun-10	Lawrence Incorporated	\$10,000.00	Mar-11
Owaka Yacht Club Inc	\$6,000.00	Jun-10	Positively Clutha Women	\$4,000.00	Mar-11
Clinton Rugby Football Club Inc	\$8,000.00	Jun-10	Enterprise Clutha	\$20,000.00	Mar-11
Clutha District Library	\$1,313.78	Jun-10	Clinton Golf Club Inc	\$5,000.00	Mar-11
Clinton Rugby Football Club Inc	\$2,000.00	Jul-10		\$93,265.00	
Tokomairiro A&P Society	\$1,700.10	Jul-10			
Outward Bound Trust of New Zealand	\$6,400.00	Aug-10			
Balclutha Scouts	\$5,000.00	Aug-10			
Clutha Country Music Club Inc	\$3,660.00	Aug-10			
Toko Rugby Football Club Inc	\$4,500.00	Aug-10			
South Otago Lawn Tennis Sub Assn	\$1,680.00	Aug-10			
Tokomairiro Early Learning Centre Inc	\$1,000.00	Aug-10			
Clutha District Search and Rescue	\$1,000.00	Sep-10			
Catlins Promotions Inc	\$1,497.00	Oct-10			
South Otago Junior Touch	\$5,000.00	Oct-10			
Balclutha Pipe Band Inc	\$5,000.00	Oct-10			
NZ Society of Genealogy - Balclutha Branch	\$2,600.00	Oct-10			
South Otago Festival Trust	\$12,732.00	Oct-10			
Tokomairiro Early Learning Centre Inc	\$8,000.00	Mar-11			
	\$98,462.75				

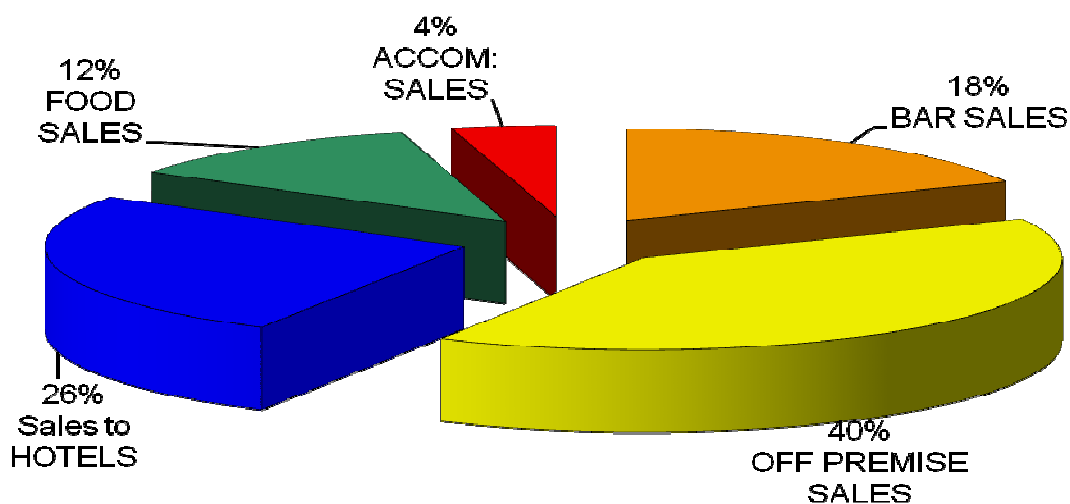
Clutha Licensing Trust SPONSORSHIPS

CLT Sponsorships 2010/11 \$12,640.00



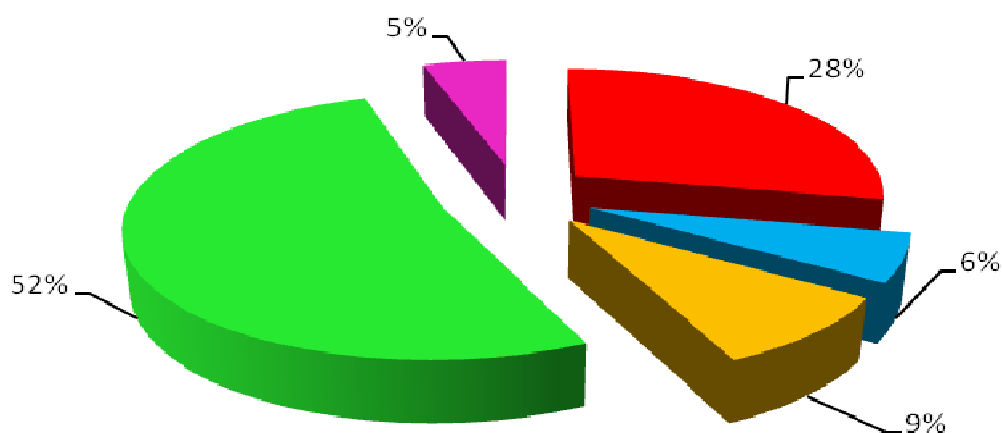
FINANCIAL GRAPHS

TOTAL SALES BREAKDOWN for 2010/11



GRANT ALLOCATIONS

FUNDING BREAKDOWN for 2010/11



■ Sports
 ■ Youth
 ■ Education
 ■ Community
 ■ Arts



TRUST BOARD & Management

Community Elected Trustees

Mr. D.M. (Malcolm) McELREA - (President) – <i>Tokomairiro Ward</i>	- elected 1992
Mr. F.W.R. LYDERS (Ross) - (Vice President) – <i>Lawrence Ward</i>	- elected 1992
Mr. I.F. (Ian) MATHIESON – <i>Clinton Ward</i>	- elected 1989
Mr. D.E. (Doug) SCOLES – <i>Owaka Ward</i>	- elected 1993
D.E. (Doreen) EDWARDS – <i>Balclutha Ward</i>	- elected 1995
Mrs J. D. (Julie) VERHEUL (now GARDNER) – <i>Balclutha Ward</i>	- elected 2007
Mrs D.A. (Debbie) ROBERTSON – DUNN – <i>Kaitangata Ward</i>	- elected 2007
Mr G.E.B. (Blair) CROSS – <i>Balclutha Ward</i>	- elected 2010
Mr R.G. (Tiny) AGNEW – <i>Tokomairiro Ward</i>	- appointed August 2011

Executive of the Trust & Service Providers

Mr D.F. KENNY – General Manager

Mr W.J. FELTS – Operations & Purchasing Manager

· TRUST ACCOUNTANT	- Mike Wallace - Chartered Accountant - Gore
· AUDITORS	- Polson Higgs & Co: - Dunedin
· BANKERS	- Bank of New Zealand - Balclutha
· BANKERS - Credit line	- ANZ Banking Group - Dunedin
· INSURANCE BROKERS	- Crombie Lockwood & Race Limited - Dunedin
· ACCOUNTANTS	- Shand Thomson - Balclutha
· SOLICITORS	- Sumpter Moore - Milton/Balclutha

HEAD OFFICE: 265 CLYDE STREET, BALCLUTHA 9230

PHONE: 03 419 0021 FACSIMILE: 03 418 1493

Postal: P O Box 113 Balclutha 9240

Email: mail@clt-trust.co.nz Website: www.clt-trust.co.nz



TRUST PROPERTIES

Rosebank Lodge Motor Hotel - 265 Clyde Street, Balclutha.

Phone: 03 419 0021 Fax: 03 418 1489

Email: manager@rosebanklodge.co.nz

Managers: Mr Ross & Mrs Anna Balloch

Clutha Liquorland - 70 Clyde Street, Balclutha.

Phone: 03 418 0099 Fax: 03 418 3160

Email: manager.clutha@liquorland.co.nz

Manager: Mr Wayne Felts

Assistant Manager: Mr Dave Thomson

Shop Manager: Ms Kaye Moodie

Hotel South Otago – 13 Clyde Street, Balclutha.

Phone: 03 418 2100 Fax: 03 418 2116

Email: hotelsouthotago@xtra.co.nz

Manager: Mr Andrew de Geest

White Horse Inn – 147 Union Street, Milton.

Phone: 03 417 8049 Fax: 03 417 7278

Email: whitehorseinnmilton@xtra.co.nz

Managers: Mr Neil (Willy) & Mrs Jacqui Robertson

Oak Tree Inn – Hotel & Motel - Gorge Road, Clinton.

Phone/Fax: 03 415 7007

Email: oaktreeinnclinton@xtra.co.nz

Manager: Mrs Carol Hill

Bridge Tavern – Clyde Terrace Kaitangata.

Phone: 03 413 9790 Fax: 03 413 9794

Email: bridgetavernkai@xtra.co.nz

Manager: Mr Lex & Andrena Mills

Catlins Inn – 21 Ryley Street, Owaka.

Phone: 03 415 8350 Fax: 03 415 8624

Email: catlinsinnowaka@xtra.co.nz

Managers: Mr John Hellewell & Ms Manja Sachse

**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF
CLUTHA LICENSING TRUST'S
SUMMARY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

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Michael P Rondel
Polson Higgs
On behalf of the Auditor-General
Dunedin, New Zealand
17 August 2011