

**CLUTHA
LICENSING
TRUST
Annual
Report**

2012

Presenting our Financial Accounts for the year ended 31 March 2012





PRESIDENT'S REPORT 2012

As I write this report our politicians have just decided that the National liquor purchasing age will remain at 18 years of age. There were three options presented to Parliament for consideration: 1) to remain at 18, 2) to return to 20 or 3) a split purchasing age 18 On-premise (bars) & 20 Off-premise (bottle stores). I must say the latter could have caused considerable conflict within our rural premises, because both environments generally operate side by side.

Whilst there are varying opinions on what the age level should be, it is fair to say that 18 year olds will continue to consume alcohol whether they are allowed to buy it or not, so if they are going to drink, I suggest it's best that they have the opportunity to drink in controlled open environments such as bars versus drinking in parks, cars and the like.

The Liquor Reform Bill is yet to be addressed by Government in its entirety, with the aim of addressing the nations drinking culture, but locally we must address the want by a few to create havoc in our bars by creating conflict and vandalising property that they ultimately own.

To ensure we have the right to operate our bars in the future for the benefit of all, the Board have instructed our staff to raise our standards and penalise those that are constantly creating problems/damage along with those that continue to exceed an acceptable level of control and become intoxicated. We will turn away those that arrive at our premises "Pre-loaded" with alcohol and make it their responsibility to find their own way home.

It's high time some individuals took some responsibility for their behaviour and if they continue to perform, they will find themselves taking a break from having the right to enter our bars in the future.

On a slightly brighter note, our operating performance for the 2011/12 fiscal year showed promising signs versus those our industry are classing as gloomy times. Our total sales lifted by 1.4% for the period, our margins were improved slightly, our other revenue was somewhat similar to last year other than the insurance proceeds received, but our operating costs lifted by 0.5%. Our before tax position was back on last year by \$58,255, but if last year's insurance proceeds were removed, our trading profit for this period would have improved by \$53,575.

We continue to focus on improving our facilities with the aim of driving improved custom. This ultimately lifts our depreciation reserves, thus reducing our operating surplus, but we feel these improvements will give our business long term benefits and more pleasant surroundings for both the local community and our visiting customers.

The Trusts Community Foundation Limited supported 61 groups and organisations within South Otago during the 2011/12 period to the value of \$533,467, compared with 41 applications during the previous period totaling \$191,727. We were thrilled to see the Cross Recreation centre open late last year and be able to support this project to the value of \$400,000 during the fundraising campaign.

In closing, I take the opportunity to thank my fellow Trustees for their support and commitment during the past year and I sincerely wish to thank our management team and all our 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 2012				STATEMENT of FINANCIAL POSITION as at 31 March 2012			
	2012	2011			2012	2011	
Operating Revenue				Current Assets	1,693,623	1,491,632	
Sales	9,388,040	9,258,505		Non-current Assets	7,520,145	7,201,488	
Other Income	518,910	627,942		Total Assets	9,213,768	8,693,120	
Total Operating Revenue	9,906,950	9,886,447		Current Liabilities	1,480,663	1,213,825	
Less Expenses	9,862,765	9,767,854		Non Current Liabilities	20,558	321,463	
Less Finance Costs	27,829	43,982		Total Liabilities	1,501,221	1,535,288	
Operating Surplus before Taxation	16,356	74,611		Net Assets	7,712,547	7,157,831	
Taxation	18,617	0		Represented by:			
Operating Surplus after Taxation	-2,261	74,611		Revaluation Reserves	2,909,377	2,352,400	
Revaluation of Property, Plant & Equipment	556,977	0		Retained Earnings	4,803,170	4,805,431	
Total Comprehensive Income	554,716	74,611		Total Equity	7,712,547	7,157,831	
STATEMENT of MOVEMENT in EQUITY for the year ended 31 March 2012				STATEMENT of CASH FLOWS for the year ended 31 March 2012			
	2012	2011			2012	2011	
Equity at the beginning of the year	7,157,831	7,083,220		Cash flows from Operating Activities	524,563	631,310	
Total Comprehensive Income	554,716	74,611		Cash flows from Investing Activities	(240,634)	(402,013)	
Equity at 31 March 2012	7,712,547	7,157,831		Cash flows from Financing Activities	0	\$0	
				Net Increase/(Decrease) in Cash	283,929	229,297	
				Opening Cash Brought Forward	281,430	52,133	
				Closing Cash	565,359	281,430	

TO THE READERS OF THE CLUTHA LICENSING TRUST'S SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

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 2012 on which we expressed an unqualified audit opinion in our report dated 3 September 2012.

The summary financial statements comprise the summary financial position as at 31 March 2012, and summaries of the statement of comprehensive income, statement of changes in equity and statement of cashflows 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 3 September 2012 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 including the International Standard on Auditing (New Zealand) 810: *Engagements to Report on Summary Financial Statements*.

In addition to the audit, we performed advisory services which are compatible with independence requirements. Other than the audit and these advisory services, we have no relationship with, or interest in, the Trust.

Mark Bramley - PricewaterhouseCoopers - On behalf of the Auditor-General - Dunedin, New Zealand – 3rd September 2012

SUMMARY of ACCOUNTS

These are summary financial statements for the Clutha Licensing Trust for the year ended 31 March 2012. The specific disclosures included in this Summary Financial Report have been extracted from the full financial reports dated 30 August 2012. The full financial statements dated 30 August 2012 have been prepared using Differential Reporting requirements as it is now a qualifying entity.

Revaluations of our property, plant & equipment have been completed as at 31 March 2012. This resulted in our fixed asset value increasing by \$556,977.

Our "Other Revenue" was reduced over last year, due to Insurance proceeds of \$111,830 in the 2010/11 period. However allowing for this one-off receipt last year, our Profit (before taxation) improved over last by \$53,575.

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 of the Trust
30th August 2012

D A Robertson-Dunn
Chairperson – C.L.T.
Finance & Audit Committee



THE TRUSTS COMMUNITY FOUNDATION GRANTS

During the 2011/12 year The Trusts Community Foundation Limited distributed to the community, grants totaling \$533,467 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 \$20,118.00, which included the annual Christmas Luncheons for the Senior Citizens of the South Otago district hosted at the Rosebank Lodge in the early part of December 2011.

Following are the recipients for this period:

The Trust Community Foundation Ltd:				The Trust Community Foundation Ltd:			
Recipient	Amount	Period		Recipient	Amount	Period	
Tourism Catlins	\$ 3,000	Apr-11		Owaka Rugby Football Club	\$ 2,485	Sep-11	
Balclutha Toy Library Inc	\$ 1,000	Apr-11		South Otago Festival Trust	\$ 19,056	Oct-11	
Clutha Recreation Centre Inc	\$ 100,000	Apr-11		Clutha Valley Playcentre	\$ 1,338	Oct-11	
Balclutha Primary School PTA	\$ 3,000	Apr-11		Anglican Family Care Centre Inc	\$ 12,173	Nov-11	
Heartland Otago/Southland Life Education Trust	\$ 5,000	Apr-11		Balclutha Parents Centre Inc	\$ 3,400	Nov-11	
South Otago Theatrical Society Inc	\$ 8,000	Apr-11		South Otago Justices of the Peace Assn Inc	\$ 440	Nov-11	
Balclutha Junior Soccer Club	\$ 1,500	Apr-11		Milton Playcentre	\$ 1,200	Nov-11	
South Otago Indoor Bowls Association	\$ 10,000	Apr-11		Lawrence Summer Arts Festival Inc	\$ 1,200	Nov-11	
Sport Otago	\$ 2,000	Apr-11		Balclutha Pipe Band	\$ 6,000	Jan-12	
Owaka Playcentre	\$ 750	May-11		Clutha Gold Trail Charitable Trust	\$ 35,000	Jan-12	
Clutha Valley Rugby Football Club Inc	\$ 1,210	May-11		Stroke Foundation Southern Region Inc	\$ 5,000	Jan-12	
South Otago Athletic Club Inc	\$ 6,849	May-11		Clinton Bowling Club	\$ 3,000	Jan-12	
Clinton Senior Citizens Club	\$ 608	Jun-11		Clinton Golf Club	\$ 15,000	Jan-12	
South Otago Plunket	\$ 1,500	Jun-11		Otago Shearing & Woolhandling Committee	\$ 5,540	Jan-12	
Rosebank Kindergarten	\$ 2,500	Jun-11		South Otago Aero Club	\$ 2,000	Jan-12	
Clutha District Library	\$ 1,576	Jul-11		Tourism Catlins	\$ 2,000	Feb-12	
Tokomairiro A&P Society	\$ 2,789	Jul-11		Jenny's Companionship Group Inc	\$ 1,000	Feb-12	
Catlins Area School	\$ 2,000	Jul-11		Balclutha Parents Centre Inc	\$ 3,500	Feb-12	
Milton Kindergarten	\$ 3,000	Jul-11		Clutha Valley Recreation Ground Society Inc	\$ 12,500	Feb-12	
Tokomairiro Toy Library Inc	\$ 1,544	Jul-11		Outward Bound Trust of New Zealand	\$ 6,400	Feb-12	
Warepa School	\$ 15,000	Jul-11		Balclutha Playcentre	\$ 12,000	Feb-12	
South Otago Gun Dog Club	\$ 1,725	Jul-11		South Otago Touch Assn	\$ 5,334	Feb-12	
Sport Otago	\$ 20,000	Jul-11		Lawrence Rodeo Club	\$ 10,960	Feb-12	
Clutha Country Music Club Inc	\$ 2,550	Aug-11		Warepa School Board of Trustees			
South Otago Festival Trust	\$ 35,000	Aug-11		- South Otago Sports Activator	\$ 10,000	Feb-12	
Waiwera South Community Hall	\$ 5,000	Aug-11		Clutha Currents Under 16 Marching Club	\$ 2,400	Feb-12	
Balclutha Kindergarten Assn Inc	\$ 2,764	Aug-11		Rosebank Primary School	\$ 30,000	Mar-12	
SPELD Dunedin Inc	\$ 4,605	Aug-11		Balclutha Junior Soccer Club	\$ 1,500	Mar-12	
Clinton Community Pool Inc	\$ 5,000	Aug-11		Simpson Park Sporting Complex Inc	\$ 10,000	Mar-12	
South Otago Agricultural and Pastoral Society	\$ 10,571	Sep-11		Toy Library Federation NZ - Regional Committee	\$ 1,000	Mar-12	
Waiwera Wee Ones Inc	\$ 2,000	Sep-11		The Chair in Neurosurgery Campaign			
				- Neurological Foundation	\$ 50,000	Mar-12	
CLUTHA LICENSING TRUST - SPONSORSHIPS				TOTAL GRANTS for the 2011/12 Period:		\$ 533,467	
	\$20,118.00						

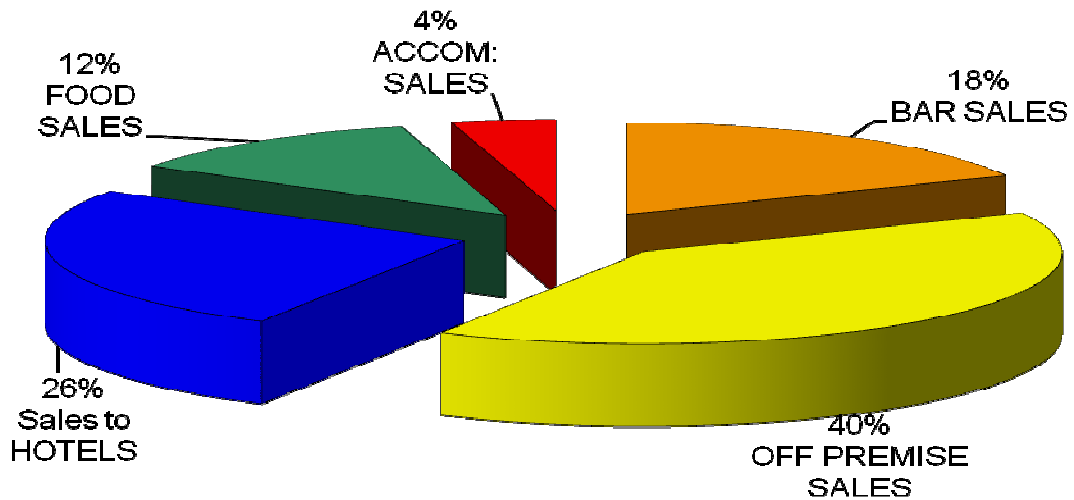
Cross Recreation Centre - Balclutha





FINANCIAL GRAPHS

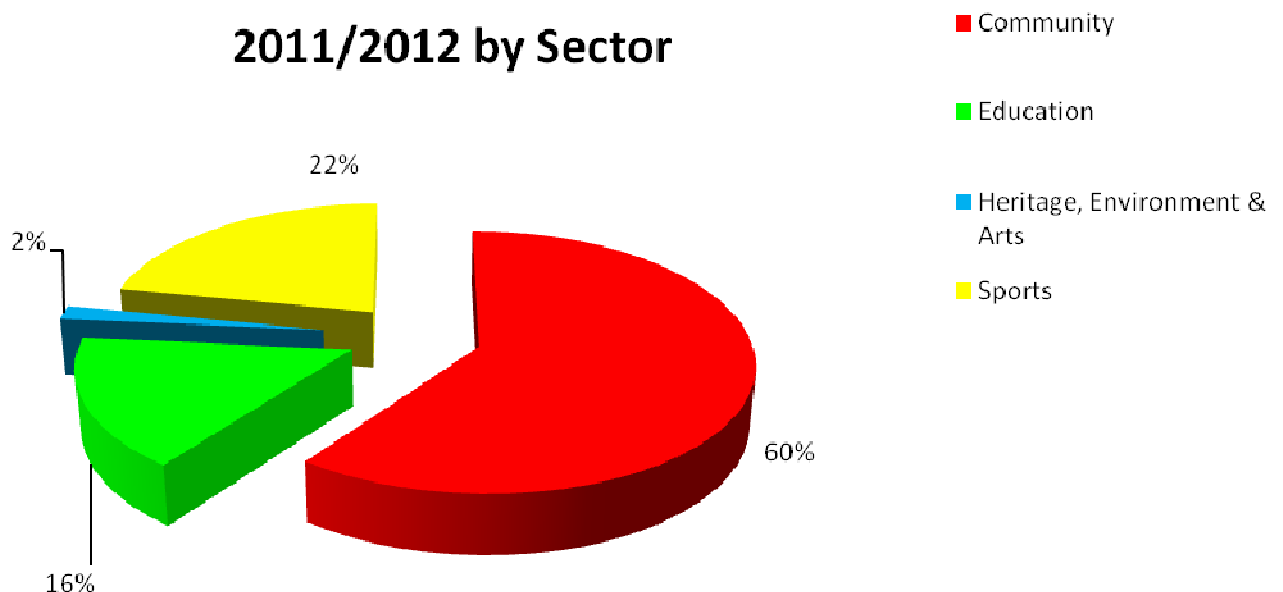
TOTAL SALES BREAKDOWN for 2011/12



GRANT ALLOCATIONS

FUNDING BREAKDOWN for 2011/12

2011/2012 by Sector





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) 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. (David) KENNY – General Manager

Mr W.J. (Wayne) FELTS – Operations & Purchasing Manager

Mrs K.A. (Kylie) HUTTON – Office & Finance Manager

· TRUST ACCOUNTANT	- Mike Wallace - Chartered Accountant - Gore
· AUDITORS	- PricewaterhouseCoopers - Dunedin
· BANKERS	- Bank of New Zealand - Balclutha
· BANKERS - Credit line	- ANZ Banking Group - Dunedin
· INSURANCE BROKERS	- Crombie Lockwood & Race Limited - Dunedin
· 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 TRUSTS
SUMMARY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

We have audited the summary financial statements which were derived from the audited financial statements of the Clutha Licensing Trust (the Trust) for the year ended 31 March 2012 on which we expressed an unqualified audit opinion in our report dated 3 September 2012.

The summary financial statements comprise the summary statement of financial position as at 31 March 2012, and summaries of the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows 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 3 September 2012 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 including the International Standard on Auditing (New Zealand) 810: *Engagements to Report on Summary Financial Statements*.

In addition to the audit we have performed advisory services which are compatible with independence requirements. Other than the audit and these advisory services, we have no relationship with or interests in the Trust.


Mark Andrew Bramley
PricewaterhouseCoopers
On behalf of the Auditor-General
Dunedin, New Zealand
3 September 2012

PricewaterhouseCoopers, Level 1, Westpac Building, 106 George Street, PO Box 5848, Dunedin 9058,
New Zealand. T: +64 (3) 470 3600, F: +64 (3) 470 3601, www.pwc.com/nz