

**CLUTHA  
LICENSING  
TRUST  
Annual  
Report**

2013

*Presenting our Financial Accounts for the year ended 31 March 2013*





# ***PRESIDENT'S REPORT 2013***

**Trading & Financial** - It's fair to say that during the first half of this fiscal period the Trust views were that we were going to experience a trading year like we had not seen for some years.

With construction work in progress at the Gardians plant near Clydevale, there were contractors a plenty requiring a place to stay, a meal or a refreshing drink at the end of a hard day's work, but unfortunately the summer trading period was not as productive and/or rewarding as we would normally experience.

Whilst the summer period was reasonable (weather wise), we experienced a drop in sales in all sectors, other than our off premise market, but that also did not receive its normal sunny day boosts like previous summer periods.

Trading trends into the new fiscal period have not been as buoyant as we planned and our accommodation sector is considerably down year to date, which seems to be in line with other providers in the hospitality sector.

Overall our sales were marginally down on the 2011/12 period, but we did retain positive margins from those sales.

The summary accounts presented show a before taxation loss of \$134. This loss can be attributed to a large depreciation allowance of \$542,639, which is up on last year by \$58,184. This increase was attributed to the revaluation of our properties early in the year. Taking this into account we would have seen an improved profit over last of \$41,694.

During this period we faced (not willingly) the removal of a long term partnership agreement with Lion Nathan (Speight's breweries). In the past we had been rewarded with rebates/volume discounts for purchasing of their brands. This was stopped. To replace this income void and to offer our patrons an alternative good tasting, price competitive beer brand, we completed an agreement with Independent Liquor NZ Limited (Wild Buck, Carlsberg etc) and in January 2013 we commenced a major brand change with signage just being completed.

We still offer Lions brands for sale via our outlets, but by purchasing Independent Liquors brands (which are being well supported by our patrons) you are ultimately returning profits directly into YOUR Trust. Thanks for your support, change is never easy.

Our other key focus is to remove costs out of our business, where ever possible.

Recently we joined a co-operative insurance scheme via our National association, whereby we will experience a reasonable reduction in our premiums, but retaining good cover on the assets owned by the community. Again with benefit to your Trust.

Please support the Trust where possible and in turn we will aim support our community and return improved profits and facilities to its stakeholders.

**The Trust** – In September 2012 we were faced with the sad loss of Ross Lyders the representative for the Lawrence Ward since 1992. Ross was an energetic member of our Board rising to the office of Vice President at the time of his passing and it's fair to say that Ross always spoke his mind on subjects close to his heart and subjects that would be detrimental to either the Clutha Licensing Trust or his local Lawrence community.

We are pleased that Jason Lyders stood and was elected to replace his father's seat later that year and we hope that Jason's passion and drive for the Trust will deliver positive results as time moves forward.

On October 12<sup>th</sup> 2013 the local body and trust elections will be held and we will see three (3) ward elections take place, being Milton, Kaitangata and Balclutha wards - Good luck to all.

We have two wards unchanged, Jason Lyders – Lawrence ward and Doug Scoles – Owaka ward.

We will see a change of representative in the Clinton ward with long serving member Ian Mathieson standing down after 24 years and being replaced by Scott McKenzie. Doreen Edwards will be standing down from the Balclutha ward after 18 years and I will be standing down from the Milton ward after 21 years.

I can assure you that during these years, I have experienced many challenges and changes within this industry and I am sure that there will be many more of both ahead, like the soon to be structured and adopted Local Alcohol Policy.

I have been privileged to work with a proactive Board and management team and I thank them all for the commitment they have shown toward me as Chair and ultimately to the Trust, for you their community.

I will be watchful from the sideline on what shape the Trust will take in the future and I wish all within it and who are about to enter it the very best for the future.

**Property Developments** – We are currently working on plans to improve the café environment at the Hotel South Otago (the Captain's Café), having placed this on hold during the later part of 2012 because of the buoyant dining market. It is hoped that plans will all come together shortly and improvements presented in the very near future.

**The Trusts Community Foundation Limited** - supported 50 groups and organisations within South Otago during the 2012/13 period to the value of \$394,769.56, compared with 61 applications during the previous period totaling \$533,467.

The Clutha Licensing Trust also distributed \$23,545 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 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

## SUMMARY FINANCIAL REPORT

STATEMENT of COMPREHENSIVE INCOME for the year ended 31 March 2013			STATEMENT of FINANCIAL POSITION as at 31 March 2013		
	2013	2012		2013	2012
Operating Revenue			Current Assets	1,855,505	1,693,623
Sales	9,314,814	9,388,040	Non-current Assets	7,322,312	7,520,145
Other Income	525,704	515,432	<b>Total Assets</b>	<b>9,178,117</b>	<b>9,213,768</b>
<b>Total Operating Revenue</b>	<b>9,840,518</b>	<b>9,903,472</b>	Current Liabilities	1,219,724	1,480,663
Less Expenses	9,820,162	9,859,287	Non Current Liabilities	325,703	20,558
Less Finance Costs	20,490	27,829	<b>Total Liabilities</b>	<b>1,545,427</b>	<b>1,501,221</b>
<b>Operating Surplus before Taxation</b>	<b>-134</b>	<b>16,356</b>	<b>Net Assets</b>	<b>7,632,690</b>	<b>7,712,547</b>
<b>Taxation</b>	<b>79,723</b>	<b>18,617</b>	<b>Represented by:</b>		
<b>Operating Surplus after Taxation</b>	<b>-79,857</b>	<b>-2,261</b>	Revaluation Reserves	2,909,377	2,909,377
Revaluation of Property, Plant & Equipment	0	556,977	Retained Earnings	4,723,313	4,803,170
<b>Total Comprehensive Income</b>	<b>-79,857</b>	<b>554,716</b>	<b>Total Equity</b>	<b>7,632,690</b>	<b>7,712,547</b>
STATEMENT of MOVEMENT in EQUITY for the year ended 31 March 2013			STATEMENT of CASH FLOWS for the year ended 31 March 2013		
	2013	2012		2013	2012
Equity at the beginning of the year	7,712,547	7,157,831	Cash flows from Operating Activities	487,455	524,563
Total Comprehensive Income	-79,857	554,716	Cash flows from Investing Activities	(340,584)	(240,634)
<b>Equity at 31 March 2013</b>	<b>7,632,690</b>	<b>7,712,547</b>	Cash flows from Financing Activities	0	0
			<b>Net Increase/(Decrease) in Cash</b>	<b>146,871</b>	<b>283,929</b>
			Opening Cash Brought Forward	565,359	281,430
			<b>Closing Cash</b>	<b>712,230</b>	<b>565,359</b>

### SUMMARY OF ACCOUNTS

These summary financial statements for the Clutha Licensing Trust for the year ended 31 March 2013. The specific disclosures included in this Summary Financial Report have been extracted from the full financial statements dated 1 August 2013. The full financial statements dated 1 August 2013 have been prepared using Differential Reporting requirements as it is a qualifying entity and in accordance with FRS 43 Summary Financial Statements.

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

The Trustees of the Clutha Licensing Trust authorised the issue of the full financial statements on 1 August 2013.

The Trust is a profit oriented entity registered in New Zealand under the Sale of Liquor Act 1989.

These financial statements have been presented in New Zealand dollars.

Significant events after the reporting period were the resignations of managers at three different sites, however the impact of this could not be quantified.

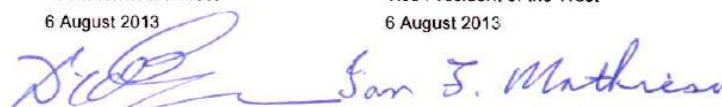
There have been no contingent assets, contingent liabilities or capital commitments that existed at 31 March 2013. There were non-cancellable operating lease commitments at balance date of \$134,776 (2012: \$99,982). There were related party transactions as the Trustees are involved with local businesses who have dealings with the Trust. In 2013, transactions amounted to \$95,715 (2012: \$80,619) GST exclusive.

The full financial statements for each period presented in this summary have been audited and an unmodified audit opinion has been expressed.

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.

DM McElrea  
Chairman of the Trust  
6 August 2013

IF Mathieson  
Vice President of the Trust  
6 August 2013





## **THE TRUSTS COMMUNITY FOUNDATION GRANTS**

The Trusts Community Foundation (TTCF) is the preferred gaming machine service provider for the Clutha Licensing Trust and operates gaming machines at the following venues:

- Bridge Tavern, Kaitangata
- Catlins Inn, Owaka
- Hotel South Otago, Balclutha
- Oak Tree Inn, Clinton
- Rosebank Lodge, Balclutha
- White Horse Inn, Milton

TTCF is authorised to operate class 4 gaming machines in licensed premises on a nationwide basis and has always had strong links with the Licensing Trust sector. TTCF currently provides services to 7 individual Licensing Trusts here in New Zealand and has always had a policy of distributing all class 4 gambling profits generated from venues operated in a Licensing Trust area directly back into that community.

An amendment to the Gambling Act shortly after it came into force made provision for elected members of Licensing Trusts to have an input into TTCF's grants approval process by way of making recommendations to TTCF.

Accordingly, TTCF invites the elected members of the Clutha Licensing Trust to consider all compliant applications received from within the Clutha Trust boundaries on a monthly basis. TTCF subsequently considers these recommendations at their next scheduled Net Proceeds Committee meeting.

The recommendations of the elected members of the Clutha Licensing Trust, utilising their extensive local knowledge, has been invaluable in terms of ensuring the needs of the local community are being met.

These are the grants approved by TTCF in the last financial year from funds generated in the Clutha Licensing Trust area:

Balclutha Gymnastics Club Inc	\$	3,000.00
Balclutha Junior Soccer Club	\$	1,500.00
Balclutha Pipe Band Inc.	\$	6,000.00
Balclutha Primary School PTA	\$	5,000.00
Balclutha Technological Association	\$	2,232.00
Bowls South Otago Inc.	\$	3,000.00
Catlins Area School	\$	1,500.00
Catlins Coast Inc.	\$	3,000.00
Catlins Historical Society Inc.	\$	5,000.00
Catlins Promotions Inc.	\$	1,121.00
Catlins Search and Rescue	\$	10,000.00
Clinton Bowling Club	\$	1,000.00
Clinton Playcentre	\$	2,000.00



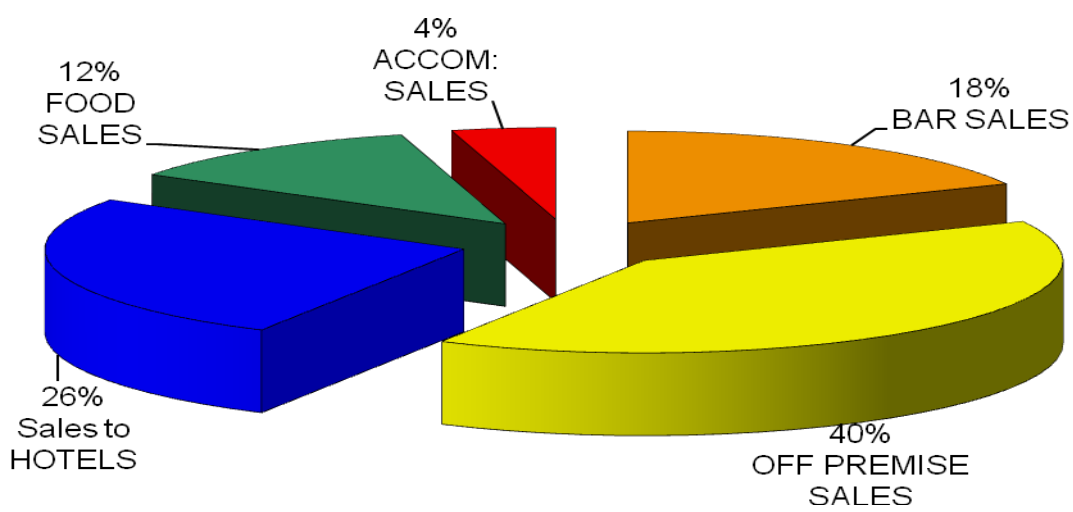
Clinton Senior Citizens Club	\$ 1,200.00
Clutha Country Music Club Inc	\$ 3,845.00
Clutha District Council - Owaka Memorial Community Centre Management Committee	\$ 10,000.00
Clutha District Library	\$ 1,080.86
Clutha District Search and Rescue	\$ 6,088.00
Clutha Health Incorporated	\$ 150,000.00
Clutha Rugby Football Club Inc.	\$ 5,000.00
Conductive Education (Southern) Charitable Trust	\$ 2,500.00
Dunedin Citizens Advice Bureau	\$ 1,500.00
Enterprise Clutha	\$ 20,000.00
For Trades Apprenticeship Training Trust	\$ 10,000.00
Jenny's Companionship Group	\$ 1,000.00
Kaitangata Volunteer Fire Brigade	\$ 2,000.00
Life Education Heartland Otago/Southland Trust	\$ 5,000.00
Milton Area Promotions Inc	\$ 10,000.00
Otago Country Rugby Board (South West Rugby)	\$ 4,000.00
Otago Shearing & Woolhandling Committee	\$ 2,103.00
Outward Bound Trust of New Zealand	\$ 6,600.00
Presbyterian Support Otago	\$ 7,500.00
Roman Catholic Diocese of Dunedin Catholic Social Services	\$ 5,000.00
Rosies Rebels Netball Club	\$ 1,908.00
South Otago Agricultural and Pastoral Society	\$ 6,000.00
South Otago Festival Trust	\$ 10,000.00
South Otago Gun Club Inc.	\$ 5,000.00
South Otago High School	\$ 6,062.00
South Otago High School Ex-Pupils Association	\$ 2,400.00
South Otago Historical Society Inc.	\$ 10,000.00
South Otago Plunket	\$ 2,523.00
South Otago Theatrical Society Inc	\$ 11,000.00
Special Olympics South Otago	\$ 3,000.00
SPELD New Zealand Inc.	\$ 12,000.00
Sport Otago	\$ 32,500.00
St Mary's Primary School	\$ 2,000.00
Stroke Foundation Southern Region Inc.	\$ 1,000.00
Tokomairiro A&P Society	\$ 2,929.70
Waitahuna School	\$ 10,897.00
Warepa School	\$ 3,929.00
<i>Less Refunds Received</i>	-\$ 27,149.00
	<b>\$ 394,769.56</b>

Applications for funding are available at the venues named above or can be downloaded from [www.ttcfltd.org.nz](http://www.ttcfltd.org.nz)



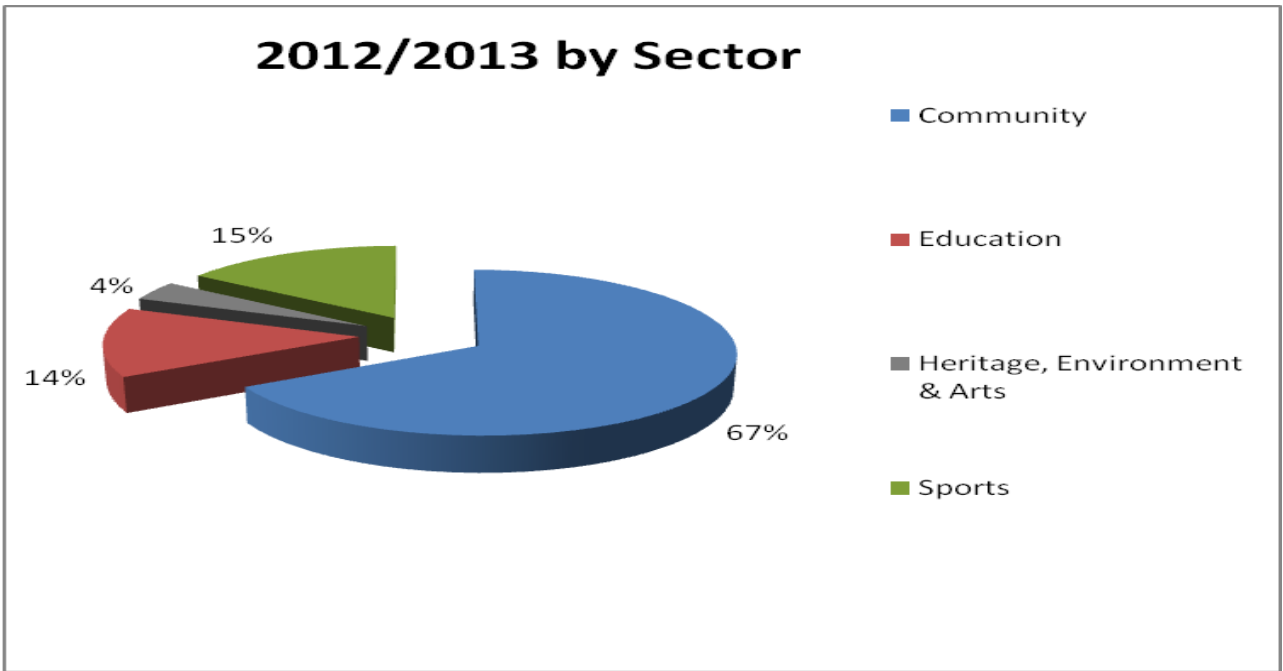
# FINANCIAL GRAPHS

## TOTAL SALES BREAKDOWN for 2012/13



# GRANT ALLOCATIONS

## FUNDING BREAKDOWN for 2012/13





# **TRUST BOARD & Management**

## **Community Elected Trustees**

Mr. D.M. (Malcolm) McELREA - (President) – <i>Tokomairiro Ward</i>	- elected 1992
Mr. I.F. (Ian) MATHIESON (Vice President) – <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
Mr J.F.R (Jason) Lyders – <i>Lawrence Ward</i>	- elected 2012

## **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

· <b>TRUST ACCOUNTANT</b>	- Mike Wallace - Chartered Accountant - Gore
· <b>AUDITORS</b>	- Audit New Zealand - Dunedin
· <b>BANKERS</b>	- Bank of New Zealand - Balclutha
· <b>BANKERS - Credit line</b>	- ANZ Banking Group - Dunedin
· <b>INSURANCE BROKERS</b>	- AON New Zealand
· <b>SOLICITORS</b>	- Sumpter Moore - 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](mailto:mail@clt-trust.co.nz) Website: [www.clt-trust.co.nz](http://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](mailto:manager@rosebanklodge.co.nz)

Managers: Mr Graeme Pepper

**Clutha Liquorland - 70 Clyde Street, Balclutha.**

Phone: 03 418 0099 Fax: 03 418 3160

Email: [manager.clutha@liquorland.co.nz](mailto: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](mailto: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](mailto:whitehorseinnmilton@xtra.co.nz)

Managers: Mr Brian Young

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

Phone/Fax: 03 415 7007

Email: [oaktreeinnclinton@xtra.co.nz](mailto: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](mailto: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](mailto:catlinsinnowaka@xtra.co.nz)

Managers: Mrs Kama Anderson

## Independent Auditor's Report

### To the readers of Clutha Licensing Trust's summary financial statements for the year ended 31 March 2013

We have audited the summary financial statements, which were derived from the audited financial statements of Clutha Licensing Trust (the Trust) for the year ended 31 March 2013 on which we expressed an unmodified audit opinion in our report dated 1 August 2013.

The summary financial statements comprise the summary of the statement of financial position as at 31 March 2013, and summaries of the statement of comprehensive income, statement of movement 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, which incorporate 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 1 August 2013 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*. The Trustees are also responsible for the publication of the summary financial statements, whether in printed or electronic form. 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*.

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



Ian Lothian, Audit New Zealand  
On behalf of the Auditor-General  
Dunedin, New Zealand  
13 August 2013