

Clutha Licensing Trust

Annual Report For the Year ended 31 March 2022

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Annual Report
For the Year ended 31 March 2022

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Clutha Licensing Trust

Directory As at 31 March 2022

Nature of Business: Hotelier & Liquor Retailers

Trust Members: S Morris – President
S McKenzie – Vice-President
R Agnew
J Lyders
N Gardner
T McIntosh
D Robertson-Dunn
E T Jenkins
M Cochrane

Accountants: Shand Thomson Ltd, P O Box 2, Balclutha

Bankers: ANZ Bank, 33 Clyde Street, Balclutha
Bank of New Zealand, P O Box 24, Balclutha

Solicitors: Sumpter Moore, P O Box 89, Balclutha

Inland Revenue Department: 010-070-481

Clutha Licensing Trust

Approval by Trustees As at 31 March 2022

The trustees of Clutha Licensing Trust here present the financial statements for the year ended 31 March 2022.

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 2022 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 2013

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.

The trustees do not have the power to amend the financial statements after issue.



S Morris
President



S McKenzie
Vice-President

For and on behalf of the Trustees

Dated:

22/8/22

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF CLUTHA LICENCING TRUST'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

The Auditor-General is the auditor of Clutha Licencing Trust (the Trust). The Auditor-General has appointed me, Philip Sinclair, using the staff and resources of the Crowe New Zealand Audit Partnership, to carry out the audit of the financial statements of the Trust, on his behalf.

Opinion

We have audited the financial statements of the Trust on pages 8 to 22, that comprise the statement of financial position as at 31 March 2022, the statement of financial performance, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the Trust:

- present fairly, in all material respects:
 - its financial position as at 31 March 2022; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with New Zealand Equivalents to International Financial Reporting Standards with Reduced Disclosure Regime.

Our audit was completed on 22 August 2022. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Members and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Responsibilities of the auditor for the audit of the financial statements* section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Members for the financial statements

The Members are responsible on behalf of the Trust for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Members are responsible for such internal control as they determine is necessary to enable them to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Members are responsible, on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Members are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Members resolve to amalgamate or liquidate the Trust, or to cease operations, or have no realistic alternative but to do so.

The Members' responsibilities arise from the Sale and Supply of Alcohol Act 2012.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Members.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Members and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Members are responsible for the other information. The other information comprises the information included on pages 2 to 4 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Trust in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

For the year ended 31 March 2022, the Partner in Charge of a firm which provides accounting services to the Trust was a member of the Auditor-General's Audit and Risk Committee until December 2021. The Auditor-General's Audit and Risk Committee is regulated by a Charter that specifies that it should not assume any management functions. There are appropriate safeguards to reduce any threat to auditor independence, as the member of the Auditor-General's Audit and Risk Committee has no involvement in, or influence over, the audit of the Trust.

Other than the audit, and the relationship with the Auditor-General's Audit and Risk Committee, we have no relationship with, or interests, in the Trust.



Philip Sinclair
Crowe New Zealand Audit Partnership
On behalf of the Auditor-General
Dunedin, New Zealand

Clutha Licensing Trust

Statement of Cash Flows For the Year Ended 31 March 2022

	Note	2022	2021
		\$	\$
Cash Flows from Operating Activities			
Cash was Provided from:			
Receipts from Customers		11,236,046	10,256,928
Receipt from a Government Grant		189,473	488,798
Taxation Refunded		-	79,836
Interest Received		6,813	10,958
Dividends Received		5,787	9,641
		11,438,119	10,846,161
Cash was Applied to:			
Payments to Suppliers and Employees		11,092,507	10,338,493
Taxation Paid		53,234	100,235
		11,145,741	10,438,728
Net Cash Inflow from Operating Activities		292,378	407,433
Cash Flow from Investing Activities			
Cash was Provided from:			
Sale of Financial Assets		700,000	-
Proceeds on Sale of Property, Plant and Equipment		4,419	2,365
		704,419	2,365
Cash was Applied to:			
Purchase of Financial Assets		-	200,000
Purchase of Property, Plant and Equipment		204,279	134,768
		204,279	334,768
Net Cash Inflow/(Outflow) from Investing Activities		500,140	(332,403)
Cash Flows from Financing			
Cash was Provided from:			
Proceeds from Borrowing		-	-
Cash was Applied to:			
Payment of Lease Liabilities		75,941	61,608
Net Cash Inflow/(Outflow) from Financing Activities		(75,941)	(61,608)
Net Increase/(Decrease) in Cash Held		716,577	13,422
Add Opening Cash Brought Forward		1,015,824	1,002,402
Ending Cash Carried Forward	20	1,732,401	1,015,824

Clutha Licensing Trust

Statement of Financial Performance For the Year Ended 31 March 2022

	Note	2022	2021
		\$	\$
Revenue			
Liquor		8,473,814	7,803,413
Food		1,728,961	1,648,858
Accommodation		742,269	621,978
		10,945,044	10,074,249
Less			
Cost of Sales		6,423,949	5,891,153
Gross Margin		4,521,095	4,183,096
Plus Other Revenue			
Other Income	2	479,161	724,005
Dividends Received		5,787	9,641
Interest Received		6,444	9,385
		491,392	743,031
Less Expenses			
ACC Levies		24,580	10,555
Accounting and Secretarial fees		40,240	38,935
Audit Fees	5	73,726	61,978
Donations		14,664	22,223
Honorarium and Expenses	11	68,000	43,098
Insurance		72,531	67,092
Interest		7,557	2,139
Legal Fees		1,993	23,564
Other Expenses	3	1,116,500	1,164,302
Salaries & Wages	26	3,159,161	3,004,904
		4,578,952	4,438,790
		433,535	487,337
Depreciation	30	919,402	569,835
(Gain)/Loss on Sale of Property, Plant & Equipment		-	(3,615)
		919,402	566,220
Profit (Loss) before Taxation		(485,867)	(78,883)
Plus/(Less)			
Taxation	29	117,110	90,555
Profit (Loss) after Taxation		(368,757)	11,672

Clutha Licensing Trust

Statement of Comprehensive Income For the Year Ended 31 March 2022

	Note	2022 \$	2021 \$
Profit (Loss) after Taxation		(368,757)	11,672
Other Comprehensive Income			
Revaluation of Other Financial Assets	10	(13,000)	58,755
Revaluation of Property, Plant & Equipment	30	-	1,470,627
Impairment of Property, Plant & Equipment	30	-	133,823
Tax on Impairment		-	(37,470)
Deferred Tax on Revaluation of Buildings	29	-	(354,375)
		<u>(13,000)</u>	<u>1,271,360</u>
Total Comprehensive Income		<u>(381,757)</u>	<u>1,283,032</u>

Statement of Changes in Equity For the Year Ended 31 March 2022

		2022 \$	2021 \$
Equity at the Beginning of the Period		9,504,238	8,221,206
Profit (Loss) for the Period		(368,757)	11,672
Other Comprehensive Income (Loss)		(13,000)	1,271,360
Total Comprehensive Income for the Period		<u>(381,757)</u>	<u>1,283,032</u>
Equity at End of Period	12	<u>9,122,481</u>	<u>9,504,238</u>

Clutha Licensing Trust
Statement of Financial Position
As at 31 March 2022

	Note	2022 \$	2021 \$
Trust Equity			
Reserves	12	9,122,481	9,504,238
Total Trust Equity		9,122,481	9,504,238
Represented by:			
Current Assets			
Cash and Cash Equivalents	20	1,732,401	1,015,824
Other Financial Assets	10	400,000	1,100,000
Accounts Receivable	6	279,571	269,838
Prepayments		10,956	15,920
Taxation Refund	29	-	4,886
Inventory	7	1,071,623	1,230,381
		3,494,551	3,636,849
Assets Held for Sale	27,30	961,250	-
Non Current Assets			
Property, Plant and Equipment	30	6,829,759	8,531,319
Capital Works in Progress		71,540	24,920
Other Financial Assets	10	157,500	170,500
Intangible Assets	18	3,840	3,198
		7,062,639	8,729,937
Current Liabilities			
Accounts Payable and Accruals	8	910,675	1,157,538
Taxation Payable	29	3,578	-
Employee Entitlements	9	277,396	262,066
Lease of Right to Use Asset	16	67,090	71,941
		1,258,739	1,491,545
Non Current Liabilities			
Employee Entitlements	9	4,737	16,180
Lease of Right to Use Asset	16	147,721	191,253
Deferred Tax Liability	29	984,762	1,163,570
		1,137,220	1,371,003
Net Assets		9,122,481	9,504,238

Clutha Licensing Trust

Notes to the Financial Statements For the Year ended 31 March 2022

Note 1 – Summary of Accounting Policies

Statement of Compliance

The Clutha Licensing Trust ("The Trust or CLT") is a profit orientated entity, and is a Licensing Trust operating under the Sale & Supply of Alcohol Act 2012. The Trust is a registered Trust incorporated 1955 and domiciled in Balclutha. The Trust operates entities that operate in the hospitality sector providing bars, restaurants and accommodation services.

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZGAAP"). The statements comply NZ IFRS reduced disclosure regime, and other Financial Reporting Standards, as appropriate for profit orientated entities. Under the terms of the Accounting Standards Framework issued by the External Reporting Board (XRB) the Trust has designed itself a Tier 2 for profit entity and therefore applies the Tier 2 Accounting Standards (NZ IFRS Reduced Disclosure Regime). The Trust is eligible to report under the Tier 2 for profit standards because it does not have public accountability and is not large. The Trust has applied disclosure concessions.

Basis of Preparation

These financial statements are for the Clutha Licensing Trust only. 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 2022 and the comparative information presented in these financial statements for the year ended 31 March 2021.

The financial statements are presented in New Zealand dollars rounded to the nearest whole dollar, except for Note 30 Property, Plant and Equipment which is rounded to the nearest thousand.

The going concern assumption has been adopted in the preparation of these financial statements. The relevance of the going concern assumption is explained in Note 22 to these financial statements.

Changes in Accounting Policy

In the current reporting period the following standards have been introduced or amended:

Amendments to NZ IFRS 16 Covid-19 Related Rent Concessions

There are no concessions either as tenant nor landlord in the current financial year, and therefore these amendments have no impact on the financial statements.

There were no other changes in accounting policies during the year.

Standards Issued and Not Yet Effective and Not Early Adopted

Certain new accounting standards and amendments have been issued that are not mandatory for the 31 March 2022 financial year and have not been early adopted by the Trust. The Trust has assessed that these are not likely to have an effect on its financial statements.

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 really 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. These 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 of the revision and future periods if the revision affects both current and future periods.

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 statement of financial performance.

■ Allowance for impairment loss

Management assess 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 every two years, 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 reserves a decrease for the same asset previously recognised as an expense in profit or loss, in which case the increase is credited to the statement of financial performance to the extent of the decrease previously charged. A decrease in the carrying amount arising on the revaluation of land and buildings is changed 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 the revalued buildings is charged to the statement of financial performance. 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.

All other property, plant and equipment is stated at historical 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. The following estimated useful lives are used in the calculation of depreciation:

	2022	2021
Buildings & Fit-outs	1 – 67 years	1 – 67 years
Leasehold Improvements	1 -16 years	1 -16 years
Office Equipment (excluding IT)	10-15 years	10-15 years
Office Equipment (IT)	1 – 8 years	1 – 8 years
Furniture & Fittings	5 -15 years	5 -15 years
Carpet & Vinyl	5 – 20 years	5 – 20 years
Plant & Equipment	5 – 20 years	5 – 20 years
Motor Vehicles	10 years	10 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

Short Term Benefits

Employee benefits that the Trust expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave entitlement but not yet taken at balance date, annual leave accrued at balance date, and long services leave entitlements accrued by having reached a particular threshold.

Long Term Benefits

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave have been calculated on an actuarial basis.

The calculations are based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of and contractual entitlements information; and
- The present value of the estimated future cash flows. A discount rate of 2.56% and an inflation rate of 1.51% were used (2021 5% and 1.99%). The discount rate and inflation rate are estimates based on the current market conditions.

Revenue Recognition

Revenue is measured at the fair value of the consideration received 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:

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.

Accommodation

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

Dividend and Interest Revenue

Dividends from investments are 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.

Taxation

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable differences. Deferred tax assets are recognised to the extent that it is probably that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using the tax rates that have been enacted at balance date.

Current and deferred tax are charged or credited to surplus or deficit, except when it relates to items charged or credits directly to equity, in which case the tax is dealt with in equity.

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 statement of financial performance are stated exclusive. Where GST is not recoverable as an input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the statement of financial position.

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

Inventory

Inventories held for sale or used in production of goods and services on a commercial basis are valued at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business. Cost of inventories is based on a weighted average cost basis.

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 on 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.

Cash & Cash Equivalents

Cash and cash equivalents comprise cash on hand, short term 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.

Accounts Receivable

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for expected credit losses. The Trust applies the simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance. The measurement of expected credit losses is a function of the probability of default, loss given default and the exposure at default. The allowance recognised is measured as the difference between the assets carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Accounts Payable

Accounts payable are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method. These amounts represent liabilities for goods and services provided to the Trust prior to the end of the financial year, which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade payables are considered to be the same as their fair values, due to their short term nature.

Other Financial Assets

Financial assets at fair value through other comprehensive income (FVOCI) comprise: Other financial assets which are not held for trading, and which the group has irrevocably elected at initial recognition to recognise in the category. These are strategic investments and the Trust considers this classification to be more relevant. These financial assets have contractual cash flows that are solely principal and interest and the objective of The Trust's business model is achieved both by collecting contractual cash flow and selling financial assets.

The fair value of investments in shares traded in an active market is based on quoted market bid prices at the balance sheet date. The fair value of investments not traded on an active market is determined using valuation techniques. Where the fair value of investments in shares cannot be reliably measured (on the basis that only a range of fair values could be determined and the probability of the various estimates in the range could not be determined without further information from the entity being valued and this information has been sought and access to that information refused), the investments in shares will be valued at cost.

After initial recognition, investments in shares at fair value are subsequently measured at their fair value, with gains and losses recognised in the Statement of Comprehensive Income. On de-recognition the cumulative gain or loss previously recognised in equity is recognised in the Statement of Comprehensive income.

Investments in shares are those intended to be held long term or are for strategic purposes included in non-current assets unless management intends to dispose of these within 12 months of the balance date. The Trust has short term deposits which are classified as amortised cost. These are non-derivative financial assets

with fixed or determinable payments that are not quotes in the active market. In this category the Trust has term deposits with maturity dates of greater than three months.

■ Operating Lease Payments

Operating leases are capitalised under IFRS 16 Leases, recognising all lease liabilities and corresponding right of use assets on the balance sheet. Lease liabilities are recorded at the value of fixed payments. The right of use asset arising from a lease arrangement at initial recognition reflects the lease liability, initial direct costs, lease payments made before the commencement date of the lease, less any lease incentives.

The Trust has applied the practical expedient under C3 of IFRS 16 in that it has not reassessed whether a contract contains a lease as at the date of initial application if the contract was previously identified as a lease under NZ IAS 17.

■ Donations

Donations are recognised through the statement of financial performance when they are approved by the Trustees and paid.

Intangible Assets

The Trust holds liquor licences for all its establishments. These are issued for periods 3 years, and are recognised as an intangible asset. Their cost is amortised on a straight-line basis over their 3 year useful life.

The trust also holds a lifetime license for software subscription. This is not amortised, but assessed for impairment.

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.

Note 2 – Other Income

	2022	2021
	\$	\$
Gaming Machine Income	227,167	225,371
Equipment Rental	6,463	4,973
Rentals	52,691	49,814
Wage Subsidy	189,473	439,167
Sundry Income	3,367	4,680
	<u>479,161</u>	<u>724,005</u>

Note 3 – Other Expenses

	2022	2021
	\$	\$
Advertising	18,862	17,493
Bank Fees	51,338	54,413

Cleaning & Rubbish	39,943	39,202
Commissions Paid	51,374	51,297
Computer Expenses	30,830	32,298
Electricity & Heating	257,301	281,525
Entertainment	8,494	7,306
Franchise Payments	46,618	45,676
Hospitality	20,757	14,903
Laundry	64,965	61,987
License Fees	22,325	23,134
Printing & Stationery	11,905	11,349
Rates	46,182	37,780
Rentals	22,605	45,167
Repairs & Maintenance	162,209	178,567
Security	37,493	40,996
Sky TV	50,024	37,119
Telephone	24,574	26,949
Motor Vehicle Expenses	46,965	24,791
Other Expenses	101,736	132,350
	<u>1,116,500</u>	<u>1,164,302</u>

Note 4 – Key Management Personnel Compensation

	2022	2021
	\$	\$
Key management personnel	254,054	189,018
Full Time Equivalent Members	3	2

Employees of the Trust (section 335(4)(b)(ii) of the Sale & Supply of Alcohol Act 2012)

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	2022	2021
\$120,001 - \$130,000	-	1
\$110,001 - \$120,000	1	-
\$100,001 - \$110,000	-	-

Note 5 – Remuneration to Auditors

	2022	2021
	\$	\$
Audit fees for financial statement audit	63,726	61,978
Audit NZ recoveries for the 2021 financial statements audits	10,000	-
	<u>73,726</u>	<u>61,978</u>

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

Note 6 – Accounts Receivable

	2022	2021
	\$	\$
Trade receivables	227,477	228,989
Goods & services tax	16,653	-
Sundry receivables and accruals	35,441	40,849
	<u>279,571</u>	<u>269,838</u>

No interest is charged on trade receivables

Aged trade receivables	2022	2021
	\$	\$
0 – 30 days	203,307	210,708
30 – 60 days	23,089	5,819
60 – 90 days	1,061	1,016
Over 90 days	20	11,446
	<u>227,477</u>	<u>228,989</u>

Note 7 – Inventories

	2022 \$	2021 \$
Liquor	1,014,935	1,177,335
Food	56,688	53,046
	<u>1,071,623</u>	<u>1,230,381</u>

Note 8 – Accounts Payable & Accruals

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short term nature.

	2022 \$	2021 \$
Trade creditors	746,761	939,126
Goods & services tax	85,214	94,916
Accrued expenses	78,700	123,496
	<u>910,675</u>	<u>1,157,538</u>

Aged trade payables

	2022 \$	2021 \$
0 – 30 days	749,871	924,940
30 – 60 days	1,130	16,380
60 – 90 days	(2,869)	142
Over 90 days	(1,371)	(2,336)
	<u>746,761</u>	<u>939,126</u>

Note 9 – Employee Entitlements

	2022 \$	2021 \$
Current Portion		
Salaries and wages accrued	24,371	36,680
Provision for holiday pay	247,392	222,371
Provision for long service leave	5,633	3,015
	<u>277,396</u>	<u>262,066</u>

Non Current Portion

Provision for long service leave	4,737	16,180
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The provision for Holiday Pay represents employee entitlements for annual and long service leave that has vested in the employee. Provision for long service leave represents unvested entitlements. These amounts are uncertain at balance date and the amounts have been included at the best estimate of the liability.

Note 10 – Other Financial Assets

	2022 \$	2021 \$
<u>Current Other Financial Assets</u>		
At fair value:		
Term Deposits	<u>400,000</u>	<u>1,100,000</u>
	<u>400,000</u>	<u>1,100,000</u>

Non Current Other Financial Assets

At fair value:		
Shares in DB South Brewery Ltd (DBSI) (i)	155,000	168,000
Shares in Super Liquor Holdings Ltd (i)	2,500	2,500
	<u>157,500</u>	<u>170,500</u>

These investments are designated as "Fair value through Other Comprehensive Income" 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 (apart from DBSI shares) as an approximation of fair value.

The Trust holds 48,634 (2021 48,634) ordinary shares issued by DBSI, representing less than 1% of the 7,200,000 shares issued by the company. The value of the shares has been based on the valuation report as provided by Nexia New Zealand. This results in a share value of \$3.19 per share (2021 \$3.45) which is a decrease in the total value of the shares of \$13,000. There is nothing to suggest that there has been any material movement in the total net assets of the company since 31 December 2021.

	2022 \$	2021 \$
Opening Value at 1 April	168,000	109,245
Revaluation/(Devaluation)	(13,000)	58,755
Closing Value at 31 March	<u>155,000</u>	<u>168,000</u>

The revaluation/(devaluation) is shown as "other comprehensive income" in the Statement of Comprehensive Income.

Interest Rates

The weighted average effective interest rates on financial assets were:

	2022	2021
Other Financial Assets – Current	0.410%	0.277%

Note 11 – Remuneration of Trustees

Fees and expenses paid to Board members during the year:

	2022 \$	2021 \$
Presidents Honorarium	18,000	18,000
Board Members Fees and Expenses	50,000	25,098
	<u>68,000</u>	<u>43,098</u>

Note 12 - Reserves

	2022 \$	2021 \$
Retained Earnings (a)	3,676,911	4,045,668
Revaluation Reserve (b)	5,445,570	5,458,570
	<u>9,122,481</u>	<u>9,504,238</u>

(a) Retained Earnings

	2022 \$	2021 \$
Opening Balance	4,045,668	4,033,996
Profit (Loss) after Taxation	(368,757)	11,672
Closing Balance	<u>3,676,911</u>	<u>4,045,668</u>

(b) Revaluation Reserve

	2022 \$	2021 \$
Opening Balance	5,458,570	4,187,210
Revaluation of Property, Plant & Equipment	-	1,470,627
Deferred Tax on Revaluation of Buildings	-	(354,375)
Revaluation of Other Financial Assets	(13,000)	58,755
Impairment of Property, Plant & Equipment	-	133,823
Tax on Impairment	-	(37,470)
Closing Balance	<u>5,445,570</u>	<u>5,458,570</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.

Note 13 – Capital Commitments

There were no capital commitments at 31 March 2022 (2021 \$Nil)

Note 14 – Contingent Liabilities and Assets

There were \$15,000 contingent liabilities at 31 March 2022 (2021 \$15,000) as the Clutha Licensing Trust has a bank guarantee of \$15,000 to the TAB.

In recent years, employers in the private and public sectors in New Zealand have begun to identify the potential for significant payroll issues in relation to holiday pay entitlements, as covered by the Holidays Act 2013 and employment agreements. There is a particular risk for employers with rostered employees working on varying work shifts and numbers of hours.

In July 2018, the Clutha Licensing Trust commissioned an employment law specialist to review the annual leave calculations and daily pay calculations. The review reported that there was due attention taken to employee entitlements and that there was a low overall risk of any unaccounted liabilities.

There were no other contingent liabilities (2021 \$nil)

Note 15 – 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 2022 for TTCF Ltd were \$157,209 (2021 \$34,802).

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

Note 16 – Leased Assets

There are no non-cancellable operating lease commitments that are not defined as Right of Use lease commitments.

Right of Use lease commitments are as follows:

Linxco

On the 1st October 2019, the Trust entered into a lease of commercial premises for a period of two years, requiring 24 monthly payments of \$958 (including GST). Pursuant to the right of renewals contained in the existing lease, this lease was renewed for two further terms of one year each from 1st October 2021 and 1st October 2022, with a final expiry of 30th September 2023. Payments remain at \$958 (including GST).

Flexigroup

On the 20th January 2018, the Trust entered into a lease of a telephone system for a period of five years, requiring 60 monthly payments of \$879 (including GST).

Ricoh

On the 5th November 2019, the Trust entered into a lease of photocopiers for a period of five years, requiring 60 monthly payments of \$936 (including GST).

Liquorland

On the 15th March 2021, the Trust entered into a lease of commercial premises for a period of five years, requiring 60 monthly payments of \$4,600 (including GST).

The Flexigroup and Ricoh right of use commitments are not subject to any variable lease payments, extension options or termination options, residual value guarantees nor restrictions or covenants.

The Linxco right of use commitment is not subject to any variable lease payments, extension options or termination options, residual value guarantees nor restrictions or covenants.

The Liquorland right of use commitment is not subject to any variable lease payments, or termination options, residual value guarantees nor restrictions or covenants. There is one further right of renewal; the 1st January 2026, with a final expiry date of 31st December 2030, therefore the potential future lease payments not included in lease liabilities is \$240,000 (plus GST).

	2022 \$	2021 \$
Not later than one year	67,090	71,941
Later than one year and no later than five years	147,721	191,253
Later than five years	-	-
	<u>214,811</u>	<u>263,194</u>

There are no leases committed which are not yet commenced.

Note 17 – Related Party Transactions

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

- Robert Agnew being the owner of Milton Butchery with transactions totalling \$30,340 (2021 \$28,209). There was \$3,209 owing at balance date (2021 \$4,091). Milton Butchery provides meat to the restaurants operated by the Trust.
- Steve Morris being the owner of Steve Morris Joinery with transactions totalling \$283 (2021 \$131). There was \$nil (2021 \$nil) owing at balance date. Steve Morris provides joinery services to the Trust.
- Neville Gardner being a committee member of Balclutha Golf Club with transactions totalling \$50 (2021 \$50). There was \$nil owing at balance date (2021 \$57). Balclutha Golf Club purchases liquor from the trust.
- Jared McPhee being Director of Balclutha Motors Group Ltd, and Director and sole shareholder of McPhee Group Ltd, which solely owns Balclutha Motors Group Ltd, with transactions totalling \$nil (2021 \$nil). There was \$nil owing at balance date (2021 \$nil).
- Jared McPhee being Director of Tyreland Balclutha Ltd (a wholly owned company of Balclutha Motors Group Ltd), transactions totalling \$26 (2021 \$nil). There was \$nil owing at balance date (2021 \$nil). Tyreland Balclutha Ltd provides tyres to the trust.
- Clutha Development Inc (of which Jared McPhee is a Trustee and on the Executive Committee) transactions totalling \$200 (2021 \$nil). There was \$nil owing at balance date (2021 \$nil).
- Shand Thomson Ltd (where Mike Cochrane's spouse is employed) transactions totalling \$46,326 (2021 \$32,935).

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

- Neville Gardner being a committee member of Balclutha Golf Club with transactions totalling \$18,475 (2021 \$18,499). There was \$2,823 (2021 \$3,276) owing at

balance date. Balclutha Golf Club purchases liquor from the trust.

- Neville Gardner with transactions totalling \$2,371. (2021 \$3,923). There was \$245 owing at balance date (2021 \$150).
- Mike Curtis with transactions totalling \$444 (2021 \$615). There was \$nil owing at balance date (2021 \$Nil).
- Robert Agnew being a committee member of Toko Golf Club with transactions totalling \$10,549 (2021 \$10,475). There was \$619 (2021 \$2,503) owing at balance date. Toko Golf Club purchases liquor from the trust.
- Jared McPhee being Director of Balclutha Motors Group Ltd, and Director and sole shareholder of McPhee Group Ltd, which solely owns Balclutha Motors Group Ltd, with transactions totalling \$2,203 (2021 \$2,177). There was \$164 (2021 \$62) owing at balance date. Balclutha Motors purchases liquor from the Trust.
- Jason Lyders being director and shareholder of Ross Lyders Ltd trading as Lyders Contracting with transactions totalling \$1,014 (2021 \$2,865). There was \$522 (2021 \$146) owing at balance date. Ross Lyders Ltd purchases liquor from the Trust.
- Milton/Bruce RSA (of which Evan Jenkins is a committee member) with transactions totalling \$35,850 (2021 \$30,466). There was \$3,912 owing at balance date (2021 \$5,189).
- Clutha Rugby Football Club (of which Jared McPhee is a committee member) with transactions totalling \$9,026 (2021 \$5,848). There was \$1,103 in credit on their account at balance date (2021 owed \$74).
- Clutha Development Inc (of which Jared McPhee is a Trustee on the Executive Committee) transactions totalling \$678 (2021 \$7,097). There was \$nil owing at balance date (2021 \$nil).
- Balclutha Round Table (of which Mike Curtis is President and Mike Cochrane is a member) transactions totalling \$980 (2021 \$341). There was \$nil owing at balance date (2021 \$Nil).
- Shand Thomson Ltd (where Mike Cochrane's spouse is employed) transactions totalling \$3,110 (2021 \$3,955). There was \$25 owing at balance date (2021 \$Nil).

All amounts are exclusive of GST. The trust has the Auditor General's approval under the Local Authorities (Members Interests) Act 1968 until the 31st March 2023, for the trustee Robert Agnew to be interested in these transactions with the Trust.

Note 18 – Intangible Assets

The Trust holds liquor licences for all its establishments. These are issue for periods of 3 years, and are recognised as intangible assets. Their cost is amortised on a straight line basis over their useful life.

The trust also holds a lifetime license for a Team Viewer subscription. This is not amortised, but assessed for impairment.

	2022	2021
	\$	\$
Liquor Licenses		
Cost		
Opening Balance	43,535	39,410
Renewal of Licences	3,300	4,125
Closing Balance	<u>46,835</u>	<u>43,535</u>

Accumulated Amortisation & Impairment Losses

Opening Balance	41,128	36,270
Renewal of Licences	2,658	4,858
Impairment Losses	-	-
Closing Balance	<u>43,786</u>	<u>41,128</u>

Carrying Amount	<u>3,049</u>	<u>2,407</u>
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Software Licenses

Opening Balance	791	791
Software Licenses	-	-

Carrying Amount	<u>791</u>	<u>791</u>
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Note 19 – Franchise Commitments

Non-cancellable franchise commitments:

	2022	2021
	\$	\$
Not later than one year	35,400	35,400
Later than one year and no later than five years	29,450	64,850
Later than five years	-	-
	<u>64,850</u>	<u>100,250</u>

Note 20 – Cash & Cash Equivalents

	2022	2021
	\$	\$
Bank accounts	1,139,130	925,604
Term Deposits	500,000	-
Imprest accounts & ATM's	93,271	90,220
	<u>1,732,401</u>	<u>1,015,824</u>

The bank has perfected security interest in all present and after acquired property of Clutha Licensing Trust.

Note 21 – Grants Paid

The Trust has not made any grants during the year (2021 \$Nil).

Note 22 – Going Concern Assumption

The Trust's accounting policy is to adopt the going concern assumption in the preparation of the financial statements. To the best of the Trustees knowledge and belief, the Trust has adequate resources to continue operations for the foreseeable future.

The Trust's venue ownership & operations remained unchanged during FY22, but subsequently in June 2022 the Trust sold the Oak Tree Inn, and also closed the Hotel South Otago in preparation to demolish the building and rebuild a new venue on the same site. Minus these 2 venues, the Trusts profitability for the 2022/23 year will be virtually unchanged.

The trust continues to actively work on delivering better returns to our stakeholders through:

- Implementing further price increases to combat rising wages & purchases;
- Retaining and strengthening our skilled labour base;
- Refreshing or replacing the Trust's premises, with a view to their improvements and
- Continuing to support community groups and organisations in South Otago through the Trust Community Foundation Limited, and through direct distributions from the Trust to community groups and individuals within our district.

Note 23 – Impact of Covid-19

On 17 August 2021 all of New Zealand was placed in another lockdown after a community case of the Delta variant emerged in Auckland with further related community cases subsequently found. On 3 December 2021 New Zealand moved to a newly

introduced traffic light system with the introduction of vaccine passports allowing greater freedoms for the fully vaccinated and for more businesses to open up.

NZ moved to Covid Red, Phase 2 on 16 February 2022. This allowed patrons to be seated & served but requiring Covid Passes. NZ then moved to Covid Red, Phase 3 on 25 February 2022 allowing lesser isolation requirements for close contacts. Five stages of boarder reopening were announced in February, commencing 27 February through to October 2022. This program was subsequently sped up. On 26 March 2022 indoor patron limits increased to 200 people and scanning-in was no longer required. Post end-of-financial year, the vaccine mandate for hospitality was removed (5 April 2022) for the hospitality and accommodation industries. While the Trusts trading in FY21 experienced substantial lows (lockdown & restricted trading) & highs ('Covid honeymoon'), FY22 has seen less dramatic fluctuations. The so called 'Covid fatigue' set in prompting protests, and reluctance for patrons to be vaccinated, wear masks. While the overall trading income increased 8.6% year on year, the bars suffered depressed sales & decreased GP's. Overall though, the general economy has continued to support the Trusts offerings and a strong rural and rural industrial sector noted throughout the Clutha region assisting with additional discretionary spending.

It is not possible to estimate how well the Trusts results may have been if the Covid-19 pandemic did not exist. In management's opinion, based on the information provided by our advisors, and review of the Trusts operations and financial performance, is that as at 31 March 2022 the Covid-19 Pandemic had a non-material effect on the Trust's businesses.

Note 24 – Subsequent Events

On the 7th of June 2022, the Trust settled the sale of the Oak Tree Inn, Clinton. Land, buildings, stock and plant (net of commission) realised \$493,968.

On the 2nd March 2022, the Board moved to sell the residential properties at 261 Clyde Street Balclutha, and 3 Cowper Street Milton.

On the 1st June 2022, the Board moved to demolish the Hotel South Otago and rebuild a new facility, which is estimated to cost

approximately \$2.7m-\$3.0m. The Trust expects to fund the majority of this from cash reserves, with some residual borrowing being likely.

There were no other significant events that occurred after balance date.

Note 25 – Government Grant

The Trust was eligible for the Government Covid-19 wage subsidy scheme as well as the Resurgence Support Payment, and received \$189,473 in the current financial year (2021 \$488,798).

Revenue from government grants is recognised when the associated expenses is incurred, and the full sum has therefore been recognised in the 2022 financial year.

There are no unfulfilled conditions nor contingencies in relation to the subsidy.

Note 26 – Salaries & Wages

	2022 \$	2021 \$
Wages and Salaries	3,061,395	2,880,450
Changes to Provisions (Note 9)	15,330	46,926
Kiwisaver Contribution	82,436	77,528
	<u>3,159,161</u>	<u>3,004,904</u>

Note 27 – Assets Held for Sale

At balance date, the trust held the property, plant and equipment at Clinton (the Oak Tree Inn), Milton (3 Cowper Street) and Balclutha (261 Clyde Street) for sale. The assets should be measured at the lower of the carrying value and fair value less costs to sell. The assets are valued on the balance sheet at \$961,250, which is the net carrying value as at the 31st March 2022. The sale of the Clinton property settled on the 7th June 2022 was for a total sale price less costs to sell being \$493,968.

The Milton and Balclutha properties have been listed for sale, within initial appraisals indicating that the sale process will be in excess of carrying values.

Note 28 - Financial Instruments

Credit Risk

Financial instruments which potentially subject the Trust to concentrations of credit risk consist principally of cash, short term deposits, receivables and investments. The Trust places its cash and short term investments with high credit rated financial institutions. There are no collateral securities to support financial investments due to the quality of the receivables and investments dealt with.

Fair Value

Cash, short term deposits, receivables and accounts payable have a carrying amount that is equivalent to their fair value.

Currency & Interest Rate Risk

There is no currency risk as all transactions are in New Zealand dollars. Short term deposits are used to minimise interest risk. There are no off balance sheet financial instruments at balance date, nor have there been any during the financial year.

Categories of Financial Instruments

The following table summarises the categories of the Trust's financial instruments:

Measurement Category			2021	2022	
			Carrying Amount		
Financial Assets					
Trade & Other Receivables		Amortised Cost	269,838	279,571	
Cash & Cash Equivalents		Amortised Cost	1,015,824	1,732,401	
Other Financial Assets (Short Term Deposits)		Amortised Cost	1,100,000	400,000	
Other Financial Assets (Equity Investments)		Fair value through Other Comprehensive Income	170,500	157,500	
Financial Liabilities					
Trade & Other Payables		Amortised Cost	1,157,538	910,675	
2022	Available for sale financial assets	Loans & receivables	Financial liabilities at amortised cost	Total carrying value	Fair value
Financial Assets					
Trade & Other Receivables	-	279,571	-	279,571	279,571
Cash & Cash Equivalents	-	1,732,401	-	1,732,401	1,732,401
Short Term Bank Deposits	-	400,000	-	400,000	400,000
Other Financial Assets	157,500	-	-	157,500	157,500
Financial Liabilities					
Trade & Other Payables	-	-	910,675	910,675	910,675

Financial Instruments

The Trust's financial assets include assets at fair value through other comprehensive income and amortised cost. The Trust recognises financial assets when it becomes party to a contract. These assets may be classified into the categories of financial assets depending of the Trust's intention to hold them and the nature of the investments.

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through surplus or deficit, transaction costs that are attributable to the acquisition of the financial asset. The subsequent measurement and presentation of the financial assets will vary depending on their category.

Available for sale financial assets are also held by the Trust in the years reported have been designated into the following classification, "Fair value through Other Comprehensive Income". Fair value through Other Comprehensive Income are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and these comprise cash and cash equivalents, trade and other receivables and short-term deposits. The financial assets are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The Trust's financial liabilities are classified as "financial liabilities measured at amortised cost", which are subsequently measured at amortised cost using the effective interest method. Financial liabilities at amortised cost comprise trade and other payables.

At each reporting date, the Trust assesses whether the financial assets are impaired and when there is objective evidence of impairment, the carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in surplus or deficit.

For financial assets carried at amortised cost, the criterion used to determine whether objective evidence of impairment exists is the asset's collectability. Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. An impairment provision is recognised when there is objective evidence that the Company will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 90 days overdue, for which no suitable repayment arrangements have been achieved, are considered objective evidence of impairment.

A financial asset is derecognised primarily when: (a) the rights to receive cash flows from the asset have expired, or (b) the Trust has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party.

The bank has security in all present and after acquired property of Clutha Licensing Trust.

Note 29 – Income Tax

Tax 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:

	2022 \$	2021 \$
Profit/(Loss) before Income Tax	(485,867)	(78,883)
Income Tax Expense Calculated at 28%	(136,043)	(22,087)
Permanent Differences	-	-
Deferred Taxation Adjustment	18,933	(68,468)
Taxation Expenses	<u>(117,110)</u>	<u>(90,555)</u>
Analysis of Taxation Expenses		
Current Taxation	61,698	65,456
Deferred Taxation	(178,808)	(156,011)
	<u>(117,110)</u>	<u>(90,555)</u>

| Tax Liability

	Opening Balance \$	Charged to Income \$	Charged to Other Comprehensive Income \$	Closing Balance \$
2022				
Property, Plant and Equipment	1,305,315	(182,403)	-	1,122,912
Lease Commitments	(79,481)	21,450	-	(58,031)
Employee Entitlements	(62,264)	(17,856)	-	(80,120)
	<u>1,163,570</u>	<u>(178,809)</u>	<u>-</u>	<u>984,761</u>
2021				
Property, Plant and Equipment	1,005,323	(91,853)	391,845	1,305,315
Lease Commitments	(23,744)	(55,737)	-	(79,481)
Employee Entitlements	(53,842)	(8,422)	-	(62,264)
	<u>927,737</u>	<u>(156,011)</u>	<u>391,845</u>	<u>1,163,570</u>

Taxation Provision

Opening Balance

(4,886) (49,943)

Plus

Tax Refunded
Current Taxation

- 79,836
61,698 65,456
61,698 145,292
56,812 95,349

Less

Taxation Paid
Resident Withholding Tax

51,366 96,911
1,868 3,324
53,234 100,235

Closing Balance

3,578 (4,886)

Note 30 – Property, Plant & Equipment

An independent valuation of the Trust's land and buildings was performed by Colliers (Joe Chapman B.Com NPM MPINZ NZIV) an independent registered valuer on 31st March 2021.

The valuation concluded that the market value of land was \$1,755,000 and improvements \$5,885,000; a total market value of \$7,640,000. This has resulted in an upwards revaluation of \$1,470,624 which is reflected in other comprehensive income.

The valuation also concluded that given market evidence, current economic conditions, the high proportion of domestic cliental and historic and current trading records, there was no impairment consideration required for the 31 March 2021 year.

A further review by Colliers as at 31 March 2022 concluded that asset values are not impaired.

Note 30 – Property, Plant & Equipment (continued)

	Cost/ Valuation	Accumulated Depreciation & Impairment	Carrying Amount	Current Year Additions	Current Year Assets included in a Disposal Group Classified as Held for Sale & Other Disposals	Current Year Disposals	Current Year Impairment Charges	Current Year Depreciation Expense	Revaluation Surplus	Reversal of Accumulated Depreciation	Cost Revaluation	Accumulated Depreciation & Impairment	Accumulated Carrying Amount
2021	31 Mar 2020 \$000	31 Mar 2020 \$000	31 Mar 2020 \$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	31 Mar 2021 \$000	31 Mar 2021 \$000	31 Mar 2021 \$000
Land	1,550	-	1,550	-	-	-	-	-	205	-	1,755	-	1,755
Buildings	5,487	591	4,896	-	-	-	(133)	410	1,266	591	6,293	410	5,883
Leasehold Imprvmts	218	143	74	-	-	-	-	9	-	-	218	152	66
Carpet & Vinyl	233	216	17	-	-	-	-	1	-	-	233	217	16
Furniture & Fittings	1,133	1,022	111	11	-	-	-	22	-	-	1,144	1,044	100
Office Equipment	464	445	20	12	-	-	-	12	-	-	476	457	19
Right of Use Assets	101	17	84	240	-	-	-	40	-	-	341	57	284
Plant	2,036	1,844	192	80	-	-	-	53	-	-	2,116	1,897	219
Vehicles	509	309	200	29	-	6	-	34	-	-	532	343	189
Linen & Crockery	96	96	-	-	-	-	-	-	-	-	96	96	-
	\$11,827	\$4,683	\$7,144	\$372	\$-	\$6	\$(133)	\$581	\$1,471	\$591	\$13,204	\$4,673	\$8,531
2022	31 Mar 2021 \$000	31 Mar 2021 \$000	31 Mar 2021 \$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	31 Mar 2022 \$000	31 Mar 2022 \$000	31 Mar 2022 \$000
Land	1,755	-	1,755	-	250	-	-	-	-	-	1,755	-	1,755
Buildings	6,293	410	5,883	4	696	-	-	713	-	-	6,297	1,123	5,174
Leasehold Imprvmts	218	152	66	2	-	-	-	10	-	-	220	162	58
Carpet & Vinyl	233	217	16	-	-	-	-	1	-	-	233	218	15
Furniture & Fittings	1,144	1,044	100	5	4	-	-	22	-	-	1,149	1,066	83
Office Equipment	476	457	19	4	-	-	-	9	-	-	480	466	14
Right of Use Assets	341	57	284	20	-	-	-	97	-	-	361	154	207
Plant	2,116	1,897	219	63	10	-	-	39	-	-	2,179	1,936	243
Vehicles	532	343	189	81	1	-	-	28	-	-	613	371	242
Linen & Crockery	96	96	-	-	-	-	-	-	-	-	96	96	-
	\$13,204	\$4,673	\$8,531	\$179	\$961	\$-	\$-	\$919	\$-	\$-	\$13,383	\$5,592	\$7,791