



## **MATAURA LICENSING TRUST**

### **FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 MARCH 2023**

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# Mataura Licensing Trust

## *Locals supporting Locals*

### Directory

#### **Elected Members:**

Graham (Horace) McAuley - President	Ward 1 – Tapanui	Elected October 2007
Bryan (Bunny) Burgess	Ward 2 – Gore	Elected October 2013
Jimmy Allison	Ward 2 – Gore	Elected September 2017
Craig Marshall	Ward 2 – Gore	Elected October 2022
Brendan (Moe) Murray	Ward 3 – Mataura	Elected October 2010
Vince Aynsley	Ward 4 – Rural	Elected October 2016
Jeannine Cunningham	Ward 5 – Edendale	Elected October 2010
Marc Robertson	Ward 6 – Wyndham	Elected October 2022
Todd Lyders	Ward 7 – Tokanui	Elected October 2010

#### **Executive Officers:**

Mark Paterson	General Manager
Bob Vercoe	Operations Manager
Grant Briggs	Accountant
Glenn Dickson	Senior Manager

#### **Managers:**

Daryl Birse	Super Liquor, Gore
Kathy Broome	Croydon Lodge Hotel, Gore
John Christie	Falls Hotel, Mataura
Mandy Johnston	Liquorland, Gore
Joanne Leith	Tokanui Tavern, Tokanui
Megan McKeever	Three Rivers Hotel, Wyndham
Angela O'Leary	Thomas Green Restaurant, Gore
Rawinia Pahau-Workman	Forest Lodge Hotel, Tapanui
Chris Scoles	Traffers, Gore
Aimee Steel	Howl at the Moon, Gore
Gail Yearbury	Pioneer Tavern, Edendale

#### **Auditors:**

Crowe NZ Audit Partnership on behalf of the Auditor General.

#### **Bankers:**

Bank of New Zealand.

#### **Contacts:**

Phone	03 2089540
Fax	03 2089071
Email	office@mltgore.co.nz
Post	P O Box 43, Gore 9740

#### **Registered Office:**

Mataura Licensing Trust  
25 Trafford Street  
Gore 9710

#### **Webpage:**

[www.mltgore.co.nz](http://www.mltgore.co.nz)

## **Mataura Licensing Trust Financial Report**

### **Financial Review for the Period 1 April 2022 to 31 March 2023**

#### **Introduction**

It is with great pleasure that I present the 68th annual review of the financial performance of the Mataura Licensing Trust (MLT), also known as The Trust, to our shareholders, fellow Trustees, management group, and staff. Despite initial challenges in the first five months of the year, including rampant inflation, significant cost increases, staffing issues, and pressure on sales, our management team and staff persevered, and with the help of the community our sales soared to new heights leading to a new all-time Trust record of \$27.9 million.

#### **Trading Review**

Total sales for the year reached an outstanding \$27,872,598 an increase of \$2,881,188 or 11.53%. A breakdown of the key components of the business are as follows: Accommodation sales increased by 38.37% to \$1.628 million, food sales grew by 28.04% to \$4.465 million, bar sales rose by 27.66% to \$3.841 million, and bottle-store sales saw a 3.58% increase to \$17.939 million. Sundry income increased by 23.1% to \$.894 million.

#### **Gross Profit (GP) and GP%**

With the recovery in on-premise trading and accommodation, our gross profit (GP) margin increased from 35.5% to 37.6%. In monetary terms, this translated to a \$1.612 million (18.17%) increase, bringing the total GP to \$10.486 million.

#### **Net Profit Pre-Tax**

We achieved a net profit pre-tax of \$767,814 for the year, a significant improvement on the previous year's deficit of \$692,068.

#### **Expenses**

Expenses remained well-contained, with an overall increase of 1.57% to \$10.612 million. The main contributor to this increase was wages, rising by 6.69% to \$6.498 million.

#### **Community Support**

We prioritised supporting the community by increasing our sponsorship and donations. Through our Profit & Loss Account we returned \$177,164 to the community and donated an additional \$60,431. Moreover, our gaming arm, The Trusts Community Foundation, approved \$696,885 in grants to our region.

#### **The Future**

The start of the 2023-24 period has been steady. Bringing Croydon Lodge Hotel back under the MLT's wing has resulted in a turnaround, transforming last year's \$630,000 deficit into a bottom-line profit of \$26,000. This year will see the introduction of a Bio-Mass boiler heating unit at Croydon Lodge at a cost of \$500,000 and the re-roofing of the Howl at the Moon. With a strong cash flow, excellent governance and management, and no debt, we look forward to consolidating this positive result in the coming years and enhancing our community support.

## **In Conclusion**

I extend my heartfelt appreciation to our shareholders for their unwavering support, as without their involvement, we wouldn't have the resources to contribute back to the community. I also express my gratitude to my fellow Trustees for their invaluable guidance and collaboration over the past year. We bid farewell to long-standing board members Jim McAllister and Alan (Tiny) Byrne, who have made remarkable contributions over the last twenty years, and welcome Craig Marshall and Marc Robertson to the board. Lastly, I commend our exceptional management team and staff for their outstanding efforts, which have enabled us to overcome challenges and achieve record-breaking sales. Together, we have established a strong foundation for the future success of the Maitara Licensing Trust.

### **Horace McAuley** **President**

#### **Mission Statement:**

To operate a responsible, transparent and profitable service in the hospitality industry for the benefit of every man, woman and child in the Maitara Licensing Trust area, now and into the future.

#### **Vision:**

To strive to enhance our Southland rural hub as the best place to work, live and raise a family in New Zealand.

#### **Nature of business:**

Hospitality, Retail Liquor, Restaurant Operations, Hotel Accommodation.

#### **History:**

Since 1955, the Maitara Licensing Trust has been investing in its community, returning profits to its customers and creating employment throughout the South.

We are a community focused business whose primary goals are to support the well-being of their local community principally through reinvesting profits generated from their trading activities either in the business and/or in support of community activities, rather than being driven to maximise profits.

The Maitara Licensing Trust is an organisation that has been granted preferential trading rights to operate inside an agreed region of New Zealand, in order to invest, build, operate and distribute profits from premises licensed for the sale of alcoholic beverages and associated accommodation and hospitality related venues in an area. i.e. "Locals Supporting Locals"

We have been instrumental in future-proofing sporting amenities, as well as supporting the arts, education and destination events, all of which directly or indirectly bolster the local economy.

100% of our profits from hospitality sales are redirected into providing essential facilities for the region and financial support for community projects.

The Maitara Licensing Trust distributes all profits back to the local community by way of investment into high quality services and much needed facilities, and through financial support of community networks, sports clubs, music events, senior citizens, educational grants and a focus on well-being.

We help people and organisations by investing in local community projects where it is most needed and where it will make the most impact.



# THE MATAURA LICENSING TRUST ORDER 1955

C. W. M. NORRIE, Governor-General  
ORDER IN COUNCIL.

At the Government House at Wellington this 26th day of October 1955

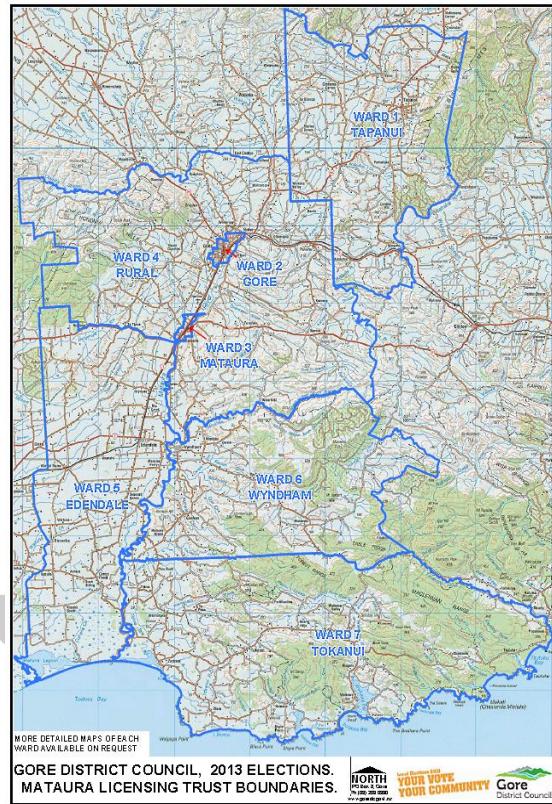
Present:

HIS EXCELLENCY THE GOVERNOR-GENERAL IN COUNCIL.

PURSUANT to the Licensing Trusts Act 1949, His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, hereby makes the following order.

## ORDER

1. This order may be cited as the Mataura Licensing Trust Order 1955.
2. The area described in the First Schedule hereto is hereby declared to be a licensing Trust district, to be called the Mataura Licensing Trust district (in this order referred to as the Trust district), for the purposes of Part I of the Licensing Trusts Act 1949.
3. There is hereby constituted for the Trust district a Licensing Trust to be called the Mataura Licensing Trust (in this order referred to as the Trust).
4. For the purposes of elections of members of the Trust, the Trust district is hereby divided into seven wards, being the wards described in the Second Schedule hereto.
5. The Trust shall consist of nine elective members, of whom three shall be elected for Ward 2 described in the Second Schedule hereto and one shall be elected for each of the other wards described in that Schedule.
6. The terms of office of five of the members of the Trust to be elected at the first election of members shall expire, in accordance with section 5 of the Licensing Trusts Act 1949, on the day appointed for the second election of members pursuant to that Act.
7. At any meeting of the Trust four members shall form a quorum.



Excerpt from the MLT Order of 1955, the act of parliament that paved the way for the creation of the Mataura Licensing Trust and a map showing the geographical area covered by the Mataura Licensing Trust:

## Mataura Licensing Trust - Executive Staff



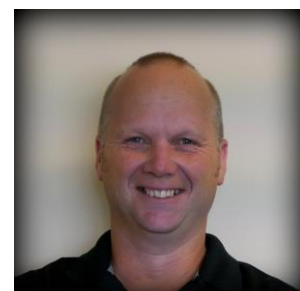
**Mark Paterson - General Manager**



**Grant Briggs - Accountant**



**Bob Vercoe – Operations Manager**



**Glenn Dickson – Senior Manager**



**Mataura Licensing Trust – Elected Board Members 2023**



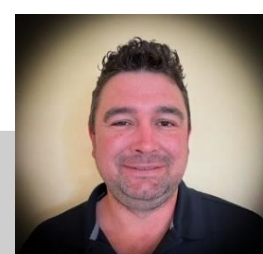
**Graham (Horace) McAuley**  
Tapanui  
President



**Todd Lyders**  
Tokanui



**Jimmy Allison**  
Gore



**Craig Marshall**  
Gore



**Vince Aynsley**  
Rural



**Brendan (Moe) Murray**  
Mataura



**Bryan (Bunny) Burgess**  
Gore

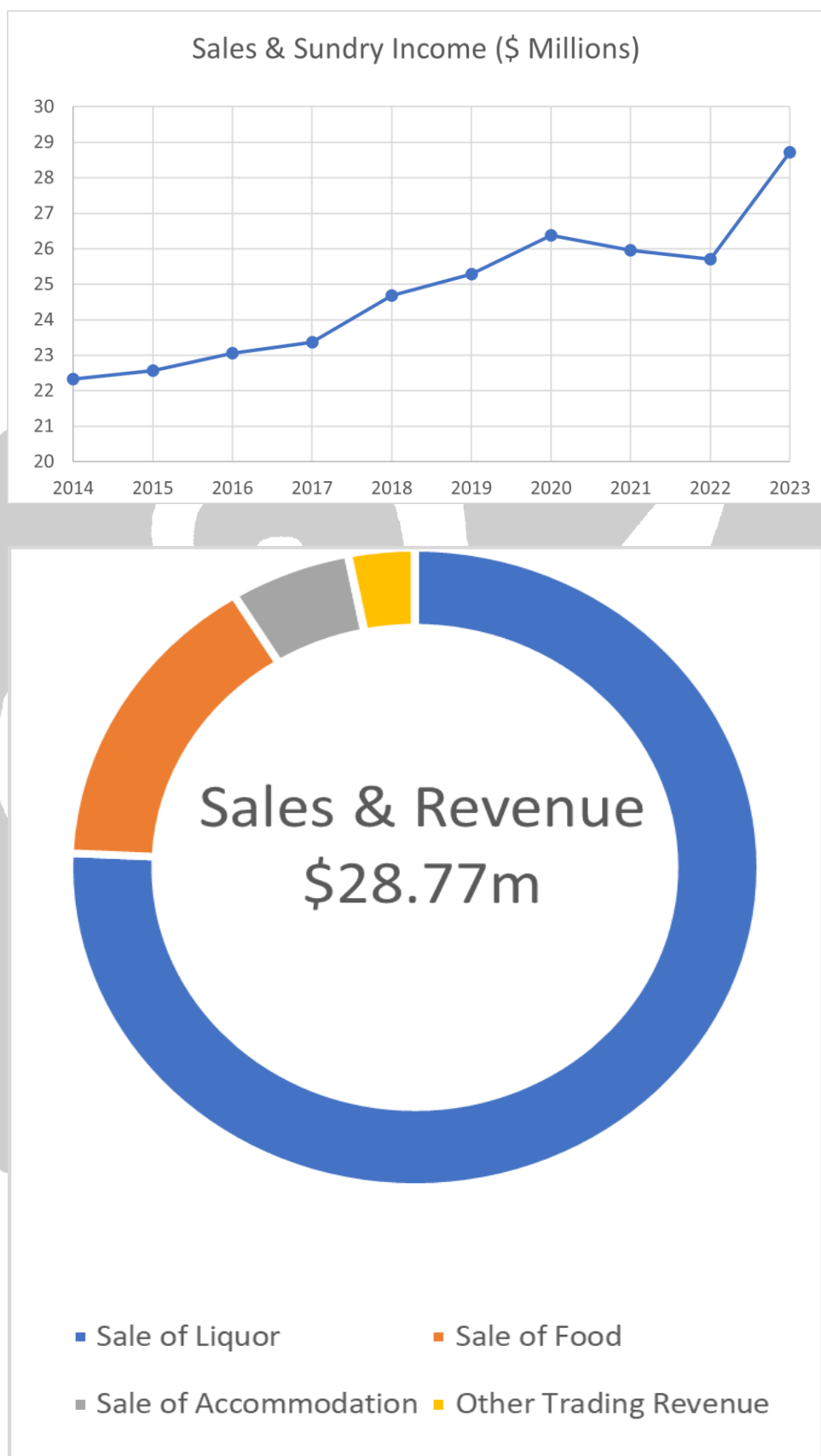


**Marc Robertson**  
Wyndham



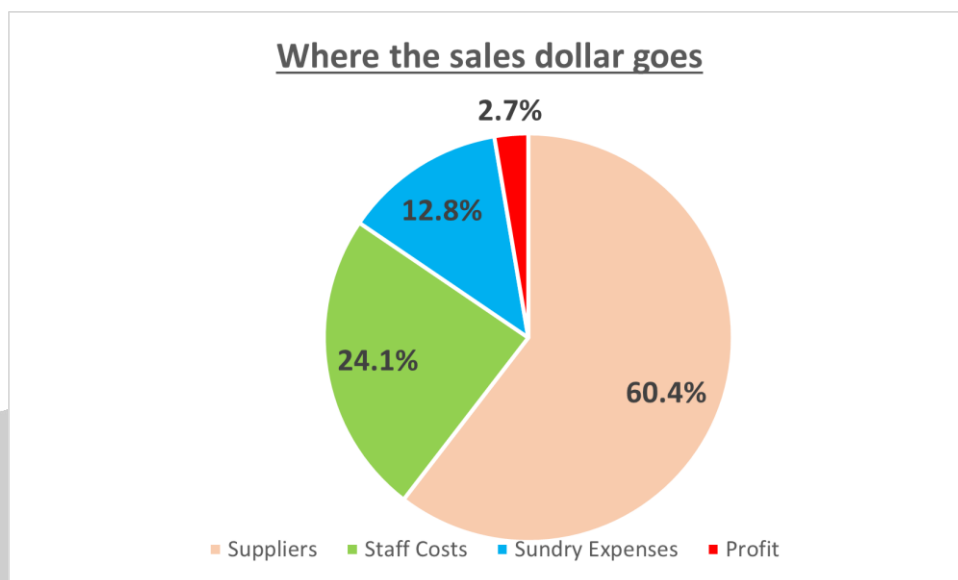
**Jeannine Cunningham**  
Edendale

Sales and sundry income for the year ending 31 March 2023 were \$28,766,670 as can be seen below:

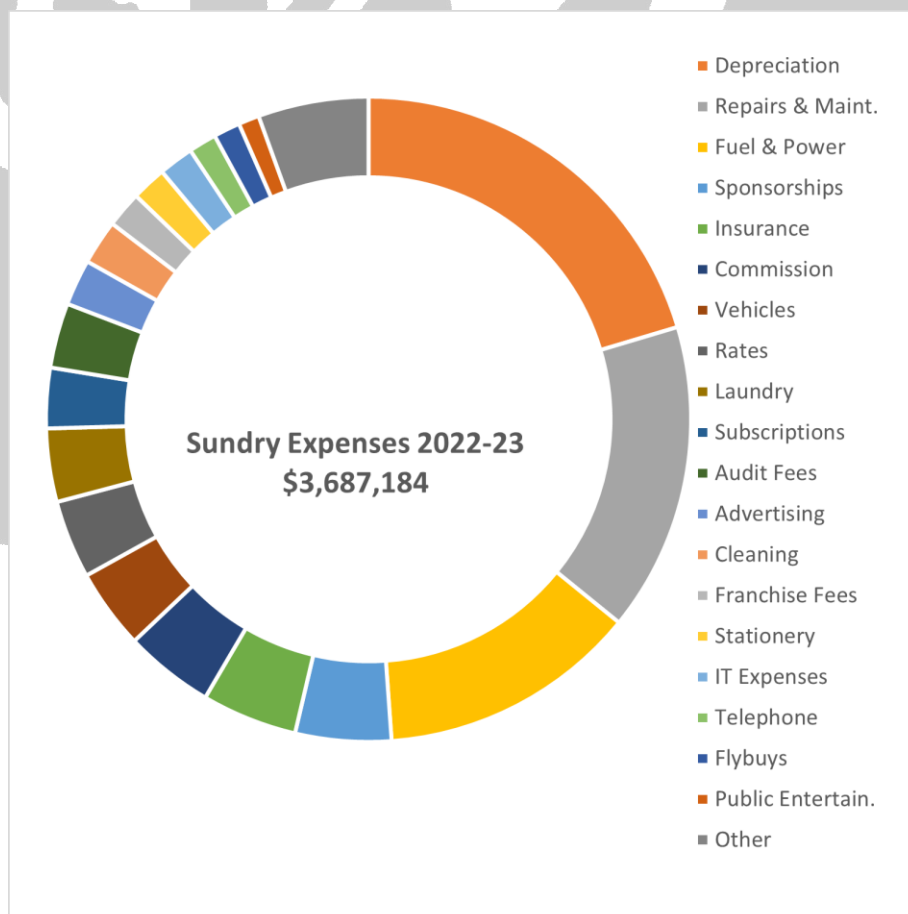


Of \$28.77m sales and sundry revenue, \$17.39m was paid to suppliers, \$6.92m was spent on staff expenses, and \$3.69m on other expenses.

This left a profit (Before tax and donations) of \$767,814



A total of \$3,687,184 was spent on various operational expenses, provision for depreciation and sundry repairs and maintenance of properties.





The Maitara Licensing Trust is proud to have supported community organisations and individuals as detailed below. Of the total distribution of \$934,481, the sum of \$237,596 has been classified as Maitara Licensing Trust - Sponsorships (\$177,164), Maitara Licensing Trust - Donations (\$60,431). The balance of \$696,885 has been distributed by the Trusts Community Foundation Ltd on behalf of the Maitara Licensing Trust, from profits generated from operations in Maitara Licensing Trust Premises.

Groups Supported 2022-23

Group	Value	Group	Value
Active Southland	19,000.00	Gore Country Music Club Inc.	34,150.00
Albion Cricket Club	240.00	Gore Croquet Club	260.87
Albion Rugby Club	7,539.83	Gore Dancesport	750.00
Alzheimers Society Southland Inc.	1,000.00	Gore Dog Trials	103.38
Apples in Schools	347.83	Gore Garden Club	434.78
Athletics Gore	947.22	Gore Glass Recycling Scheme	3,000.00
Blair, Angus	1,500.00	Gore Golf Club	76,504.93
Blue Mountain College	3,198.52	Gore Gymnastics Club	1,088.00
Blue Mountain Cricket Club	1,000.00	Gore Harness Racing Club Inc.	10,419.16
Body, Archie	2,250.00	Gore Health Ltd	9,638.28
Can it 4 Cancer	500.00	Gore High School / Menzies College Rugby	1,500.00
Cancer Society - Daffodil Day	173.91	Gore High School Boys Football	500.00
Cancer Society of NZ Inc - Otago / Southland Division	10,000.00	Gore High School Hockey	250.00
Caninspire Charitable Trust	1,000.00	Gore High School Junior A Netball	750.00
Carnie, Amber	1,500.00	Gore High School Senior A Netball	750.00
CCS Disability Action Southland Inc.	2,900.00	Gore High School Trapshooting	750.00
Chamberlain, Emily	1,500.00	Gore High School U15 Rugby	750.00
Chamberlain, Flynn	1,500.00	Gore JP's Assn.	134.78
Charity Snooker Tournament	565.22	Gore Karate Club	1,025.22
Cobra Rod & Custom Car Club	1,500.00	Gore Kennel Club	3,351.62
Combined Country Cricket	5,000.00	Gore Ladies Golf Club	480.54
Connected Eastern Southland	500.00	Gore Model Engineering Club	3,300.00
Cowan, Patience	1,500.00	Gore Racing Club Inc.	18,000.00
Crawford, Olivia	1,500.00	Gore Rotary	1,800.00
Crenshaw, Conroy	150.00	Gore Victim Support	623.55
Cupit, Ella	1,500.00	Gore Vintage Car Club	7,749.00
Cuttance, Harriet	1,500.00	Gore Wanderers AFC	1,275.60
Cycling Southland Inc.	1,800.00	Gore Women's Refuge	939.00
Davers, Josh	1,500.00	Guthrie, Mathew	150.00
Dawson-Tait, Brylee	1,500.00	Hansen, Ashton	150.00
Dressage Southland	1,000.00	Hansen, Mason	150.00
Eastern Northern Combined Rugby	2,500.00	Hansen, Xavier	150.00
Eastern Premier Netball	608.70	Harrex, Gabby	150.00
Eastern Southland Basketball	45,268.84	Head Injury Society of Southland Inc.	5,000.00
Eastern Southland Bowls	704.35	Hedgehope Golf Club	237.48
Eastern Southland Chamber of Commerce	897.74	Heritage South	500.00
Eastern Southland Hockey	25,173.04	Hillis, Adam	1,500.00
Eastern Southland Indoor Bowls	173.91	Hokonui Aquatics	2,300.00
Eastern Southland Rugby Football Sub Union	10,177.50	Hokonui Bowling Club	12,869.57
Eastern Southland Rugby Referees	500.00	Hokonui Celtic Pipe Band	10,000.00
Edendale Bowling Club	13,122.50	Hokonui Fashion Design Awards	31,578.26
Edendale Primary School	5,084.00	Hokonui Focus Group	4,120.44
Edendale RFC	2,500.00	Hokonui Heritage Centre Trust	27,798.10
Elliot, Shane	150.00	Hokonui Moonshine Trail	934.78
Elsie Street Kindergarten	1,460.00	Holland, Dylan	150.00
Evans, Jake	150.00	Hug a Rig	280.43
Fiveash, Dan	150.00	Ice Sports Southland	750.00
Glenham Trainwreck	869.57	Jade School of Dance	1,500.00
Golf Southland	2,608.70	Kingdon, Sophie	1,500.00
Gore & Districts Motorcycle Club	5,000.00	Knapdale Community Pool	1,600.00
Gore & Districts Senior Citizens Club Inc.	9,973.94	Knapdale School	222.48
Gore A & P Assn.	1,736.96	Kortbaoui, Myah	1,500.00
Gore Boat & Waterski Club	434.78	Life Education Trust Heartland Otago / Southland	5,000.00
Gore Bowling Club Inc.	20,065.08	Longford Intermediate School	297.66
Gore Club	434.78	Lumsden, Maia	150.00

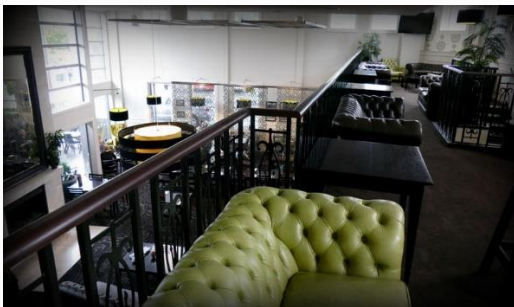
**Groups Supported 2022-23**

Group	Value	Group	Value
Marsh, Carter	150.00	Southland Triathlon & Multisports	1,000.00
Marsh, Samantha	150.00	Southland Welsh Pony Club	692.00
Mason, Elliot	150.00	St Peter's College	14,500.00
Mataura Bowling Club	826.09	St Peters College Young Farmers	750.00
Mataura Clay Target Club	341.97	Take-a-kid Hunting	197.87
Mataura Golf Club	1,304.35	TalkLink Trust	5,000.00
Mataura Rodeo Club	1,208.70	Tapanui - Heriot Junior Rugby	1,806.00
Mataura Rugby Football Club	4,500.00	Tapanui Bowling Club	555.58
Mataura Scout Group	773.92	Tapanui Charity Golf	173.91
Menzies College Boys Basketball	750.00	Tapanui Christmas Parade	434.78
Menzies College Hockey	250.00	Tapanui Golf Club	2,000.00
Menzies College Netball	750.00	Tapanui School	1,540.38
Menzies College Rugby	750.00	Tapanui Squash Club	869.57
Michaels, Grace	1,650.00	Tapanui Swimming	273.91
Mitchell, Ethan	2,000.00	Tapanui West Otago Promotions Inc.	1,444.95
Moody, Anika	150.00	Te Tipua School	207.75
Nelson, Daniel	3,600.00	Tennis Southland	1,478.00
Netball Eastern Southland	6,000.00	Toi Toi Lions Club	2,500.00
New Zealand Country Music Festival Trust	23,458.72	Tokanui Home & School Assn.	608.70
New Zealand Songwriters Trust	20,000.00	Turnbull, Austyn	150.00
Norman, Ahna	1,500.00	Tuturau School	170.96
NZ Snooker Championships	2,165.22	Tuurama Trust	860.00
Pakeke Lions Club	2,280.00	West Gore School	434.78
Peeters, Tori	1,500.00	West Otago A & P Assn.	1,000.00
Pickleball Gore	500.00	West Otago Bridge Club	347.82
Pinckney, Thea	1,500.00	West Otago Community Centre Society Inc.	100,000.00
Pioneer RFC	2,500.00	West Otago Shears	156.80
Presbyterian Support Southland	16,000.00	West Otago Swimming Pool Management Board Inc.	4,027.91
Pukerau Cemetery	433.48	West Otago Theatrical Society	371.48
Pukerau School	123.75	Westpac Rescue Helicopter	173.91
Reihana, Olivia	1,500.00	White, Sophie	150.00
River Valley Lions	3,137.39	Wyndale Cricket Club	2,097.60
Robertson, Sydney	1,500.00	Wyndham A & P Society	1,500.00
Ronald McDonald House South Island Trust	33,685.00	Wyndham Bowling Club	456.52
Seaward Downs Community Centre Society	1,478.00	Wyndham Diggers Lunch	252.17
Senior Citizens Christmas Dinners - Edendale	2,514.13	Wyndham Golf Club Inc.	25,000.00
Senior Citizens Christmas Dinners - Gore	24,270.25	Wyndham Harness Racing Club Inc.	11,000.00
Senior Citizens Christmas Dinners - Mataura	6,550.52	Wyndham Netball Club	500.00
Senior Citizens Christmas Dinners - Tapanui	5,787.61	Wyndham Primary School PTA	5,000.00
Senior Citizens Christmas Dinners - Wyndham	3,180.57	Wyndham Racing Club Inc.	8,000.00
Sheldon Bagrie-Howley	5,150.00	Wyndham VFB	1,000.00
Sky Tower Challenge	750.00	Youthmark Awards	3,078.09
Southern Shears	10,000.00		
Southland A & P Showjumping	434.78	Miscellaneous	1,047.23
Southland Country Cricket Y9 & 10	750.00	Refunded from previous accounting period	-15,751.11
Southland Cricket Assn Inc.	10,280.00		
Southland Crimestoppers	500.00	<b>Grand Total</b>	<b>934,480.78</b>
Southland Festival of Dance	439.13		
Southland Literacy Assn.	793.40		
Southland Multiple Sclerosis Society Inc.	5,000.00	Mataura Licensing Trust - Sponsorships	177,164.33
Southland Safetywise	300.00	Mataura Licensing Trust - Donations	60,431.34
Southland Science & Technology Fair	500.00	The Trusts Charitable Foundation Ltd	696,885.11
Southland Secondary School Sports	1,098.70		
Southland Showjumping	11,330.43		<b>934,480.78</b>
Southland Summer Challenge	3,052.17		



## Croydon Lodge Hotel

Manager: Kathy Broome  
 Gore-Queenstown Highway  
 Ph (03)2089029  
 Email: [admin@croydonlodge.co.nz](mailto:admin@croydonlodge.co.nz)  
 Webpage: [www.croydonlodge.co.nz](http://www.croydonlodge.co.nz)



## Thomas Green

Manager: Angela O'Leary  
 30 Medway Street, Gore  
 Ph (03)2089295  
 Email: [thomasgreen@mltgore.co.nz](mailto:thomasgreen@mltgore.co.nz)  
 Webpage: [www.thethomasgreen.co.nz](http://www.thethomasgreen.co.nz)



## Gore Liquorland

Manager: Mandy Johnston  
 25 Trafford Street, Gore  
 Ph (03)2087731  
 Email: [liquorland@mltgore.co.nz](mailto:liquorland@mltgore.co.nz)  
 Webpage: [www.liquorland.co.nz](http://www.liquorland.co.nz)



## Howl at the Moon

Manager: Aimee Steel  
 8 Main Street Street, Gore  
 Ph (03)2083851  
 Email: [howlatthemoon@mltgore.co.nz](mailto:howlatthemoon@mltgore.co.nz)



## Super Liquor Gore

Manager: Daryl Birse  
 225 Main Street, Gore  
 Ph (03)2085388  
 Email: [liquor.gore@yahoo.co.nz](mailto:liquor.gore@yahoo.co.nz)  
 Webpage: [www.superliquor.co.nz](http://www.superliquor.co.nz)



## Traffers

Manager: Chris Scoles  
 18 Hokonui Drive, Gore  
 Ph (03)2084103  
 Email: [traffers@mltgore.co.nz](mailto:traffers@mltgore.co.nz)





## Forest Lodge Hotel

Manager: Rawinia (Ra) Pahau-Workman  
 Northumberland Street, Tapanui  
 Ph (03)2048244  
 Email: [forestlodge@mltgore.co.nz](mailto:forestlodge@mltgore.co.nz)



## Falls Hotel & Bistro

Manager: John Christie  
 Main Street, Mataura  
 Ph (03)2038027  
 Email: [fallshotel@mltgore.co.nz](mailto:fallshotel@mltgore.co.nz)



## Three Rivers Hotel

Manager: Megan McKeever  
 17 Redan Street, Wyndham  
 Ph (03)2064749  
 Email: [threerivershotel@mltgore.co.nz](mailto:threerivershotel@mltgore.co.nz)



## Tokanui Tavern

Manager: Jo-Anne Leith  
 18 McEwan Street, Tokanui  
 Ph (03)2468725  
 Email: [tokanuitavern@mltgore.co.nz](mailto:tokanuitavern@mltgore.co.nz)



## Pioneer Tavern

Manager: Gail Yearbury  
 14 Ferry Road, Edendale  
 Ph (03)2066890  
 Email: [pioneer.tavern@mltgore.co.nz](mailto:pioneer.tavern@mltgore.co.nz)



## Central Distribution

Manager: Riley Johnston  
 25 Trafford Street, Gore  
 Ph (03)2089066  
 Email: [store@mltgore.co.nz](mailto:store@mltgore.co.nz)

**MATAURA LICENSING TRUST**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 \$	2022 \$
<b>Revenue</b>			
Sales	1	27,872,598	24,991,410
Less cost of sales		17,387,053	16,118,195
Gross profit		<u>10,485,546</u>	<u>8,873,215</u>
Other trading revenue	2	669,164	633,981
<b>Net revenue</b>		<u><b>11,154,709</b></u>	<u><b>9,507,195</b></u>
Wage Subsidies		-	129,767
Covid 19 Wage Subsidy		52,888	18,696
Gain on sale of PPE		-	26,870
<b>Total net revenue and other income</b>		<u><b>11,207,597</b></u>	<u><b>9,682,528</b></u>
Less operating expenses			
Advertising		85,288	93,341
Amortisation of intangibles	15	11,677	13,156
Depreciation	12	751,513	895,732
Fuel and power		479,613	422,141
Other operating expenses	3	1,801,567	1,962,508
Repairs and maintenance		570,381	555,085
Sponsorship and promotions		177,164	166,535
Superannuation	4	199,467	222,154
Wages and salaries	4	6,497,645	6,090,269
Total operating expenses		<u>10,574,314</u>	<u>10,420,921</u>
<b>Operating profit / loss before finance costs</b>		<u><b>633,283</b></u>	<u><b>(738,393)</b></u>
Finance income	5	172,020	73,631
Finance expenses		(37,489)	(27,307)
Net Finance income		<u>134,531</u>	<u>46,324</u>
<b>Operating surplus before donations and taxation</b>		<u><b>767,814</b></u>	<u><b>(692,068)</b></u>
Less donations	23	60,431	40,890
<b>Surplus / (deficit) before taxation</b>		<u><b>707,383</b></u>	<u><b>(732,958)</b></u>
Taxation expense	6(a)	175,899	(178,494)
<b>Net surplus / (deficit) for the year</b>		<u><u><b>531,484</b></u></u>	<u><u><b>(554,464)</b></u></u>

The accompanying accounting policies and notes form an integral part of these financial statements

**MATAURA LICENSING TRUST**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2023**

		<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
	<b>Note</b>		
Net surplus / (deficit) for the year		531,484	(554,464)
Other Comprehensive Income / (Expense)	16	(418,153)	(91,636)
Total Comprehensive Income / (Expense)		<u><b>113,330</b></u>	<u><b>(646,100)</b></u>

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2023**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Balance at 1 April	12,716,811	13,362,911
Total Comprehensive Income / (Expense)	113,330	(646,100)
Balance at 31 March	<u><b>12,830,141</b></u>	<u><b>12,716,811</b></u>

The accompanying accounting policies and notes form an integral part of these financial statements



**MATAURA LICENSING TRUST**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2023**

	Note	2023 \$	2022 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	4,976,466	3,706,404
Trade and other receivables	8	741,354	825,147
Community loans - due within 12 months	14	-	60,000
Inventories	9	2,796,899	2,629,848
Income tax receiveable	6(c)	-	142,523
<b>Total Current Assets</b>		<u>8,514,719</u>	<u>7,363,922</u>
<b>LESS CURRENT LIABILITIES</b>			
Trade and other payables	10	2,289,747	2,206,443
Income tax payable	6(c)	241,189	-
Employee entitlements	11	979,314	823,215
<b>Total Current Liabilities</b>		<u>3,510,250</u>	<u>3,029,658</u>
<b>WORKING CAPITAL (DEFICIT)</b>		5,004,469	4,334,264
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	12	6,014,930	6,309,350
Investments in equity instruments	13	708,780	1,106,000
Community loans	14	39,067	-
Term Investments	5(a)	466,724	479,272
Intangible assets	15	14,596	17,513
Deferred tax asset	6(b)	769,714	634,126
Building in Progress		8,600	33,804
<b>Total Non-Current Assets</b>		<u>8,022,412</u>	<u>8,580,063</u>
<b>LESS NON-CURRENT LIABILITIES</b>			
Employee entitlements	11	196,739	197,516
<b>Total Non-Current Liabilities</b>		<u>196,739</u>	<u>197,516</u>
<b>Net Assets</b>		<u>12,830,141</u>	<u>12,716,811</u>
<b>EQUITY</b>			
Retained Earnings and Reserves	16	12,830,141	12,716,811
<b>Total Equity</b>		<u>12,830,141</u>	<u>12,716,811</u>

\_\_\_\_\_  
**President**

\_\_\_\_\_  
**Trust Member**

The accompanying accounting policies and notes form an integral part of these financial statements

**MATAURA LICENSING TRUST**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		28,678,443	25,974,422
Payments to suppliers		(20,670,924)	(19,981,874)
Payments to employees		(6,541,793)	(5,897,139)
Donations paid		(60,431)	(40,890)
Net GST movement		48,620	(15,725)
Income tax refunded / (paid)		72,226	(189,444)
Net cash provided by / (used in) operating activities		<u>1,526,141</u>	<u>(150,650)</u>
<b>Cash flows from investing activities</b>			
Dividends Received	5	21,033	41,412
Interest Received	5	139,340	25,640
Disposal of non-current assets		-	45,723
Purchase of non-current assets		(440,649)	(388,544)
Purchase of investments		12,548	(500,000)
Investment Income / (Losses)		11,647	-
Net cash provided by / (used in) investing activities		<u>(256,081)</u>	<u>(775,769)</u>
Net increase / (decrease) in cash held		<u>1,270,062</u>	<u>(926,420)</u>
Cash at the beginning of the year		3,706,404	4,632,824
Cash at the end of the year		<u>4,976,466</u>	<u>3,706,404</u>
<b>Represented by:</b>			
Cash & cash equivalents	7	4,976,466	3,706,404
		<u>4,976,466</u>	<u>3,706,404</u>

The accompanying accounting policies and notes form an integral part of these financial statements

**MATAURA LICENSING TRUST**  
**Significant Accounting Policies**  
**For the year ended 31 March 2023**

**Reporting Entity**

The Matura Licensing Trust (the "Trust") is a licensing trust as defined by the Sale & Supply of Alcohol Act 2012. The Trust is involved in the hospitality industry, its principal trading activities being the sale of liquor and other beverages and the provision of accommodation and restaurant services within its community. The principal place of business is located at 25 Trafford Street, Gore.

The financial statements for the Matura Licensing Trust are for the year ended 31 March 2023 and were approved by the Board on 21 September 2023.

The board do not have the power to amend the financial statements after approval.

**Statement of Compliance**

These financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZGAAP). The statements comply with NZ IFRS reduced disclosure regime and other Financial Reporting Standards as appropriate for profit-oriented entities. Under the terms of the Accounting Standards Framework issued by the External Reporting Board (XRB) the Trust as designated itself a tier 2 profit entity and therefore applies the Tier 2 Accounting Standards (NZ IFRS Reduced Disclosure Regime). The Trusts 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 Matura Licensing Trust. The financial statements have been prepared on the basis of historic cost, except for the revaluation of The Trust's DB shareholding and the investment fund held with Craigs Investment Partners.

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 2023 and the comparative information presented in these financial statements for the year ended 31 March 2022.

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

The going concern assumption has been adopted in the preparation of these financial statements.

**MATAURA LICENSING TRUST**  
**Significant Accounting Policies**  
**For the year ended 31 March 2023**

**Significant accounting policies**

The following significant accounting policies have been adopted in the preparation and presentation of these financial statements:

**a) 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. Revision 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.

**b) 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 adjustment in the next year are disclosed, where applicable, in the relevant note 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.

- 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 on the preparation of these financial report are set out below. These policies have been consistently applied unless otherwise stated.

**c) Property plant and equipment**

- **Land, Buildings, Equipment and Vehicles**

Items of property plant and equipment are stated at historic cost less accumulated depreciation (see below) and impairment losses (refer accounting policy i).

## MATAURA LICENSING TRUST

### Significant Accounting Policies For the year ended 31 March 2023

The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of overhead costs.

Where individual parts of an item of property plant and equipment have different useful lives, these are accounted for and depreciated as separate assets.

- **Additions**

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Trust's and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as of the date of acquisition.

- **Disposals**

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses in disposals are included in the statement of profit or loss and other comprehensive income.

- **Subsequent costs**

The Trust recognises in the carrying amount of an item of property plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Trust and the cost of the item can be measured reliably.

All other costs are recognised in the statement of profit or loss and other comprehensive income as the expense is incurred.

- **Depreciation**

Depreciation is charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property plant and equipment. Land is not depreciated.

The estimated useful lives determined by the Trust are as follows:

Buildings	25 – 50 years
Plant and equipment	2 – 17 years
Partitions and inner fixtures	12 – 14 years
Motor vehicles	4 – 17 years

**MATAURA LICENSING TRUST**  
**Significant Accounting Policies**  
**For the year ended 31 March 2023**

**d) Investments**

- **Investments in equity instruments**

The Trust's investment in the shares of DB South Island Brewery Ltd has been made for a long-term strategic purposes rather than to generate a financial return through trading. On transition to NZ IFRS 9, the Trust has chosen to designate these equity instruments on initial recognition as at FVTOCI.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the investment revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

The Trust has engaged Nexia New Zealand to prepare an annual report on the valuation of the DB Shareholding. This year, the Trust has determined that the most appropriate method of valuation is using the net assets value of the DB South Island Brewery Ltd as at 31 December 2022.

The investment fund held with Craigs Investment Partners has been valued at market valuation at balance date, as reported by Craigs Investment Partners.

- **Other financial assets measured at amortised cost**

Community loans are financial assets initially recognised at fair value and measured subsequently at amortised cost.

Community loans are interest-free loans and do not generate a financial return for the Trust. The gross carrying amount of the community loans are calculated using the effective interest method.

**e) Receivables**

- **Trade and other receivables**

Trade and other receivables are recorded at cost, less any allowance for expected credit losses on receivables. The Trust applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Receivables are written off when there is no reasonable expectation of recovery. This is when there is an evidence indicating that the debtor is in severe financial difficulty and the Trust has no prospect of recovery.

**f) Intangible assets**

Liquor licences are intangible assets that are granted for a finite period. They are stated at cost less accumulated amortisation and impairment losses. Cost includes the expenditure incurred in acquiring and renewing the licences. Amortisation is charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful life of the licences. Intangible assets have a useful life of three years.



**MATAURA LICENSING TRUST**  
**Significant Accounting Policies**  
**For the year ended 31 March 2023**

**g) Inventories**

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business.

Cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

**h) Cash and cash equivalents**

Cash and cash equivalents comprise cash floats held by the Trust's establishments, cash on hand and current and short-term deposit accounts with original maturities of three months or less maintained by the Trust with external banking institutions. Bank overdrafts that are repayable on demand and which form an integral part of the Trust's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

**i) Impairment of assets**

The carrying amounts of the Trust's assets, other than inventories (refer accounting policy g) and deferred tax assets (accounting policy j), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount is the higher of fair value less costs to sell, and value in use. When assessing value in use, estimated future cash flows are discounted to present value using a pre-tax discount rate to reflect market assessments of the time-value of money and the risks specific to the asset for which the estimated future cash flows have not been adjusted.

If the recoverable amount of an asset, or cash generating unit, is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount, and an impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income, unless the asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset previously. The results of revaluing are credited or debited to an asset revaluation reserve for that individual asset. Where this results in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income, but is recognised in the surplus or deficit. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed and then recognised in other comprehensive income.

**j) Income tax**

Income tax on the profit or loss for the year comprises both current and deferred tax and is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it too is recognised in equity.

## **MATAURA LICENSING TRUST**

### **Significant Accounting Policies For the year ended 31 March 2023**

- **Current tax**

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period, using tax rates and tax laws that have been enacted or substantively enacted by balance date.

Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

- **Deferred tax**

Deferred income tax is provided on all temporary differences at balance sheet date between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be used. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets or liabilities which affects neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the periods when the asset or liability giving rise to them will be realised or settled. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Trust expects, at balance date, to recover or settle the carrying amount of its assets and liabilities.

**k) Payables**

Trade and other payables are recognised at cost when the Trust becomes obliged to make future payments resulting from the purchase of goods and services.

**l) Employee benefits**

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

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal rates using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash flows to be made by the Trust in respect of services provided by employees up to the current reporting date.

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the statement of profit or loss and other comprehensive income as incurred.

**MATAURA LICENSING TRUST**  
**Significant Accounting Policies**  
**For the year ended 31 March 2023**

**m) Revenue**

- **Sale of goods and services**

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

- **Other trading revenue**

Other trading revenue is revenue other than that derived from the sale of goods and services which arises in the normal course of the Trust's business activities, and includes:

- **Revenue from Wage Subsidies**

The Trust received subsidies of \$52,888 under the government Covid leave support scheme.

- **Rental and gaming machine site revenue**

Rental income from site rental agreements with gaming machine operators and from other sources is recognised on a straight-line basis over the term of the contract.

- **TAB commission**

TAB commission is based on turnover at TAB agencies operating on Trust premises.

- **Finance income**

Dividend revenue from investments is recognised when the shareholders' rights to receive payment have been established. Interest revenue is recognised on a time proportionate basis taking into account the effective yield on the financial asset.

**n) Expenses**

- **Donations, Sponsorships and Promotions**

The Trust, as part of its regular business activities, funds community groups and events by way of donations, sponsorships and promotions. Donations, sponsorships and promotions are recognised through the statement of profit or loss and other comprehensive income when they are approved by the Trustees and paid.

- **Financial Instruments**

The Trust is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, investments, receivables and payables. All of these are recognised in the Statement of Financial Position. Revenues and expenses in relation to financial instruments are recognised in the statement of profit or loss and other comprehensive income.

## **MATAURA LICENSING TRUST**

### **Significant Accounting Policies For the year ended 31 March 2023**

**o) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of GST, except for receivables and payables, which are reported inclusive of GST.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST component of the cash flows arising from investing and financing activities which is recoverable from, or payable to, the Inland Revenue Department is classified as operating cash flows.

Commitments and contingencies are disclosed net of the amounts of GST.

**p) Recently adopted standards**

There are no standards that have recently been adopted that would be expected to have a material impact in the current and future reporting periods and on foreseeable future transactions.

# MATAURA LICENSING TRUST

## Notes to the Financial Statements For the year ended 31 March 2023

### 1 Revenue

Revenue comprises sales of products and services to external parties, categorised as follows:

	Note	2023 \$	2022 \$
Liquor		21,780,206	20,328,145
Meals		4,464,589	3,486,866
Accommodation		1,627,803	1,176,399
Total revenue		<u>27,872,598</u>	<u>24,991,410</u>

### 2 Other trading revenue

Other trading revenue represents revenue other than that arising from the sale of goods to external parties sourced as part of the Trust's normal business activities.

		2023 \$	2022 \$
Gaming machine site rentals		261,322	220,036
Property rentals received		7,020	10,280
Venue Hire		50,539	24,362
TAB commission		41,036	27,429
Accounting services		257,070	257,070
Other		52,177	94,803
Total other income		<u>669,164</u>	<u>633,981</u>

### 3 Other operating expenditure

Other operating expenses include the following specific costs:

	Note	2023 \$	2022 \$
Annual audit fees for the year		17,995	72,262
Audit fee - provision for current year		91,080	65,032
Audit fee - prior year adjustment		11,000	-
Receivables written off (bad debts)		2,568	6,654
Legal fees		1,350	-
Trustees' honoraria and fees	19	48,486	50,440
Vehicle Expenses		148,005	152,305
Insurance		176,406	154,518
Rates		144,535	133,091
Other Expenses		1,160,142	1,328,206
Total other expenses		<u>1,801,567</u>	<u>1,962,508</u>

# MATAURA LICENSING TRUST

## Notes to the Financial Statements For the year ended 31 March 2023

### 4 Personnel costs

	2023 \$	2022 \$
Wages and salaries	6,327,545	5,976,718
Changes to provisions	170,100	113,551
	<u>6,497,645</u>	<u>6,090,269</u>
Contributions to defined contribution plans	<u>199,467</u>	<u>222,154</u>

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

Numbers of employees and former employees of the Trust who received in excess of \$100,000 by way of remuneration and other benefits during the financial year are as follows:

Remuneration band	2023	2022
\$110,000 - \$120,000	-	1
\$120,000 - \$130,000	1	1
\$130,000 - \$140,000	1	-
\$220,000 - \$230,000	-	1
\$230,000 - \$240,000	1	-

### 5 Finance Income

Income derived from the Trust's investments with external parties comprises

	2023 \$	2022 \$
Dividends earned on equity investments	21,033	45,789
Interest earned on bank deposits	139,340	27,842
Investment Gains / (Losses)	11,647	-
Total Finance Income	<u>172,020</u>	<u>73,631</u>

### 5a Term Investments

The investment funds held with Craigs Investment Partners have been classified as financial assets at fair value through the Statement of Profit or Loss. They are measured initially at fair value excluding any transactions costs, which are expensed immediately. Subsequent to initial recognition, all assets at fair value through surplus are measured at fair value with changes in their fair value recognised in the Statement of Profit or Loss.

	2023 \$	2022 \$
Opening Value at 1 April	479,272	-
Purchase of investments	(841)	500,000
Tax Paid	(2,467)	(984)
Realised Gains / (Losses)	655	(642)
Unrealised Gains / (Losses)	(18,987)	(23,590)
Interest Income	2,667	2,202
Dividend Income	10,628	5,019
Fund Management Fees	(4,202)	(2,733)
Closing Value at 31 March	<u>466,724</u>	<u>479,272</u>



# MATAURA LICENSING TRUST

## Notes to the Financial Statements For the year ended 31 March 2023

### 6 Taxation

<b>6(a) Income tax and deferred tax</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Income tax expense comprises:		
Current Tax Expense	310,713	(70,298)
Prior Year Adjustment	774	(13,744)
Deferred tax movements	(135,588)	(94,452)
	<b>175,899</b>	<b>(178,494)</b>

#### Relationship between tax expense and accounting profit

Net surplus before tax:	707,383	(732,958)
Tax at 28%	198,067	(205,228)
Plus (less) tax effect of:		
Non-deductible expenditure	1,317	1,197
Permanent differences	55,785	89,130
Imputation credit adjustment	(2,923)	(12,580)
Provisions	55,332	50,200
Losses / Gains on sale	(2,180)	377
Unrealised losses	5,316	6,605
Deferred tax movement	(135,588)	(94,452)
Prior Year Adjustment	774	(13,744)
Tax expense	<b>175,899</b>	<b>(178,494)</b>

### 6(b) Deferred tax asset

	Property plant and equipment	Employee entitlements	Other Provisions	Tax Losses	Total
Balance at 31 March 2021	<b>294,370</b>	<b>245,304</b>	-	-	<b>539,674</b>
Charged to surplus / deficit	78,778	15,674			94,452
Balance at 31 March 2022	<b>373,148</b>	<b>260,978</b>	-	-	<b>634,126</b>
Charged to surplus / deficit	83,458	26,628	25,502		135,588
Balance at 31 March 2023	<b>456,606</b>	<b>287,606</b>	<b>25,502</b>	-	<b>769,714</b>

### 6(c) Current tax assets and liabilities

The current tax asset / (liability) represents the amount of income tax refundable or payable in respect of the current and prior periods.

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Opening Balance	(142,523)	130,963
Current tax on income	310,713	(70,298)
Terminal tax paid	-	(142,000)
Provisional Tax Paid	-	(47,582)
Refund received	72,226	138
Prior Year Adjustment	774	(13,744)
	<b>241,189</b>	<b>(142,523)</b>

# MATAURA LICENSING TRUST

## Notes to the Financial Statements For the year ended 31 March 2023

### 7 Cash and cash equivalents

	2023 \$	2022 \$
Cash at bank and on hand	510,170	404,952
Cash floats held in Trust establishments	160,356	105,579
On call accounts	4,305,940	3,195,873
Total	<u>4,976,466</u>	<u>3,706,404</u>
<b>On call accounts</b>		
Bank of New Zealand deposit on call	229,056	47,966
Craigs Investment Partners call deposit	4,076,884	3,147,907
Total on call accounts	<u>4,305,940</u>	<u>3,195,873</u>
<b>Investment terms</b>	<b>2023</b>	<b>2022</b>
BNZ Call deposit repayable upon demand	2.00%	0.05%
Craigs Investment Partners Call repayable upon demand	4.90%	1.25%

### 8 Trade and other receivables

	2023 \$	2022 \$
Trade receivables	669,144	764,359
	<u>669,144</u>	<u>764,359</u>
Prepayments	46,467	34,794
Accrued income	25,743	25,996
Total Current Receivables	<u>741,354</u>	<u>825,147</u>

The Trust's standard terms of trade require settlement of outstanding amounts by the 20th of the month following invoice date.

Accrued income refers to income earned but not invoiced, at balance sheet date.

	Not past due	Past due 1-60 days	Past due >60	Total
31 March 2023	\$	\$	\$	\$
Gross carrying amount	639,366	27,015	2,763	669,144
Less allowance for expected credit loss	-	-	-	-
	<u>639,366</u>	<u>27,015</u>	<u>2,763</u>	<u>669,144</u>
31 March 2022	\$	\$	\$	\$
Gross carrying amount	726,805	35,958	1,597	764,359
Less allowance for expected credit loss	-	-	-	-
	<u>726,805</u>	<u>35,958</u>	<u>1,597</u>	<u>764,359</u>

### 9 Inventories

The Trust's inventories comprise goods categorised as follows:

	2023 \$	2022 \$
Liquor	2,719,319	2,566,197
Food	77,580	63,650
	<u>2,796,899</u>	<u>2,629,848</u>

# MATAURA LICENSING TRUST

## Notes to the Financial Statements For the year ended 31 March 2023

### 10 Trade and other payables

	2023 \$	2022 \$
Trade payables	2,080,911	2,042,303
Accrued Expenses	91,080	95,003
GST Payable	117,757	69,137
	<u>2,289,747</u>	<u>2,206,443</u>

### 11 Employee Entitlements

	Vested leave \$	Unvested long service leave \$	Unvested retirement allowances \$	Total \$
<b>Balance at 31 March 2021</b>	<u>719,547</u>	<u>136,399</u>	<u>20,140</u>	<u>876,085</u>
Additional provision recognised	547,076	49,949	3,064	<b>600,089</b>
Reduction arising from payments	(384,650)	(6,478)	-	<b>(391,128)</b>
Reduction arising from terminations	(152,982)	-	-	<b>(152,982)</b>
Transfer to / from vested leave	5,558	(5,558)	-	-
<b>Balance at 31 March 2022</b>	<u>734,548</u>	<u>174,313</u>	<u>23,204</u>	<u>932,063</u>
Additional provision recognised	605,645	18,578	4,019	<b>628,242</b>
Reduction arising from payments	(345,319)	(5,624)	-	<b>(350,943)</b>
Reduction arising from terminations	(107,199)	-	-	<b>(107,199)</b>
Transfer to / from vested leave	17,750	(17,750)	-	-
<b>Balance at 31 March 2023</b>	<u>905,425</u>	<u>169,516</u>	<u>27,223</u>	<u>1,102,163</u>

	2023 \$	2022 \$
Disclosed as a Non-current liability	196,739	197,516
Disclosed as a Current liability	979,314	823,215
	<u>1,176,053</u>	<u>1,020,732</u>
The amount includes:		
Accrued wages and salaries	73,889	88,668

Vested Leave represents both annual leave due to employees, and long service leave to which staff have become entitled, and which has vested in them.

Unvested long service leave represents the Trust's assessment of its exposure relating to staff for whom the entitlement has yet to vest.

Retirement allowances relate to 3 employees, and are payable upon retirement or earlier resignation.

# MATAURA LICENSING TRUST

## Notes to the Financial Statements For the year ended 31 March 2023

### 12 Property plant and equipment

	Land \$	Buildings \$	Equipment \$	Vehicles \$	Total \$
<b>Cost at 31 March 2021</b>	<b>990,723</b>	<b>15,371,895</b>	<b>4,589,511</b>	<b>813,857</b>	<b>21,765,986</b>
Acquisitions	59,794	48,603	173,071	112,169	393,637
Interest capitalised	-	-	-	-	-
Disposals	-	-	(77,577)	(77,813)	(155,390)
Write off	-	-	-	-	-
Other - Glassware	-	-	2,430	-	2,430
<b>Cost at 31 March 2022</b>	<b>1,050,517</b>	<b>15,420,498</b>	<b>4,687,435</b>	<b>848,213</b>	<b>22,006,663</b>
Acquisitions	-	-	454,248	-	454,248
Interest capitalised	-	-	-	-	-
Disposals	-	-	(259,728)	-	(259,728)
Write off	-	-	-	-	-
Other - Glassware	-	-	8,123	-	8,123
<b>Cost at 31 March 2023</b>	<b>1,050,517</b>	<b>15,420,498</b>	<b>4,890,078</b>	<b>848,213</b>	<b>22,209,306</b>
<b>Accumulated Depreciation / Impairment</b>					
<b>Balance at 31 March 2021</b>	<b>-</b>	<b>10,285,917</b>	<b>4,087,028</b>	<b>548,719</b>	<b>14,921,664</b>
Disposals	-	-	(71,729)	(58,201)	(129,930)
Write off	-	(6)	-	(2)	(8)
Depreciation expense	-	621,051	167,394	107,287	895,732
Other - Glassware	-	-	9,856	-	9,856
<b>Balance at 31 March 2022</b>	<b>-</b>	<b>10,906,962</b>	<b>4,192,549</b>	<b>597,803</b>	<b>15,697,314</b>
Disposals	-	-	(259,728)	-	(259,728)
Write off	-	-	-	-	-
Depreciation expense	-	514,449	156,739	80,325	751,513
Other - Glassware	-	-	5,277	-	5,277
<b>Balance at 31 March 2023</b>	<b>-</b>	<b>11,421,411</b>	<b>4,094,836</b>	<b>678,128</b>	<b>16,194,375</b>
<b>Net Book Value 2022</b>	<b>1,050,517</b>	<b>4,513,536</b>	<b>494,887</b>	<b>250,410</b>	<b>6,309,350</b>
<b>Net Book Value 2023</b>	<b>1,050,517</b>	<b>3,999,087</b>	<b>795,242</b>	<b>170,085</b>	<b>6,014,930</b>

The Bank of New Zealand holds a registered first mortgage over the property situated at the Croydon Lodge in relation to borrowing arrangements.

## MATAURA LICENSING TRUST

### Notes to the Financial Statements For the year ended 31 March 2023

#### 13 Investments in equity instruments

The Trust holds 348,000 (2022: 348,000) ordinary shares issued by DB South Island Brewery Ltd. This holding represents 4.83% of the 7,200,000 (2022: 7,200,000) shares issued by that company.

The Trust has engaged Nexia New Zealand to prepare an annual report on the valuation of the shareholding in DB South Island Brewery Ltd. This year, the Trust has determined that the most appropriate method of valuation is using the net assets value of DB South Island Brewery Ltd as at 31 December 2022

		<b>2023</b>	<b>2022</b>
		\$	\$
Opening Value at 1 April		1,106,000	1,197,000
Revaluation	16(b)	(397,220)	(93,000)
Super Liquor Trading Advance		-	2,000
Closing Value at 31 March		<u>708,780</u>	<u>1,106,000</u>

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

#### 14 Community loans

The Trust has provided interest-free loan funding to community organisations as detailed below:

		<b>2023</b>	<b>2022</b>
		\$	\$
Eastern Southland Young Farmers	Due by 21 July 2032	39,067	60,000
Current portion - repayment due within 12 months		<u>-</u>	<u>60,000</u>
Term portion - repayment due beyond 12 months		<u>39,067</u>	<u>-</u>

# MATAURA LICENSING TRUST

## Notes to the Financial Statements For the year ended 31 March 2023

### 15 Intangible Assets

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

<b>Cost</b>	<b>2023</b> \$	<b>2022</b> \$
Opening cost	24,748	17,688
Renewal of licences	8,760	17,599
Write off	(7,149)	(10,539)
Closing cost	<u>26,359</u>	<u>24,748</u>
<b>Accumulated Amortisation and Impairment Losses</b>	<b>2023</b> \$	<b>2022</b> \$
Opening balance	7,235	4,619
Amortisation of licences	11,677	13,157
Write off	(7,149)	(10,539)
Closing balance	<u>11,763</u>	<u>7,235</u>
Carrying Amount	<u>14,596</u>	<u>17,513</u>

### 16 Equity

	<b>Note</b>	<b>2023</b> \$	<b>2022</b> \$
Retained Earnings	16(a)	12,476,715	11,945,229
Revaluation Reserve	16(b)	314,360	711,580
Community loans	14	39,067	60,000
		<u>12,830,141</u>	<u>12,716,811</u>
<b>16(a) Retained earnings</b>			
Opening balance		11,945,229	12,499,693
Tax-paid surplus		531,484	(554,464)
Transfers from reserves		(397,220)	(93,000)
Revaluation of community loan		(20,933)	1,364
Other comprehensive income		418,153	91,636
Closing balance		<u>12,476,715</u>	<u>11,945,229</u>



## MATAURA LICENSING TRUST

### Notes to the Financial Statements For the year ended 31 March 2023

#### 16(b) Revaluation reserve

The shareholding in DB South Island Brewery Ltd. has been revalued on the basis of a report commission from Nexia New Zealand effective 31 December 2022.

	Note	2023 \$	2022 \$
Opening balance		711,580	804,580
Revaluation	13a	(397,220)	(93,000)
Closing balance		314,360	711,580

#### 17 Contingent liabilities

	2023 \$	2022 \$
Guarantee	35,000	35,000

The Trust has provided fidelity guarantees in relation to TAB agencies operating at four of the Trust's establishments. These guarantees would only be if incidents of fraudulent activity or theft were discovered.

The Trust operates a credit card account with an upper credit limit of \$18,700.

The Trust has no contingent assets (2022: nil)

#### 18 Commitments

The Trust has a no commitments in relation to capital expenditure. (2022: nil)

#### 19 Related parties

##### The Trusts Community Foundation Ltd

The Trusts Community Foundation Ltd administered funds derived from gaming activities conducted on the Trust's premises

Mataura Licensing Trust provides accountancy services for the Foundation, and received venue payments from the Foundation, which have generated revenue as follows:

	2023	2022
Accounting services	257,070	257,070
Gaming machine venue payment	261,322	220,036
Other trading revenue	518,392	477,106
Balance outstanding at year end	24,636	24,636

## MATAURA LICENSING TRUST

### Notes to the Financial Statements For the year ended 31 March 2023

The Trust has members with whom it conducts business on a normal commercial basis. During the year the trust made payments to entities in which members hold an interest as follows:

#### **Brendon Murray**

Shareholder & Director, Gore Sheetmetal & Engineering. Purchases by the trust largely include sundry engineering works.

2023	2022
\$	\$
-	11,095

The balance unpaid as at 31 March 2023 is \$nil (2022: \$nil)

#### **Remuneration of Trust members (Section 335 (4)(b)(i) Sale and Supply of Alcohol Act 2012)**

Members of the Trust are remunerated based on attendance at meetings and on their positions within the Trust.

Remuneration and expenses paid during the year amounted to:

	Note	2023 \$	2022 \$
President		23,846	23,000
Other members' fees		24,640	27,440
Total Remuneration paid	3	48,486	50,440

#### **Key Management Personnel**

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Trust, whether directly or indirectly.

The Trust has determined that the positions of the General Manager, Operations Manager, Accountant & Senior Manager meet this definition.

For the purposes of this disclosure, short-term employment benefits include wages, salaries, paid annual and sick leave, bonuses, contributions to superannuation schemes and non-monetary benefits, such as the use of motor vehicles and the payment of health insurance costs. The rate of employer contributions to approved superannuation schemes is 1.0 times the employee contribution. The rate of employer contribution to Kiwisaver is 1.42 times the employee contribution.

Remuneration of Key Management Personnel:

	2023 \$	2022 \$
Remuneration of Key Management Personnel	580,168	591,593

## MATAURA LICENSING TRUST

### Notes to the Financial Statements For the year ended 31 March 2023

#### 20 Fair value hierarchy

##### 20(a) Financial Instrument Categories

	2023	2022
	\$	\$
<b>Financial liabilities measured at amortised cost</b>		
Payables (excluding deferred revenue, taxes payable and grants received subject to conditions)	2,289,747	2,205,852
<b>Financial assets measured at amortised cost</b>		
Cash and cash equivalents	510,170	404,952
Receivables (excluding grants received subject to conditions)	669,144	764,359
Investments – term deposits	4,305,940	3,195,873
Community loan	39,067	60,000
<i>Total financial assets measured at amortised cost</i>	5,524,321	4,425,184

##### 20(b) Fair value hierarchy

##### Financial assets at fair value through other comprehensive revenue and expense

Equity investments	708,780	1,106,000
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##### Financial assets at fair value through the profit or loss

Investment fund	466,724	479,272
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The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of profit and loss and other comprehensive income:

31 March 2023	Total	Valuation technique		
		Quoted Market	Observable	Significant non-observable inputs
Equity investments	708,780	-	-	708,780
Investment fund	466,724	466,724	-	-

##### Financial instrument risks

The Trust's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The Trust has policies to manage these risks and seeks to minimise exposure from financial instruments. These policies do not allow transactions that are speculative in nature to be entered into.

##### Fair value interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Trust's exposure to fair value interest rate risk is limited to its bank deposits that are held at fixed rates of interest. The Trust does not actively manage its exposure to fair value interest rate risk.

##### Credit Risk

Credit risk is the risk that a third party will default on its obligation to the Trust, causing it to incur a loss. The Trust is exposed to credit risk from cash and term deposit with banks, and receivables. For each of these, the maximum credit exposure is best represented by the carrying amount in the statement of financial position.

## MATAURA LICENSING TRUST

### Notes to the Financial Statements For the year ended 31 March 2023

#### Risk management

For receivables, the Trust reviews the credit quality of customers before granting credit. It continues to monitor and manage receivables based on their ageing and adjusts the expected credit loss allowance accordingly.

The Trust has some concentrations of credit risk. The four largest customers make up approximately 33% of total debtors.

Due to the timing of its cash inflows and outflows, the Trust invests surplus cash with registered banks with a Standard and Poor's credit rating of A2 for short-term investments, and A for long-term investments. The Trust's investments in term deposits are considered to be low-risk investments. The credit ratings of banks are monitored for credit deterioration.

#### Security

No collateral or other credit enhancements are held for financial assets that give rise to credit risk.

#### Impairment

Cash and cash equivalents, receivables and term deposits are subject to the expected credit loss model. The notes for these provide relevant information on impairment.

#### Credit risk exposure by credit risk rating grades, excluding receivables

The gross carrying amount of financial assets, excluding receivables, by credit rating is provided below by reference to Standard and Poor's credit ratings.

Cash at bank and term deposits	2023 \$	2022 \$
AA-	4,816,110	3,600,825
Total cash at bank and term deposits	<u>4,816,110</u>	<u>3,600,825</u>

#### Liquidity Risk

Management of Liquidity risk

Liquidity risk is the risk that the Trust will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the ability to close out market positions.

The Trust manages liquidity risk by continuously monitoring forecast and actual cash flow requirements.

#### Contractual maturity analysis of financial liabilities, excluding derivatives

The table below analyses financial liabilities (excluding derivatives) into their relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate of the instrument at balance date. The amounts disclosed are the undiscounted contractual cash flows.

	Carrying Amount	Contractual cash flows	Less than 6 months	6-12 months	More than 1 year
2023					
Payables (excluding income in advance)	2,289,747	2,289,747	2,289,747	-	-
Total	<u>2,289,747</u>	<u>2,289,747</u>	<u>2,289,747</u>	<u>-</u>	<u>-</u>

Credit risk may also arise in connection with other financial assets of the Trust, primarily comprising cash and cash equivalents. Credit risk may arise from the default of the counter party. The maximum exposure to credit risk in such instances is equal to the carrying amount of those assets.

## MATAURA LICENSING TRUST

### Notes to the Financial Statements For the year ended 31 March 2023

#### Liquidity risk and Maturity analysis (including payables)

The Trust's objective is always to maintain a balance between continuity and flexibility of funding through maintaining an appropriate mix between fixed short-term and floating "on call" interest rate deposits.

#### Fair values

In the opinion of the Trust, all financial assets reported in these financial statements are carried at their fair values.

The means by which those fair values have been established are detailed in the respective explanatory notes, accounts receivable, short-term investments and community loans provided.

#### 21 Events subsequent to balance date

In June 2023, the Trust entered into an agreement for the purchase of a residential property to the value of \$450,000.

#### 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.

#### 23 Donations

Profits made by the Trust that are not required for the development of the Trust's facilities and continuing operations may be made available for donation to community groups domiciled within the Trust's geographic region.

		2023 \$	2022 \$
Donations made to such groups amounted to:		60,431	40,890
Donations are listed below			
Active Southland	4,000.00	Hillis, Adam	1,500.00
Blue Mountain College	1,500.00	Hokonui Aquatics	150.00
Body, Archie	750.00	Hokonui Focus Group	4,120.44
Caninspire Charitable	1,000.00	Holland, Dylan	150.00
Connected Eastern	500.00	Knapdale Community Pool	1,600.00
Crenshaw, Conroy	150.00	Lumsden, Maia	150.00
Elliot, Shane	150.00	Marsh, Carter	150.00
Elsie Street Kindergarten	1,460.00	Marsh, Samantha	150.00
Evans, Jake	150.00	Mason, Elliot	150.00
Fiveash, Dan	150.00	Mataura Scout Group	600.00
GHS Junior A Netball	750.00	Menzies College Boys	750.00
GHS Senior A Netball	750.00	Menzies College Hockey	250.00
Gore A & P Assn.	1,500.00	Menzies College Netball	750.00
Gore High School Boys	500.00	Menzies College Rugby	750.00
Gore High School Hockey	250.00	Michaels, Grace	150.00
Gore High School	750.00	Mitchell, Ethan	2,000.00
Gore High School U15	750.00	Moody, Anika	150.00
Gore JP's Assn.	134.78	Nelson, Daniel	3,600.00
Gore Rotary	1,800.00	Peeters, Tori	1,500.00
Gore Victim Support	623.55	River Valley Lions	3,137.39
Gore Womens Refuge	939.09	Sheldon Bagrie-Howley	5,150.00
Guthrie, Mathew	150.00	Sky Tower Challenge	750.00
Hansen, Ashton	150.00	Southland Science &	500.00
Hansen, Mason	150.00	St Peters College Young	750.00
Hansen, Zavier	150.00	Tennis Southland	1,478.00
Harrex, Gabby	150.00	Toi Toi Lions Club	2,500.00
Heritage South	500.00	Turnbull, Austyn	150.00

## MATAURA LICENSING TRUST

### Notes to the Financial Statements For the year ended 31 March 2023

#### Donations (Continued)

Tuurama Trust	860.00
West Otago A & P Assn.	1,000.00
White, Sophie	150.00
Wyndham VFB	1,000.00
Wyndham A & P Society	1,500.00
Youthmark Awards	3,078.09

<b>60,431.34</b>
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#### 24 Breach of Statutory Reporting Deadline

The Trust's Statutory Reporting Deadline is 31 August 2023. The accounts have been signed off subsequent to this date which has resulted in a breach of this reporting deadline.

## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF MATAURA LICENCING TRUST'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

The Auditor-General is the auditor of Matura Licensing Trust (the Trust). The Auditor-General has appointed me, Michael Lee, 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.

#### Qualified Opinion

We have audited the financial statements of the Trust on pages 12 to 37, that comprise the statement of financial position as at 31 March 2023, 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 except for the effects described in the basis for our qualified opinion section of our report, the financial statements of the Trust:

- present fairly, in all material respects:
  - its financial position as at 31 March 2023; 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 21 September 2023. 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 Qualified Opinion - Impairment of Property, Plant and Equipment

As disclosed in the accounting policy (i), the Trust reviews the carrying amount of its property, plant and equipment at each balance date to determine whether there is any indication that an asset is impaired. If there is an impairment indicator, NZ IAS 36 *Impairment of Assets* requires the asset's recoverable amount to be estimated. If the recoverable amount of the asset is less than its carrying value, the asset's carrying value should be reduced and an impairment expense recognised.

Contrary to the requirements of NZ IAS 36, the Trust has not assessed whether there are impairment indicators and has not estimated the recoverable amount of the Trust's establishments. We are of the view that there are impairment indicators for one of the Trust's establishments, Thomas Green, which could result in material impairment to the carrying value of the Trust's property, plant and equipment. Because the Trust has not estimated the recoverable amount, it is impracticable for us to determine the amount of the required asset write down and impairment expense. The audit opinion was also qualified in the prior year.

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We were also unable to obtain sufficient appropriate audit evidence over the 31 March 2022 carrying value of property, plant and equipment, which is reported as comparative information, for the same reason. We accordingly expressed a qualified opinion on the financial statements for the year ended 31 March 2022.

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 qualified 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.

## 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.

Other than the audit, we have no relationship with, or interests, in the Trust.



Michael Lee  
Crowe New Zealand Audit Partnership  
On behalf of the Auditor-General  
Invercargill, New Zealand