



**MATAURA  
LICENSING TRUST**

**ANNUAL FINANCIAL  
STATEMENTS**

**2018**

**MATAURA LICENSING TRUST**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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**MATAURA LICENSING TRUST**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 \$	2017 \$
<b>Revenue</b>			
Sales	1	23,942,918	22,656,944
Less cost of sales		14,802,787	13,985,241
Gross profit		<u>9,140,131</u>	<u>8,671,703</u>
Other trading revenue	2	657,350	616,967
<b>Net revenue</b>		<u><b>9,797,481</b></u>	<u><b>9,288,670</b></u>
Add other income			
Gain on sale of non-current assets		1,089	10,957
<b>Total net revenue and other income</b>		<u><b>9,798,571</b></u>	<u><b>9,299,627</b></u>
Less operating expenses			
Advertising		165,558	172,053
Amortisation of intangibles	16	9,332	11,606
Depreciation	13	917,475	921,805
Fuel and power		379,110	375,325
Other operating expenses	3	1,988,413	2,126,109
Repairs and maintenance		404,313	683,555
Sponsorship and promotions		334,783	356,502
Wages and salaries	4	4,948,900	4,986,487
Total operating expenses		<u>9,147,885</u>	<u>9,633,443</u>
<b>Operating profit / loss before finance costs</b>		<u><b>650,686</b></u>	<u><b>(333,816)</b></u>
Finance income	5	85,465	92,086
Finance expenses		16,754	38,952
Net Finance income		<u>68,711</u>	<u>53,134</u>
<b>Operating surplus before donations and taxation</b>		<u><b>719,397</b></u>	<u><b>(280,682)</b></u>
Less donations	26	111,393	144,206
<b>Surplus / (deficit) before taxation</b>		<u><b>608,005</b></u>	<u><b>(424,888)</b></u>
Taxation expense	6(a)(b)	(7,454)	(70,475)
<b>Net surplus / (deficit) for the year</b>		<u><u><b>615,459</b></u></u>	<u><u><b>(354,413)</b></u></u>

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

**MATAURA LICENSING TRUST**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2018**

		2018	2017
	Note	\$	\$
Net surplus / (deficit) for the year		615,459	(354,413)
Other Comprehensive Income / (Expense)	14	(2,122)	6,090
Total Comprehensive Income / (Expense)		<u><u>613,337</u></u>	<u><u>(348,323)</u></u>

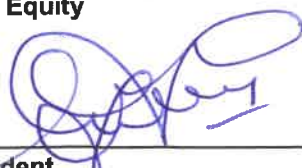
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2018**

	2017	2017
	\$	\$
Balance at 1 April	10,771,206	11,119,530
Total Comprehensive Income / (Expense)	613,337	(348,323)
Balance at 31 March	<u><u>11,384,542</u></u>	<u><u>10,771,206</u></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 2018**

	Note	2018 \$	2017 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	1,332,586	1,139,276
Short Term Investments	8	7,663	17,131
Debtors	9	1,304,760	916,772
Community loans - due within 12 months	15	-	12,790
Inventories	10	2,111,903	2,063,083
<b>Total Current Assets</b>		<u>4,756,912</u>	<u>4,149,052</u>
<b>LESS CURRENT LIABILITIES</b>			
Payables and accruals	11	2,228,318	2,380,551
Income tax payable	6a	30,238	-
Employee entitlements	12	448,248	377,323
Loan Facility	22	-	925,000
<b>Total Current Liabilities</b>		<u>2,706,804</u>	<u>3,682,874</u>
<b>WORKING CAPITAL (DEFICIT)</b>		2,050,108	466,178
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	13	8,924,151	9,616,172
Assets held for sale	13	15,000	15,000
Investments in equity instruments	14	799,500	804,720
Intangible assets	16	11,532	14,265
Community loans - (long term)	15	47,349	44,251
Non-current debtor	9, 24	-	300,000
<b>Total Non-Current Assets</b>		<u>9,797,533</u>	<u>10,794,408</u>
<b>LESS NON-CURRENT LIABILITIES</b>			
Loan Facility	22	-	-
Employee entitlements	12	345,080	333,669
Deferred tax liability	6(b)	118,018	155,711
<b>Total Non-Current Liabilities</b>		<u>463,098</u>	<u>489,380</u>
<b>Net Assets</b>		<u>11,384,542</u>	<u>10,771,206</u>
<b>EQUITY</b>			
Retained Earnings and Reserves	17a	11,376,878	10,754,075
Jubilee Fund	17b	7,663	17,131
<b>Total Equity</b>		<u>11,384,542</u>	<u>10,771,206</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 2018**

	Note	2018 \$	2017 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		24,747,483	23,339,987
Payments to suppliers		(18,456,207)	(17,735,233)
Payments to employees		(4,861,004)	(5,080,792)
Donations paid		(126,393)	(149,206)
Net GST movement		(45,399)	1,856
Net cash provided by / (used in) operating activities	25	<u>1,258,479</u>	<u>376,612</u>
<b>Cash flows from investing activities</b>			
Dividends Received	5	80,388	85,608
Interest Received	5	5,077	6,454
Disposal of non-current assets		15,652	26,957
Purchase of non-current assets		(246,792)	(660,150)
Community advances repaid / (made)		12,790	(12,790)
Interest Paid		(16,754)	(23,203)
Matured Investments		14,469	5,110
Purchase of investments		(5,000)	(635)
Net cash provided by / (used in) investing activities		<u>(140,171)</u>	<u>(572,650)</u>
<b>Cash flows from financing activities</b>			
Loan funding obtained		-	925,000
Loan payments made		(925,000)	(700,000)
Net cash provided by / (used in) financing activities		<u>(925,000)</u>	<u>225,000</u>
Net increase / (decrease) in cash held		<u>193,308</u>	<u>28,962</u>
Cash at the beginning of the year		1,139,278	1,110,315
Cash at the end of the year		<u>1,332,586</u>	<u>1,139,278</u>
<b>Represented by:</b>			
Cash & cash equivalents	7	1,332,586	1,139,278
		<u>1,332,586</u>	<u>1,139,278</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 2018**

#### **Reporting Entity**

The Maitara 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 Maitara Licensing Trust are for the year ended 31 March 2018, and were approved by the Board on 26 July 2018.

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

#### **Statement of Compliance**

These financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, and comply with the New Zealand equivalents to the International Financial Reporting Standards (NZ IFRS) and other applicable accounting standards as deemed appropriate for profit-oriented entities.

#### **Basis of preparation**

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

The financial statements have been prepared on the historic cost basis, except for the revaluation of certain assets. Cost is based on the fair value of 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 preparation of financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that may affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The 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 or, in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below have been applied consistently by the Trust to all periods presented in these financial statements.

Under the Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB) and approved by the Minister of Commerce, the Trust has elected to report as a Tier 1 entity.

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP). For the purposes of complying with NZ GAAP the entity is a for-profit entity.

## **MATAURA LICENSING TRUST**

### **Significant Accounting Policies For the year ended 31 March 2018**

#### **Significant accounting policies**

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

#### **a) Property plant and equipment**

- **Owned assets**

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

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 financial performance.

- **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 financial performance as the expense is incurred.

- **Depreciation**

Depreciation is charged to the statement of financial performance 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.



## **MATAURA LICENSING TRUST**

### **Significant Accounting Policies For the year ended 31 March 2018**

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

Buildings	40 – 100 years
Plant and equipment	2 – 15 years
Partitions and inner fixtures	15 – 20 years
Motor vehicles	4 – 10 years

#### **b) Investments**

- **Investments in shares**

The Trust's investments in shares are classified as "available for sale" and stated at fair value except where the range of fair value estimates is significant and probabilities of estimates cannot be reasonably assured, whereon the investments are valued at cost less impairment.

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), then 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 through other comprehensive income. On de-recognition the cumulative gain or loss previously recognised in equity is recognised in the statement of financial performance.

Investments in shares are those intended to be held long term or are for strategic purposes and are included in non current assets unless management intends to dispose of these within 12 months of the balance date.

- **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturity dates greater than twelve months after the balance sheet date. These are classified as non-current assets.

Where loans and advances are interest-free and do not generate a financial return to the Trust, the fair value of the asset is determined through the use of the effective interest method to calculate the amortised cost of the loans and advances. The effective interest rate discounts expected future cash receipts through the life of the asset. Gains and losses are recognised directly in the statement of financial performance.

#### **c) Receivables**

## **MATAURA LICENSING TRUST**

### **Significant Accounting Policies For the year ended 31 March 2018**

Trade and other receivables are recorded at cost, less any allowance for impairments. An estimate of doubtful debts is made when collection of the full amount due is no longer probable. Bad debts are written off when identified.

#### **d) 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 financial performance on a straight line basis over the estimated useful life of the licences. Intangible assets have a useful life of three years.

#### **e) 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.

#### **f) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand in the Trust's establishments and current and short-term deposit accounts 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.

#### **g) Impairment of assets**

The carrying amounts of the Trust's assets, other than inventories (refer accounting policy e) and deferred tax assets (accounting policy h), 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 financial performance, 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

## **MATAURA LICENSING TRUST**

### **Significant Accounting Policies For the year ended 31 March 2018**

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.

#### **h) 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 financial performance except to the extent that it relates to items recognised directly in equity, in which case it too is recognised in equity.

- **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.

#### **i) 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.

#### **j) 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.

## **MATAURA LICENSING TRUST**

### **Significant Accounting Policies For the year ended 31 March 2018**

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 benefit contribution superannuation schemes are recognised as an expense in the statement of financial performance as incurred.

#### **k) Revenue**

- **Sale of goods**

Revenue from the sale of goods is recognised when the Trust has transferred to the buyer the significant risks and rewards of ownership of the goods. Risks and rewards are considered transferred to the buyer at the time of delivery of the goods to the customer.

- **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:

- **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.

#### **l) Expenses**

- **Operating lease payments**

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Payments made under operating leases are recognised in the statement of financial performance on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of financial performance as an integral part of the total lease expense.

## **MATAURA LICENSING TRUST**

### **Significant Accounting Policies For the year ended 31 March 2018**

- **Donations**

Donations are recognised through the statement of financial performance 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, debtors and creditors. 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 financial performance.

**m) 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.

**n) Standards issued but not yet effective**

The following NZ IFRS have been issued but have not yet been applied:

NZ IFRS 9 – Financial Instruments (Effective 1 January 2019)

NZ IFRS 15 – Revenue from Contracts with Customers (Effective 1 January 2019)

NZ IFRS 16 – Leases (Effective 1 January 2019)

These standards are not expected to have a material impact on future financial statements.

# MATAURA LICENSING TRUST

## Notes to the Financial Statements For the year ended 31 March 2018

### 1 Revenue

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

Note	2018 \$	2017 \$
Liquor	18,868,490	17,761,461
Meals	3,812,541	3,776,408
Accommodation	1,261,888	1,119,075
Total revenue	<u>23,942,918</u>	<u>22,656,944</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.

	2018 \$	2017 \$
Gaming machine site rentals	242,201	217,529
Property rentals received	47,520	47,620
Venue Hire	39,327	39,809
TAB commission	25,680	30,018
Accounting services	257,070	245,383
Other	45,553	36,609
Total other income	<u>657,350</u>	<u>616,967</u>

### 3 Operating Costs

Other operating expenses include the following specific costs:

Note	2018 \$	2017 \$
Annual audit fees	43,376	42,658
Bad Debts written off	-	2,731
Loss on sale of non-current assets	173	6,456
Legal fees	-	2,289
Trustees' honoraria and fees	20 47,200	56,440
Vehicle Expenses	108,946	127,132
Insurance	119,251	111,834
Rates	116,805	111,863
Other Expenses	1,552,662	1,664,707
Total other expenses	<u>1,988,413</u>	<u>2,126,109</u>

# MATAURA LICENSING TRUST

## Notes to the Financial Statements For the year ended 31 March 2018

### 4 Personnel costs

		2018 \$	2017 \$
Wages and salaries		4,866,564	5,108,619
Changes to provisions	12	82,336	(122,132)
		<u>4,948,900</u>	<u>4,986,487</u>
Contributions to defined contribution plans		<u>137,308</u>	<u>168,030</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	2018	2017
\$170,000 - \$180,000	1	-
\$240,000 - \$250,000	-	1

### 5 Finance Income

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

	2018 \$	2017 \$
Dividends earned on equity investments	80,388	85,608
Interest earned on bank deposits	5,077	6,478
Total Finance Income	<u>85,465</u>	<u>92,086</u>

### 6 Taxation

6(a) Income tax and deferred tax	2018 \$	2017 \$
Income tax expense comprises:		
Current Tax Expense	30,237	(103,402)
Deferred tax movements	(37,692)	32,927
	<u>(7,455)</u>	<u>(70,475)</u>

### Relationship between tax expense and accounting profit

Net surplus before tax:	608,005	(424,888)
Tax at 28%	170,241	(118,969)
Plus (less) tax effect of:		
Non-deductible expenditure	2,102	6,610
Permanent differences	-	66,258
Imputation credit adjustment	(22,509)	(23,970)
Provisions	-	(33,331)
Deferred tax adjustment	(157,290)	32,927
Tax expense	<u>(7,455)</u>	<u>(70,475)</u>

# MATAURA LICENSING TRUST

## Notes to the Financial Statements For the year ended 31 March 2018

### 6(b) Deferred tax liability

	Property plant and equipment	Employee entitlements	Other Provisions	Tax Losses	Total
Balance at 31 March 2016	<u>(382,328)</u>	<u>13,639</u>	<u>142,503</u>	<u>-</u>	<u>(226,186)</u>
Charged to surplus / deficit	(66,258)	33,332	103,402	-	70,475
Balance at 31 March 2017	<u>(448,586)</u>	<u>46,971</u>	<u>245,905</u>	<u>-</u>	<u>(155,711)</u>
Charged to surplus / deficit	130,047	153,550	(245,905)		37,692
Balance at 31 March 2018	<u>(318,539)</u>	<u>200,521</u>	<u>-</u>	<u>-</u>	<u>(118,018)</u>

### 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.

### 7 Cash and cash equivalents

	2018 \$	2017 \$
Current Accounts	466,806	290,503
Cash floats held in Trust establishments	120,457	127,725
Short term deposits	745,324	721,048
Total	<u>1,332,586</u>	<u>1,139,276</u>
<b>Short term deposits</b>		
Bank of New Zealand deposit on call	307,107	640,602
SBS call deposit	19,973	64,110
Craig & Co call deposit	418,244	16,336
Total Short term deposits	<u>745,324</u>	<u>721,048</u>

### 8 Short term investments

	Note	2018 \$	2017 \$
Bank of NZ Jubilee Fund deposit	17(b)	7,663	17,131
		<u>7,663</u>	<u>17,131</u>
<b>Investment terms</b>		<b>2018</b>	<b>2017</b>
BNZ Call deposit	repayable upon demand	0.10%	1.00%
BNZ Jubilee Fund deposit	repayable 30/09/18	3.35%	3.15%
SBS Call deposit	repayable upon demand	0.25%	1.05%
Craigs Investment Partners Call	repayable upon demand	2.25%	1.35%



# MATAURA LICENSING TRUST

## Notes to the Financial Statements For the year ended 31 March 2018

### 9 Debtors

	2018 \$	2017 \$
Trade Debtors	718,430	695,577
Transferred from Non-current debtors	300,000	-
	<u>1,018,430</u>	<u>695,577</u>
Prepayments	66,801	36,705
Accrued income	219,529	184,490
Total Current Debtors	<u>1,304,760</u>	<u>916,772</u>
Non-current debtor	<u>24</u>	<u>300,000</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.

		Past due 1-			
		Not past due	60 days	Past due >60	Total
31 March 2018		\$	\$	\$	\$
Gross		604,930	108,727	4,773	718,430
Impaired		-	-	-	-
Net		<u>604,930</u>	<u>108,727</u>	<u>4,773</u>	<u>718,430</u>
		Past due 1-			
		Not past due	60 days	Past due >60	Total
31 March 2017		\$	\$	\$	\$
Gross		628,205	67,342	30	695,577
Impaired		-	-	-	-
Net		<u>628,205</u>	<u>67,342</u>	<u>30</u>	<u>695,577</u>

### 10 Inventories

The Trust's inventories comprise goods categorised as follows:

	2018 \$	2017 \$
Liquor	2,025,086	1,985,001
Food	86,817	78,082
	<u>2,111,903</u>	<u>2,063,083</u>

# MATAURA LICENSING TRUST

## Notes to the Financial Statements For the year ended 31 March 2018

### 11 Payables and Accruals

	2018 \$	2017 \$
Trade payables	2,228,318	2,380,551
	<u>2,228,318</u>	<u>2,380,551</u>

	Not past due \$	Past due 1- 60 days \$	Past due >60 \$
31 March 2018			
Gross	2,228,318	-	-
31 March 2017			
Gross	2,380,551	-	-

### 12 Employee Entitlements

	Vested leave \$	Unvested long service leave \$	Unvested retirement allowances \$	Total \$
<b>Balance at 31 March 2016</b>	<u>606,837</u>	<u>117,880</u>	<u>57,112</u>	<u>781,828</u>
Additional provision recognised	429,452	29,697	15,107	474,256
Reduction arising from payments	(328,415)	(17,817)	-	(346,232)
Reduction arising from terminations	(215,923)	-	(34,233)	(250,156)
Transfer to / from vested leave	-	-	-	-
<b>Balance at 31 March 2017</b>	<u>491,951</u>	<u>129,760</u>	<u>37,986</u>	<u>659,695</u>
Additional provision recognised	356,810	11,273	15,330	383,413
Reduction arising from payments	(276,301)	(846)	-	(277,147)
Reduction arising from terminations	(49,818)	-	-	(49,818)
Transfer to / from vested leave	38,853	(25,930)	(12,923)	(0)
<b>Balance at 31 March 2018</b>	<u>561,495</u>	<u>114,257</u>	<u>40,393</u>	<u>716,144</u>

	2018 \$	2017 \$
Disclosed as a Non-current liability	345,080	333,669
Disclosed as a Current liability	448,248	377,323
	<u>793,328</u>	<u>710,992</u>
The amount disclosed as a current liability includes:		
Accrued wages and salaries	77,184	51,296

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 2018

### 13 Property plant and equipment

	Land \$	Buildings \$	Equipment \$	Vehicles \$	Total \$
<b>Cost at 31 March 2016</b>	<b>990,723</b>	<b>14,482,000</b>	<b>5,155,575</b>	<b>755,754</b>	<b>21,384,052</b>
Acquisitions	-	586,817	232,890	39,658	859,365
Disposals	-	-	(62,696)	(33,617)	(96,313)
Other - Glassware write-off	-	-	(19,219)	-	(19,219)
<b>Cost at 31 March 2017</b>	<b>990,723</b>	<b>15,068,817</b>	<b>5,306,550</b>	<b>761,795</b>	<b>22,127,885</b>
Acquisitions	-	103,568	106,431	57,996	267,995
Interest capitalised	-	-	-	-	-
Disposals	-	-	(72,883)	(44,565)	(117,448)
Other - Glassware write-off	-	-	(17,669)	-	(17,669)
Recategorise from Available for sale	-	-	-	-	-
Recategorise to Available for sale	-	-	-	-	-
<b>Cost at 31 March 2018</b>	<b>990,723</b>	<b>15,172,385</b>	<b>5,322,429</b>	<b>775,226</b>	<b>22,260,763</b>
<b>Accumulated Depreciation / Impairment</b>					
<b>Balance at 31 March 2016</b>	<b>-</b>	<b>7,377,385</b>	<b>3,865,854</b>	<b>420,527</b>	<b>11,663,766</b>
Disposals	-	-	(56,240)	(17,617)	(73,857)
Depreciation expense	-	550,269	344,592	26,943	921,804
Impairment losses charged to profit	-	-	-	-	-
Prior year adjustment	-	-	-	-	-
Transfer from Assets available for sale	-	-	-	-	-
<b>Balance at 31 March 2017</b>	<b>-</b>	<b>7,927,654</b>	<b>4,154,206</b>	<b>429,853</b>	<b>12,511,713</b>
Disposals	-	-	(62,575)	(30,002)	(92,577)
Depreciation expense	-	567,648	319,781	30,046	917,475
Impairment losses charged to profit	-	-	-	-	-
Prior year adjustment	-	-	-	-	-
Transfer from Assets available for sale	-	-	-	-	-
<b>Balance at 31 March 2018</b>	<b>-</b>	<b>8,495,302</b>	<b>4,411,412</b>	<b>429,897</b>	<b>13,336,611</b>
<b>Net Book Value 2017</b>	<b>990,723</b>	<b>7,141,163</b>	<b>1,152,344</b>	<b>331,942</b>	<b>9,616,172</b>
<b>Net Book Value 2018</b>	<b>990,723</b>	<b>6,677,083</b>	<b>911,017</b>	<b>345,329</b>	<b>8,924,151</b>

The Bank of New Zealand holds a registered first mortgage over the property situated at the Croydon Lodge in relation to borrowing arrangements. The terms of the lending arrangements are discussed in note 22.

A parcel of land at the Longford Tavern has been identified as being for sale. The value placed on this asset is \$15,000, being the historical cost of the total land at the tavern.

## MATAURA LICENSING TRUST

### Notes to the Financial Statements For the year ended 31 March 2018

#### 14 Investments in equity instruments

The Trust holds 348,000 (2017: 348,000) ordinary shares issued by DB South Island Brewery Ltd. This holding represents 4.83% of the 7,200,000 (2017: 7,200,000) shares issued by that company.

The shareholding has been re-valued on a basis of the value per share of the net assets of DB South Island Brewery Ltd. The Trust's determination in this matter is that this is the most appropriate method of valuation, and that the shares should be valued at \$2.29 per share (2017: \$2.31). The valuation is effective 31 December 2017, and there is no information to suggest that there has been any material movement in the share value since. The shares have been valued under level 3 fair value hierarchy.

		2018	2017
		\$	\$
Opening Value at 1 April		804,720	799,130
Disposals		-	(500)
Revaluation	17(c)	(5,220)	6,090
Closing Value at 31 March		<u>799,500</u>	<u>804,720</u>

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

#### 15 Community loans

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

		2018	2017
Eastern Southland Young Farmers	Due by 21 July 2021	47,349	44,251
		<u>47,349</u>	<u>44,251</u>
Current portion - repayment due within 12 months		<u>-</u>	<u>-</u>
Term portion - repayment due beyond 12 months		<u>47,349</u>	<u>44,251</u>
Gore Kid-Hub Charitable Trust	Due by 31 March 2018	-	12,790
		<u>-</u>	<u>12,790</u>
Current portion - repayment due within 12 months		<u>-</u>	<u>12,790</u>

**MATAURA LICENSING TRUST**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2018**

**16 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>2018</b>	<b>2017</b>
<b>Cost</b>	<b>\$</b>	<b>\$</b>
Opening balance	34,308	27,424
Renewal of licences	6,600	7,975
Write off	(21,059)	(1,092)
Closing balance	<u>19,849</u>	<u>34,308</u>
	<b>2018</b>	<b>2017</b>
<b>Accumulated Amortisation and Impairment Losses</b>	<b>\$</b>	<b>\$</b>
Opening balance	20,044	9,528
Amortisation of licences	9,332	11,606
Write off	(21,059)	(1,092)
Closing balance	<u>8,318</u>	<u>20,044</u>
Carrying Amount	<u>11,531</u>	<u>14,264</u>

**17 Equity**

	<b>Note</b>	<b>2018</b>	<b>2017</b>
		<b>\$</b>	<b>\$</b>
Retained Earnings	17(a)	10,924,449	10,286,734
Community loans	15	47,349	57,041
Jubilee Fund	17(b)	7,663	17,131
Revaluation reserve	17(c)	405,080	410,300
		<u>11,384,542</u>	<u>10,771,206</u>
<b>17(a) Retained earnings</b>			
Opening balance		10,286,734	10,633,824
Tax-paid surplus		615,459	(354,413)
Transfers from reserves		(5,220)	6,090
Transfer from Jubilee Fund	17(b)	9,469	4,367
Revaluation of community loan		3,098	(3,134)
Repayment of community loan		12,790	-
Other comprehensive income		2,122	-
Closing balance		<u>10,924,449</u>	<u>10,286,734</u>

## MATAURA LICENSING TRUST

### Notes to the Financial Statements For the year ended 31 March 2018

#### 17(b) Jubilee Fund

The Jubilee Fund was established for the purpose of hosting events and providing grants in recognition of the Trust's 25th anniversary. Expenditure from the Fund's bank account is at the Trustees' discretion.

The assets of the Fund are represented by a short-term deposit bank account - refer note 8. Interest transferred from Retained Earnings equates to 3.15% (2017: 2.94%) over the financial year.

	Note	2018 \$	2017 \$
Opening balance		17,131	21,497
Interest transferred from Retained Earnings	17(a)	531	633
Transfer from Retained Earnings		5,000	-
Less expenditure on grants		(15,000)	(5,000)
Closing balance		<u>7,663</u>	<u>17,131</u>

#### 17(c) Revaluation reserve

The shareholding in DB South Island Brewery Ltd has been revalued on a basis of the value per share of the net assets of DB South Island Brewery Ltd.

	Note	2018 \$	2017 \$
Opening balance		410,300	404,210
Revaluation	14	(5,220)	6,090
Closing balance		<u>405,080</u>	<u>410,300</u>

### 18 Contingent Liabilities and assets

#### Contingent liabilities

	2018 \$	2017 \$
Guarantee	<u>35,000</u>	<u>35,000</u>

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

The Trust has no contingent assets (2017: nil)

## MATAURA LICENSING TRUST

### Notes to the Financial Statements For the year ended 31 March 2018

#### 19 Leases

##### Finance lease liabilities

The Trust has no obligations outstanding in relation to finance leases, hire purchase transactions or any other form of borrowing or financing arrangements.

##### Operating lease commitments

As a consequence of the sale and subsequent lease back of the Longford Tavern, the Trust is committed to lease payments, which are expected to be met as follows:

	2018 \$	2017 \$
Not later than one year	10,000	10,000
Later than one year and not later than five years	5,833	10,000
Later than five years	-	10,000
	<u>15,833</u>	<u>30,000</u>

#### 20 Related parties

##### The Trusts Community Foundation Ltd

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

Amount held by the Foundation for philanthropic purposes	2018 \$	2017 \$
The Trusts Community Foundation Ltd.	204,096	115,406
	<u>204,096</u>	<u>115,406</u>

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

The Trusts Community Foundation Ltd	499,271	462,912
Other trading revenue	<u>499,271</u>	<u>462,912</u>
Balance outstanding at year end	<u>24,636</u>	<u>24,636</u>

The Trust has three 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:

##### Bryan Burgess

Director and Shareholder , B & B Sports Ltd. Purchases by the trust largely include staff uniforms and sundry sporting equipment for use by patrons.

	2018 \$	2017 \$
	145	7,769

The balance unpaid as at 31 March 2018 is \$nil (2017: \$1,119)

# MATAURA LICENSING TRUST

## Notes to the Financial Statements For the year ended 31 March 2018

### Brendon Murray

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

2018	2017
\$	\$
199	25,450

The balance unpaid as at 31 March 2018 is \$nil (2017: \$29)

During the year the Trusts received payments from the following:

### 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	2018 \$	2017 \$
President		22,000	22,000
Other members' fees		25,200	34,440
Total Remuneration paid	3	<u>47,200</u>	<u>56,440</u>

### 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 position of the General Manager meets 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:

	2018 \$	2017 \$
Short-term employment benefits	160,305	203,666
Post-employment benefits	10,353	20,498
Other long-term employee benefits	5,120	12,351
Non taxable allowances	6,000	6,000
	<u>181,778</u>	<u>242,515</u>

### 21 Events subsequent to balance date

There have been no events subsequent to balance date of a material nature.



## **MATAURA LICENSING TRUST**

### **Notes to the Financial Statements For the year ended 31 March 2018**

#### **22 Financial Instruments**

The Trust's main financial instruments comprise cash and short term deposits, investments in equity instruments, and non-current debtors.

The main purpose of these financial instruments is to raise or hold finance for the Trust's operations.

The Trust has various other financial instruments such as accounts receivable and payable arising directly from its operating activities.

The main risks arising from the Trust's financial instruments are interest rate risk, liquidity risk and credit risk. The Board reviews and agrees policies for each of these risks and these are summarised below.

##### **Interest rate risk**

The Trust is exposed to interest rate risk related to funds deposited with external parties. This risk is managed by the Trust by maintaining an appropriate mix between fixed and short-term and floating "on call" interest rate deposits.

The Trust is also exposed to interest rate risk related to funds borrowed from external parties.

##### **Interest rate sensitivity**

This analysis has been determined based on the exposure to interest rates for bank deposits and borrowings at the balance sheet date with the changes stipulated taking place at the beginning of the financial year and being held constant throughout the period for deposits with floating rates.

Had interest rates been either 0.5% higher or lower, and all other variables been held constant, the Trust's profit would have decreased or (increased) by approximately \$1,450. (2017: \$1,200)

##### **Foreign currency risk**

The Trust has minimal exposure to foreign currency risk, having neither investments or borrowings denominated in foreign currencies, and having no trading relationships with foreign entities.

##### **Commodity price risk**

The Trust has minimal exposure to commodity price risk, having adopted a policy of seeking wherever possible to recover price increases by increasing selling prices.

##### **Credit risk**

The Trust seeks to trade only with recognised credit-worthy external third parties. The Trust has adopted policies requiring customers to be subjected to credit verification processes when applying for credit facilities.

Balances due from debtors are monitored on an ongoing basis with the result that the Trust does have some exposure to potential bad or doubtful debts.

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.

The Trust has some concentrations of credit risk. The four largest customers make up approximately 27% of total debtors.

## MATAURA LICENSING TRUST

### Notes to the Financial Statements For the year ended 31 March 2018

#### 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.

The Trust for the years reported in these financial statements had a Customised Average Rate Loan (CARL) facility with the Bank of New Zealand, in place from 20 March 2015, with an end date of 20 March 2018, but not drawn down until the 2015-16 year. The loan facility had an upper limit of \$1,500,000. The facility was no longer in place at balance date, therefore the amount drawn down at balance date was \$nil (2017: \$925,000).

The negotiation process with the Bank of New Zealand for the renewal of this facility has commenced, and indications are that further funding will be available.

Security over the facility is by way of the existing registered first mortgage over the property situated at Croydon Lodge Hotel, Gore as detailed in certificate of title SL 187-26 & SL 187-27.

#### 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.

#### Maximum exposures at balance date:

##### *Exposures to Credit risk*

	2018 \$	2017 \$
Bank accounts	466,806	290,503
Short-term deposits and investments	745,324	721,048
Accounts receivable	1,237,960	880,067
Community loans (at face value)	47,349	57,041
Jubilee fund deposit	7,663	17,131

##### *Exposures to Interest rate risk*

Short-term deposits and investments	745,324	721,048
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#### Concentration of Credit Risk

At balance date the Trust was exposed to a concentration of credit risk, in that \$709,607 (2017: \$925,340) was held with the Bank of New Zealand, \$418,244 (2017: \$16,336) was invested with Craig's Investment Partners and \$84,278 (2017: \$87,006) was invested with the Southland Building Society.

There is also some credit risk associated with what was previously a non-current debtor (\$300,000), and community loans (\$47,349)

#### Statement of cashflows from financing activities

	2018 \$
Short term borrowings	
Opening balance	925,000
Loan Funding obtained	8,400,000
Loan Payments made	9,325,000
Closing Balance	-

## MATAURA LICENSING TRUST

### Notes to the Financial Statements For the year ended 31 March 2018

#### 23 Capital Management Policy

The Matura Licensing Trusts' capital is its equity, which comprises accumulated funds and other reserves. Equity is represented by net assets.

The Matura Licensing Trust (MLT) is subject to the financial management and accountability provisions of the Sale & Supply of Alcohol Act 2012 which imposes restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities and the use of derivatives.

MLT manages its equity as a by-product of prudently managing reserves, expenses, assets, liabilities, investments, and general financial dealings to ensure that MLT effectively achieves its objectives and purpose, whilst remaining a going concern.

#### 24 Non-Current Debtor

The sale of a parcel of land at the Croydon Lodge site was negotiated in the 2015-16 financial year.

The sale and purchase agreement contains a provision that the purchaser pay a \$200,000 non-refundable deposit, and that the balance of \$300,000 be paid on 28 August 2018.

The outstanding balance is secured over the said land, with agreement that the title in the property remains in the name of the Matura Licensing Trust until such time that the \$300,000 is paid in full.

The purchaser is paying monthly interest on the outstanding balance at the rate of 7% per annum until such time as the debt is settled in full on 27 August 2018.

#### 25 Reconciliation from the net surplus (deficit) after tax to the net cash flows from operations

	Note	2018 \$	2017 \$
Net surplus / (deficit) for the year		615,459	(338,664)
<i>Less items classified as investing activities</i>			
Dividend income	5	(80,388)	(85,608)
Interest income	5	(5,077)	(6,454)
Interest expense		16,754	23,203
<i>Adjust for non-cash items</i>			
Depreciation	13	917,475	926,305
(Profit) / Loss on disposal		(916)	(4,501)
Amortisation of intangibles	16	9,332	11,606
Deferred tax		(37,692)	32,927
<i>Changes in net assets and liabilities</i>			
<i>(Increase) / decrease in Assets</i>			
Debtors		(98,483)	36,243
Inventory		(48,820)	(399,765)
Tax payable (receivable)		30,238	(103,402)
<i>Increase / (decrease) in Liabilities</i>			
Accounts payable		(115,850)	406,854
Provision for Employee entitlements	12	56,448	(122,132)
Net cash flows from operating activities		<u>1,258,479</u>	<u>376,612</u>

# MATAURA LICENSING TRUST

## Notes to the Financial Statements For the year ended 31 March 2018

### 26 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.

	2018 \$	2017 \$
Donations made to such groups amounted to:	111,393	144,206
Donations are listed below		

ATC 28th Squadron Gore	1,500.00	Mataura Schoolboys Rugby	832.00
Baby Grayson Operation Fundraiser	86.96	Mataura VFB	822.40
Balloch, Max	150.00	McCabe, Kim	150.00
Blue Mountain College	1,000.00	McHutcheon, Gloria	1,000.00
Blue Mountain College Netball	1,500.00	McKenzie, Josh	750.00
Blue Mountain College Sport & Cultural Tour	43.48	Menzies College	5,000.00
Blue Mountain College U15 Rugby	750.00	Menzies College Girls Soccer	750.00
Cancer Society	60.00	Menzies College Netball	1,500.00
Charlotte Cuttance	250.00	Menzies College U15 Rugby	750.00
Clinton Lions Club	260.87	Mercer, Desi	750.00
Community Connections Centre	500.00	Miller, Aron	1,450.00
Conway-Steel, Hannah	100.00	Miller, Bonnie	500.00
Coyle, Brian	150.00	Miller, Hannah	500.00
Crowley, Hannah	150.00	Mills, Matthew	100.00
Curry, Elmer	500.00	Munro, Daniel	750.00
Cuttance, Harriet	250.00	Pahau-Workman, Kahu	150.00
Davis, Sophie	1,000.00	Pakeke Lions Club	130.73
East Gore School	86.96	Parry, Nicole	750.00
Eastern Southland Greypower	250.00	Perkins, April	150.00
Eastern Southland Riding for the Disabled	162.11	Pukerau School	1,550.00
Elliot, Shane	150.00	Red Cross Community Transport Service	665.00
Faamoe-loane, Ezekiel	150.00	Richardson, Grace	100.00
Ferguson, Kiera	100.00	River Valley Lions	2,639.22
Ferguson, Mikayla	100.00	Robertson, Max	100.00
First Gore Scout Group	1,300.00	Ross, Warren	500.00
Gore & Dist. Youth Worker Trust	500.00	Scoles, Macy	500.00
Gore A & P Assn	1,500.00	Scott, Beth	750.00
Gore Fellowship Club	347.83	Senior Citizens Christmas Dinner - Wyndham	527.39
Gore High School 1st XV Rugby	839.83	Senior Citizens Christmas Dinners - Edendale	393.74
Gore High School Girls Hockey	750.00	Senior Citizens Christmas Dinners - Gore	7,286.03
Gore High School Hockey	51.30	Senior Citizens Christmas Dinners - Mataura	660.42
Gore High School Netball	86.96	Soper, Logan	150.00
Gore High School Rugby	750.00	Soper, Reece	150.00
Gore High School Senior A Netball	750.00	Southern Sound Foundry	6,046.66
Gore High School U15 Rugby	750.00	Southland A & P Assn.	500.00
Gore High School Y10a Netball	750.00	Southland Literacy Assn	701.16
Gore IHC	61.95	Southland Science & Technology Fair	500.00
Gore Ladies Dinner Club	264.35	Southland Secondary School Sports	286.95
Gore Probus	1,460.87	Sport Southland	13,879.27
Gore Rotary	3,290.44	St Peters College	3,381.04
Gore RSPCA	43.48	St Peters College 1st XV	750.00
Gore Senior Citizens	296.02	St Peters College Real Games	2,313.04
Gore Senior Citizens Choir	1,000.00	St Peters College Rugby	86.96
Gore Toy Library	750.00	St Peters College Sports Teams	3,000.00
Gore VFB	750.00	Stuart, Caleb	250.00
Gore Victim Support	500.00	Stuart, Jordan	750.00
Gore Women's Refuge	1,017.39	Tapanui School	450.00
Gorge Road Heritage Society	1,227.00	Tapanui Toy Library	500.00
Heriot School	50.00	Tapanui West Otago Promotion	1,000.00
Hokonui Focus Group	1,739.11	Templeton, Shianna	750.00
Horrell, Sandra	100.00	TeTipua School	50.00
Knapdale School	1,000.00	Tiller, Brittany	750.00
Leukaemia & Blood Cancer NZ	750.00	Toi Toi Tokanui Lions	2,500.00
Loveridge, Bethany	100.00	Tokanui Home & School	434.78
Loveridge, Brooke	100.00	West Otago A & P Society	1,000.00
Makairi Beauchamp-Moore	250.00	Wyndham & P Society	1,500.00
Mason-Robin, Kuziah	150.00	Wyndham District Community Pool	4,000.00
Mataura Lions Club	13.04	Refunded from previous accounting period	-100.00
Mataura School	816.00		111,392.73

## Independent Auditor's Report

### To the readers of Maitaura Licensing Trust's financial statements for the year ended 31 March 2018

The Auditor-General is the auditor of Maitaura Licensing Trust (the Trust). The Auditor-General has appointed me, John Mackey, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Trust, on his behalf.

We have audited the financial statements of the Trust on pages 1 to 27, that comprise the statement of financial position as at 31 March 2018, the statement of comprehensive income, statement of changes in equity, statement of cash flows, and significant accounting policies for the year ended on that date, and the notes to the financial statements that include other explanatory information.

#### **Qualified Opinion – *Impairment of property, plant and equipment***

In our opinion, except for the matter described in the *Basis for our qualified opinion* section of our report, the financial statements of the Trust on pages 1 to 27:

- present fairly, in all material respects:
  - its financial position as at 31 March 2018; 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 and International Financial Reporting Standards.

Our audit was completed on 26 July 2018. This is the date at which our qualified opinion is expressed.

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

#### **Basis for our qualified opinion**

As disclosed in the accounting policies on page 8, 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, the asset's recoverable amount should be estimated by reference to forecast future cash flows and fair value less costs to sell. 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.

There is evidence that there is likely to be a material impairment to the carrying value of the assets of one of the Trust's establishments. However, because the Trust has not determined the recoverable amount of the relevant assets, we are unable to determine the amount of the required asset write down and impairment expense.

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 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 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 Standards 1 (Revised): 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.

A handwritten signature in dark ink, appearing to read 'John Mackey', with a long horizontal stroke extending to the right.

John Mackey  
Audit New Zealand  
On behalf of the Auditor-General  
Dunedin, New Zealand