



**MATAURA
LICENSING TRUST**

**ANNUAL FINANCIAL
STATEMENTS**

2021-22

MATAURA LICENSING TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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MATAURA LICENSING TRUST
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 \$	2021 \$
Revenue			
Sales	1	24,991,410	25,196,779
Less cost of sales		16,118,195	16,109,036
Gross profit		<u>8,873,215</u>	<u>9,087,742</u>
Other trading revenue	2	633,981	662,399
Net revenue		<u>9,507,195</u>	<u>9,750,142</u>
Wage Subsidies		129,767	142,252
Covid 19 Wage Subsidy		18,696	745,531
Gain on sale of PPE		26,870	692
Total net revenue and other income		<u>9,682,528</u>	<u>10,638,617</u>
Less operating expenses			
Advertising		93,341	95,663
Amortisation of intangibles	15	13,156	10,686
Depreciation	12	895,732	965,624
Fuel and power		422,141	389,376
Other operating expenses	3	1,962,508	1,753,619
Repairs and maintenance		555,085	303,338
Sponsorship and promotions		166,535	206,125
Superannuation	4	222,154	218,483
Wages and salaries	4	6,090,269	5,746,181
Total operating expenses		<u>10,420,921</u>	<u>9,689,095</u>
Operating profit / loss before finance costs		<u>(738,393)</u>	<u>949,523</u>
Finance income	5	73,631	98,802
Finance expenses		(27,307)	-
Net Finance income		<u>46,324</u>	<u>98,802</u>
Operating surplus before donations and taxation		<u>(692,068)</u>	<u>1,048,325</u>
Less donations	24	40,890	46,259
Surplus / (deficit) before taxation		<u>(732,958)</u>	<u>1,002,066</u>
Taxation expense	6(a)	(178,494)	251,519
Net surplus / (deficit) for the year		<u><u>(554,464)</u></u>	<u><u>750,546</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 2022

		2022	2021
		\$	\$
Net surplus / (deficit) for the year	Note	(554,464)	750,546
Other Comprehensive Income / (Expense)	16	(91,636)	419,437
Total Comprehensive Income / (Expense)		<u>(646,100)</u>	<u>1,169,983</u>

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022


	2022	2021
	\$	\$
Balance at 1 April	13,362,911	12,192,928
Total Comprehensive Income / (Expense)	(646,100)	1,169,983
Balance at 31 March	<u>12,716,811</u>	<u>13,362,911</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 2022

	Note	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	7	3,706,404	4,632,824
Trade and other receivables	8	825,147	784,521
Community loans - due within 12 months	14	60,000	-
Inventories	9	2,629,848	2,197,228
Income tax receiveable	6(c)	142,523	-
Total Current Assets		<u>7,363,922</u>	<u>7,614,573</u>
LESS CURRENT LIABILITIES			
Trade and other payables	10	2,206,443	1,853,474
Income tax payable	6(a)	-	130,963
Employee entitlements	11	823,215	790,258
Total Current Liabilities		<u>3,029,658</u>	<u>2,774,695</u>
WORKING CAPITAL (DEFICIT)		4,334,264	4,839,877
NON-CURRENT ASSETS			
Property, Plant and Equipment	12	6,309,350	6,844,321
Investments in equity instruments	13	1,106,000	1,199,000
Term Investments	5(a)	479,272	-
Intangible assets	15	17,513	13,069
Deferred tax asset	6(b)	634,126	539,674
Building in Progress		33,804	24,873
Community loans - (long term)	14	-	58,636
Total Non-Current Assets		<u>8,580,063</u>	<u>8,679,573</u>
LESS NON-CURRENT LIABILITIES			
Employee entitlements	11	197,516	156,539
Total Non-Current Liabilities		<u>197,516</u>	<u>156,539</u>
Net Assets		<u>12,716,811</u>	<u>13,362,911</u>
EQUITY			
Retained Earnings and Reserves	16(a)	12,716,811	13,362,911
Total Equity		<u>12,716,811</u>	<u>13,362,911</u>


 President

22/09/2022


 Trust Member

22/09/2022

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 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from customers		25,974,422	26,963,408
Payments to suppliers		(19,981,874)	(19,401,264)
Payments to employees		(5,897,139)	(5,677,276)
Donations paid		(40,890)	(46,259)
Net GST movement		(15,725)	45,687
Income tax paid		(189,444)	(317,771)
Net cash provided by / (used in) operating activities		<u>(150,650)</u>	<u>1,566,524</u>
Cash flows from investing activities			
Dividends Received	5	41,412	68,904
Interest Received	5	25,640	29,898
Disposal of non-current assets		45,723	955
Purchase of non-current assets		(388,544)	(90,772)
Purchase of investments		(500,000)	-
Net cash provided by / (used in) investing activities		<u>(775,769)</u>	<u>8,985</u>
Net increase / (decrease) in cash held		<u>(926,420)</u>	<u>1,575,510</u>
Cash at the beginning of the year		4,632,824	3,057,314
Cash at the end of the year		<u><u>3,706,404</u></u>	<u><u>4,632,824</u></u>
Represented by:			
Cash & cash equivalents	7	3,706,404	4,632,824
		<u><u>3,706,404</u></u>	<u><u>4,632,824</u></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 2022

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 2022 and were approved by the Board on 22 September 2022.

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 Trust is eligible to report under the Tier 2 for profit standards because it does not have public accountability and is not large. The Trust has applied disclosure concessions.

Basis of preparation

These financial statements are for the Maitara 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 2022 and the comparative information presented in these financial statements for the year ended 31 March 2021.

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

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 2022

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 2022

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 – 10 years

MATAURA LICENSING TRUST

Significant Accounting Policies For the year ended 31 March 2022

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 valuation report to determine the value of the DB Shareholding, and has determined that this is the most appropriate method of valuation.

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 2022

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 2022

- **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 2022

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 \$24,767 under the government Covid leave support scheme, \$18,696 under the Covid resurgence support scheme and a training subsidy of \$105,000 from the Tertiary Education Commission.

- **Subsidy from TEC**

Revenue from Tertiary Education Commission (TEC) is for workplace literacy and Numeracy (WLN) Employer-led funding that supports the provision of literacy and numeracy programmes for employees to increase their literacy and numeracy skills, and contribute to workplace productivity. This is recognised in profit or loss on a systematic basis over the periods in which the Trust recognises expenses for the related costs for which the grants are intended to compensate.

- **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.

MATAURA LICENSING TRUST

Significant Accounting Policies For the year ended 31 March 2022

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.

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 2022

1 Revenue

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

Note	2022 \$	2021 \$
Liquor	20,328,145	20,415,913
Meals	3,486,866	3,721,794
Accommodation	1,176,399	1,059,072
Total revenue	<u>24,991,410</u>	<u>25,196,779</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.

	2022 \$	2021 \$
Gaming machine site rentals	220,036	273,867
Property rentals received	10,280	13,840
Venue Hire	24,362	32,331
TAB commission	27,429	25,718
Accounting services	257,070	257,070
Other	94,803	59,573
Total other income	<u>633,981</u>	<u>662,399</u>

3 Other operating expenditure

Other operating expenses include the following specific costs:

Note	2022 \$	2021 \$
Annual audit fees for the year	72,262	59,149
Audit fee - provision for current year	65,032	-
Audit fee - prior year adjustment	-	20,150
Receivables written off (bad debts)	6,654	4,119
Loss on sale / write off of PPE	-	3,432
Trustees' honoraria and fees	50,440	47,920
Vehicle Expenses	152,305	104,440
Insurance	154,518	136,832
Rates	133,091	125,393
Other Expenses	1,328,206	1,272,334
Total other expenses	<u>1,962,508</u>	<u>1,773,769</u>

MATAURA LICENSING TRUST

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

4 Personnel costs

		2022 \$	2021 \$
Wages and salaries		5,976,718	5,714,465
Changes to provisions	11	113,551	31,716
		<u>6,090,269</u>	<u>5,746,181</u>
Contributions to defined contribution plans		<u>222,154</u>	<u>218,483</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	2022	2021
\$110,000 - \$120,000	1	-
\$120,000 - \$130,000	1	-
\$220,000 - \$230,000	1	1

5 Finance Income

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

	2022 \$	2021 \$
Dividends earned on equity investments	45,789	68,904
Interest earned on bank deposits	27,842	29,898
Total Finance Income	<u>73,631</u>	<u>98,802</u>

5a Term Investments

The investment fund 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.

	2022 \$	2021 \$
Opening Value at 1 April	-	-
Purchase of investments	500,000	-
Tax Paid	(984)	-
Realised Gains / (Losses)	(642)	-
Unrealised Gains / (Losses)	(23,590)	-
Interest Income	2,202	-
Dividend Income	5,019	-
Fund Management Fees	(2,733)	-
Closing Value at 31 March	<u>479,272</u>	<u>-</u>

MATAURA LICENSING TRUST

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

6 Taxation

6(a) Income tax and deferred tax	2022 \$	2021 \$
Income tax expense comprises:		
Current Tax Expense	(70,298)	346,963
Prior Year Adjustment	(13,744)	13,020
Deferred tax movements	(94,452)	(108,464)
	<u>(178,494)</u>	<u>251,519</u>

Relationship between tax expense and accounting profit

Net surplus before tax:	(732,958)	1,002,065
Tax at 28%	(205,228)	280,578
Plus (less) tax effect of:		
Non-deductible expenditure	1,197	688
Permanent differences	89,130	97,857
Imputation credit adjustment	(12,580)	(19,293)
Non-assessable revenue	-	-
Provisions	50,200	(5,837)
Losses / Gains on sale	377	(7,030)
Unrealised losses	6,605	-
Deferred tax movement	(94,452)	(108,464)
Prior Year Adjustment	(13,744)	13,020
Tax expense	<u>(178,494)</u>	<u>251,519</u>

6(b) Deferred tax asset

	Property plant and equipment	Employee entitlements	Other Provisions	Tax Losses	Total
Balance at 31 March 2020	<u>201,048</u>	<u>230,163</u>	-	-	<u>431,211</u>
Charged to surplus / deficit	93,322	15,141			108,463
Balance at 31 March 2021	<u>294,370</u>	<u>245,304</u>	-	-	<u>539,674</u>
Charged to surplus / deficit	78,778	15,674			94,452
Balance at 31 March 2022	<u>373,148</u>	<u>260,978</u>	-	-	<u>634,126</u>

In the 2022 period a tax loss of \$190,032 (2021 nil) has been calculated. This amount, which will be confirmed on filing of the Trust's tax return, has not been recognised within the Trust's deferred tax asset, as management has been unable to show it is probable the loss will be reversed in the near term, when considering the asset already recognised.

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.

	2022 \$	2021 \$
Opening Balance	130,963	88,751
Current tax on income	(70,298)	346,963
Terminal tax paid	(142,000)	(102,765)
Provisional Tax Paid	(47,582)	(216,000)
Refund received	138	994
Balance carried forward	(13,744)	13,020
	<u>(142,523)</u>	<u>130,963</u>

MATAURA LICENSING TRUST

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

7 Cash and cash equivalents

	2022	2021	
	\$	\$	
Cash at bank and on hand	404,952	406,274	
Cash floats held in Trust establishments	105,579	146,150	
On call accounts	3,195,873	4,080,400	
Total	<u>3,706,404</u>	<u>4,632,824</u>	
On call accounts			
Bank of New Zealand deposit on call	47,966	207,858	
Craigs Investment Partners call deposit	3,147,907	3,872,542	
Total on call accounts	<u>3,195,873</u>	<u>4,080,400</u>	
Investment terms	2022	2021	
BNZ Call deposit	repayable upon demand	0.05%	0.10%
Craigs Investment Partners Call	repayable upon demand	1.25%	0.45%

8 Trade and other receivables

	2022 \$	2021 \$
Trade receivables	764,359	723,616
	<u>764,359</u>	<u>723,616</u>
Prepayments	34,794	15,836
Accrued income	25,996	45,069
Total Current Receivables	825,147	784,521

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 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>
31 March 2021	\$	\$	\$	\$
Gross carrying amount	664,875	48,704	10,037	723,616
Less allowance for expected credit loss	-	-	-	-
	<u>664,875</u>	<u>48,704</u>	<u>10,037</u>	<u>723,616</u>

9 Inventories

The Trust's inventories comprise goods categorised as follows:

	2022 \$	2021 \$
Liquor	2,566,197	2,112,657
Food	63,650	84,571
	<u>2,629,848</u>	<u>2,197,228</u>

MATAURA LICENSING TRUST

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

10 Trade and other payables

	2022 \$	2021 \$
Trade payables	2,042,303	1,853,217
Accrued Expenses	95,003	104,070
GST Payable	69,137	96,187
	<u>2,206,443</u>	<u>1,853,474</u>

11 Employee Entitlements

	Vested leave \$	Unvested long service leave \$	Unvested retirement allowances \$	Total \$
Balance at 31 March 2020	662,818	151,132	8,063	822,012
Additional provision recognised	482,092	19,442	12,077	513,611
Reduction arising from payments	(353,661)	-	-	(353,661)
Reduction arising from terminations	(105,878)	-	-	(105,878)
Transfer to / from vested leave	34,175	(34,175)	-	-
Balance at 31 March 2021	719,547	136,399	20,140	876,085
Additional provision recognised	547,076	49,949	3,064	600,089
Reduction arising from payments	(384,650)	(6,478)	-	(391,128)
Reduction arising from terminations	(152,982)	-	-	(152,982)
Transfer to / from vested leave	5,558	(5,558)	-	-
Balance at 31 March 2022	734,548	174,313	23,204	932,063

	2022 \$	2021 \$
Disclosed as a Non-current liability	197,516	156,539
Disclosed as a Current liability	823,215	790,259
	<u>1,020,732</u>	<u>946,798</u>
The amount includes:		
Accrued wages and salaries	88,668	70,712

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 2022

12 Property plant and equipment

	Land \$	Buildings \$	Equipment \$	Vehicles \$	Total \$
Cost at 31 March 2020	990,723	15,381,547	5,524,710	813,857	22,710,837
Acquisitions	-	-	56,379	-	56,379
Disposals	-	(9,652)	(16,040)	-	(25,692)
Write off	-	-	(992,819)	-	(992,819)
Other - Glassware	-	-	17,281	-	17,281
Cost at 31 March 2021	990,723	15,371,895	4,589,511	813,857	21,765,986
Acquisitions	59,794	48,603	173,071	112,169	393,637
Disposals	-	-	(77,577)	(77,813)	(155,390)
Write off	-	-	-	-	-
Other - Glassware	-	-	2,430	-	2,430
Cost at 31 March 2022	1,050,517	15,420,498	4,687,435	848,213	22,006,663
Accumulated Depreciation / Impairment					
Balance at 31 March 2020	-	9,641,126	4,870,411	445,005	14,956,542
Disposals	-	(9,652)	(16,025)	-	(25,677)
Write off	-	-	(989,139)	-	(989,139)
Depreciation expense	-	654,443	207,467	103,714	965,624
Other - Glassware	-	-	14,314	-	14,314
Balance at 31 March 2021	-	10,285,917	4,087,028	548,719	14,921,664
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
Balance at 31 March 2022	-	10,906,962	4,192,549	597,803	15,697,314
Net Book Value 2021	990,723	5,085,978	502,483	265,138	6,844,321
Net Book Value 2022	1,050,517	4,513,536	494,887	250,410	6,309,350

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 21.

MATAURA LICENSING TRUST

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

13 Investments in equity instruments

The Trust holds 348,000 (2021: 348,000) ordinary shares issued by DB South Island Brewery Ltd. This holding represents 4.83% of the 7,200,000 (2021: 7,200,000) shares issued by that company.

In May 2021, the Trust engaged Nexia New Zealand to prepare an annual valuation report to determine the value of the shareholding in DB South Island Brewery Ltd. The Trust's determination in this matter is that this is the most appropriate method of valuation. The Nexia report indicated an indicative valuation of between \$1,066,000 and \$1,142,000 with a mid point of \$1,104,000. The valuation is effective 1 December 2021.

		2022	2021
		\$	\$
Opening Value at 1 April		1,197,000	781,695
Revaluation	16(b)	(93,000)	415,305
Super Liquor Trading Advance		2,000	-
Closing Value at 31 March		<u>1,104,000</u>	<u>1,197,000</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:

		2022	2021
		\$	\$
Eastern Southland Young Farmers	Due by 21 July 2022	60,000	58,636
Current portion - repayment due within 12 months		<u>60,000</u>	<u>-</u>
Term portion - repayment due beyond 12 months		<u>-</u>	<u>58,636</u>

MATAURA LICENSING TRUST

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

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.

	2022	2021
Cost	\$	\$
Opening cost	17,688	32,593
Renewal of licences	17,599	7,149
Write off	(10,539)	(22,054)
Closing cost	<u>24,748</u>	<u>17,688</u>
	2022	2021
Accumulated Amortisation and Impairment Losses	\$	\$
Opening balance	4,619	15,989
Amortisation of licences	13,157	10,686
Write off	(10,539)	(22,054)
Closing balance	<u>7,235</u>	<u>4,619</u>
Carrying Amount	<u>17,513</u>	<u>13,069</u>

16 Equity

	Note	2022	2021
		\$	\$
Retained Earnings	16(a)	11,945,229	12,499,693
Revaluation Reserve	16(b)	711,580	804,580
Community loans	14	60,000	58,636
		<u>12,716,811</u>	<u>13,362,911</u>
16(a) Retained earnings			
Opening balance		12,499,693	11,749,148
Tax-paid surplus		(554,464)	750,546
Transfers from reserves		(93,000)	415,305
Revaluation of community loan		1,364	4,132
Other comprehensive income		91,636	(419,437)
Closing balance		<u>11,945,229</u>	<u>12,499,693</u>

MATAURA LICENSING TRUST

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

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 2021.

	Note	2022 \$	2021 \$
Opening balance		804,580	389,275
Revaluation	13a	(93,000)	415,305
Closing balance		<u>711,580</u>	<u>804,580</u>

17 Contingent liabilities

	2022 \$	2021 \$
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 operates a credit card account with an upper credit limit of \$18,700.

The Trust has no contingent assets (2021: nil)

18 Commitments

The Trust has no commitments in relation to capital expenditure. (2021: nil)

19 Related Party Transactions

The Trusts Community Foundation Ltd

The Trusts Community Foundation Ltd administered funds derived from gaming activities conducted on the Maitara Licensing Trust provides accountancy services for the Foundation, and received venue payments from

	2022 \$	2021 \$
The Trusts Community Foundation Ltd	257,070	257,070
Accounting services	220,036	273,867
Gaming machine venue payment		
Other trading revenue	<u>477,106</u>	<u>530,937</u>
Balance outstanding at year end	<u>24,636</u>	<u>24,636</u>
Revenue from Maitara Licensing Trust establishments	1,433,547	1,759,691
Distributions made	431,525	543,812

The Trust has two 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.

2022 \$	2021 \$
11,095	3,159

The balance unpaid as at 31 March 2022 is \$nil (2021: \$63)

MATAURA LICENSING TRUST

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

Alison Cormack

Shareholder & Director, Custom Build Engineering 2015 Ltd. Purchases by the trust largely include sundry engineering works.

2022	2021
\$	\$
16,669	3,736

The balance unpaid as at 31 March 2022 is \$1,010 (2021: \$1,049)

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	2022	2021
	\$	\$
President	23,000	23,000
Other members' fees	27,440	24,920
Total Remuneration paid	3	
	<u>50,440</u>	<u>47,920</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:

	2022	2021
	\$	\$
Remuneration of Key Management Personnel	224,942	227,352

20 Covid-19

Impact of Covid-19 restrictions

The Maitara Licensing Trust has been relatively sheltered from the full effect of the government enforced business closures during the period April 2021 to March 2022. A ruling that Maitara Licensing Trust bottlestores had been designated as essential services during this period allowed trading in a limited capacity. The Trust has no significant reliance on tourist or international visitors, but instead the reliance lies with the local rural-based economy. The only potential impact would be if travel restrictions, such as those under alert levels 2 and 3, or a complete lockdown under alert level 4 was to come into place again.

Due to the reliance on accommodation sales, most severely impacted was the Croydon Lodge Hotel. Much of the impact was felt in the 2020-21 financial year when sales declined by \$819,000 in comparison the the prior year.

Sales in 2021-22 increased by \$14,000 and a further increase of \$300,000 is expected in the 2022-23 year. The impact on the Trust's other cash generating units was minimal.

Valuation of Investments, Impairment of Assets, Recoverability of Debtors

These items are not expected to be affected by post-balance date events.

MATAURA LICENSING TRUST

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

21 Fair value hierarchy

21(a) Financial Instrument Categories

	2022 \$	2021 \$
Financial liabilities measured at amortised cost		
Payables (excluding deferred revenue, taxes payable and grants received subject to conditions)	2,205,852	2,207,288
Financial assets measured at amortised cost		
Cash and cash equivalents	404,952	408,274
Receivables (excluding grants received subject to conditions)	764,359	723,646
Investments – term deposits	3,195,873	4,080,400
Community loan	60,000	58,636
Total financial assets measured at amortised cost	4,425,184	5,268,956

21(b) Fair value hierarchy

Financial assets at fair value through other comprehensive revenue and expense

Equity investments	711,580	783,695
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Financial assets at fair value through the profit or loss

Investment fund	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 2022	Total	Valuation technique		
		Quoted Market	Observable	Significant non-observable inputs
Equity investments	711,580	-	-	711,580
Investment fund	479,272	479,272	-	-

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.

Cash flow interest rate 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.

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. There are no significant concentrations of credit.

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.

MATAURA LICENSING TRUST

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

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	2022 \$	2021 \$
AA-	3,600,825	4,486,674
Total cash at bank and term deposits	<u>3,600,825</u>	<u>4,486,674</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	Less than 6	6-12 months	More than 1 year
2022					
Payables (excluding income in advance)	2,205,852	2,205,852	2,205,852	-	-
Total	<u>2,205,852</u>	<u>2,205,852</u>	<u>2,205,852</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.

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

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.

MATAURA LICENSING TRUST

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

22 Events subsequent to balance date

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

23 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.

24 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.

	2022 \$	2021 \$
Donations made to such groups amounted to:	<u>40,890</u>	<u>46,259</u>
Donations are listed below		
Bagrie-Howley, Sheldon	5,000.00	
Barker, Kayden	150.00	
Black, Suzanne	250.00	
Blue Mountain College U15 Rugby	750.00	
Blue Mountain Development Netball	750.00	
Community Networking Trust	500.00	
Cutlance, Harriet	150.00	
Gauldie, Alyssa	150.00	
Gore High School	750.00	
Gore High School Junior A Netball	750.00	
Gore Rotary Club	2,702.61	
Gore Victim Support	528.59	
Gore Women's Refuge	919.94	
Gorge Road School	1,500.00	
Hansen, Ashton	150.00	
Hansen, Mason	150.00	
Hansen, Xavier	150.00	
Heritage South	500.00	
Hokonui Focus Group	3,220.00	
Hutchins, Taryn	250.00	
Longford Kindergarten	1,300.00	
Lumsden, Maia	150.00	
Marsh, Samantha	150.00	
McGregor, Trent	750.00	
Menzies College Netball	1,500.00	
Menzies Rugby	750.00	
Mercer, Desi	1,000.00	
Miller, Hannah	1,500.00	
Northern Southland Fire Brigade	500.00	
River Valley Lions	2,185.38	
Robertson, Sydney	500.00	
Southern Indoor Charity Dog Trials	500.00	
Sport Southland - Swim Safe	4,000.00	
St Peters College Sports Teams	750.00	
St Peters College Y7&8 Rugby	750.00	
Stratford, Callum	250.00	
Tapanui West Otago Promotions	1,000.00	
Wyndham & Districts Toy Library	1,000.00	
Youthmark Awards	3,105.00	
	<u>40,889.50</u>	

25 Breach of Statutory Reporting Deadline

The Trust's Statutory Reporting Deadline is 31 August 2022. The accounts have been signed off subsequent to this date which has resulted in a breach of this reporting deadline.



Crowe New Zealand Audit
Partnership
173 Spey Street
Invercargill 9810
C/- Crowe Mail Centre Private Bag
90106
Invercargill 9840 New Zealand
Main +64 3 211 3355
Fax +64 3 218 2581
www.crowe.nz

INDEPENDENT AUDITOR'S REPORT

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

The Auditor-General is the auditor of Mataura 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 1 to 25, that comprise the statement of financial position as at 31 March 2022, the statement of financial performance, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion 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 2022; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with New Zealand Equivalents to International Financial Reporting Standards with Reduced Disclosure Regime.

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

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Trustees 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) on page 9, 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 the Trust's establishments, 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 2021 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 2021.

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.

Emphasis of Matter- Breach of Statutory Reporting Deadline

We draw attention to Note 25 of the financial statements, which describes the breach of statutory deadline which was due 31 August 2022. Our opinion is not modified in respect of this matter.

Responsibilities of the Trustees for the financial statements

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

The Trustees' 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 Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees 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 Trustees 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.

A handwritten signature in blue ink, appearing to read "Michael Lee".

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

The title 'Partner' conveys that the person is a senior member within their respective division and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.