

**Oamaru Licensing Trust**  
**Financial Statements**  
**For the Year Ended 31 March 2019**

# Oamaru Licensing Trust

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### For the Year Ended 31 March 2019

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**Oamaru Licensing Trust**  
**Statement of Comprehensive Income**  
**For the Year Ended 31 March 2019**


	Note	2019 \$	2018 \$
Revenue	1	9,596,462	9,447,758
Cost of Sales		<u>(5,288,610)</u>	<u>(5,051,657)</u>
Gross Profit		4,307,853	4,396,101
Plus Other Revenue	2	<u>159,104</u>	<u>145,862</u>
		4,466,956	4,541,963
<b>Less Expenses</b>			
Advertising		(151,976)	(144,084)
Administration Expenses	4	(431,731)	(444,762)
Cleaning		(145,094)	(170,261)
Depreciation	20	(295,439)	(281,345)
Energy		(178,848)	(202,957)
Hospitality		(17,372)	(28,436)
Loss on Sale of Fixed Assets		-	(6,979)
Music and Entertainment		(7,938)	(6,471)
Rent and Rates		(49,702)	(48,768)
Repairs and Maintenance		(205,345)	(176,594)
Replacements		(15,305)	(12,744)
Sponsorships		(41,840)	(47,741)
Staffing	5	(2,402,601)	(2,251,754)
Sundry Operating Expenses	3	<u>(302,234)</u>	<u>(260,834)</u>
Total Expenses		<u>(4,245,424)</u>	<u>(4,083,731)</u>
Net Operating Surplus		221,532	458,232
Finance Cost - Interest		(129,174)	(143,599)
Net Surplus before Income Tax		<u>92,358</u>	<u>314,634</u>
Income Tax (Expense)/Credit	22	-	-
Net Surplus after Income Tax		<u>92,358</u>	<u>314,634</u>
Other Comprehensive Income		-	-
Fair Value Movement on Investments	11	5,517	(6,139)
Total Comprehensive Income		<u><u>97,875</u></u>	<u><u>308,495</u></u>

The accompanying notes form part of these financial statements.

**Oamaru Licensing Trust**  
**Statement of Financial Position**  
**As at 31 March 2019**

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	6	245,905	184,496
Inventories	8	478,361	506,930
Trade and Other Receivables	7	468,521	534,815
<b>Total Current Assets</b>		<u>1,192,787</u>	<u>1,226,242</u>
<b>Non Current Assets</b>			
Property, Plant and Equipment	20	4,215,601	4,040,973
Investments	11	939,278	933,762
Intangible Assets	12	3,220	2,310
Deferred Tax Asset	22	<u>280,000</u>	<u>280,000</u>
<b>Total Non Current Assets</b>		<u>5,438,099</u>	<u>5,257,045</u>
<b>Total Assets</b>		<u><u>6,630,886</u></u>	<u><u>6,483,287</u></u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Bank Overdraft	6	450,473	285,545
Trade and Other Payables	9	957,355	994,621
Obligation Under Finance Leases	15	3,654	-
Current Portion - Term Liabilities	18	166,523	165,137
Employee Entitlements	10	<u>166,080</u>	<u>100,400</u>
<b>Total Current Liabilities</b>		<u>1,744,085</u>	<u>1,545,703</u>
<b>Non Current Liabilities</b>			
Obligation Under Finance Leases	15	17,928	-
Borrowings	18	<u>1,700,000</u>	<u>1,866,585</u>
<b>Total Non Current Liabilities</b>		<u>1,717,928</u>	<u>1,866,585</u>
<b>Total Liabilities</b>		<u>3,462,012</u>	<u>3,412,288</u>
<b>EQUITY</b>			
Retained Earnings		2,651,254	2,558,896
Investment Revaluation Reserve		<u>517,620</u>	<u>512,103</u>
<b>Total Equity</b>		<u>3,168,874</u>	<u>3,070,999</u>
<b>Total Equity and Liabilities</b>		<u><u>6,630,886</u></u>	<u><u>6,483,287</u></u>

  
 Trustee  
 On behalf of the Oamaru Licensing Trust

  
 Trustee  
 On behalf of the Oamaru Licensing Trust  
 Date: 29/3/2019

The accompanying notes form part of these financial statements.

**Oamaru Licensing Trust  
Statement of Changes in Equity  
For the Year Ended 31 March 2019**

	2019 \$	2018 \$
Balance as at 1 April	3,070,999	2,762,504
Total Comprehensive Income	97,875	308,495
Balance as at 31 March	<u>3,168,874</u>	<u>3,070,999</u>

The accompanying notes form part of these financial statements.

**Oamaru Licencing Trust**  
**Statement of Cashflows**  
**For The Year Ended 31 March 2019**

	Note	2019 \$	2018 \$
<b>Cash Flows from Operating Activities</b>			
<i>Cash was provided from:</i>			
Sales		9,708,062	9,322,885
Other Revenue		55,199	115,919
Interest		0	147
Dividends		103,905	94,126
Net GST Movement		0	27,910
		<u>9,867,166</u>	<u>9,560,987</u>
<i>Cash was disbursed to:</i>			
Cost of Sales		(5,265,877)	(5,009,733)
General Overhead Expenditure		(1,577,386)	(1,559,121)
Interest		(129,891)	(112,411)
Staffing Costs		(2,386,698)	(2,239,612)
Net GST Movement		(5,518)	0
		<u>(9,365,370)</u>	<u>(8,920,876)</u>
<b>Net Cash Flows from Operating Activities</b>		<b>501,796</b>	<b>640,110</b>
<b>Cash Flows from Investing Activities</b>			
<i>Cash was provided from:</i>			
Property Plant & Equipment Sold		0	2,825
<i>Cash was disbursed to:</i>			
Property Plant & Equipment Acquired		(470,067)	(252,886)
		<u>(470,067)</u>	<u>(250,061)</u>
<b>Net Cash Flows from Investing Activities</b>		<b>(470,067)</b>	<b>(250,061)</b>
<b>Cash Flows from Financing Activities</b>			
<i>Cash was provided from</i>			
Long Term Loans Drawn Down		0	0
		<u>0</u>	<u>0</u>
<i>Cash was disbursed to</i>			
Long Term Loans Repaid		(135,249)	(173,054)
		<u>(135,249)</u>	<u>(173,054)</u>
<b>Net Cash Flows from Financing Activities</b>		<b>(135,249)</b>	<b>(173,054)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>		<b>(103,520)</b>	<b>216,996</b>
Cash and Cash Equivalents at Beginning of Period		<u>(101,049)</u>	<u>(318,045)</u>
Cash and Cash Equivalents at End of Period		<u><u>(204,568)</u></u>	<u><u>(101,049)</u></u>

# **Oamaru Licensing Trust**

## **Notes to the Financial Statements**

### **For the Year Ended 31 March 2019**

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#### **General Information**

The Oamaru Licensing Trust (the "Trust") is a Licensing Trust as defined in New Zealand by the Sale and Supply of Alcohol Act 2012. The Trust is domiciled in New Zealand and involved in the hospitality industry and investing activities, its principal trading activities being the sale of liquor and other beverages and the provision of accommodation and restaurant services within its community. The address of the Trust is c/- Brydone Chambers, 1 Wear Street, Oamaru 9400.

#### **Significant Accounting Policies**

##### **Basis of Preparation**

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ('NZ GAAP'). They comply with the New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime ('NZ IFRS RDR') and other applicable Financial Reporting Standards as appropriate for profit-oriented entities under the reduced disclosure regime. The Oamaru Licensing Trust is a for-profit entity for the purposes of complying with NZ GAAP.

The financial statements are presented in New Zealand currency, rounded to the nearest whole dollar. The financial statements have been prepared on a historic cost basis except for share investments which are recorded at fair value. Historical cost is generally based on the fair value of consideration given in exchange for assets at the time the transaction occurred.

The New Zealand Framework assumes a going concern concept for the Trust. In this regard the Trustees are committed to ensuring a rollover of the loan funding, and implementing appropriate strategies and resolutions to achieve its out of money risk and to enable it to meet its financial obligations as they fall due. The Trustees have concluded that the going concern assumption is the valid basis for the preparation of the 2019 financial statements on consideration of the factors set out in note 18.

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.

##### **NZ IFRS- reduced disclosure regime**

The Trust has adopted External Reporting Board Standards A1 'Accounting Standards Framework (For-profit Entities Update) ('XRB A1')'. For the purpose of complying with NZ GAAP, the Trust is eligible to apply Tier 2 For-profit Accounting Standards (New Zealand equivalents to International Financial Reporting Standards - Reduced Disclosure Regime ('NZ IFRS RDR')) on the basis that it does not have public accountability and is not a large for-profit public sector entity. The Trust has elected to report in accordance with NZ IFRS RDR and has applied disclosure concessions.

##### **Statutory Base**

The Oamaru Licensing Trust is a Licensing Trust as defined in New Zealand by the Sale and Supply of Liquor Act 2012.

# Oamaru Licensing Trust

## Notes to the Financial Statements

### For the Year Ended 31 March 2019

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#### Changes in accounting policy and disclosures

New Standards, interpretations and amendments effective from 1 April 2018.

- NZ IFRS 9 Financial Instruments (NZ IFRS 9); and
- NZ IFRS 15 Revenue from Contracts with Customers (NZ IFRS 15)

There was no impact on any of the line items of the financial statements from the implementation.

All other policies have been applied on bases consistent with those used in the previous year.

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)).

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

##### - 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 surplus/deficit as the expense is incurred.

##### - Depreciation

Depreciation is charged to the surplus/deficit over the estimated useful lives of each part of an item of property plant and equipment. The depreciation rates currently in use are as follows:

Asset Type	Rate	
Buildings	2-3%	(DV)
Equipment	10% to 60 %	(DV)
Furniture and Fittings	4% to 60%	(DV)
Motor Vehicles	18% to 36.4%	(DV)

furniture and fittings includes building fitour.

#### b) Investments

Investments are valued using valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.



# Oamaru Licensing Trust

## Notes to the Financial Statements

### For the Year Ended 31 March 2019

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#### c) Financial Instruments

##### Financial Assets

The Trust classifies its financial assets in the following categories discussed below, depending on the purpose for which the asset was acquired. The Trust's accounting policy for each category is as follows:

##### - Fair value through profit or loss

This category comprises in-the-money derivatives and out-of-the-money derivatives where the time value offsets the negative intrinsic value. They are carried in the statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income in the finance income or expenses line. The Trust does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through surplus/deficit.

##### - Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current and non current trade receivables are recognised based on the simplified approach within NZ IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

##### - Fair value through other comprehensive income

The Trust has an investment in a unlisted entity which is not accounted for as a subsidiary, associate or jointly controlled entity. For this investment, the Trust has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Trust considers this measurement to be the most representative of the business model for these assets. It is carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal any balance within fair value through other comprehensive income is reclassified directly to surplus/deficit.

Dividends are recognised in surplus/deficit.

##### Recognition and Measurement

Regular purchases and sales of financial assets are recognised on trade date – the date on which the Trust commits to purchase or sell the asset. All financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through surplus/deficit.

##### Financial Liabilities

The Trust classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Trust's accounting policy for each category is as follows:

# Oamaru Licensing Trust

## Notes to the Financial Statements

### For the Year Ended 31 March 2019

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#### d) Receivables

Trade and other receivables are recorded at amounts due, less any allowance for doubtful debts (impairment losses). An estimate of doubtful debts is made when collection of the full amount due is no longer probable. Bad debts are written off against the allowance account when these are deemed no longer collectable. Changes in the carrying amount of the allowance account are recognised in the surplus/deficit.

#### 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. Rebates received are offset against purchases.

Cost of inventories is based on the weighted average and first-in first-out principles, 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, call accounts and current and short-term deposit accounts, within original maturities of less than three months, 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.

#### g) Impairment of Assets

The carrying amounts of the Trust's assets, other than inventories (refer accounting policy (f)), 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 surplus/deficit.

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. A reversal of impairment loss is recognised immediately in the surplus/deficit.

# Oamaru Licensing Trust

## Notes to the Financial Statements

### For the Year Ended 31 March 2019

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#### **h) Taxation**

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

#### **Current Tax**

Current Tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. 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 tax is provided on temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates expected to apply in the period of settlement, based on tax rates enacted or substantively enacted.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax has been calculated on the assumption that there will be no change in tax law or circumstances of the Trust that will result in tax losses not being available to the Trust in future.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Trust intends to settle current tax assets and liabilities on a net basis.

#### **i) Payables**

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

#### **j) Provisions**

A provision is recognised on the Statement of Financial Position when the Trust has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation, but the timing of the settlement is uncertain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

#### **k) Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any differences between the proceeds (net of transaction costs) and the redemption value is recognised in the surplus/deficit over the period of the borrowings using the effective interest method.

# **Oamaru Licensing Trust**

## **Notes to the Financial Statements**

### **For the Year Ended 31 March 2019**

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#### **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.

#### **m) Revenue**

##### **- Provision of Services**

Revenue from the provision of accommodation is recognised when the Trust provides the service to the customer. The service is deemed to be provided on the night of the customers stay.

##### **- 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 Trade 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.

##### **- Finance Income**

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

#### **n) Goods and Service Tax (GST)**

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

Commitments and contingencies are disclosed net of the amounts of GST recoverable from or payable to the Inland Revenue Department.

# Oamaru Licensing Trust

## Notes to the Financial Statements

### For the Year Ended 31 March 2019

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#### o) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged against surplus/deficit on a straight-line basis over the period of the lease.

The Trust leases certain property, plant and equipment. Leases of property, plant and equipment where the Trust has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to surplus/deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term .

**Oamaru Licensing Trust**  
**Notes to the Financial Statements**  
**For the Year Ended 31 March 2019**

**NOTE:**

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>1 Revenue</b>		
Revenue comprises sales of products and services to external parties, categorised as follows:		
Liquor	6,355,108	6,047,767
Meals	1,185,861	1,267,043
Accommodation	1,859,719	1,947,414
Games, Hire & Sundry	195,774	185,534
<b>Total Revenue</b>	<u>9,596,462</u>	<u>9,447,758</u>

**2 Other Revenue**

Other Revenue represents revenue other than that arising from the sale of goods to external parties sourced as part of the trusts normal business activities.

Rent Received	54,416	51,589
Interest Income	782	147
Dividends Received	103,905	94,126
<b>Total Other Income</b>	<u>159,104</u>	<u>145,862</u>

**3 Sundry Operating Expenses**

Sundry Operating Expenses include the following specific costs:

Computer Support	77,585	49,513
Magazines and Papers	323	292
Hire Charges	72,771	65,494
Postage, Printing & Stationery	25,142	17,864
Flowers and Decorations	-	17
Room Supplies	23,822	20,862
Other	59,139	106,792
Other Staff Related Costs	43,453	-
<b>Total Sundry Operating Expenses</b>	<u>302,234</u>	<u>260,834</u>

**Oamaru Licensing Trust**  
**Notes to the Financial Statements**  
**For the Year Ended 31 March 2019**

	2019	2018
	\$	\$
<b>4 Administration Expenses</b>		
Amortisation (Note 12)	1,610	1,529
Audit Fees - Current Year	46,965	46,218
Bad & Doubtful Debts	0	13,823
Election Expenses	-	6,179
Insurance	63,542	49,995
Meeting Expenses	1,001	1,027
Members Remuneration ( Note 16)	31,068	30,358
Professional Fees	129,378	129,523
Telephone	21,992	33,507
Vehicle & Travel	25,721	32,841
Bank Charges & Commissions	110,454	99,761
<b>Total Administration Expenses</b>	<u>431,731</u>	<u>444,762</u>

**5 Staffing Cost**

Wages and Salaries	2,419,675	2,241,141
Changes to Provisions (Note 10)	(19,931)	7,504
Pension Cost - Defined Contribution Plan	2,857	3,108
<b>Total Staffing Costs</b>	<u>2,402,601</u>	<u>2,251,754</u>

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

One employee of the Trust received remuneration and other benefits within the band \$100,000 - \$109,999 during the financial year (2018 : 1) .

**6 Cash and Cash Equivalents**

ANZ 00 Account - Funds In Bank	196,762	134,466
ANZ 01 Account - Overdraft	(450,473)	(285,545)
Imprest Advances	49,143	50,030
<b>Total Cash Balance</b>	<u>(204,568)</u>	<u>(101,049)</u>

**Oamaru Licensing Trust**  
**Notes to the Financial Statements**  
**For the Year Ended 31 March 2019**

	2019	2018
	\$	\$
<b>7 Trade and Other Receivables</b>		
Trade Receivables	391,570	472,817
Prepayments	29,373	25,398
Other	47,579	36,601
<b>Trade and Other Receivables</b>	<u>468,521</u>	<u>534,815</u>
<b>Aging Analysis for Trade Receivables:</b>		
One Month:	295,330	-
1-3 Months:	90,065	-
3 + months:	6,175	-
<b>Total Trade Receivables</b>	<u>391,570</u>	<u>-</u>
<b>8 Inventories</b>		
The Trust's inventories comprise Finished Goods, Categorised as follows:		
Beverages, Cigarettes & Bar Sundries	462,784	490,663
Food	15,577	16,268
	<u>478,361</u>	<u>506,930</u>
<b>9 Trade and Other Payables</b>		
Trading Supplies	758,855	742,078
Other	198,500	252,543
	<u>957,355</u>	<u>994,621</u>
<b>10 Provision for Employee Entitlements</b>		
Accrued Wages	45,749	-
Annual Leave	118,043	98,112
Long Service Leave	2,288	2,288
	<u>166,080</u>	<u>100,400</u>

Vested leave includes Annual leave (\$106,611) and Lieu Days (\$11,432) 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 is yet to vest.



# Oamaru Licensing Trust

## Notes to the Financial Statements

### For the Year Ended 31 March 2019

	2019	2018
	\$	\$
<b>11 Investments</b>		
<b>Investments in Equity Instruments</b>		
<b>- Assets available for sale</b>		
The Trust holds 407,471 (2018: 407,471) ordinary shares issued by DB South Island Brewery Ltd. This holding represents 5.66% of the 7,200,000 (2018: 7,200,000) shares issued by that company.		
The Trust's shares in DB South Island Brewery Ltd were revalued in accordance with its valuation policy for available for sale assets. The shares are valued on the basis of the net assets of DB South Island Brewery Ltd as at 31 December 2017. DB South Island Brewery Limited's balance date is 31 December. The Trust has chosen to use the company's 31 December Audited Financial Statement information in order to incorporate audited financial information into its financial statements rather than relying on unaudited management financial reports as at 31 March. The Trust's determination is that this is the most appropriate method of valuation, and is consistent with a valuation under level 3 of the fair value hierarchy under NZ IFRS 13.		
Balance at start of financial period	933,762	939,901
Revaluation Increment / (Decrement)	<u>5,516</u>	<u>(6,139)</u>
Closing Balance	<u>939,278</u>	<u>933,762</u>
<b>12 Amortisation of Intangibles</b>		
<b>Liquor Licenses</b>		
Balance Brought Forward	2,310	1,320
Purchase of new licence	2,520	2,520
Amortisation and Impairment (Note 4)	(1,610)	(1,529)
<b>Net Book Value</b>	<u>3,220</u>	<u>2,310</u>

Liquor licences are held for Liquorland, Brydone Hotel, Sport Central and Northstar, the licence's are for 36 months with varying expiry and renewal dates. The licences are amortised over a three year period.

### 13 Commitments For Expenditure

#### Capital Commitments

There were no capital commitments as at 31 March 2019. (2018: Nil)

#### Lease Commitments

Finance lease liabilities and non-cancellable operating lease commitments are disclosed in note 15.

**Oamaru Licensing Trust**  
**Notes to the Financial Statements**  
**For the Year Ended 31 March 2019**

	2019	2018
	\$	\$
<b>14 Contingent Liabilities and Assets</b>		

Other than the guarantee provided to NZ Racing Board on 12/09/2006 for \$15,000 which has an open ended expiry date, there are no contingent liabilities and assets known as at balance date (2018 : \$15,000)

**15 Leases**

**Finance Lease Liabilities**

The trust had a finance lease contract with flexirent for the purchase of a new telephone system during the year. The telephone system has a net carrying value of \$20,062 (2018:Nil).

Within 12 Months	3,654	-
Between 1 and 5 years	<u>17,928</u>	<u>-</u>
	<u>21,582</u>	<u>-</u>

**Operating Lease Commitments**

The Trust has in place various operating lease agreements, most of these agreements are for office equipment and a vehicle.

Within 12 months	15,508	24,340
Between 1 and 5 years	3,925	19,433
	<u>19,433</u>	<u>43,773</u>

**Operating Lease Commitments as Lessor**

The Trust has in place a ground lease from which it derives rental income which was on a month by month basis and was ceased during the year.

Within 12 months	-	4,680
	<u>-</u>	<u>4,680</u>

**16 Related Parties**

**Members**

Transactions between entities in which members hold a financial interest and the Trust are conducted in accordance with normal commercial practice.

These are regularly monitored to assess compliance with the Local Authorities (Members Interests) Act 1968. \$Nil was owed by the Licensing Trust to related parties at balance date (2018 : \$Nil). Amounts owed to the Licensing Trust by related parties at balance date were Nil (2018 : \$294 - North Otago Rugby Union)

**Members Interests**

Warren Prescott is Chairman of the North Otago Rugby Union board, and a member of the OLT board. Cathy Maaka is a Director of the Mosgiel Tavern, and General Manager of the OLT. Cathy has one daughter employed by the OLT. Ali Brosnan is the Chairman of the OLT and his son is the Shareholder/Director of Brosnan Refrigeration Ltd.

**Oamaru Licensing Trust**  
**Notes to the Financial Statements**  
**For the Year Ended 31 March 2019**

	2019	2018
	\$	\$
<b>Transactions between related parties</b>		
The following transactions occurred between related parties :		
North Otago Rugby had purchases from OLT during the 2019 financial year of \$7,800 (2018 : \$7,018). The Mosgiel Tavern had purchases from the OLT during the 2019 financial year of \$127 (2018 : \$Nil). In the 2019 year the North Otago Rugby Union received sponsorship of \$9,347 (2018: \$9,775) . The OLT purchased goods and services of \$4,888 from Brosnan Refrigeration Ltd in the 2019 year (2018:\$39,969) .		
<b>Remuneration of Trust members</b> (section 335 (4) (b) (i) and (ii) 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:		
President	19,365	16,519
Other Members Fees	10,080	13,440
Expenses Reimbursed to the President and members relating to meetings attendance and other activities	-	399
<b>Total Remuneration and Expenses Paid</b>	<u>29,445</u>	<u>30,358</u>
Total KMP Remuneration and Expenses for the year:		
(a) Short - term employee benefits	106,449	109,701
(b) Post - employee benefits	-	-
(c) Other long - term benefits	-	-
(d) Termination benefits	-	-
(e) Remuneration Bonds	-	-

**17 Events Subsequent to Balance Date**

There have been no events subsequent to balance date that require disclosure.

# Oamaru Licensing Trust

## Notes to the Financial Statements

### For the Year Ended 31 March 2019

	2019	2018
	\$	\$
<b>18 Interest-Bearing Loans</b>		
Current Loans	166,523	165,137
Non-Current Loans	<u>1,700,000</u>	<u>1,866,585</u>
	<u>1,866,523</u>	<u>2,031,722</u>

The above loans are all provided by the ANZ Bank, \$1,200,000 of this funding is interest only up to 21 November 2021. This loan has a fixed interest rate of 5.08% (2018: 5.16%). \$600,000 is a fixed rate principal and interest loan which matures on 21 November 2021 and has an interest rate, at 31 March 2019, of 5.38% (2018: 5.38%). The bank loans are secured by first mortgage over the Trust's freehold land and buildings.

The loans are for a period of 5 years each and have been classified as non current liabilities, other than the amount of \$150,000 being the expected principal repayments within the following 12 month period. The Trust is committed to ensuring a rollover of the loan funding on 21 November 2021 and is confident of achieving this outcome .

The remaining loan for \$16,617 is in relation to a loan from UDC Finance Limited. This loan is for a period of 48 months, has a fixed interest rate of 8.4% and matures on 02 March 2020. The loan is secured over the Ford Transit Van registration number JQR752.

The current loans for 2019 relate to the loans provided by the ANZ Bank (\$150,000) and UDC (\$16,617) being the expected repayments within the following 12 months.

#### 19 Bank loan and financial covenant

Oamaru Licensing Trust is subject to a financial covenant in relation to its bank loans of a ratio of earnings before interest, tax, depreciation and amortisation of 1.7 times interest costs. At 31 March 2019 the Trust met the required ratio.

The loan will continue to be repaid in accordance with the original terms and conditions.

The Trust will continue to monitor the ratio in future. The Trust is in constant communication with the lender as to the terms of the loan and expects that the availability of the loan will remain.

Oamaru Licensing Trust  
Notes to the Financial Statements  
For the Year Ended 31 March 2019

Note 20

Property, Plant and Equipment - Routine Fix Assets

	Land	Buildings	Equipment	Furniture & Fittings	Vehicle	Total
<b>2019</b>	\$	\$	\$	\$	\$	\$
<b>Cost</b>						
Balance at 1 April 2018	223,024	7,486,974	917,393	1,411,114	97,460	10,135,965
Additions	-	159,913	130,833	126,979	52,342	470,067
Disposals	-	-	-	-	-	-
<b>Balance at 31 March 2019</b>	<b>223,024</b>	<b>7,646,887</b>	<b>1,048,226</b>	<b>1,538,093</b>	<b>149,802</b>	<b>10,606,032</b>
<b>Accumulated Depreciation</b>						
Balance at 1 April 2018	(444)	(4,263,051)	(766,088)	(992,561)	(72,849)	(6,094,993)
Current Year Depreciation		(155,590)	(49,230)	(75,612)	(15,006)	(295,439)
Disposals		-	-	-	-	-
<b>Balance at 31 March 2019</b>	<b>(444)</b>	<b>(4,418,641)</b>	<b>(815,319)</b>	<b>(1,068,174)</b>	<b>(87,855)</b>	<b>(6,390,432)</b>
<b>Net Book Value</b>	<b>222,580</b>	<b>3,228,246</b>	<b>232,907</b>	<b>469,920</b>	<b>61,947</b>	<b>4,215,600</b>
<b>2018</b>	\$	\$	\$	\$	\$	\$
<b>Cost</b>						
Balance at 1 April 2017	223,024	7,538,359	1,111,879	1,426,705	97,460	10,397,426
Additions	-	13,848	11,725	227,313	-	252,885
Disposals	-	(65,233)	(206,210)	(242,903)	-	(514,347)
<b>Balance at 31 March 2018</b>	<b>223,024</b>	<b>7,486,974</b>	<b>917,393</b>	<b>1,411,114</b>	<b>97,460</b>	<b>10,135,964</b>
<b>Accumulated Depreciation</b>						
Balance at 1 April 2017	(432)	(4,164,621)	(922,279)	(1,167,959)	(62,693)	(6,317,985)
Current Year Depreciation	(12)	(160,272)	(49,389)	(61,529)	(10,155)	(281,357)
Disposals		61,842	205,580	236,927	-	504,349
<b>Balance at 31 March 2018</b>	<b>(444)</b>	<b>(4,263,051)</b>	<b>(766,088)</b>	<b>(992,561)</b>	<b>(72,849)</b>	<b>(6,094,993)</b>
<b>Net Book Value</b>	<b>222,580</b>	<b>3,223,923</b>	<b>151,305</b>	<b>418,553</b>	<b>24,611</b>	<b>4,040,972</b>
<b>Net Book Value</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Oamaru Licensing Trust**  
**Notes to the Financial Statements**  
**For the Year Ended 31 March 2019**

**21 Financial Assets and Liabilities**

**Capital Risk Management**

The Trust manages its capital to ensure that the entities in the Trust will be able to continue as a going concern while maximising the return through the optimisation of the debt and equity balance.

The capital structure of the Trust consists of debt, which includes the borrowings disclosed in note 18, and cash and cash equivalents, and equity, comprising retained earnings as disclosed in note 6 and on the Statement of Changes in Equity.

The Trust's overall strategy remains unchanged from 2019.

There are no externally imposed capital requirements on the Trust.

Note c) Financial Instruments provides a description each category of financial assets and financial liabilities and the related accounting policies. The carrying amount of financial liabilities in each category are as follows:

**Categories of Financial Assets and Financial Liabilities**

	Fair Value Through Profit or Loss \$	Amortised Cost (Loans and Receivables) \$	Fair Value through Other Comprehensive Income (Available for Sale) \$	\$
<b>As at 31 March 2018</b>				
<b>Financial Assets</b>				
Cash and cash equivalents	-	184,496	-	
Trade receivables	-	509,418	-	
Equity Investments	-		933,762	
<b>Total Financial Assets</b>	<b>-</b>	<b>693,914</b>	<b>933,762</b>	
<b>Total Assets</b>				
<b>Financial Liabilities</b>				
Cash and cash equivalents		285,545	-	
Trade and other payables	-	994,621	-	
Interest-bearing loans	-	2,031,722	-	
<b>Total Financial Liabilities</b>	<b>-</b>	<b>3,311,888</b>	<b>-</b>	
<b>As at 31 March 2019</b>				
<b>Assets</b>				
Cash and cash equivalents	-	245,905	-	
Trade receivables	-	439,149	-	
Investments	-	-	939,278	
<b>Total Financial Assets</b>	<b>-</b>	<b>685,054</b>	<b>939,278</b>	
<b>Liabilities</b>				
Cash and cash equivalents		450,473	-	
Trade and other payables		1,003,104	-	
Interest-bearing loans	-	1,888,105	-	
<b>Total Financial Liabilities</b>	<b>-</b>	<b>3,341,682</b>	<b>-</b>	

**Oamaru Licensing Trust**  
**Notes to the Financial Statements**  
**For the Year Ended 31 March 2019**

	2019	2018
	\$	\$
<b>22 Income Tax</b>		
<b>Components of tax expense</b>		
Current tax expense	-	-
Adjustments to current tax in prior years	-	-
Deferred tax expense	-	-
<b>Tax expense</b>	<u>-</u>	<u>-</u>
<b>Relationship between tax expense and accounting profit</b>		
Net surplus before tax	92,358	314,634
Tax at 28%	25,860	88,098
Plus (less) tax effect of:		
Non-deductible expenditure	76	74
Imputation credit adjustment	11,314	10,249
Buildings post 21 May 2010	458	691
Non-taxable income	-	-
Prior year adjustment	-	(4,680)
Losses Recognised	(82,782)	(130,417)
Deferred tax adjustment	45,076	35,986
<b>Tax expense</b>	<u>-</u>	<u>-</u>

**Deferred tax asset (liability)**

	Property, plant and equipment	Employee entitlements	Other provisions	Tax losses	Total
	\$	\$	\$	\$	\$
Balance at 31 March 2017	(861,952)	20,145	4,758	1,117,049	280,000
Charged to surplus or deficit	40,330	(3,413)	(240)	(36,677)	-
Charged to other comprehensive income	-	-	-	-	-
Balance at 31 March 2018	(821,622)	16,732	4,518	1,080,372	280,000
Charged to surplus or deficit	37,212	8,182	(318)	(45,076)	-
Charged to other comprehensive income	-	-	-	-	-
<b>Balance at 31 March 2019</b>	<u>(784,410)</u>	<u>24,914</u>	<u>4,200</u>	<u>1,035,296</u>	<u>280,000</u>

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Licensing Trust did not recognise deferred income tax assets of \$610,960 (2018: \$616,611) in respect of losses amounting to \$2,182,000, (2018: \$2,202,182) that can be carried forward against future taxable income.