

## **Independent auditor's report**

### **To the readers of Ashburton Licensing Trust and group's financial statements for the year ended 31 March 2015**

The Auditor-General is the auditor of Ashburton Licensing Trust and its subsidiaries. The Auditor-General has appointed me, Ian Lothian, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the group, consisting of Ashburton Licensing Trust and its subsidiaries (collectively referred to as "the Group"), on her behalf.

### **Opinion**

We have audited the financial statements of the Group on pages 2 to 30, that comprise the statement of financial position as at 31 March 2015, the statement of comprehensive income, statement of movements in equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the Group:

- present fairly, in all material respects:
  - its financial position as at 31 March 2015; and
  - its financial performance and cash flows for the year then ended; and
- have been prepared in accordance with New Zealand equivalents to International Financial Reporting Standards.

Our audit was completed on 18 June 2015. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities, and we explain our independence.

### **Basis of opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Group's financial statements 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 Group's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Trustees;
- the adequacy of the disclosures in the financial statements; and
- the overall presentation of the financial statements.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements. Also we did not evaluate the security and controls over the electronic publication of the financial statements.

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

### **Responsibilities of the Trustees**

The Trustees are responsible for the preparation and fair presentation of financial statements for the Group, in accordance with New Zealand equivalents to International Financial Reporting Standards.

The Trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Trustees are also responsible for the publication of the financial statements, whether in printed or electronic form.

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

### **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you based on our audit.

Our responsibility arises from section 15 of the Public Audit Act 2001 and the Sale and Supply of Alcohol Act 2012.

## Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

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

A handwritten signature in black ink, appearing to read 'Ian Lothian', with a stylized, cursive script.

Ian Lothian  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand

# ASHBURTON LICENSING TRUST CONSOLIDATED GROUP

## TRUST DIRECTORY

FOR THE YEAR ENDED 31 MARCH 2015

### *Members of the Trust*

<i>Mr A. S. Lilley</i>	<i>Member (Chairperson)</i>
<i>Mr A. D. Neumann</i>	<i>Member</i>
<i>Mr R. J. Paterson</i>	<i>Member</i>
<i>Mrs F. M. Watson</i>	<i>Member</i>
<i>Mr J. F. Lischner</i>	<i>Member</i>
<i>Mr C. J. Robertson</i>	<i>Member</i>

### **AUDITORS**

*Audit New Zealand  
On behalf of  
The Auditor-General*

### **BANKERS**

*ANZ Bank  
CHRISTCHURCH*

### **SOLICITORS**

*Wynn Williams & Co  
CHRISTCHURCH*

*Argyle Welsh Finnigan  
ASHBURTON*

*Lane Neave Lawyers  
CHRISTCHURCH*

### **INSURANCE BROKERS**

*Aon New Zealand  
WELLINGTON*

## STATEMENT OF ACCOUNTING POLICIES

For the year ended 31 March 2015

The Ashburton Licensing Trust (the "Trust") is a licensing trust as defined in New Zealand by the Sale and Supply of Alcohol Act 2012. The Trust was formed and is domiciled in New Zealand. The Trust is 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 Owner/Officers of the Trust do not have the power to amend these Financial Statements after issue.

The Ashburton Licensing Trust Group consists of the ultimate parent, the "Trust" and the Braided Rivers Trust and group.

The Braided Rivers Trust and Subsidiaries are defined as a charitable trust by the Charities Commission and are exempt from Income Tax.

### Statement of Compliance

These financial statements comply with New Zealand Equivalents to the International Financial Reporting Standards (NZ IFRS).

### Basis of Preparation

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

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

The financial statements have been prepared on the historic cost basis, except for the revaluation of investment properties and certain financial instruments. Cost is based on the fair value of consideration given in exchange for assets.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of NZ IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 19.

### Basis of Consolidation

The purchase method is used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis. All significant intergroup balances, transactions, income and expenses are eliminated on consolidation.

### Subsidiaries

The Trust consolidates in the group financial statements all entities where the Trust has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity. This power exists where the Trust controls the majority voting power on the governing body.

## Adoption of New and Revised Standards

The Trust has adopted all the new and revised Standards and Interpretations approved by the External Reporting Board that are relevant to its operations and effective for annual reporting periods beginning on 1 April 2014.

At the date of authorisation of these financial statements the following standards, amendments and Interpretations were on issue but were not yet effective:

Standard / Interpretation	Effective for Annual Reporting Periods Beginning on or after	Brief Outline
Annual Improvements - 2010-2012 cycle	1 July 2014	
NZ IFRS 3 - Business Combinations		This improvement clarifies the classification requirements for contingent consideration in a business combination by removing all references to NZ IAS 37. The Group is yet to assess NZ IFRS 3's full impact and intends to adopt NZ IFRS 3 no later than the accounting period beginning on or after 1 July 2014.
NZ IFRS 13 - Fair Value Measurement		These improvements are to clarify the measurement requirements for those short-term receivables and payables.
NZ IAS 16 - Property Plant and Equipment		The improvements relate to both NZ IAS 16 and NZ IAS 38. They are to clarify that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts. The Group is yet to assess NZ IAS 16 and NZ IAS 38's full impact and intends to adopt NZ IAS 16 and NZ IAS 38 no later than the accounting period beginning on or after 1 July 2014.
NZ IAS 38 - Intangible Assets		
NZ IAS 24 - Related Party Disclosures		The improvements include a definition of a management entity providing Key Management Personnel services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of NZ IAS 24 for Key Management Personnel services provided by a management entity. Payment made to a management entity in respect of Key Management Personnel services should be separately disclosed. The Group is yet to assess NZ IAS 24's full impact and intends to adopt NZ IAS 24 no later than the accounting period beginning on or after 1 July 2014.
Annual Improvements - 2011-2013 cycle	1 July 2014	
NZ IFRS 13 - Fair Value Measurement		The improvements clarify that the portfolio exception in paragraph 52 of NZ IFRS 13 applies to all contracts within the scope of NZ IAS 39 or NZ IFRS 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in NZ IAS 32. The Group is yet to assess NZ IFRS 13's full impact and intends to adopt NZ IFRS 13 no later than the accounting period beginning on or after 1 July 2014.
NZ IAS 40 - Investment Property		The improvements clarify that judgement is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of NZ IFRS 3 that includes an investment property. That judgement is based on guidance in NZ IFRS 3. The Group is yet to assess NZ IAS 40's full impact and intends to adopt NZ IAS 40 no later than the accounting period beginning on or after 1 July 2014.

Annual Improvements - 2012-2015 cycle		
NZ IFRS 7 - Financial Instruments: Disclosures		The improvements clarify that the term 'payment' in the context of paragraph B30 does not include cash flows of the transferred financial assets that an entity collects and is required to remit to the transferee. It also clarifies the requirements of the standard for servicing contracts and provides guidance to determine the rate used to discount post-employment benefit obligations. The Group is yet to assess NZ IFRS 7's full impact and intends to adopt NZ IFRS 7 no later than the accounting period beginning on or after 1 January 2016.
NZ IFRS 10 - Consolidated Financial Statements		The improvements clarify various aspects of the exemption from consolidation of subsidiaries under NZIFRS 10 that meet the definition of an investment entity. The Group is yet to assess NZ IFRS 10's full impact and intends to adopt NZ IFRS 10 no later than the accounting period beginning on or after 1 January 2016.
NZ IAS 1 - Presentation of Financial Statements	1 January 2016	The improvements clarify existing NZ IAS 1 requirements that relate to materiality, order of the notes, subtotals, accounting policies and disaggregation. The Group is yet to assess NZ IAS 1's full impact and intends to adopt NZ IAS 1 no later than the accounting period beginning on or after 1 January 2016.
NZ IAS 16 - Property Plant and Equipment NZ IAS 38 - Intangible Assets		The improvements clarify the principle in NZ IAS 16 and NZ IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. These amendments are not expected to have any impact to the Group given that the group has not used a revenue-based method to depreciate its non-current assets. The Group intends to adopt NZ IAS 16 and NZ IAS 38 no later than the accounting period beginning on or after 1 January 2016.
NZ IFRS 9 - Financial Instruments	1 January 2018	NZ IFRS 9 addresses clarification, measurement and recognition of financial assets and financial liabilities. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial assets. ALT is yet to assess NZ IFRS 9's full impact and intends to adopt NZ IFRS 9 no later than the accounting period beginning on or after 1 January 2018.

The Members do not anticipate that the adoption of these standards, amendments and interpretations will have a material financial impact on the financial statements of the Trust and Group.

## Significant accounting policies

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

### a) Property, plant and equipment

#### • Owned assets

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

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

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

#### • 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 profit or loss as the expense is incurred.

#### • Depreciation

Prior to 1 April 2010 Depreciation was charged to the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. From 1 April 2010 the Members decided that Depreciation on all new assets excluding Building Structures will be charged using the Diminishing Value method and the tax rates issued by the Inland Revenue Department as it is believed this method more accurately reflects the consumption of the future economic benefits of these assets than the previous method used. Building Structures are depreciated at 2% on a straight line basis in accordance with NZ IAS 16, this reflects an estimated useful life of 50 years. Land is not depreciated.

For Assets purchased prior to 1 April 2010; the estimated useful lives determined by the Trust are as follows:

Building Structure	100 years	Floor Coverings	5 years
Building Fitout and Services - Hotel	10 years	Plant	15 years
Building Fitout and Services - Other	20 years	Bear Systems	5 years
Furnishings - Hotel	5 years	Motor Vehicles	6 years
Furnishings - Office	10 years	Linen, Crockery & Cutlery	2 years
Office Equipment - Heavy use	3 years	Computer Equipment	3 years
Office Equipment - General	5 years		
Electronic Equipment (Excl Computer Equip)	4 years		

For Assets purchased after 1 April 2010; the Diminishing Value rates used are:

Building Fitout and Services	10% - 25%	Floor Coverings	40%
Furnishings	13% - 20%	Plant	10% - 67%
Office Equipment	16% - 50%	Motor Vehicles	16% - 50%
Electronic Equipment (Excl Computer Equip)	50%	Linen, Crockery & Cutlery	67%
		Computer Equipment	50%

For Building Structures purchased after 1 April 2010; the estimated useful lives determined by the Trust are:

Building Structure	50 years
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## **b) Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset when it is probable the asset will result in the realisation of future economic benefits and the cost of the asset can be reliably measured. Other borrowing costs are expensed in the period in which they are incurred.

Qualifying assets are those assets whose cost of acquisition, construction or production, (excluding borrowing costs) when completed and ready for use, will individually equate to ten percent or greater of the carrying amount of Property, Plant and Equipment immediately prior to capitalisation, and which have taken 12 months or more to acquire, construct or produce.

To the extent the funds are borrowed funds specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs that are to be capitalised are the actual borrowing costs incurred on borrowings during the acquisition, construction or production period, less any investment income earned during this period if any or part of the borrowed funds have been invested.

Where funds are borrowed generally and are used to obtain a qualifying asset, the amount of borrowing costs that will be capitalised is determined by applying a capitalisation rate to the expenditure on that asset. The capitalisation rate shall be the weighted average of the borrowing costs applicable to the borrowings that were outstanding during the acquisition period, excluding borrowings that were obtained specifically for the purpose of obtaining another qualifying asset.

## **c) Investments**

### **• Investments in shares (equity investments)**

The Trust has investments in shares which are classified as "available for sale", and are stated at fair value, with any resultant gain or loss being recognised directly in other comprehensive income and equity in the Fair Value Revaluation Reserve, except for impairment losses.

The fair value of financial instruments classified as available-for-sale is the quoted price in an active market at balance date. Because there is no active market, and the Trust is not an investor looking to manage the investment for profit, the investment has been valued at cost.

### **• Investment Property**

Investment property, principally comprising freehold office buildings, is held for long-term rental yields some of which is occupied by the Ashburton Licensing Trust or Group. To allow consistency of reporting across the Ashburton Licensing Trust Group investment property held by the ALT subsidiaries are revalued on an annual basis, this revaluation gain/(loss) is reported in the profit or loss in line with NZ IAS 40 Investment Property.

### **• Fair Value Measurement**

Management have assessed that Cash and Cash Equivalents, Bank Overdrafts, Short-term deposits, Trade and Other payables, Trade and Other Receivables and other Current Liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Equity investments are being carried at cost unless market values are able to be reasonably determined and differ materially from the carrying amount.

The fair value of the financial assets and liabilities is included at 'Fair value' calculated by applying the weighted average loan interest rate of the Ashburton Licensing Trust (ultimate parent) to discount the value of the instrument over the balance of the term the instrument is expected to remain outstanding.

## **d) Intangibles**

Naming Rights and Liquor Licenses are intangible assets. They are stated at cost less accumulated amortisation and impairment losses. Cost is the amount paid for the naming rights and liquor licenses. Amortisation is charged to the profit or loss on a straight line basis over the finite life of the intangible.

**e) Receivables**

Trade and other receivables are recorded at amounts due, less any allowance for doubtful debts (impairment losses). Initial recognition is at fair value and subsequently measured and amortised using the effective interest method. 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 profit or loss.

**f) 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.

**g) Cash and cash equivalents**

Cash and cash equivalents comprise of cash on hand in the Trust and group's establishments and current and short-term deposit accounts (with an original maturity of less than 3 months) maintained by the Trust and group with external banking institutions. Bank overdrafts that are repayable on demand and which form an integral part of the Trust and group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Cash on hand at balance date includes \$0 (2014 \$2,190) which is not available for general use due to it consisting of the donations reserve.

**h) Impairment of assets**

The carrying amounts of the Trust's or Group's assets, other than inventories (refer accounting policy f) and deferred tax assets (accounting policy i), 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 profit or loss.

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 profit or loss.

**i) Income tax**

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

**• Current tax**

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

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

- **Deferred tax**

Deferred tax assets are recognised only 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.

- j) **Payables**

Trade and other payables are recognised when the Trust and group becomes obliged to make future payments resulting from the purchase of goods and services. Initial recognition is at fair value and subsequently measured and amortised using the effective interest method.

- k) **Provisions**

A provision is recognised on the face of the balance sheet when the Trust and group 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. 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.

- l) **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 profit or loss over the period of the borrowings using the effective interest method, except for borrowing costs capitalised as part of the cost of constructed assets.

- m) **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.

- n) **Revenue**

- **Sale of goods and services**

Revenue from the sale of goods is recognised when the Trust and group 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. Sales of goods and services includes income from the rental of commercial property, income from this is recognised when it becomes due.

- **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 and group's business activities, and includes:

- **Rental and gaming machine site revenue**

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

- o **TAB commission**

TAB commission is based on turnover at TAB agencies operating on the Trust and group's premises.

- **Operating Leases**

When assets are leased out under an operating lease, the asset is included in the balance sheet based on the nature of the asset.

- **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.

- **Rental Income**

Rental Income is income received from the renting of commercial space. Rental Income is recognised when it becomes due.

Lease incentives provided are recognised in the profit and loss as an integral part of the rental income over the minimum term of the lease.

**o) Expenses**

- **Operating lease payments**

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

**p) 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.

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 recoverable from or payable to the Inland Revenue Department.

**q) Advances/Loans**

Decisions regarding Term Advances are only made on a one off basis. Decisions are made by the Trust or boards at monthly or 'special' meetings and are only approved after taking into account all of the costs and benefits associated with each specific advance. The portion of term advances expected to be repaid within 12 months after balance date are reported as Current Liabilities with the balance expected to be repaid after 12 months reported as Non Current Liabilities.

**r) Donations**

Decisions regarding donations from the Trust are made at monthly meetings. The Trust only distributes funds that are already available, and these funds are generally only available to those organisations or individuals whose family home is in the Trust's district. All donations are recognised in the profit or loss in the year in which the board approves payment.

**s) Changes in Accounting Policies**

There have been no changes in Accounting Policies in comparison with the prior year except for those detailed in the Adoption of New and Revised Standards on page 3.

# STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2015

	Notes	Group 2015 \$	Group 2014 \$	Parent 2015 \$	Parent 2014 \$
Revenue	1	18,631,230	18,888,801	18,631,230	18,888,801
Less Cost of Sales		(8,777,277)	(8,911,383)	(8,777,277)	(8,911,383)
<b>Gross Profit</b>		<b>9,853,953</b>	<b>9,977,418</b>	<b>9,853,953</b>	<b>9,977,418</b>
Other Revenue	2	1,013,722	1,169,084	228,788	127,953
Payroll Expenses	6	(5,895,287)	(5,849,693)	(5,895,287)	(5,849,693)
Other Expenses	3	(3,185,111)	(3,187,710)	(3,008,919)	(3,045,275)
Property Expenses	4	(932,600)	(747,472)	(995,158)	(946,824)
Depreciation		(841,148)	(898,996)	(789,708)	(841,837)
Gain/(Loss) on Disposal		(77,780)	(36,375)	(77,780)	(36,375)
Amortisation		(27,299)	(29,529)	(27,299)	(29,529)
Fair Value movement in Investment Properties		322,948	23,316	-	-
<b>Operating Profit/(Loss)</b>		<b>231,398</b>	<b>422,043</b>	<b>(711,410)</b>	<b>(644,162)</b>
Finance Cost – Interest		(367,630)	(396,203)	(171,016)	(395,714)
Finance Revenue – Discount Unwinding		-	-	642,859	1,570,766
Building Impairment Reversed		74,283	(260,759)	-	-
<b>Profit/(Loss) Before Income Tax</b>		<b>(61,949)</b>	<b>(234,919)</b>	<b>(239,567)</b>	<b>530,890</b>
Income Tax (Expense)/Credit	8	(238,798)	190,953	(238,798)	190,953
<b>Net Profit/(Loss)</b>		<b>(300,747)</b>	<b>(43,966)</b>	<b>(478,365)</b>	<b>721,843</b>
Other Comprehensive Income		-	-	-	-
<b>Total Comprehensive Income</b>		<b>(300,747)</b>	<b>(43,966)</b>	<b>(478,365)</b>	<b>721,843</b>

Ashburton Licensing Trust is a Licensing Trust which 'controls' its subsidiaries which are consolidated within these financial statements. 100% of all earnings from the Trust's subsidiaries is available to be distributed for charitable purposes, this includes all earnings from both continuing and discontinued operations as well as operating and non operating profits. 100% of the parents earnings including all earnings from both continuing and discontinued operations as well as operating and non operating profits are available to be distributed to any of the purposes prescribed in the Sale and Supply of Alcohol Act 2012.

The Statement of Accounting Policies and Notes form an integral part of, and should be read in conjunction with, these financial statements

# STATEMENT OF MOVEMENTS IN EQUITY - PARENT

For the year ended 31 March 2015

	Retained Earnings \$	Donations Reserve \$	Total Equity \$
Balance at 1 April 2013	10,693,937	4,588	10,698,525
Total Comprehensive Income for the year	721,843	-	721,843
Inter-reserve transfers	2,397	-	2,397
Donations made this year	-	(2,397)	(2,397)
<b>Balance at 31 March 2014</b>	<b>11,418,177</b>	<b>2,190</b>	<b>11,420,367</b>
Balance at 1 April 2014	11,418,177	2,190	11,420,367
Total Comprehensive Income for the year	(478,365)	-	(478,365)
Inter-reserve transfers	2,190	-	2,190
Donations made this year	-	(2,190)	(2,190)
<b>Balance at 31 March 2015</b>	<b>10,942,002</b>	<b>-</b>	<b>10,942,002</b>

# STATEMENT OF MOVEMENTS IN EQUITY - Group

For the year ended 31 March 2015

	Retained Earnings \$	Donations Reserve \$	Total Equity \$
Balance at 1 April 2013	14,392,366	4,588	14,396,954
Total Comprehensive Income for the year	(43,966)	-	(43,966)
Inter-reserve transfers	2,397	-	2,397
Donations made this year	-	(2,397)	(2,397)
<b>Balance at 31 March 2014</b>	<b>14,350,797</b>	<b>2,190</b>	<b>14,352,987</b>
Balance at 1 April 2014	14,350,797	2,190	14,352,987
Total Comprehensive Income for the year	(300,747)	-	(300,747)
Inter-reserve transfers	2,190	-	2,190
Donations made this year	-	(2,190)	(2,190)
Permanent Differences	(750)	-	(750)
<b>Balance at 31 March 2015</b>	<b>14,051,489</b>	<b>-</b>	<b>14,051,489</b>

The Statement of Accounting Policies and Notes form an integral part of, and should be read in conjunction with, these financial statements

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# STATEMENT OF CONSOLIDATED FINANCIAL POSITION

As at 31 March 2015

	Notes	Group 2015 \$	Group 2014 \$	Parent 2015 \$	Parent 2014 \$
<b>Current Assets</b>					
Cash and Cash Equivalents	9	35,363	131,861	3,328	112,661
Trade and Other Receivables	10	671,265	828,510	645,080	530,469
Prepayments	10	70,313	65,938	70,313	65,938
Current Portion Term Advance	16	-	25,169	321,259	495,757
Insurance Aggregate Fund		37,695	37,695	30,517	30,517
Tenant Incentives		44,388	69,056	-	-
Inventories	11	718,948	718,693	718,948	718,693
		1,577,972	1,876,922	1,789,445	1,954,035
<b>Non Current Assets</b>					
Term Advance	16	3,500	8,204	2,182,062	2,212,622
Investments	15(a)	912,701	924,316	912,701	924,316
Deferred Tax Asset	8	-	238,798	-	238,798
Intangible Assets	17	350,459	377,759	350,459	377,759
Property, Plant & Equipment	14	10,484,850	10,932,284	9,975,698	10,372,431
Tenant Incentives		148,952	193,342	-	-
Investment Properties	15(b)	7,909,775	7,508,241	-	-
		19,810,237	20,182,924	13,420,920	14,125,926
<b>Total Assets</b>		21,388,209	22,059,846	15,210,365	16,079,961
<b>Current Liabilities</b>					
Trade & Other Payables	12	1,262,946	1,224,220	1,194,589	1,176,955
Loans – Current Portion Supplier Finance			38,834	-	38,834
ANZ Flexible Facility	25	732,627	910,859	732,627	910,859
Mortgage ANZ Bank	25	3,250,736	3,241,873	250,736	241,873
Employee Entitlements	13	493,271	492,507	493,271	492,507
		5,739,580	5,908,293	2,671,223	2,861,028
<b>Non Current Liabilities</b>					
Provision for Employee Entitlements	13	38,424	40,439	38,424	40,439
Finance Lease	22	45,344	-	45,344	-
Loans – Supplier Finance		-	-	-	-
Mortgage ANZ Bank	25	1,513,372	1,758,127	1,513,372	1,758,127
		1,597,140	1,798,566	1,597,140	1,798,566
<b>Total Liabilities</b>		7,336,720	7,706,859	4,268,363	4,659,594
<b>Net Assets</b>		14,051,489	14,352,987	10,942,002	11,420,367
<b>Represented By</b>					
Retained Earnings	18(a)	14,051,489	14,350,797	10,942,002	11,418,177
Donations Reserve	18(b)	-	2,190	-	2,190
<b>Total Equity</b>		14,051,489	14,352,987	10,942,002	11,420,367

R. Reid  
Acting Manager  
Date:

18-6-15

A.S. Lilley  
Chairperson  
Date:

18-6-15

The Statement of Accounting Policies and Notes form an integral part of, and should be read in conjunction with, these financial statements

**STATEMENT OF CONSOLIDATED CASH FLOWS**  
For the year ended 31 March 2015

	Notes	Group 2015 \$	Group 2014 \$	Parent 2015 \$	Parent 2014 \$
<b>Cash Flow From Operating Activities:</b>					
Cash was provided from:					
Income from Interest		11,862	15,225	50,369	6,834
Income from Dividends		112,462	86,429	112,462	86,429
Receipts from Customers		18,434,454	19,876,265	18,567,913	18,993,712
Insurance Proceeds		254,240	-	-	-
GST		48,712	(35,109)	4,545	(49,051)
		19,861,730	19,942,810	18,735,289	19,037,924
Cash was disbursed to:					
Payments to Suppliers and Employees		(18,635,721)	(18,862,055)	(18,541,836)	(18,809,221)
Income Tax (Paid)/Refunded		-	(2,630)	-	(2,630)
Donations Paid		(10,244)	(2,397)	(10,244)	(2,397)
Interest Paid		(367,630)	(395,714)	(171,016)	(395,714)
		(19,013,595)	(19,262,796)	(18,723,096)	(19,209,962)
<b>Net Flow from Operating Activities</b>	26	<b>848,135</b>	<b>680,014</b>	<b>12,193</b>	<b>(172,038)</b>
<b>Cash Flow From Investing Activities:</b>					
Cash was provided from:					
Proceeds from Sale of Fixed Assets		10,795	12,000	10,795	12,000
Proceeds from Sale of Shares		15,223	-	15,223	-
Repayment of Advance		29,873	23,660	847,918	3,859,343
		55,891	35,660	873,936	3,871,343
Cash was disbursed to:					
Purchase of Investments		(3,608)	(2,539)	(3,608)	(2,539)
Advances		-	-	-	-
Insurance Aggregate Fund		-	(37,695)	-	(30,517)
Purchase of Fixed Assets and Intangibles		(543,958)	(1,085,698)	(538,896)	(1,073,128)
		(547,566)	(1,125,932)	(542,504)	(1,106,184)
<b>Net Flow from Investing Activities</b>		<b>(491,675)</b>	<b>(1,090,272)</b>	<b>331,432</b>	<b>2,765,169</b>
<b>Cash Flow From Financing Activities:</b>					
Cash was provided from:					
Proceeds from borrowings		-	3,000,000	-	-
		-	3,000,000	-	-
Cash was disbursed to:					
Repayments of Mortgage		(452,958)	(2,635,157)	(452,958)	(2,635,157)
		(452,958)	(2,635,157)	(452,958)	(2,635,157)
<b>Net Flow from Financing Activities</b>		<b>(452,958)</b>	<b>364,843</b>	<b>(452,958)</b>	<b>(2,635,157)</b>
<b>Net Increase / (Decrease) In Cash Held</b>		<b>(98,498)</b>	<b>(45,415)</b>	<b>(109,333)</b>	<b>(42,036)</b>
<b>Add Opening Cash Brought Forward</b>		<b>131,861</b>	<b>177,276</b>	<b>112,661</b>	<b>154,697</b>
<b>Ending Cash Carried Forward</b>	9	<b>35,363</b>	<b>131,861</b>	<b>3,328</b>	<b>112,661</b>

The Statement of Accounting Policies and Notes form an integral part of, and should be read in conjunction with, these financial statements



# NOTES TO THE ACCOUNTS

	Notes	Group 2015 \$	Group 2014 \$	Parent 2015 \$	Parent 2014 \$
<b>1 Revenue</b>					
Revenue comprises sales of products and services to external parties, categorised as follows:					
Liquor		10,873,280	11,143,192	10,873,280	11,143,192
Meals		5,227,024	5,280,707	5,227,024	5,280,707
Accommodation		1,809,960	1,687,575	1,809,960	1,687,575
Other		780,016	777,327	780,016	777,327
Promotional Activity		(59,050)	-	(59,050)	-
<b>Total Revenue</b>		<b>18,631,230</b>	<b>18,888,801</b>	<b>18,631,230</b>	<b>18,888,801</b>
<b>2 Other Revenue</b>					
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.					
Dividends Received		112,462	86,429	112,462	86,429
Interest Income		11,863	15,225	50,369	6,834
Management Services		-	-	15,334	10,334
Expired Vouchers		18,660	12,349	18,660	12,349
Insurance Revenue		-	254,240	-	-
Capital Gains on Sale of Shares		10,163	-	10,163	-
Rentals		859,574	800,841	20,800	12,007
<b>Total Other Income</b>		<b>1,013,722</b>	<b>1,169,084</b>	<b>228,788</b>	<b>127,953</b>
<b>3 Other Expenses</b>					
Audit Fee	5	79,475	72,653	60,353	53,163
Bad Debts		(757)	183	(757)	183
Members Expenses	23	45,324	32,389	45,324	32,389
Members Remuneration	23	34,840	37,360	34,840	37,360
Other		3,026,229	3,045,095	2,869,159	2,922,151
		<b>3,185,111</b>	<b>3,187,680</b>	<b>3,008,919</b>	<b>3,045,246</b>
Direct Operating Costs generating Rental Income		(292,705)	(210,109)	-	-
Direct Operating Costs that did not generate Rental Income		-	-	-	-
<b>4 Property Expenses</b>					
Insurance		239,294	200,361	191,479	200,361
Rent and Rates		207,030	201,175	422,152	413,586
Repairs and Maintenance		390,567	245,052	295,688	231,993
Replacements		85,839	100,884	85,839	100,884
Other		9,870	-	-	-
		<b>932,600</b>	<b>747,472</b>	<b>995,158</b>	<b>946,824</b>

The Statement of Accounting Policies and Notes form an integral part of, and should be read in conjunction with, these financial statements

## 5 Remuneration of Auditors

The Trust's auditor is Audit New Zealand on behalf of the office of the Auditor General

	Group 2015 \$	Group 2014 \$	Parent 2015 \$	Parent 2014 \$
Audit Fees Comprise:				
Audit Fee – Attest Audit	73,175	72,653	54,053	53,163
Audit Fee – Relating to prior year	6,300	-	6,300	-
	<u>79,475</u>	<u>72,653</u>	<u>60,353</u>	<u>53,163</u>

## 6 Staffing Costs

Wages and Salaries	5,896,538	5,916,627	5,896,538	5,916,627
Changes to Provisions	(1,251)	(66,934)	(1,251)	(66,934)
Total Staff Costs	<u>5,895,287</u>	<u>5,849,693</u>	<u>5,895,287</u>	<u>5,849,693</u>

Employees of the trust (section 207 (1) (c) (iii) Sale of Liquor Act 1989)

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

\$110,000 - \$120,000	1	1	1	1
\$180,000 - \$190,000	1	1	1	1

## 7 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.

Donations to such groups amounted to:	10,234	2,397	10,234	2,397
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The Statement of Accounting Policies and Notes form an integral part of, and should be read in conjunction with, these financial statements

## 8 Taxation – Parent

### (a) Tax Expense/(Credit) comprises

	2015	2014
	\$	\$
<b>Statement of Financial Performance</b>		
Current Income Tax	-	-
Unused Tax Losses	325,164	(237,042)
Deferred Tax Expense – Temporary differences	(86,360)	14,441
Income tax reported in the Statement of	-	-
Adjustment to Current Tax Prior Years	-	31,648
<b>Tax Expense/(Credit)</b>	<b>238,798</b>	<b>(190,953)</b>
<b>Statement of Changes in Equity</b>		
Current Income Tax	-	-
Deferred Tax expense – Temporary differences	-	-
<b>Income tax reported in equity</b>	<b>-</b>	<b>-</b>

### (b) Reconciliation of effective tax rate

	2015	2015	2014	2014
	%	\$	%	\$
Accounting profit before tax from continuing operations		(239,567)		530,890
Accounting profit before tax from discontinued operations		-		-
<b>Net Profit/(Loss) before tax</b>		<b>(239,567)</b>		<b>530,890</b>
Prima facie Tax at 28%	28.00%	(67,079)	28.00%	148,649
Unused Imputation Credits converted to tax Losses	13.14%	(31,489)	-4.56%	(24,200)
Non-Assessable Revenue/Income	105.62%	(253,038)	-65.37%	(347,050)
Deferred tax adjustment in relation to tax losses	-246.45%	590,404	0.00%	-
Prior Years Adjustment	0.00%	-	5.98%	31,648
<b>Effective tax rate</b>	<b>-90.68%</b>	<b>238,798</b>	<b>-35.97%</b>	<b>(190,953)</b>
<b>Income Tax expense/(credits) reported in</b>				
<b>Statement of Financial Performance</b>		<b>238,798</b>		<b>(190,953)</b>

The Statement of Accounting Policies and Notes form an integral part of, and should be read in conjunction with, these financial statements

(c) Deferred Income Tax

<u>Deferred tax</u>	Employee Benefits \$	Unused Tax Losses \$	Accelerated Depreciation for Tax Purposes \$	Total \$
Deferred tax Asset/(liability) 1 April 2013	118,667	883,029	(985,499)	16,197
(Charged)/credited to Financial Performance	17,009	237,042	(31,450)	222,601
(Charged)/credited to Equity	-	-	-	-
Deferred tax as at 31 March 2014	135,676	1,120,071	(1,016,949)	238,798
(Charged)/credited to Financial Performance	818	(325,164)	85,548	(238,798)
(Charged)/credited to Equity	-	-	-	-
Deferred tax as at 31 March 2015	136,494	794,907	(931,401)	-

A deferred tax asset has not been recognised for tax losses of \$2,263,555.

(d) 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.

8 Taxation -- Group

	2015 \$	2014 \$
(a) <u>Tax Expense (Income) comprises</u>		
<u>Statement of Financial Performance</u>		
Current Income Tax	-	-
Unused Tax Losses	325,164	(237,042)
Deferred Tax Expense -- Temporary differences	(86,366)	14,441
Adjustment to Current Tax Prior Years	-	31,648
Financial Performance Tax Expense/(Credit)	238,798	(190,953)
<u>Statement of Changes in Equity</u>		
Current Income Tax	-	-
Deferred Tax expense -- Temporary differences	-	-
Income tax reported in equity	-	-

	2015 %	2015 \$	2014 %	2014 \$
(b) <u>Reconciliation of effective tax rate</u>				
Net Profit/(Loss) before tax		(61,949)		(234,919)
Prima facie Tax at 28%	28.00%	(17,346)	28.00%	(65,777)
(Non taxable income)/non-deductible expenses	-413.48%	256,144	53.28%	(125,176)
Effective tax rate	-385.48%	238,798	81.28%	(190,953)
Income Tax credits reported in Statement of Comprehensive Income		238,798		(190,953)

The Statement of Accounting Policies and Notes form an integral part of, and should be read in conjunction with, these financial statements

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(c) Deferred tax Asset/(liability)

	Employee Benefits	Unused Tax Losses	Accelerated Depreciation for Tax Purposes	Total
\$	\$	\$	\$	\$
Deferred tax Asset/(liability) 1 April 2013	118,667	883,029	(985,499)	16,197
(Charged)/credited to Financial Performance	17,009	237,042	(31,450)	222,601
(Charged)/credited to Equity	-	-	-	-
Deferred tax Asset/(liability) 31 March 2014	135,676	1,120,071	(1,016,949)	238,798
(Charged)/credited to Financial Performance	818	(325,164)	85,548	(238,798)
(Charged)/credited to Equity	-	-	-	-
Deferred tax Asset/(liability) 31 March 2015	136,494	794,907	(931,401)	-

A deferred tax asset has not been recognised for tax losses of \$2,263,555.

(d) 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.

9 Cash and Cash Equivalents

	Group 2015	Group 2014	Parent 2015	Parent 2014
	\$	\$	\$	\$
Funds in Bank	(37,938)	39,439	(69,973)	20,239
Imprest Advances	73,301	92,422	73,301	92,422
Total cash balance as reported in the Statement of Cash flows	35,363	131,861	3,328	112,661

Cash at Balance date includes \$Nil (2014 \$2,190) which is not available for general use.

10 Trade and Other Receivables

Trade Receivables	413,909	431,729	390,162	391,118
Other	257,356	398,781	254,918	139,351
	671,265	828,510	645,080	530,469
Prepayments	70,312	65,938	70,312	65,938
Total Receivables and Prepayments	741,577	894,448	715,392	596,407
Analysis of past due receivables				
30 days overdue	63,333	95,991	63,333	95,991
More than 30 days overdue	10,400	24,955	19,400	24,955
	82,733	120,946	82,733	120,946

As of 31 March 2015, trade receivables of \$82,733 (2014 \$120,946) were past due but not impaired. These relate to a number of independent customers of whom there is no recent history of default.

As of 31 March 2015 trade receivables of \$Nil (2014 \$Nil) were due to the Parent from the Subsidiaries.

11 Inventories

The Trust's inventories comprise of the following:

Beverages, Cigarettes & Bar Sundries	612,694	605,409	612,694	605,409
Food	106,255	113,284	106,255	113,284
	718,949	718,693	718,949	718,693

Some inventories are subject to retention of title clauses until payment is received by the suppliers.

The Statement of Accounting Policies and Notes form an integral part of, and should be read in conjunction with, these financial statements

## 12 Trade and Other Payables

	Group 2015 \$	Group 2014 \$	Parent 2015 \$	Parent 2014 \$
Trading Supplies	842,588	839,856	840,766	792,591
Capital Projects	6,460	20,749	6,460	20,749
Accruals	413,898	363,615	347,363	363,615
	<u>1,262,946</u>	<u>1,224,220</u>	<u>1,194,589</u>	<u>1,176,955</u>

As of 31 March 2015 trade payables of \$Nil (2014 \$Nil) were due to Subsidiaries from the Parent.

As of 31 March 2015 trade payables of \$1,008 (2014 \$7,205) were due to the other Related Parties.

## 13 Provision for Employee Entitlements -- Parent and Group

	Vested Leave \$	Unvested Leave \$	Total \$
Opening Balance 1 April 2013	423,810	42,202	466,012
Additional provision recognised	496,918	7,949	504,867
Reduction arising from payments	(328,831)	-	(328,831)
Reductions arising from staff terminations	(108,086)	(1,016)	(109,102)
Transfer to Vested Leave	747	(747)	-
Balance at 31 March 2014	<u>484,558</u>	<u>48,388</u>	<u>532,946</u>
Additional provision Recognised	500,750	5,791	506,541
Reduction arising from payments	(306,566)	-	(306,566)
Reductions arising from staff terminations	(194,446)	(6,780)	(201,226)
Transfer to Vested Leave	3,184	(3,184)	-
Balance at 31 March 2015	<u>487,480</u>	<u>44,215</u>	<u>531,695</u>
Disclosed as a Current Liability	484,558	7,949	492,507
Disclosed as a Non-Current Liability	-	40,439	40,439
Balance at 31 March 2014	<u>484,558</u>	<u>48,388</u>	<u>532,946</u>
Disclosed as a Current Liability	487,480	6,791	493,271
Disclosed as a Non-Current Liability	-	38,424	38,424
Balance at 31 March 2015	<u>487,480</u>	<u>44,215</u>	<u>531,695</u>

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

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

The Statement of Accounting Policies and Notes form an integral part of, and should be read in conjunction with, these financial statements

#### 14 Property, Plant and Equipment

##### a) Property Plant & Equipment – Routine Fixed Assets - Parent

Cost / Valuation	Land	Buildings	Equipment	Vehicles	Work In Progress	Total
Balance 1 April 2013	995,322	13,185,802	4,853,322	142,451	127,913	19,304,809
Acquisitions	2,400	105,762	200,828	-	751,189	1,060,179
Capitalise WIP	-	114,723	39,221	-	(153,944)	-
Disposals	(3,048)	(478,082)	(572,131)	(18,809)	-	(1,072,070)
Balance 31 March 2014	994,674	12,928,205	4,521,240	123,642	725,158	19,292,918
Acquisitions	-	34,249	259,031	48,575	184,085	525,920
Capitalise WIP	-	710,102	58,200	-	(768,302)	-
Disposals	-	(156,342)	(146,802)	(6,394)	(117,575)	(427,113)
Balance 31 March 2015	994,674	13,516,214	4,691,669	165,823	23,346	19,391,725
Accumulated Depreciation / Amortisation / Impairment	Land	Buildings	Equipment	Vehicles	Work In Progress	Total
Balance 1 April 2013	7,783	5,586,018	3,382,029	126,515	-	9,102,345
Disposals	-	(467,069)	(537,818)	(18,809)	-	(1,023,696)
Depreciation Expense	732	503,754	329,653	7,699	-	841,838
Balance 31 March 2014	8,515	5,622,703	3,173,864	115,405	-	8,920,487
Disposals	-	(142,299)	(145,716)	(6,153)	-	(294,168)
Depreciation Expense	731	472,520	301,315	15,142	-	789,708
Balance 31 March 2015	9,246	5,952,924	3,329,463	124,394	-	9,416,027
NBV 31 March 2014	986,159	7,305,502	1,347,376	8,237	725,158	10,372,431
NBV 31 March 2015	985,428	7,563,290	1,362,206	41,429	23,346	9,975,698

##### b) Property Plant & Equipment – Routine Fixed Assets - Group

Cost / Valuation	Land	Buildings	Equipment	Vehicles	Work In Progress	Total
Balance as at 1 April 2013	2,209,887	12,831,168	4,854,325	142,451	127,913	20,165,744
Acquisitions	2,400	95,078	213,398	-	751,189	1,062,065
Capitalise WIP	-	114,723	39,221	-	(153,944)	-
Disposals	(3,048)	(478,082)	(572,131)	(18,809)	-	(1,072,070)
Balance 31 March 2014	2,209,239	12,562,887	4,534,813	123,642	725,158	20,155,739
Acquisitions	-	29,947	264,092	48,575	184,085	526,679
Capitalise WIP	-	710,102	58,200	-	(768,302)	-
Disposals	-	(156,342)	(146,802)	(6,394)	(117,575)	(427,113)
Balance 31 March 2015	2,209,239	13,146,594	4,710,303	165,823	23,346	20,255,305
Accumulated Depreciation / Amortisation / Impairment	Land	Buildings	Equipment	Vehicles	Work In Progress	Total
Balance 1 April 2013	7,782	5,833,750	3,382,128	126,515	-	9,350,173
Disposals	-	(467,069)	(537,818)	(18,809)	-	(1,023,696)
Depreciation Expense	732	557,343	331,223	7,699	-	896,997
Balance 31 March 2013	8,514	5,924,024	3,175,531	115,405	-	9,223,474
Disposals	-	(142,299)	(145,716)	(6,153)	-	(294,168)
Depreciation Expense	731	522,328	302,947	15,142	-	841,148
Balance 31 March 2015	9,246	6,304,053	3,332,762	124,394	-	9,770,454
NBV 31 March 2014	2,200,725	6,638,863	1,359,282	8,236	725,158	10,932,264
NBV 31 March 2015	2,199,994	6,842,541	1,377,541	41,428	23,346	10,484,850

The Statement of Accounting Policies and Notes form an integral part of, and should be read in conjunction with, these financial statements

## 15 Investments

### (a) Investments in Equity Instruments – Assets available for sale

The Trust holds 357,658 (2014 357,658) ordinary shares Issued by DB South Island Brewery Ltd. This holding represents 4.97% of the 7,200,000 (2014 7,200,000) shares Issued by that company.

Fair valuing investments in shares on the transition to NZ IFRS required the establishment of a fair value reserve, to record changes in future financial periods in the fair value of the Trust's equity investments. As The Trust is not an investor looking to manage the investment for profit, the shares have been valued at historic cost and accordingly there is no change in fair value.

	Group 2015 \$	Group 2014 \$	Parent 2015 \$	Parent 2014 \$
<u>DB South Island Brewery Ltd:</u>				
Balance at start of financial period	892,214	892,215	892,214	892,214
Revaluation to fair value	-	-	-	-
<b>Closing Balance</b>	<b>892,214</b>	<b>892,215</b>	<b>892,214</b>	<b>892,215</b>
<u>Other Investments:</u>				
Foodstuffs (SI) Ltd -- share credits	19,987	17,100	19,987	17,100
Heartland New Zealand Limited – 22022 Ord	-	14,501	-	14,501
Super Liquor Holdings Ltd 1 share \$500	500	500	500	500
<b>Total Investments closing balance</b>	<b>912,701</b>	<b>924,316</b>	<b>912,701</b>	<b>924,316</b>

### b) Investment Property – Group

	Group 2015 \$	Group 2014 \$	Parent 2015 \$	Parent 2014 \$
Balance as at 1 April	7,508,241	7,735,000	-	-
Additions (Subsequent Expenditure)	4,302	10,685	-	-
Disposals	-	-	-	-
Building Impairment	74,283	(260,759)	-	-
Fair Value Gain/(Loss)	322,948	23,316	-	-
<b>Total Investment Property closing balance</b>	<b>7,909,775</b>	<b>7,508,241</b>	<b>-</b>	<b>-</b>

The carrying amount of Investment Property has been revalued to market value at 31 March 2015. The revalued amount was determined by an independent market valuation undertaken by Cunneen McLeod Valuation Ltd as at 31 March 2015. Cunneen McLeod Valuation Ltd are registered valuers with extensive experience valuing commercial properties in the Mid Canterbury area. The amount of this fair value gain/(loss) has been recognised as income in the operating profit for the year.

<b>Rental Income from Investment Properties</b>	<b>1,084,319</b>	<b>1,005,730</b>	<b>-</b>	<b>-</b>
<b>Direct Operating Costs generating Rental Income</b>	<b>(292,705)</b>	<b>(210,109)</b>	<b>-</b>	<b>-</b>
<b>Direct Operating Costs that did not generate Rental Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The Company has no restriction on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

The Statement of Accounting Policies and Notes form an integral part of, and should be read in conjunction with, these financial statements



## 16 Term Advances

The Trust has provided interest free loan funding to:  
Community Project

Group 2015	Group 2014	Parent 2015	Parent 2014
\$	\$	\$	\$
1,500.00	-	1,500.00	-

The Trust has provided interest bearing funding to:  
Somerset Ashburton Ltd  
Receivable within one year  
Provision for impairment

-	-	321,259	500,000
-	-	321,259	470,588
-	-	-	(29,412)

Receivable greater than one year  
Provision for impairment

-	-	2,178,561	2,817,286
-	-	-	(813,247)
-	-	2,178,561	2,204,039

Ashburton Trust Events Centre  
Receivable within one year

-	31,373	-	31,373
-	25,169	-	25,169

### Reconciliation of Term Advances

Somerset Ashburton Ltd total  
Ashburton Trust Events Centre  
Super Liquor  
Community Project

-	-	2,499,821	2,675,006
-	31,373	-	31,373
2,000	2,000	2,000	2,000
1,500	-	1,500	-
3,500	33,373	2,503,321	4,998,958

### Analysis between current and non-current assets:

Current Assets  
Non-current Assets

-	25,169	321,259	495,757
3,500	8,204	2,182,062	2,212,622
3,500	33,373	2,503,321	2,708,379

Somerset Ashburton Limited entered into a funding agreement from Ashburton Licensing Trust, this is an interest only facility unless the lender demands payment of interest by 31st March immediately prior to the anniversary of the loan agreement. This was demanded by 31 March 2014 and interest has been charged at the ANZ Loan rate from December 2014. As this advance is no longer interest free it is no longer impaired to represent the present value of an interest free advance. The impairment relating to prior years has been cleared in the 2015 Financial Statements. The advance is expected to be repaid over approximately 7 years.

## 17 Amortisation of Intangibles – Parent and Group

	DB Network Agreement	Liquor Licenses	Ashburton Performing Arts Theatre Trust	Total
	\$	\$	\$	\$
Cost	10,000	25,895	500,000	535,895
Accumulated amortisation and impairment	(8,000)	(21,987)	(100,000)	(129,987)
Net book amount 1 April 2013	2,000	3,908	400,000	405,909
Additions	-	1,380	-	1,380
Amortisation charge	(2,000)	(2,529)	(25,000)	(29,529)
Net book amount 31 March 2014	-	2,759	375,000	377,759
Additions	-	-	-	-
Amortisation charge	-	(2,300)	(25,000)	(27,300)
Net book amount 31 March 2015	-	460	350,000	350,460

Liquor licenses are amortised over a three year period.

DB Network agreement was amortised over a 5 year period.

Ashburton Performing Arts Theatre Trust naming rights are being amortised over a 20 year period with 15 years remaining.

The Statement of Accounting Policies and Notes form an integral part of, and should be read in conjunction with, these financial statements

## 18 Retained Earnings and Reserves

		Group 2015 \$	Group 2014 \$	Parent 2015 \$	Parent 2014 \$
Retained Earnings	18(a)	14,051,489	14,350,797	10,942,002	11,418,177
Donations Reserve	18(b)	-	2,190	-	2,190
		14,051,489	14,352,987	10,942,002	11,420,367
(a) Retained Earnings					
Opening Balance		14,350,797	14,392,368	11,418,177	10,893,937
Total Comprehensive Income		(300,747)	(43,966)	(478,365)	721,843
Transfer from donation reserve	18(b)	2,190	2,397	2,190	2,397
Permanent Differences		(750)	-	-	-
		14,051,489	14,350,797	10,942,002	11,418,177
Transfer to donations reserve	18(b)	-	-	-	-
Closing Balance 31 March		14,051,489	14,350,797	10,942,002	11,418,177

### (b) Donations Reserve

The Trust's objective when managing capital is to safeguard the Trust's ability to continue as a going concern in order to provide returns for the community and to maintain an optimal capital structure to enhance the profitability of the Trust. The Trust's policy is to transfer 10% of after tax profit, once prior year losses have been offset to the donations reserve and retain the remaining in retained earnings.

Opening Balance as at 1 April		2,190	4,588	2,190	4,588
Appropriation this year	18(a)	-	-	-	-
		2,190	4,588	2,190	4,588
Donations made this year	18(a)	(2,190)	(2,397)	(2,190)	(2,397)
Closing Balance 31 March		-	2,190	-	2,190

## 19 Exercise of Judgement and Estimation

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 reasonable under the circumstances.

The Trustees have made the following decisions which have materially impacted upon these financial statements:

### (a) Intangible Assets – Naming Rights

The Trust has purchased naming rights. Members believe the amounts paid comprise fully of purchased naming rights. If a portion of these payments were assessed as comprising a grant, the grant would have been expensed in the first year.

### (b) Term Advances

The fair value of the financial assets and liabilities is included at 'Fair value' calculated by applying the weighted average loan interest rate of the Ashburton Licensing Trust (ultimate parent) to discount the value of the instrument over the balance of the term the instrument is expected to remain outstanding.

### (c) Property Plant & Equipment

Depreciation on all new assets excluding Building Structures will be charged using the Diminishing Value method and the tax rates issued by the Inland Revenue Department as it is believed this method more accurately reflects the consumption of the future economic benefits of these assets than the previous method used. Building Structures are depreciated at 2% on a straight line basis in accordance with NZ IAS 16, this reflects an estimated useful life of 50 years. Land is not depreciated.

The Statement of Accounting Policies and Notes form an integral part of, and should be read in conjunction with, these financial statements

## 20 Commitments for Expenditure

### Capital Commitments

The Ashburton Licensing Trust has no Capital Commitments at Balance date (2014 \$148,680).

### Lease Commitments

Finance lease liabilities and non-cancellable operating lease commitments are disclosed in note 22.

## 21 Contingent Liabilities and Assets

### NZ Racing Board

The ANZ Bank has given a Guarantee of \$25,000 in favour of the NZ Racing Board on behalf of the Ashburton Licensing Trust. This guarantee relates to the operation of the TAB agencies at the Devon Tavern, Hotel Ashburton and Tinwald Tavern. The liability under this guarantee would only become payable if the Ashburton Licensing Trust were unable to pay any money relating to the operation of the TAB agencies to the NZ Racing Board.

There are possible claims against contractual agreements. At balance date, the potential financial exposure was not expected to exceed \$50,000. This has since reduced to \$10,000.

There is a dispute between The Trust and a third party. The potential financial exposure relating to this is not expected to exceed \$1,750 including costs.

There are no other contingent assets or contingent liabilities at balance date (2014 \$Nil).

## 22 Leases

### Finance Lease Liabilities

The Trust has a finance lease for a vehicle. The Trust's obligations under the finance lease are secured by the lessor's title to the leased asset. Future minimum lease payments under the finance lease with the present value of the net minimum lease payments are as follows:

	Group 2015 \$	Group 2014 \$	Parent 2015 \$	Parent 2014 \$
Finance Lease Liability	45,344	-	45,344	-
Repayable as follows:				
No later than 1 Year	15,665	-	15,665	-
Later than 1 and not later than 2 years	15,665	-	15,665	-
Later than 2 and not later than 5 years	20,610	-	20,610	-
Later than 5 years	-	-	-	-
	51,940	-	51,940	-
Less future interest expense	(6,596)	-	(6,596)	-
Present value of future payments	45,344	-	45,344	-

The Statement of Accounting Policies and Notes form an integral part of, and should be read in conjunction with, these financial statements

## Operating Lease Commitments

The Group has entered into commercial leases on certain motor vehicles and items of equipment. These leases have an average life of between two and five years, with no renewal option included in the contracts. There are no restrictions placed upon the Group by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases as at 31 March are, as follows:

	Group 2015 \$	Group 2014 \$	Parent 2015 \$	Parent 2014 \$
Within 12 months	175,162	190,509	304,265	326,319
Between 1 and 5 years	155,067	539,787	444,762	803,387
Greater than 5 years	-	115,000	-	175,408
	<u>330,219</u>	<u>845,296</u>	<u>749,047</u>	<u>1,305,114</u>

## Operating Leases as a Lessor

Somerset Ashburton Ltd, a subsidiary of the Trust has entered into commercial property leases on its investment property portfolio consisting of the Company's 2 commercial buildings which include Somerset House and another building next to it in Somerset Lane operated by the Ashburton Licensing Trust. These non-cancellable leases have remaining terms of up to 86 months. All leases enable upward revision of the rental charge on a regular basis according to the specific terms of the lease.

The future minimum lease payments receivable under non-cancellable operating leases are as follows:

	Group 2015 \$	Group 2014 \$	Parent 2015 \$	Parent 2014 \$
No later than 1 Year	775,457	704,358	-	-
Later than 1 and not later than 2 years	681,080	406,396	-	-
Later than 2 and not later than 5 years	1,045,774	892,454	-	-
Later than 5 years	173,675	288,921	-	-
	<u>2,675,986</u>	<u>2,292,129</u>	<u>-</u>	<u>-</u>

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**Bralded Rivers Trust**

The Licensing Trust formed the Bralded Rivers Trust, a charitable trust, and two charitable companies, Bralded Rivers Limited and Somerset Ashburton Limited. Bralded Rivers Trust is the sole shareholder of the two companies.

During the period the Licensing Trust provided to Bralded Rivers Trust group of companies:

- Administration and accounting services to Somerset Ashburton Ltd for \$10,334 (2014 \$10,334)
- Administration and accounting services to Bralded Rivers Ltd for \$0 (2014 \$0)
- Administration and accounting services to Bralded Rivers Trust for \$5,750 (2014 \$0)
- Interest free loan funding of \$2,178,562 to Somerset Ashburton Ltd (2014 \$3,317,286)
- Paid rental expense for The Shed nightclub of \$79,289 (2014 \$77,725) There was nothing outstanding at balance date. (2014 \$Nil)
- Paid rental expense for Head Office of \$63,213 (2014 \$63,213) plus a share of operating expenses \$18,784 (2014 \$24,649). There was nothing outstanding at balance date. (2014 \$Nil)
- Paid rental expense for Somerset Grocer, annual rental of \$65,900 (2014 \$66,900) plus a share of operating expenses \$21,190 (2014 \$18,907). There was nothing outstanding at balance date. (2014 \$Nil)
- Somerset Ashburton Limited provided Somerset Grocer with Tenant Incentives in the form of a rent free period. The value at balance date was \$9,324 (2014 \$10,608)
- Somerset Ashburton Limited no longer provides the Licensing Trust with Tenant Incentives in the form of a rent free period. (2014 \$1,528)

**Members**

Mr A.J. Neumann has declared a financial interest in Neumanns Tyre Services Ltd and Ashburton U-Hire; and Mr R. Paterson has declared a financial interest in Ashburton Engravers and P.F.S Marketing Ltd; Mr A. Lilley has declared a financial interest in Smith & Church Retrovision, Electraserve Ltd and ID Creative. Mr J Lischner has declared an interest in Delta Swing & Zee Bee Dee. Transactions with the Trust and the Group are conducted in accordance with normal commercial practice.

	Transactions during the Year		Owed At Balance Date	
	2015	2014	2015	2014
	\$	\$	\$	\$
Mr A. D. Neumann	5,643	4,092	191	175
Mr R. J. Paterson	-	347	-	-
Mr A. S Lilley	74,123	85,134	817	7,030
Mr J Lischner	800	1,243	-	-
	<u>80,566</u>	<u>90,816</u>	<u>1,008</u>	<u>7,205</u>

These transactions are regularly monitored to assess compliance with the Local Authorities (Members Interests') Act 1968.

The Statement of Accounting Policies and Notes form an integral part of, and should be read in conjunction with, these financial statements

**Remuneration of Trust members (section 207 (1) (c) (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 and Group.

	Group 2015 \$	Group 2014 \$	Parent 2015 \$	Parent 2014 \$
Remuneration and expenses paid during the year amounted to:				
President	20,000	20,000	20,000	20,000
Other Members Fees	14,840	17,360	14,840	17,360
<b>Total Remuneration paid</b>	<b>34,840</b>	<b>34,280</b>	<b>34,840</b>	<b>37,360</b>
Expenses reimbursed to the President and members Relating to meeting attendance and other activities	45,324	32,389	45,324	32,389
<b>Total Cost</b>	<b>80,164</b>	<b>69,749</b>	<b>80,164</b>	<b>69,749</b>

**Key Management Personnel**

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Trust and Group, whether directly or indirectly. The Trust and Group has determined that in addition to the position of the Chief Executive Officer, board members and directors meet this definition.

For the purposes of this disclosure also, 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.

**Remuneration of Key Management Personnel**

Short-term employment benefits	220,796	220,383	220,796	220,383
Other long-term benefits	-	-	-	-
	<b>220,796</b>	<b>220,383</b>	<b>220,796</b>	<b>220,383</b>

**24 Events Subsequent to Balance Date**

Subsequent to balance date the resignation of the CEO has been received by the Trust Board.

**25 Financial Instruments**

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

**Market Risk – Interest Rate Risk**

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

There is an overdraft facility available of \$200,000 with a (\$17,472) balance at balance date (2014 (\$8,196)).

There is a Flexible Facility available of \$1,000,000 with a balance of (\$732,827) at balance date. (2014 (\$910,859))

Equity investments are being carried at cost unless market values are able to be reasonably determined and differ materially from the carrying amount.

The Statement of Accounting Policies and Notes form an integral part of, and should be read in conjunction with, these financial statements

### Interest Rate Sensitivity

This analysis has been determined based on the exposure to interest rates for bank loans or term deposits at the balance sheet date with the changes stipulated taking place at the beginning of the financial year and being held constant throughout the period for loans or deposits with changing rates. Had interest rates been either 0.5% higher or lower, and all other variables been held constant, the Trust's profit would have increased (or decreased) by approximately \$4,596 (2014 \$9,803).

### Credit Risk

Financial Instruments which potentially subject the Ashburton Licensing Trust and Group to credit risk principally consist of cash and cash equivalents, trade and other receivables and term advances. Credit risk is the risk that a counter party will default on its contractual obligations resulting in a financial loss for the Trust.

#### Credit Risk Exposure

Maximum exposures to credit risk at Balance date are:

		Group 2015 \$	Group 2014 \$	Parent 2015 \$	Parent 2014 \$
Cash and Cash Equivalents		35,363	131,861	3,328	112,661
Trade and other Receivables		741,578	894,448	715,393	596,407
Investments	15(a)	912,701	924,316	912,701	924,316
Term Advance (face value)	16	3,500	33,373	2,499,820	3,317,286
		<u>1,693,142</u>	<u>1,983,998</u>	<u>4,131,242</u>	<u>4,950,670</u>

Trade Receivables are made up primarily of transactions with the Trust's hospitality operations. All new customers are subject to the trust's standard terms and conditions, some historical customers are subject to alternative arrangements. Outstanding receivables are regularly monitored and guidelines for recovering and managing overdue accounts are in place. The group had 2 customers who owed the group more than \$25,000 at balance date (2014: 1), these account for 14% of the total Trade and Other Receivables (2014: 14%). At each balance date an analysis of outstanding accounts is performed, the group has had very few events of default in recent years. In the event that collection is unlikely the carrying amount of the outstanding balance will be revised.

Funds on short term deposit are held with reputable banks or building societies.

The concentration of credit risk relates to the funds deposited with ANZ Bank \$Nil (2014 ANZ \$20,239) and the Loan to Somerset Ashburton Limited \$2,499,820 (2014 \$3,317,286). There are no concentrations of credit risk in trade and other receivables with the largest debtor owing at 31 March 2015 \$74,520 (2014 \$89,175). No collateral or other credit enhancements are held.

#### Liquidity Risk

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

The Trust and Group manages its liquidity to ensure it is able to meet its obligations as they fall due.

Ultimate responsibility for liquidity risk management rests with the members, who have provided management with a framework for the Trust's and Group's medium and long term financial management.

Security for the Bank Borrowings consists of: Registered first ranking mortgages over the Devon Tavern, Tinwald Tavern, Hotel Ashburton, Speights Ale House, 258 Wills Street and a registered first ranking General Security Agreement over all the present and after acquired property of Ashburton Licensing Trust.

At 31 March 2015; the Trust was in breach of the interest cover covenant. We advised our lender of the breach. Our lender advised no further action will be taken.

The Statement of Accounting Policies and Notes form an integral part of, and should be read in conjunction with, these financial statements

The following tables detail the Trust's and Group's borrowing maturities, including both interest and principal cash flows.

Parent	Less than 1 year	Between 1 and 2 years	Between 2 to 5 years	Over 5 years
<b>At 31 March 2015</b>				
Bank Borrowings	250,736	-	1,513,372	-
ANZ Flexible Facility	732,627	-	-	-
Trade and other payables	1,194,589	-	-	-
	<u>2,177,952</u>	<u>-</u>	<u>1,513,372</u>	<u>-</u>
<b>At 31 March 2014</b>				
Bank Borrowings	241,873	-	1,758,127	-
ANZ Flexible Facility	910,859	-	-	-
Trade and other payables	1,176,955	-	-	-
	<u>2,329,687</u>	<u>-</u>	<u>1,758,127</u>	<u>-</u>
<b>Group</b>				
<b>At 31 March 2015</b>				
Bank Borrowings	3,250,736	-	1,513,372	-
ANZ Flexible Facility	732,627	-	-	-
Trade and other payables	1,262,946	-	-	-
	<u>5,246,309</u>	<u>-</u>	<u>1,513,372</u>	<u>-</u>
<b>At 31 March 2014</b>				
Bank Borrowings	3,241,873	-	1,758,127	-
ANZ Flexible Facility	910,859	-	-	-
Trade and other payables	1,224,220	-	-	-
	<u>5,376,952</u>	<u>-</u>	<u>1,758,127</u>	<u>-</u>

#### Fair Values

The fair value of all financial instruments does not differ materially from the carrying amount.

Management have assessed that Cash and Cash Equivalents, Bank Overdrafts, Short-term deposits, Trade and Other payables, Trade and Other Receivables and other Current Liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Equity Investments are being carried at cost unless market values are able to be reasonably determined and differ materially from the carrying amount.

The fair value of the financial assets and liabilities is included at 'Fair value' calculated by applying the weighted average loan interest rate of the Ashburton Licensing Trust(ultimate parent) to discount the value of the instrument over the balance of the term the instrument is expected to remain outstanding.

The Statement of Accounting Policies and Notes form an integral part of, and should be read in conjunction with, these financial statements



26 Reconciliation from the net profit after tax to the net cash flows from operations

	Group 2015 \$	Group 2014 \$	Parent 2015 \$	Parent 2014 \$
Net (profit)/loss for the period	300,747	43,966	478,365	(721,843)
<u>Adjust for non-cash items</u>				
Depreciation and Amortisation	(868,447)	(928,525)	(817,007)	(871,366)
Deferred tax expense -- continuing operations	(238,798)	222,601	(238,798)	222,601
Fair value movement in Investment Property	322,948	23,316	-	-
Discount unwinding on Advances	-	-	642,859	1,570,768
Building Impairment	74,283	(260,759)	-	-
Changes in net assets and liabilities				
<u>(Increase)/decrease in Assets</u>				
Trade and other Debtors	(152,030)	78,462	119,110	(99,239)
Sale of Shares	-	-	-	-
Inventory	256	(57,118)	256	(57,118)
Gain(Loss) on Sale Included in Investing Activities	(122,701)	(36,375)	(122,701)	(36,375)
<u>Increase/(decrease) in liabilities</u>				
Creditors and other Payables	(93,555)	233,038	(71,747)	122,462
Employee Entitlements	2,015	(6,901)	2,015	(6,901)
Deferred Rental Income	-	-	-	-
Inducements	(69,058)	(42,770)	-	-
Net GST	(3,795)	49,051	(4,545)	49,051
Net cash (inflow)/outflow from operating activities	(848,135)	680,014	(12,193)	172,038

27 Capital Management

The Trust's capital is its equity, which comprises retained profits and donations reserve. Equity is represented by net assets. The Trust's equity is largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings. The objective of managing the Trust's equity is to ensure the Trust effectively achieves its objectives and purpose, whilst remaining a going concern.

28 Composition of the Group

The Ashburton licensing Trust is the Ultimate parent of the Ashburton Licensing Trust group. The Ashburton Licensing Trust has 'control' over the Braided Rivers Trust, The Braided Rivers Trust is the sole shareholder of 2 charitable Companies, Somerset Ashburton Ltd and Braided Rivers Ltd.