

Independent Auditor's Report

To the readers of Ashburton Licensing Trust and group's financial statements for the year ended 31 March 2013

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

We have audited the financial statements of the Trust and group on pages 2 to 27, that comprise the statement of financial position as at 31 March 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

Opinion

In our opinion the financial statements of the Trust and group on pages 2 to 27:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Trust's and group's:
 - financial position as at 31 March 2013; and
 - financial performance and cash flows for the year ended on that date.

Our audit was completed on 13 June 2013. 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 Trust and group's financial statements that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust and 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 all 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 have obtained all the information and explanations we have required and 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 preparing financial statements that:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Trust's and group's financial position, financial performance and cash flows.

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 of Liquor Act 1989.

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 of Liquor Act 1989.

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 Trust or any of its subsidiaries.



John Mackey
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 2013

Members of the Trust

<i>Mr A. S. Lilley</i>	<i>Member (President)</i>
<i>Mr A. D. Neumann</i>	<i>Member</i>
<i>Mr R. J. Paterson</i>	<i>Member</i>
<i>Mr S. R Leadley</i>	<i>Member</i>
<i>Mrs F. M. Watson</i>	<i>Member</i>
<i>Mr G. Haskell</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*

INSURANCE BROKER

*Crombie Lockwood Ltd
CHRISTCHURCH*

STATEMENT OF ACCOUNTING POLICIES

For the year ended 31 March 2013

The Ashburton Licensing Trust (the "Trust") is a licensing trust as defined in New Zealand by the Sale of Liquor Act 1989. 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 Ashburton Licensing Trust Group consists of the ultimate parent, the "Trust" and the Braided Rivers Trust and group.

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

Statement of Compliance

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

Basis of Preparation

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

The financial statements have been prepared on the historic cost basis, except for the revaluation of 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 Accounting Standards Review Board that are relevant to its operations and effective for annual reporting periods beginning on 1 April 2012.

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
NZ IFRS 9	Financial Instruments	1 January 2015
NZ IAS 1	Presentation of Financial Statements	1 July 2012
NZ IFRS 7	Financial Instruments; Disclosure	1 January 2013
NZ IFRS 10	Consolidated Financial Statements	1 January 2013
NZ IFRS 13	Fair Value Measurement	1 January 2013
Amendments to NZ IFRS's arising from the Annual Improvements Project (2009 to 2011) [NZ IFRS 1, NZ IAS 1, NZ IAS 16, NZ IAS 32 & NZ IAS 34]		1 January 2013

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.

Changes to the for-profit accounting standards framework

The accounting standard setters have decided to adopt a multi standard approach that also uses tiers to better balance the costs and benefits of financial reporting. The multi standards approach means that for-profit entities will have a new accounting standards framework.

The new framework is required to be adopted for reporting periods beginning on or after 1 December 2012. Early adoption is permitted. The details of the new framework and definitions are included in XRB A1 *Accounting Standards Framework (For-profit Entities Updated)* (XRB A1).

The Trust will need to transition to either tier 1 (full NZ IFRS) or tier 2 (NZ IFRS reduced disclosure regime) at a yet-to-be determined future date.

The Trust has yet to elect its reporting tier and assess the possible impact of the accounting standards framework.

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 (ii)).

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	Beer 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

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.

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 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 \$4,588 (2012 \$6,613) 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, unless the asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset previously. 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 income tax is provided on all temporary differences at balance sheet date between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

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

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

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 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.

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.

○ **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.

• **Finance lease payments**

Finance leases, which transfer to the Trust substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Minimum lease payments are apportioned between the finance charge and the reduction of any outstanding liability. Finance charges are allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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) 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.

r) 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 2013

	Notes	Group 2013 \$	Group 2012 \$	Parent 2013 \$	Parent 2012 \$
Revenue	1	18,805,256	18,288,894	18,805,256	18,288,894
Cost of Sales		(8,791,223)	(8,658,537)	(8,791,223)	(8,658,537)
Gross Profit		10,014,033	9,630,357	10,014,033	9,630,357
Other Revenue	2	902,082	1,222,820	126,281	699,061
Staffing	6	(5,829,273)	(5,518,717)	(5,829,273)	(5,518,717)
Energy		(478,795)	(438,779)	(478,795)	(438,779)
Repairs and Maintenance		(265,816)	(661,597)	(240,888)	(614,179)
Replacements		(84,315)	(112,065)	(84,315)	(112,065)
Hospitality		(229,207)	(221,169)	(229,207)	(221,169)
Music and Entertainment		(134,317)	(181,879)	(134,317)	(181,879)
Cleaning		(236,518)	(236,273)	(236,518)	(236,273)
Advertising		(142,065)	(193,431)	(142,065)	(193,431)
Rent and Rates		(200,637)	(190,841)	(403,186)	(350,221)
Sundry Operating Expenses	3	(1,234,053)	(1,059,540)	(969,247)	(922,616)
Depreciation	14	(910,883)	(912,621)	(852,159)	(851,098)
Loss on Sale		(8,873)	(57,395)	(8,873)	(57,395)
Donations	7	(2,025)	(11,260)	(2,025)	(11,260)
Fair Value movement in Investment Properties	15(b)	620,495	443,595	-	-
Administration	4	(975,767)	(779,284)	(871,570)	(724,040)
Operating Surplus/(deficit)		804,266	721,921	(341,904)	(103,704)
Finance Cost – Interest		(445,135)	(422,838)	(445,135)	(422,838)
Finance Revenue – Discount Unwinding		-	-	604,662	350,904
Surplus/(deficit) before Income Tax		359,131	299,083	(182,377)	(175,638)
Income Tax (Expense)/Credit	8	233,013	242,652	233,013	242,652
Net Surplus		592,144	541,735	50,636	67,014
Total Comprehensive Income		592,144	541,735	50,636	67,014

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 2013

	Retained Earnings \$	Donations Reserve \$	Total Equity \$
Balance at 1 April 2011	10,563,002	17,873	10,580,875
Total Comprehensive Income for the year	67,014	-	67,014
Inter-reserve transfers	11,260	-	11,260
Donations made this year	-	(11,260)	(11,260)
Balance at 31 March 2012	10,641,276	6,613	10,647,889
Balance at 1 April 2012	10,641,276	6,613	10,647,889
Total Comprehensive Income for the year	50,636	-	50,636
Inter-reserve transfers	2,025	-	2,025
Donations made this year	-	(2,025)	(2,025)
Balance at 31 March 2013	10,693,937	4,588	10,698,525

STATEMENT OF MOVEMENTS IN EQUITY - Group

For the year ended 31 March 2013

	Retained Earnings \$	Donations Reserve \$	Total Equity \$
Balance at 1 April 2011	13,245,202	17,873	13,263,075
Total Comprehensive Income for the year	541,735	-	541,735
Inter-reserve transfers	11,260	-	11,260
Donations made this year	-	(11,260)	(11,260)
Balance at 31 March 2012	13,798,197	6,613	13,804,810
Balance at 1 April 2012	13,798,197	6,613	13,804,810
Total Comprehensive Income for the year	592,144	-	592,144
Inter-reserve transfers	2,025	-	2,025
Donations made this year	-	(2,025)	(2,025)
Balance at 31 March 2013	14,392,366	4,588	14,396,954

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 FINANCIAL POSITION
As at 31 March 2013

	Notes	Group 2013 \$	Group 2012 \$	Parent 2013 \$	Parent 2012 \$
Current Assets					
Cash and Cash Equivalents	9	177,276	299,992	154,697	296,639
Sundry Debtors	10	793,083	795,224	672,657	744,585
Current Portion Term Advance	16	25,501	-	652,306	530,793
Tenant Incentives		96,074	87,965	-	-
Income Tax Receivable		29,018	29,018	29,018	29,018
Inventories	11	775,811	656,321	775,811	656,321
		<u>1,896,763</u>	<u>1,868,520</u>	<u>2,284,489</u>	<u>2,257,356</u>
Non Current Assets					
Term Advance	16	31,532	2,000	4,344,650	4,459,869
Investments	15(a)	921,777	918,315	921,777	918,315
Deferred Tax Asset		16,197	-	16,197	-
Intangible Assets	17	405,908	429,460	405,908	429,460
Property, Plant & Equipment	14	10,815,570	11,320,332	10,202,464	10,662,003
Tenant Incentives		230,861	326,934	-	-
Investment Properties	15(b)	7,735,000	7,038,000	-	-
		<u>20,156,845</u>	<u>20,035,041</u>	<u>15,890,996</u>	<u>16,469,647</u>
Total Assets		<u>22,053,608</u>	<u>21,903,561</u>	<u>18,175,485</u>	<u>18,727,003</u>
Current Liabilities					
Payables and Accruals	12	1,605,793	1,422,946	1,426,099	1,403,309
Loans -- Current Portion DB Breweries		46,000	46,000	46,000	46,000
ANZ Flexible Facility	25	500,016	849,049	500,016	849,049
Mortgage ANZ Bank	25	3,000,000	1,000,000	3,000,000	1,000,000
Employee Entitlements	13	432,474	447,430	432,474	447,430
		<u>5,584,283</u>	<u>2,765,425</u>	<u>5,404,589</u>	<u>2,745,788</u>
Non Current Liabilities					
Provision for Employee Entitlements	13	33,538	35,512	33,538	35,512
Deferred Tax Liability	8(c)	-	216,816	-	216,816
Loans -- DB Breweries		38,833	81,000	38,833	81,000
Mortgage ANZ Bank	25	2,000,000	4,000,000	2,000,000	4,000,000
		<u>2,072,371</u>	<u>5,333,328</u>	<u>2,072,371</u>	<u>5,333,328</u>
Total Liabilities		<u>7,656,654</u>	<u>8,098,753</u>	<u>7,476,960</u>	<u>8,079,116</u>
Net Assets		<u>14,396,954</u>	<u>13,804,808</u>	<u>10,698,525</u>	<u>10,647,887</u>
Represented By					
Retained Earnings	18(a)	14,392,366	13,798,197	10,693,937	10,641,276
Donations Reserve	18(b)	4,588	6,613	4,588	6,613
Total Equity		<u>14,396,954</u>	<u>13,804,810</u>	<u>10,698,525</u>	<u>10,647,889</u>

G. Beal
Chief Executive Officer
Date: 13/6/13

A.S. Lilley
President
Date: 13/6/13

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 2013

Notes	Group 2013 \$	Group 2012 \$	Parent 2013 \$	Parent 2012 \$
Cash Flow From Operating Activities:				
Cash was provided from:				
Income from Interest	12,854	11,282	4,690	11,282
Income from Dividends	84,414	97,582	84,414	97,581
Receipts from Customers	19,709,379	18,696,049	18,905,655	18,196,930
GST	32,023	(11,884)	7,946	(2,031)
	19,838,470	18,793,029	19,002,705	18,303,762
Cash was disbursed to:				
Payments to Suppliers and Employees	(18,568,667)	(18,205,298)	(18,495,535)	(18,063,055)
Income Tax Paid/(Refunded)	-	-	-	-
Donations Paid	(2,025)	(11,260)	(2,025)	(11,260)
Interest Paid	(445,135)	(422,838)	(445,135)	(422,838)
	(19,015,827)	(18,639,396)	(18,942,695)	(18,497,153)
Net Flow from Operating Activities	26	822,643	60,010	(193,391)
Cash Flow From Investing Activities:				
Cash was provided from:				
Proceeds from Sale of Fixed Assets	62,992	481,239	62,992	481,239
Proceeds from Sale of Shares	-	-	-	-
Repayment of Advance	-	-	653,402	129,932
	62,992	481,239	716,394	611,171
Cash was applied to:				
Purchase of Investments	(3,462)	(2,910)	(3,462)	(2,910)
Advances	(55,033)	-	(55,033)	-
Tenant Incentives	-	(159,207)	-	-
Purchase of Fixed Assets and Intangibles	(558,657)	(1,242,722)	(468,652)	(1,140,031)
	(617,152)	(1,404,839)	(527,147)	(1,142,941)
Net Flow from Investing Activities	(554,161)	(923,600)	189,247	(531,770)
Cash Flow From Financing Activities:				
Cash was provided from:				
Proceeds from borrowings	-	849,049	-	849,049
Cash was applied to:				
Repayments of Mortgage	(391,199)	(475,500)	(391,199)	(475,500)
	(391,199)	373,549	(391,199)	373,549
Net Flow from Financing Activities	(391,199)	373,549	(391,199)	373,549
Net Increase / (Decrease) in Cash Held	(122,717)	(396,418)	(141,942)	(351,612)
Add Opening Cash Brought Forward	299,993	696,411	296,839	648,251
Ending Cash Carried Forward	9	299,993	154,697	296,639

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 2013 \$	Group 2012 \$	Parent 2013 \$	Parent 2012 \$
1 Revenue					
Revenue comprises sales of products and services to external parties, categorised as follows:					
Liquor		11,415,807	11,200,061	11,415,807	11,200,061
Meals		5,161,579	4,875,762	5,161,579	4,875,762
Accommodation		1,640,307	1,673,204	1,640,307	1,673,204
Other		587,563	539,867	587,563	539,867
Total Revenue		18,805,256	18,288,894	18,805,256	18,288,894
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.					
Dividends Received		84,414	97,581	84,414	97,581
Interest Income		12,654	11,296	4,690	11,282
		97,068	108,877	89,104	108,863
Management Services		-	81,741	9,942	92,085
Capital Profit on Sale of Mt Somers Tavern		-	459,299	-	459,299
Voucher Write-offs		15,476	15,940	15,476	15,940
Rentals		789,538	556,963	11,759	22,874
Total Other Income		902,082	1,222,820	126,281	699,061
3 Sundry Operating Expenses					
Commissions & Bank Charges		96,812	75,126	96,432	74,611
Contractors Fees		-	71,142	-	71,142
Hire Charges		37,594	58,262	37,594	58,642
Printing & Stationery		85,606	93,112	85,606	93,112
Telephone & Tolls		68,084	61,257	68,084	61,257
Travel & Vehicle Expenses		92,220	69,254	92,220	69,254
Other		853,737	631,387	589,312	494,598
		1,234,053	1,059,540	969,247	922,616
4 Administration Expenses					
Amortisation of Intangible Assets		29,069	29,529	29,069	29,529
Audit Fee	5	69,281	65,174	51,780	49,614
Bad Debts		2,013	(215)	2,013	(215)
Insurance		289,668	150,809	233,904	117,078
Members Expenses	23	16,340	18,398	16,340	18,687
Members Remuneration	23	34,280	39,600	34,280	39,600
Promotion and Public Relations		365,207	337,387	365,207	337,387
Other		169,909	138,602	138,977	132,360
		975,767	779,284	871,570	724,040

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 Trusts auditor is Audit New Zealand on behalf of the office of the Auditor General

	Group 2013	Group 2012	Parent 2013	Parent 2012
	\$	\$	\$	\$
Audit Fees Comprise:				
Audit Fee – Attest Audit	69,281	65,174	51,780	49,614
	69,281	65,174	51,780	49,614

6 Staffing Costs

Wages and Salaries	5,846,203	5,461,014	5,846,203	5,461,014
Changes to Provisions	(16,930)	57,703	(16,930)	57,703
Total Staff Costs	5,829,273	5,518,717	5,829,273	5,518,717

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

\$170,000 - \$180,000	-	1	-	1
\$180,000 - \$190,000	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:	2,025	11,260	2,025	11,260
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8 Taxation – Parent

(a) Tax Expense (Income) comprises

	2013 \$	2012 \$
Statement of Financial Performance		
Current Income Tax	-	-
Unused Tax Losses	(155,797)	(170,527)
Deferred Tax Expense – Temporary differences	(77,216)	(72,125)
Income tax reported in the Statement of Financial Performance	(233,013)	(242,652)
Statement of Changes in Equity		
Current Income Tax	-	-
Deferred Tax expense – Temporary differences	-	-
Income tax reported in equity	-	-

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

(b) <u>Reconciliation of effective tax rate</u>	2013 %	2013 \$	2012 %	2012 \$
Accounting profit before tax from continuing operations		(182,377)		(175,638)
Accounting profit before tax from discontinued operations		-		-
Net Surplus/(deficit) before tax		(182,377)		(175,638)
Prima facie Tax at 28%	28.00%	(51,066)	28.00%	(49,179)
Unused Imputation Credits converted to tax Losses	-12.99%	23,695	16.08%	28,212
Non-deductible Items	112.76%	(205,642)	126.22%	(221,685)
Adjustment for rate change on Deferred tax to 28%	0.00%	-	0.00%	-
Deferred Tax Adjustment for Depreciation rate change on buildings	100.00%	-	100.00%	-
Effective tax rate	227.76%	(233,013)	238.15%	242,652
Income Tax expense/(credits) reported in Statement of Financial Performance		(233,013)		242,652

(c) Deferred Income Tax

Recognised deferred tax assets and (liabilities) are attributable to the following:

<u>Deferred tax</u>	Employee Benefits \$	Unused Tax Losses \$	Accelerated Depreciation for Tax Purposes \$	Total \$
Deferred tax Asset/(liability) 1 April 2011	126,507	556,705	(1,142,679)	(469,467)
(Charged)/credited to Financial Performance	(4,273)	170,527	76,398	242,652
(Charged)/credited to Equity	-	-	-	-
Deferred tax as at 31 March 2012	122,234	727,232	(1,066,281)	(216,816)
(Charged)/credited to Financial Performance	(3,567)	155,797	80,782	233,013
(Charged)/credited to Equity	-	-	-	-
Deferred tax as at 31 March 2013	118,667	883,029	(985,499)	16,197

(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.

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

8 Taxation – Group

	2013	2012
	\$	\$
(a) <u>Tax Expense (Income) comprises</u>		
Statement of Financial Performance		
Current Income Tax	-	-
Unused Tax Losses	(155,797)	(170,527)
Deferred Tax Expense – Temporary differences	(77,216)	(72,125)
Income tax reported in the Statement of Financial Performance	(233,013)	(242,652)
Statement of Changes in Equity		
Current Income Tax	-	-
Deferred Tax expense – Temporary differences	-	-
Income tax reported in equity	-	-

	2013	2013	2012	2012
	%	\$	%	\$
(b) <u>Reconciliation of effective tax rate</u>				
Net Surplus/(deficit) before tax		359,131		299,083
Prima facie Tax at 28%	28.00%	100,557	28.00%	83,743
(Non taxable income)/non-deductable expenses	-92.88%	(333,570)	-109.13%	(326,395)
Effective tax rate	-64.88%	(233,013)	-81.13%	(242,652)
Income Tax credits reported in Statement of Financial Performance		(233,013)		(242,652)

	Employee Benefits	Unused Tax Losses	Accelerated Depreciation for Tax Purposes	Total
	\$	\$	\$	\$
(c) <u>Deferred tax Asset/(liability)</u>				
Deferred tax Asset/(liability) 1 April 2011	126,507	556,705	(1,142,679)	(459,467)
(Charged)/credited to Financial Performance	(4,273)	170,527	76,398	242,652
(Charged)/credited to Equity	-	-	-	-
Deferred tax Asset/(liability) 31 March 2012	122,234	727,232	(1,066,281)	(216,816)
(Charged)/credited to Financial Performance	(3,567)	155,797	80,782	233,013
(Charged)/credited to Equity	-	-	-	-
Deferred tax Asset/(liability) 31 March 2013	118,667	883,029	(985,499)	16,197

(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.

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9 Cash and Cash Equivalents

	Group 2013 \$	Group 2012 \$	Parent 2013 \$	Parent 2012 \$
Funds in Bank	47,980	174,105	25,381	170,752
Imprest Advances	129,316	125,887	129,316	125,887
Total cash balance as reported in the Statement of Cash flows	177,276	299,992	154,697	296,639

Cash at Balance date includes \$4,588 (2012 \$6,613) which is not available for general use.

10 Trade and Other Receivables

Trade Receivables	554,476	504,089	437,340	504,089
Other	238,607	291,135	235,317	240,496
Total Debtors	793,083	795,224	672,657	744,585

As of 31 March 2013, trade receivables of \$98,450 (2012 \$101,193) were past due but not impaired. These relate to a number of independent customers of whom there is no recent history of default.

11 Inventories

The Trust's inventories comprise of the following:

Beverages, Cigarettes & Bar Sundries	647,333	554,506	647,333	554,506
Food	128,478	101,814	128,478	101,814
	775,811	656,321	775,811	656,321

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

12 Trade and Other Payables

Trading Supplies	1,201,567	1,207,369	1,201,567	1,207,369
Capital Projects	34,053	32,204	34,053	32,204
Other	370,173	183,373	190,479	163,736
	1,605,793	1,422,946	1,426,099	1,403,309

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

13 Provision for Employee Entitlements – Parent and Group

	Vested Leave \$	Unvested Leave \$	Total \$
Opening Balance 1 April 2011	381,338	43,902	425,240
Additional provision recognised	478,138	10,879	489,017
Reduction arising from payments	(289,490)	-	(289,490)
Reductions arising from staff terminations	(133,435)	(8,213)	(141,648)
Transfer to Vested Leave	-	(177)	(177)
Balance at 31 March 2012	436,551	46,391	482,942
Additional provision Recognised	505,989	8,664	514,653
Reduction arising from payments	(357,624)	-	(357,624)
Reductions arising from staff terminations	(165,036)	(8,923)	(173,959)
Transfer to Vested Leave	3,930	(3,930)	-
Balance at 31 March 2013	423,810	42,202	466,012
Disclosed as a Current Liability	436,551	10,879	447,430
Disclosed as a Non-Current Liability	-	35,512	35,512
Balance at 31 March 2012	436,551	46,391	482,942
Disclosed as a Current Liability	423,810	8,664	432,474
Disclosed as a Non-Current Liability	-	33,538	33,538
Balance at 31 March 2013	423,810	42,202	466,012

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.

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 2011	997,808	12,587,802	4,794,750	166,170	156,249	18,702,779
Acquisitions	-	663,132	481,935	3,380	8,256	1,156,703
Capitalise WIP	-	-	47,849	-	(47,849)	-
Disposals	(2,486)	(235,283)	(492,072)	(27,099)	-	(756,940)
Balance 31 March 2012	995,322	13,015,651	4,832,462	142,451	116,656	19,102,542
Acquisitions	-	170,151	264,934	-	30,873	465,958
Capitalise WIP	-	-	15,329	-	(15,329)	-
Disposals	-	-	(259,403)	-	(4,287)	(263,690)
Balance 31 March 2013	995,322	13,185,802	4,853,322	142,451	127,913	19,304,810
Accumulated Depreciation / Amortisation / Impairment	Land	Buildings	Equipment	Vehicles	Work In Progress	Total
Balance 1 April 2011	6,320	4,750,399	3,382,107	128,312	-	8,267,138
Disposals	-	(170,703)	(484,011)	(22,982)	-	(677,696)
Depreciation Expense	732	503,302	334,564	12,499	-	851,097
Balance 31 March 2012	7,052	5,082,998	3,232,660	117,829	-	8,440,539
Disposals	-	-	(190,350)	-	-	(190,350)
Depreciation Expense	730	503,020	339,721	8,686	-	852,157
Balance 31 March 2013	7,782	5,586,018	3,382,031	126,515	-	9,102,346
NBV 31 March 2012	988,270	7,932,653	1,599,802	24,622	116,656	10,662,003
NBV 31 March 2013	987,540	7,599,784	1,471,291	15,936	127,913	10,202,464

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

b) Properly Plant & Equipment – Routine Fixed Assets - Group

Cost / Valuation	Land	Buildings	Equipment	Vehicles	Work in Progress	Total
Balance as at 1 April 2011	2,212,373	12,201,890	4,795,754	166,170	156,249	19,532,436
Acquisitions		680,910	481,935	3,380	8,256	1,174,481
Capitalise WIP			47,849		(47,849)	-
Disposals	(2,486)	(235,283)	(492,072)	(27,099)		(756,940)
Balance 31 March 2012	2,209,887	12,647,517	4,833,466	142,451	116,656	19,949,977
Acquisitions		183,651	264,934	-	30,873	479,458
Capitalise WIP			15,329		(15,329)	-
Disposals	-	-	(259,404)	-	(4,287)	(263,691)
Balance 31 March 2013	2,209,887	12,831,168	4,854,325	142,451	127,913	20,165,744
Accumulated Depreciation / Amortisation / Impairment	Land	Buildings	Equipment	Vehicles	Work in Progress	Total
Balance 1 April 2011	6,319	4,877,884	3,382,204	128,312	-	8,394,719
Disposals	-	(170,703)	(484,011)	(22,982)	-	(677,696)
Depreciation Expense	732	564,826	334,564	12,499	-	912,621
Balance 31 March 2012	7,051	5,272,006	3,232,757	117,829	-	8,629,643
Disposals	-	-	(190,350)	-	-	(190,350)
Depreciation Expense	731	561,744	339,719	8,686	-	910,880
Balance 31 March 2013	7,782	5,833,750	3,382,126	126,515	-	9,350,173
NBV 31 March 2012	2,202,835	7,375,511	1,600,709	24,621	116,656	11,320,332
NBV 31 March 2013	2,202,105	6,997,418	1,472,199	15,935	127,913	10,815,570

15 Investments

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

The Trust holds 357,658 (2012 357,658) ordinary shares issued by DB South Island Brewery Ltd. This holding represents 4.97% of the 7,200,000 (2012 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 2013 \$	Group 2012 \$	Parent 2013 \$	Parent 2012 \$
<u>DB South Island Brewery Ltd:</u>				
Balance at start of financial period	892,215	892,215	892,215	892,215
Revaluation to fair value	-	-	-	-
Closing Balance	892,215	892,215	892,215	892,215
<u>Other Investments:</u>				
Foodstuffs (SI) Ltd – share credits	14,561	11,099	14,561	11,099
Heartland New Zealand Limited – 22022 Ord	14,501	14,501	14,501	14,501
Super Liquor Holdings Ltd 1 share \$500	500	500	500	500
Total Investments closing balance	921,777	918,315	921,777	918,315

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b) Investment Property – Group

	Group 2013 \$	Group 2012 \$	Parent 2013 \$	Parent 2012 \$
Balance as at 1 April	7,038,000	6,507,117	-	-
Additions	76,505	87,288	-	-
Disposals	-	-	-	-
Fair Value Gain/(Loss)	620,495	443,595	-	-
Total Investment Property closing balance	7,735,000	7,038,000	-	-

Investment properties are valued annually effective 31 March to fair value. The valuation as at 31 March 2013 was performed by Cuneen McLeod Valuation Ltd.

16 Term Advances

The Trust has provided interest-free loan funding to:

	Group 2013 \$	Group 2012 \$	Parent 2013 \$	Parent 2012 \$
Somerset Ashburton Ltd	-	-	674,168	570,725
Receivable within one year	-	-	626,805	530,793
Provision for impairment	-	-	(47,363)	(39,932)
Receivable greater than one year	-	-	6,479,380	7,236,225
Provision for impairment	-	-	(2,166,262)	(2,778,356)
	-	-	4,313,118	4,457,869

The Trust has provided interest bearing loan funding to:

Ashburton Trust Events Centre	55,033	-	55,033	-
Receivable within one year	25,501	-	25,501	-

Reconciliation of Term Advances

Somerset Ashburton Ltd total	-	-	4,939,923	4,988,662
Ashburton Trust Events Centre	55,033	-	55,033	-
Super Liquor	2,000	2,000	2,000	2,000
	57,033	2,000	4,996,956	4,990,662

The advance to Somerset Ashburton Limited has been impaired to represent the present value of the interest free advance. The advance is expected to be repaid over 10 years and these future repayments have been discounted at the current ANZ loan rate charged to the Trust.

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

17 Amortisation of Intangibles – Parent and Group

	DB Network Agreement	Liquor Licenses	Ashburton Performing Arts Theatre Trust	Total
	\$	\$	\$	\$
Cost	10,000	19,917	500,000	529,917
Accumulated amortisation and impairment	(4,000)	(17,158)	(50,000)	(71,158)
Net book amount 1 April 2011	6,000	2,759	450,000	458,759
Additions	-	-	-	-
Amortisation charge	(2,000)	(2,299)	(25,000)	(29,299)
Net book amount 31 March 2012	4,000	460	425,000	429,460
Additions	-	5,978	-	5,978
Amortisation charge	(2,000)	(2,530)	(25,000)	(29,530)
Net book amount 31 March 2013	2,000	3,908	400,000	405,908

Liquor licenses are amortised over a three year period.

DB Network agreement is amortised over a 5 year period with 1 year remaining.

Ashburton Performing Arts Theatre Trust naming rights are being amortised over a 20 year period with 16 years remaining.

18 Retained Earnings and Reserves

		Group 2013	Group 2012	Parent 2013	Parent 2012
		\$	\$	\$	\$
Retained Earnings	18(a)	14,392,366	13,798,197	10,693,937	10,641,276
Donations Reserve	18(b)	4,588	6,613	4,588	6,613
		14,396,954	13,804,810	10,698,525	10,647,889
(a) Retained Earnings					
Opening Balance		13,798,197	13,245,202	10,641,276	10,563,002
Total Comprehensive Income		592,144	541,735	50,636	67,014
Transfer from donation reserve	18(b)	2,025	11,260	2,025	11,260
		14,392,366	13,798,197	10,693,937	10,641,276
Transfer to donations reserve	18(b)	-	-	-	-
Closing Balance 31 March		14,392,366	13,798,197	10,693,937	10,641,276

(b) Donations Reserve

The Trust's objective when managing capital are 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 to the donations reserve and retain the remaining in retained earnings.

Opening Balance as at 1 April		6,613	17,873	6,613	17,873
Appropriation this year	18(a)	-	-	-	-
		6,613	17,873	6,613	17,873
Donations made this year	18(a)	(2,025)	(11,260)	(2,025)	(11,260)
Closing Balance 31 March		4,588	6,613	4,588	6,613

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

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.

20 Commitments for Expenditure

Capital Commitments

The Ashburton Licensing Trust has no Capital Commitments at Balance date. (2012 \$Nil)

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.

A Possible claim against a contractual agreement with maximum exposure of \$20,000

A claim has been lodged with the insurance company for earthquake damage to the Trust's building. As at balance date the claim has not been approved and no Insurance proceeds have been received.

There are no other contingent assets or contingent liabilities at balance date (2012 \$Nil).

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

22 Leases

Finance Lease Liabilities

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

Operating Lease Commitments

Operating lease agreements include: Music Systems for a 36 month term commencing in October 2010, Eftpos equipment for a 36 month term commencing in October 2010 or June 2011, Computer equipment for a 48 month term commencing May 2010, A Nissan Pathfinder for a term of 36 months commencing August 2011, A Toyota Hilux for a 48 month term commencing September 2011, Computer Server for a 36 month term commencing March 2012, Rental of the building occupied by Braided Rivers Restaurant for a 10 year term commencing October 2010. The Parent also leases three properties from Somerset Ashburton Limited. These agreements are included in the following lease commitments:

	Group 2013 \$	Group 2012 \$	Parent 2013 \$	Parent 2012 \$
Within 12 months	215,705	205,913	412,273	372,836
Between 1 and 5 years	530,691	569,431	827,590	946,566
Greater than 5 years	230,000	345,000	338,765	492,875
	976,396	1,120,344	1,578,628	1,812,277

Operating Leases as a Lessor

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

	Group 2013 \$	Group 2012 \$	Parent 2013 \$	Parent 2012 \$
No later than 1 Year	858,832	737,220	-	-
Later than 1 and not later than 2 years	608,287	720,304	-	-
Later than 2 and not later than 5 years	540,684	756,522	-	-
Later than 5 years	120,120	190,822	-	-
	2,127,923	2,404,868	0	0

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23 Related Parties

Braided Rivers Trust

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

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

- Administration and accounting services to Somerset Ashburton Ltd for \$9,942 (2012 \$9,394)
- Administration and accounting services to Braided Rivers Ltd for \$0 (2012 \$950)
- Interest free loan funding of \$7,153,549 to Somerset Ashburton Ltd (2012 \$7,806,950)
- Paid rental expense for The Shed nightclub of \$69,254 (2012 \$64,000)
- Paid rental expense for Head Office of \$57,718 (2012 \$52,223) plus a share of operating expenses \$24,649 (2012 \$11,453)
- Paid rental expense for Somerset Grocer, annual rental of \$50,700 (2012 \$50,700) plus a share of operating expenses \$30,032 (2012 \$12,763)
- Somerset Ashburton Limited provided Somerset Grocer with Tenant Incentives in the form of a rent free period. The value at balance date was \$11,893 (2012 \$13,178)
- Somerset Ashburton Limited provided the Licensing Trust with Tenant incentives in the form of a rent free period. The value at balance date was \$5,058 (2012 \$8,588)

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; Mr A. Lilley has declared a financial interest in Smith & Church Retravisson, Electraserve Ltd and ID Creative. Transactions with the Trust and the Group are conducted in accordance with normal commercial practice.

	Transactions during the Year		Owed At Balance Date	
	2013	2012	2013	2012
	\$	\$	\$	\$
Mr A. D. Neumann	5,390	3,130	567	630
Mr R. J. Paterson	245	352	-	-
Mr A. S Lilley	49,907	32,019	10,291	2,314

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 of Liquor Act 1989)

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

	Group 2013 \$	Group 2012 \$	Parent 2013 \$	Parent 2012 \$
Remuneration and expenses paid during the year amounted to:				
President	20,000	20,000	20,000	20,000
Other Members Fees	14,280	19,600	14,280	19,600
Total Remuneration paid	34,280	39,600	34,280	39,600
Expenses reimbursed to the President and members Relating to meeting attendance and other activities	16,340	18,398	16,340	18,398
Total Cost	50,620	57,998	50,620	57,998

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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	218,088	223,408	218,088	223,408
Other long-term benefits	-	-	-	-
	218,088	223,408	218,088	223,408

24 Events Subsequent to Balance Date

There have been no subsequent events.

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 these 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 \$96,168 balance at balance date (2012 \$Nil).

There is a Flexible Facility available of \$1,000,000 with a balance of (\$500,016) at balance date. (2012 \$849,049)

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 \$22,754 (2012 \$23,790).

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.

		Group 2013 \$	Group 2012 \$	Parent 2013 \$	Parent 2012 \$
Credit Risk Exposure					
Maximum exposures to credit risk at Balance date are:					
Cash and Cash Equivalents		177,276	299,992	154,697	296,639
Trade and other Receivables		793,083	795,224	672,857	744,585
Investments	15(a)	921,777	918,315	921,777	918,315
Term Advance (face value)	16	57,033	2,000	7,153,548	7,806,950
		1,949,169	2,015,531	8,902,679	9,766,489

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 \$25,381 (2012 ANZ \$94,014) and the Loan to Somerset Ashburton Limited \$7,153,549 (2012 \$7,806,950). There are no concentrations of credit risk in trade and other receivables with the largest debtor owing at 31 March 2013 \$77,904.91 (2012 \$40,723). 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.

During the year the Trust breached the interest cover covenant. We advised our lender of the breach. Our lender advised no further action will be taken.

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

Parent and Group	Less than 1 year	Between 1 and 2 years	Between 2 to 5 years	Over 5 years
At 31 March 2013				
Bank Borrowings	3,000,000	-	2,000,000	-
ANZ Flexible Facility	500,016	-	-	-
Trade and other payables	1,426,099	-	-	-
	4,926,115	-	2,000,000	-
At 31 March 2012				
Bank Borrowings	1,000,000	2,000,000	2,000,000	-
ANZ Flexible Facility	849,049	-	-	-
Trade and other payables	1,403,309	-	-	-
	3,252,358	2,000,000	2,000,000	-

Fair Values

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

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

	Group 2013 \$	Group 2012 \$	Parent 2013 \$	Parent 2012 \$
Net (surplus)/deficit for the period	(592,144)	(541,735)	(50,636)	(67,014)
<u>Adjust for non-cash items</u>				
Depreciation and Amortisation 14	(940,411)	(942,150)	(881,687)	(880,627)
Deferred tax expense – continuing operations	233,013	242,651	233,013	242,651
Fair value movement in Investment Property	620,495	443,595	-	-
Discount unwinding on Advances	-	-	604,663	350,904
Changes in net assets and liabilities				
<u>(Increase)/decrease in Assets</u>				
Trade and other Debtors	8,630	250,157	(61,158)	222,863
Sale of Shares	-	-	-	-
Inventory	119,490	(48,001)	119,490	(48,001)
Gain(Loss) on Sale included in Investing Activities	(9,673)	401,904	(9,673)	401,904
<u>Increase/(decrease) in liabilities</u>				
Creditors and other Payables	(146,340)	45,247	(8,050)	(23,096)
Employee Entitlements	1,974	(8,225)	1,974	(8,225)
Deferred Rental Income	(8,842)	892	-	-
Inducements	(100,889)	-	-	-
Net GST	(7,946)	2,032	(7,946)	2,032
Net cash (inflow)/outflow from operating activities	(822,643)	(153,633)	(60,010)	193,391

27 Capital Management

The Trust's capital is its equity, which comprises retained surpluses 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.

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