

ASHBURTON LICENSING TRUST CONSOLIDATED GROUP

TRUST DIRECTORY

FOR THE YEAR ENDED 31 MARCH 2021

Members of the Trust

<i>Mr C. Robertson</i>	<i>Member (Chairperson)</i>
<i>Mr R. Harnett</i>	<i>Member</i>
<i>Mr R. Paterson</i>	<i>Member</i>
<i>Mr K. Breakwell</i>	<i>Member</i>
<i>Mr T. Silva</i>	<i>Member</i>
<i>Mrs C. Quinn</i>	<i>Member</i>

AUDITORS

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

BANKERS

*ANZ Bank
ASHBURTON*

SOLICITORS

*Argyle Welsh Finnigan
ASHBURTON

Lane Neave Lawyers
CHRISTCHURCH*

INSURANCE BROKERS

*Aon New Zealand
WELLINGTON*

STATEMENT OF ACCOUNTING POLICIES

For the year ended 31 March 2021

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 is involved in hospitality and investing activities primarily within the boundaries of the Trusts Geographic area.

The consolidated financial Statements of the Ashburton Licensing Trust and its subsidiaries (collectively, the Group) for the year ended 31 March 2021 were authorised for issue in accordance with a resolution of the Trust board members on 16 September 2021.

The Owners/Officers of the Trust do not have the power to amend these Financial Statements after issue.

Statement of Compliance

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 comply with NZIFRS reduced disclosure regime, and other Financial Reporting Standards, as appropriate for profit oriented entities. The Group has designated itself a Tier 2 for-profit entity and has elected to report in accordance with Tier 2 For-profit accounting standards. The group is eligible to report in accordance with Tier 2 For-profit accounting standards on the basis that it does not have public accountability and it is not a large for profit public sector entity. The group has applied disclosure concessions.

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 16.

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.

The Trust group comprises the following entities:

- Ashburton Licensing Trust (ALT, the Trust)
- Somerset Ashburton Trust (SAT)
- Braided Rivers Ltd (BRL) - Wound up 31 March 2019
- Somerset Ashburton Ltd (SAL)

Effects of COVID-19 on the Trust

On 11 March 2020, the World Health Organisation declared the outbreak of COVID-19 a pandemic and two weeks later the New Zealand Government declared a State of National Emergency. From this, the country was in lockdown at Alert Level 4 for the period 26 March 2020 to 27 April 2020 and remained in lockdown at Alert Level 3, thereafter, until 13 May 2020.

During this period, the Trust closed all sites and implemented plans to work from home where possible. Head Office staff moved to a 'work from home' model and hospitality staff remained at home until bars were able to open on 21 May 2020.

Across the Trust group's commercial properties are a diversified range of tenants from those able to operate as essential services through to hospitality businesses which were significantly impacted and were among the last to reopen.

After 21 May 2020, the Trust returned to business as usual with only minor disruption being caused by Covid-19.

The effect on our operations is reflected in these financial statements based on the information available and while some uncertainty remains, the risk is considered low.

We have also disclosed in the financial statements our significant assumptions and judgements regarding the future potential impacts that may have a material impact on the Trust. These uncertainties are unlikely to have a material impact on the Trust going forward.

The main impacts on the Trust's financial statements due to COVID-19 are explained below:

Rental Income

- The majority of tenants across the group have continued to remain in place and honour the existing agreements in place. All tenants across the group who were in place at the beginning of the lockdown period were provided one month free of rent and opex and a second month where a 50% rent reduction only was provided. Negotiations were entered into with a number of tenants to ensure the return from properties is maximised.

Hospitality Operations

- Revenue from our hospitality operations ceased during the 'lockdown' period while most costs continued, the nature of these businesses has meant that revenue returned to normal levels quickly once able to reopen. The financial consequence of this was losses incurred during this period which were for a defined period and profitability has since returned to normal levels.

Payroll Costs

- The Trust received the government wage subsidy for the initial 12 week period. The Trust continued to pay its staff their regular entitlements and reported reduced payroll costs as a result of this.

Operating Expenses

- As a result of COVID-19, the Trust and Group has incurred lower than budgeted operating expenses, while fixed costs remained steady variable costs reduced.

Valuation of Investment Property

- There has been a mixed impact to the ongoing strength of tenants in the Trust and groups properties as a result of Covid-19. The Trust has been working with tenants to try and ensure they remain viable and therefore maximising returns through its commercial property. While the impact on valuations was uncertain at 31 March 2020, operating conditions have become much clearer since which in turn has given greater confidence in the reliability of this years valuations. There is still significant valuation uncertainty relating to one of the investment properties. Further information about the key valuation assumptions used in estimating the fair value of investment property at 31 March 2021 are provided in note 14.

Impairment of Land and Buildings

- These land and building assets have been held for an extended period during which the market value of these assets has grown significantly. Management compared discounted future cashflows to the carrying value of the assets and determined that no impairment is required. Consequently, despite the reduced income from these assets creating some valuation uncertainty there is a comfortable level of valuation headroom.

Managed Funds

- Despite volatility and downward movement at the end of the 2020 financial year, the 2021 financial year has seen managed funds bounce back. The markets in which these funds are traded have been volatile but have settled somewhat through the second half of this financial year.

Effects of COVID-19 on the Trust in the financial year to 31 March 2022

In August 2021 a resurgence of Covid-19 in the form of the Delta variant resulted in a further lockdown. The country entered Alert Level 4 on 18 August 2021. Areas of the country south of Auckland moved to Alert level 3 from 3 Sept 2021 before a further reduction to Alert Level 2 on 8 Sept 2021. While the requirements of alert levels are more stringent this time the impact on the Trust and groups operations were similar to the same Alert levels last year.

Adoption of New and Revised Standards

The Trust adopts all the new and revised Standards and Interpretations approved by the External Reporting Board that are relevant to its operations. Effective for annual reporting periods beginning on 1 April 2020.

A number of new standards and interpretations are not yet effective as at 31 March 2021, and have not been applied in preparing these consolidated financial statements. These standards are not expected to have a material impact on the groups financial statements.

The group has not assessed the impact of these standards on future financial statements.

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. 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 depreciation method, residual value and useful life of all assets are reviewed annually.

No depreciation is charged on assets available for sale from the date at which they become classified as 'Available for Sale'

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	Furnishings - Office	10 years
Building Fitout and Services - Other	20 years	Motor Vehicles	6 years
Other items of PPE	3 - 15 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 (Incl Computer Equip)	50%	Linen, Crockery & Cutlery	67%

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 financial assets at fair value through other comprehensive income (FVOCI). These equity securities are not held for trading, and the Trust has irrevocably elected at initial recognition to recognise them in this category. On disposal of these equity investments, any related balance within the FVOCI reserve is reclassified to retained earnings.

The fair value of financial instruments classified as FVOCI is the quoted price in an active market at balance date. Where there is no active market, the Trust is required to use another valuation technique to estimate fair value.

Shares in DBSIB - The fair value is determined based on Level 3 inputs, which are observable inputs that reflect the assumptions that market participants would use when pricing the assets, including assumptions about risk.

Dividends are recognised in surplus/deficit.

• **Managed Fund**

The managed fund is a portfolio of financial assets that are actively traded with the intention of making profits. Therefore, the managed fund is classified as Fair Value through Profit and Loss. After initial recognition, the managed fund is measured at fair value, with gains and losses recognised in the surplus or deficit. Fair value is determined based on Level 1 inputs, which are quoted prices in active markets.

• **Financial Instruments at Amortised Cost**

Cash and Cash Equivalents, Bank Overdrafts, Short-term deposits, Trade and Other payables, Trade and Other Receivables and other Current Liabilities are classified as Amortised Cost under NZ IFRS 9. These instruments are initially recognised at Fair Value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently measured at amortised costs using the effective interest rate method, less provision for impairment.

d) Investment Property

Investment property, principally comprising hospitality properties previously operated by the Trust, is held for long-term rental yields. Investment property held by the ALT parent is revalued on an annual basis via a directors valuation with a 3 yearly independent valuation, this revaluation gain/(loss) is reported in the profit or loss in line with NZ IAS 40 Investment Property.

Investment property owned by the Trusts subsidiaries, 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 independently revalued on an annual basis, this revaluation gain/(loss) is reported in the profit or loss in line with NZ IAS 40 Investment Property.

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.



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 expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current income year, and any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the profit or loss for the period, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

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 incl Commercial Rental

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 in equal monthly instalments across the lease term and adjusted for rental increases as they occur. 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.

• 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:

o Gaming machine site rental

Rental income from site rental agreements with gaming machine operators and from other sources is recognised when it becomes due.

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.

• Other Rental Income

Other Rental Income is income received from the renting of space other than commercial space.

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) Grants

Decisions regarding grants from the Trust are made at monthly grant 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 grants are recognised in the profit or loss in the year in which the board becomes obliged to make payment.

r) Assets Available for Sale

'Assets Available for Sale' are those assets held where a commitment has been made to dispose of them and it is probable that the disposal will take place within 12 months. Assets held for sale are held at the lower of their carrying amount or their fair value less costs to sell.

s) Discontinued Operations

Discontinued Operations are those components of the business that have either been disposed of or are classified as 'available for sale'. A 'component' of the business is where the operations and cash flows can be clearly distinguished operationally and for financial reporting purposes.

t) 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 4.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2021

	Notes	Group 2021 \$	Group 2020 \$	Parent 2021 \$	Parent 2020 \$
Revenue	1	2,238,538	2,764,350	1,468,409	1,903,918
Less Cost of Sales		(299,659)	(402,377)	(299,659)	(402,377)
Gross Profit		1,938,879	2,361,973	1,168,750	1,501,541
Other Revenue	2	581,488	116,420	639,335	131,743
Payroll Expenses	5	(489,542)	(506,113)	(489,542)	(506,113)
Other Expenses	3	(581,214)	(682,013)	(463,800)	(531,262)
Property Expenses	4	(297,192)	(1,006,197)	(209,299)	(876,619)
Depreciation		(25,922)	(24,863)	(25,922)	(24,863)
Gain/(Loss) on Disposal		(1,794,965)	-	(1,794,965)	-
Fair Value movement in Investment Properties		(43,483)	976,494	(35,214)	649,497
Operating Profit/(Loss)		(711,951)	1,235,701	(1,210,657)	343,924
Finance Cost – Interest		(130,185)	(181,837)	(89)	(46)
Profit/(Loss) Before Income Tax		(842,136)	1,053,864	(1,210,746)	343,878
Income Tax (Expense)/Credit	7	-	-	-	-
Net Profit/(Loss) for the period		(842,136)	1,053,864	(1,210,746)	343,878
Other Comprehensive Income		339,786	-	339,786	-
Total Comprehensive Income		(502,350)	1,053,864	(870,960)	343,878

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.



STATEMENT OF MOVEMENTS IN EQUITY
For the year ended 31 March 2021

STATEMENT OF MOVEMENTS IN EQUITY - Parent
For the year ended 31 March 2021

	Retained Earnings \$	Revaluation Reserve \$	Total Equity \$
Balance at 1 April 2019	16,275,681	-	16,275,681
Total Comprehensive Income for the year	343,878	-	343,878
<u>Balance at 31 March 2020</u>	16,619,559	-	16,619,559
Balance at 1 April 2020	16,619,559	-	16,619,559
Net Profit/Loss for the period	(1,210,746)	-	(1,210,746)
Other Comprehensive Income	-	339,786	339,786
<u>Balance at 31 March 2021</u>	15,408,813	339,786	15,748,599

STATEMENT OF MOVEMENTS IN EQUITY - Group
For the year ended 31 March 2021

	Retained Earnings \$	Revaluation Reserve \$	Total Equity \$
Balance at 1 April 2019	20,849,853	-	20,849,853
Total Comprehensive Income for the year	1,053,864	-	1,053,864
<u>Balance at 31 March 2020</u>	21,903,717	-	21,903,717
Balance at 1 April 2020	21,903,717	-	21,903,717
Net Profit/Loss for the period	(842,136)	-	(842,136)
Other Comprehensive Income	-	339,786	339,786
<u>Balance at 31 March 2021</u>	21,061,581	339,786	21,401,367

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 2021

	Notes	Group 2021 \$	Group 2020 \$	Parent 2021 \$	Parent 2020 \$
Current Assets					
Cash and Cash Equivalents	8	4,660,117	830,253	4,483,108	618,588
Term Deposits greater than 90 days		254,846	572,263	254,846	572,263
Trade and Other Receivables	9	21,934	78,373	22,718	47,866
Prepayments	9	55,575	43,639	37,697	33,726
Vendor Finance		94,703	-	94,703	-
Insurance Aggregate Fund		30,470	30,470	24,672	24,672
Tenant Incentives		23,338	42,643	-	-
Inventories	10	27,599	24,007	27,599	24,007
		<u>5,168,582</u>	<u>1,621,648</u>	<u>4,945,343</u>	<u>1,321,122</u>
Non Current Assets					
Financial Assets - Investment in Shares Managed Fund	14(a)	1,235,082	897,680	1,235,082	897,680
	14(b)	2,535,361	1,767,943	2,535,361	1,767,943
Investment Properties	14(c)	15,716,315	21,481,315	6,940,000	12,705,000
Property, Plant & Equipment	13	338,972	316,662	338,972	316,662
Tenant Incentives		49,804	73,142	-	-
		<u>19,875,534</u>	<u>24,536,742</u>	<u>11,049,415</u>	<u>15,687,285</u>
Total Assets		<u>25,044,116</u>	<u>26,158,390</u>	<u>15,994,758</u>	<u>17,008,407</u>
Current Liabilities					
Trade & Other Payables	11	231,311	369,089	172,403	313,328
ANZ - Flexible Facility		360	-	-	-
Mortgage ANZ Bank		141,773	151,863	-	-
Employee Entitlements	12	65,783	61,346	65,783	61,346
		<u>439,227</u>	<u>582,298</u>	<u>238,186</u>	<u>374,674</u>
Non Current Liabilities					
Provision for Employee Entitlements	12	7,973	14,174	7,973	14,174
Mortgage ANZ Bank		3,195,549	3,658,201	-	-
		<u>3,203,522</u>	<u>3,672,375</u>	<u>7,973</u>	<u>14,174</u>
Total Liabilities		<u>3,642,749</u>	<u>4,254,673</u>	<u>246,159</u>	<u>388,848</u>
Net Assets		<u>21,401,367</u>	<u>21,903,717</u>	<u>15,748,599</u>	<u>16,619,559</u>
Represented By					
Retained Earnings	16	21,061,581	21,903,717	15,408,813	16,619,559
Revaluation Reserve	18(b)	339,786	-	339,786	-
Total Equity		<u>21,401,367</u>	<u>21,903,717</u>	<u>15,748,599</u>	<u>16,619,559</u>

R. Reid
CEO
Date:

16/9/21

C. Robertson
Chairperson
Date:

16/9/21

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 2021

Notes	Group 2021 \$	Group 2020 \$	Parent 2021 \$	Parent 2020 \$
Cash Flow From Operating Activities:				
Cash was provided from:				
Income from Interest	25,017	73,028	25,014	73,017
Income from Dividends	97,331	83,933	97,331	83,933
Receipts from Customers	2,329,258	2,818,200	1,508,779	1,900,459
GST	(9,335)	15,371	(15,832)	3,876
	<u>2,442,271</u>	<u>2,990,532</u>	<u>1,615,292</u>	<u>2,061,285</u>
Cash was disbursed to:				
Payments to Suppliers and Employees	(1,840,515)	(2,572,376)	(1,589,987)	(2,294,672)
Interest Paid	(130,185)	(181,837)	(89)	(46)
	<u>(1,970,700)</u>	<u>(2,754,213)</u>	<u>(1,590,076)</u>	<u>(2,294,718)</u>
Net Flow from Operating Activities	471,571	236,319	25,216	(233,433)
Cash Flow From Investing Activities:				
Cash was provided from:				
Proceeds from Sale of Fixed Assets	4,010,809	8,117	4,010,809	-
Term Deposits greater than 90 days	317,417	2,283,093	317,417	2,283,093
Repayment of Advance	-	-	-	-
	<u>4,328,226</u>	<u>2,291,210</u>	<u>4,328,226</u>	<u>2,283,093</u>
Cash was disbursed to:				
Purchase of Investment Property	(8,269)	(631,623)	-	(520,503)
Advance	(94,703)	-	(94,703)	-
Term Deposits greater than 90 days	-	(574,539)	-	(574,539)
Purchase of Managed Funds	(270,000)	(840,000)	(270,000)	(840,000)
Purchase of Fixed Assets and Intangibles	(124,219)	(10,350)	(124,219)	(10,350)
	<u>(497,191)</u>	<u>(2,056,512)</u>	<u>(488,922)</u>	<u>(1,945,392)</u>
Net Flow from Investing Activities	3,831,035	234,698	3,839,304	337,701
Cash Flow From Financing Activities:				
Cash was provided from:				
Loan Payment Received	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash was disbursed to:				
Repayments of Mortgage	(472,742)	(247,926)	-	-
	<u>(472,742)</u>	<u>(247,926)</u>	<u>-</u>	<u>-</u>
Net Flow from Financing Activities	(472,742)	(247,926)	-	-
Net Increase / (Decrease) in Cash Held	3,829,864	223,091	3,864,520	104,268
Add Opening Cash Brought Forward	830,253	607,162	618,588	514,320
Ending Cash Carried Forward	8 4,660,117	830,253	4,483,108	618,588

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 2021 \$	Group 2020 \$	Parent 2021 \$	Parent 2020 \$
1 Revenue					
Revenue comprises sales of products and services to external parties, categorised as follows:					
Commercial Property Rental		1,332,155	1,743,939	562,026	883,507
Liquor		666,398	764,049	666,398	764,049
Meals		40,674	43,764	40,674	43,764
Other		199,311	212,598	199,311	212,598
Total Revenue		2,238,538	2,764,350	1,468,409	1,903,918
2 Other Revenue					
Dividends Received		97,331	83,933	97,331	83,933
Interest Income		25,017	73,028	25,014	73,017
Realised Gain on Investments		(19,665)	(1,910)	(19,665)	(1,910)
Unrealised Gain on Investments		486,221	(38,350)	486,221	(38,350)
Management Services		(7,416)	-	50,434	15,334
Capital Gains		-	-	-	-
Expired Vouchers		-	(281)	-	(281)
Total Other Income		581,488	116,420	639,335	131,743
3 Other Expenses					
Audit Fee		79,691	77,977	60,932	59,763
Bad Debts		(13,126)	(12,765)	(5,474)	(8,157)
Members Expenses	20	3,160	8,279	3,160	8,279
Members Remuneration	20	79,000	66,900	79,000	66,900
Other		432,489	540,872	326,182	404,477
		581,214	681,263	463,800	531,262
4 Property Expenses					
Insurance		72,469	64,177	28,674	18,846
Rent and Rates		52,969	51,764	21,236	17,800
Repairs and Maintenance		165,407	886,065	153,042	835,782
Replacements		6,347	4,191	6,347	4,191
Other		-	-	-	-
		297,192	1,006,197	209,299	876,619

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

	Group 2021 \$	Group 2020 \$	Parent 2021 \$	Parent 2020 \$
5 Staffing Costs				
Wages and Salaries	491,306	501,469	491,306	501,469
Changes to Provisions	(1,764)	4,644	(1,764)	4,644
Total Staff Costs	489,542	506,113	489,542	506,113

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

\$150,000 - \$160,000	1	-	1	-
\$140,000 - \$150,000	-	1	-	1

6 Grants

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 granting to community groups domiciled within the Trust's geographic region.

Grants paid to such groups amounted to:	99,451	61,536	99,451	61,536
Future grants committed:				
within 12 months	12,500	25,000	12,500	25,000
1 to 5 years	44,000	20,000	44,000	20,000
over 5 years	27,000	10,000	27,000	10,000

7 Taxation – Parent & Group

(a) <u>Tax Expense/(Credit) comprises</u>	2021 \$	2020 \$
Statement of Financial Performance		
Current Income Tax	-	-
Deferred Tax (Credit)/Expense – Temporary differences	-	-
Tax Expense/(Credit)	-	-

(b) <u>Reconciliation of effective tax rate</u>	Group 2021 \$	Group 2020 \$	Parent 2021 \$	Parent 2020 \$
Accounting profit before tax from continuing operations	(842,136)	1,053,864	(1,210,746)	343,878
Accounting profit before tax from discontinued operations	-	-	-	-
Net Profit/(Loss) before tax	(842,136)	1,053,864	(1,210,746)	343,878
Prima facie Tax at 28%	(235,798)	295,082	(339,009)	96,286
Unused imputation Credits converted to tax Losses	-	-	(31,629)	(27,674)
Non-Assessable Revenue/Income	235,797	(295,083)	370,637	(68,613)
Tax Expense	-	-	-	-

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>	<u>Employee Entitlements</u>	<u>Unused Tax Losses</u>	<u>PPE and Investment Properties</u>	<u>Total</u>
	\$	\$	\$	\$
Deferred tax Asset/(liability) 1 April 2019	15,328	1,572,202	(1,587,530)	-
(Charged)/credited to Financial Performance	(1,581)	(502,119)	503,700	-
(Charged)/credited to Equity	-	-	-	-
Deferred tax as at 31 March 2020	13,747	1,070,083	(1,083,830)	-
(Charged)/credited to Financial Performance	1,361	(395,500)	394,139	-
(Charged)/credited to Equity	-	-	-	-
Deferred tax as at 31 March 2021	15,108	674,583	(689,691)	-

A deferred tax asset has not been recognised in relation to tax losses of \$4,136,718 (2020: \$2,919,879)

8 Cash and Cash Equivalents

	<u>Group 2021</u>	<u>Group 2020</u>	<u>Parent 2021</u>	<u>Parent 2020</u>
	\$	\$	\$	\$
Funds in Bank	4,566,318	713,188	4,439,673	501,523
Granting Account	50,364	-	-	-
Maintenance Reserves	16,133	110,506	16,133	110,506
Imprest Advances	27,302	6,559	27,302	6,559
Total cash balance as reported in the Statement of Cash flows	4,660,117	830,253	4,483,108	618,588

9 Trade and Other Receivables

Trade Receivables	239	44,597	1,023	14,090
Other Receivables	21,695	33,776	21,695	33,776
	21,934	78,373	22,718	47,866
Prepayments	55,575	43,639	37,697	33,726
Total Receivables and Prepayments	77,509	122,012	60,415	81,592

As of 31 March 2021 trade receivables of \$Nil (2020 \$Nil) were due to the Parent from the Subsidiaries.

10 Inventories

The Trust's inventories comprise of the following:

Beverages, Cigarettes & Bar Sundries	26,847	22,835	26,847	22,835
Food	752	1,172	752	1,172
	27,599	24,007	27,599	24,007

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

11 Trade and Other Payables

Trading Supplies	69,871	71,555	61,480	67,000
Capital Projects	-	-	-	-
Accruals	161,440	297,534	110,923	246,328
	231,311	369,089	172,403	313,328

As of 31 March 2021 trade payables of \$Nil (2020 \$Nil) were to due to Subsidiaries from the Parent.

As of 31 March 2021 trade payables of \$Nil (2020 \$Nil) were due to the other Related Parties.

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

12 Provision for Employee Entitlements – Parent and Group

	Vested Leave \$	Unvested Leave \$	Total \$
Opening Balance 1 April 2019	56,701	14,175	70,876
Additional provision recognised	41,650	(3,483)	38,167
Reduction arising from payments	(32,987)	-	(32,987)
Reductions arising from staff terminations	(536)	-	(536)
Transfer to Vested Leave	-	-	-
Balance at 31 March 2020	64,828	10,692	75,520
Additional provision Recognised	46,972	1,925	48,897
Reduction arising from payments	(29,575)	-	(29,575)
Reductions arising from staff terminations	(21,086)	-	(21,086)
Transfer to Vested Leave	2,719	(2,718)	1
Balance at 31 March 2021	63,858	9,899	73,757
Disclosed as a Current Liability	64,828	(3,483)	61,345
Disclosed as a Non-Current Liability	-	14,175	14,175
Balance at 31 March 2020	64,828	10,692	75,520
Disclosed as a Current Liability	63,858	1,925	65,783
Disclosed as a Non-Current Liability	-	7,973	7,973
Balance at 31 March 2021	63,858	9,898	73,756

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.

13 Property, Plant and Equipment

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

Cost / Valuation	Land	Buildings	Equipment	Vehicles	Work in Progress	Total
Balance 1 April 2019	124,246	205,539	592,602	48,575	-	970,962
Balance 31 March 2020	124,246	208,723	597,025	48,575	2,742	981,311
Acquisitions	-	11,091	41,451	-	-	52,542
Disposals	-	-	(96,126)	-	(2,742)	(98,868)
Balance 31 March 2021	124,246	219,814	542,350	48,575	-	934,985
Accumulated Depreciation / Amortisation / Impairment	Land	Buildings	Equipment	Vehicles	Work in Progress	Total
Balance 1 April 2019	1,397	116,834	481,728	39,828	-	639,787
Balance 31 March 2020	1,470	120,236	500,491	42,452	-	664,649
Disposals	-	-	(94,558)	-	-	(94,558)
Depreciation Expense	73	4,074	19,938	1,837	-	25,922
Balance 31 March 2021	1,543	124,310	425,871	44,289	-	596,013
NBV 31 March 2020	122,776	88,487	96,534	6,123	2,742	316,662
NBV 31 March 2021	122,703	95,504	116,479	4,286	-	338,972

14 Investments

(a) Investment in Shares

The Trust holds 357,658 (2020 357,658) ordinary shares issued by DB South Island Brewery Ltd. This holding represents 4.97% of the 7,200,000 (2020 7,200,000) shares issued by that company.

In prior years, based on information available management have deemed that historical cost remains an appropriate estimate of fair value. The shares were revalued as at 31 March 2021. The fair value was determined by an independent valuer by applying the capitalisation of earnings method. The main assumption used in the valuation was a multiplier of 5.88.

	Group 2021 \$	Group 2020 \$	Parent 2021 \$	Parent 2020 \$
<u>DB South Island Brewery Ltd:</u>				
Balance at start of financial period	892,214	892,214	892,214	892,214
Revaluation to fair value	339,786	-	339,786	-
Closing Balance	1,232,000	892,214	1,232,000	892,214
<u>Other Investments:</u>				
Foodstuffs (SI) Ltd – share credits	3,082	5,466	3,082	5,466
Total Investments closing balance	1,235,082	897,680	1,235,082	897,680

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

(b) Managed Fund

In September 2018 the Trust appointed Jarden to manage investments in financial assets on its behalf. Investments in this managed fund are made in compliance with pre agreed investment allocations between different financial asset classes based on criteria set out in the Trusts Statement of Investment Policies and Objectives (SIPO).

<u>Managed Fund</u>				
Cash	17,578	182,115	17,578	182,115
NZ Fixed Interest	546,886	498,865	546,886	498,865
NZ Equity	651,328	364,311	651,328	364,311
Global Equity	1,319,569	722,651	1,319,569	722,651
Closing Balance	2,535,361	1,767,942	2,535,361	1,767,942

c) Investment Property – Group

	Group 2021 \$	Group 2020 \$	Parent 2021 \$	Parent 2020 \$
Balance as at 1 April	21,481,315	19,881,315	12,705,000	11,535,000
Additions (Subsequent Expenditure)	110,193	631,623	101,924	520,503
Disposals	(5,831,710)	(8,117)	(5,831,710)	-
Fair Value Gain/(Loss)	(43,483)	976,494	(35,214)	649,497
Total Investment Property closing balance	15,716,315	21,481,315	6,940,000	12,705,000

Parent - The carrying amount of Investment Property has been revalued to fair value at 31 March 2021. Similar to prior year, the valuer considers there is significant market uncertainty affecting the Tinwald complex valuation, this results in significant valuation uncertainty of this investment property. Fair value was determined by independent market valuation undertaken by Clark McLeod & Associates Ltd as at 31 March 2021. Clark McLeod & Associates Ltd are registered valuers with extensive experience valuing commercial properties in the Mid Canterbury area. The valuer prepared their valuation based on empirical data available at the date of valuation. The main assumption used in the valuation was the capitalisation rate. The valuer adopted a capitalisation rate of 6.1%-7.25% (2020 : 6.3%-7.0%).

Somerset Ashburton Ltd - The carrying amount of Investment Property has been revalued to market value at 31 March 2021. The revalued amount was determined by an independent market valuation undertaken by Clark McLeod & Associates Ltd as at 31 March 2021. Clark McLeod & Associates Ltd are registered valuers with extensive experience valuing commercial properties in the Mid Canterbury area. The valuer prepared their valuation based on empirical data available at the date of valuation. The main assumption used in the valuation was the capitalisation rate. The valuer adopted a capitalisation rate of 8.5% (2020: 8.5%). The amount of this fair value gain/(loss) has been recognised as income in the operating profit for the year.

Rental Income from Investment Properties	1,332,155	1,760,499	562,026	883,507
Direct Operating Costs generating Rental Income	(342,518)	(1,050,899)	(135,227)	(809,661)
Direct Operating Costs that did not generate Rental Income	-	-	-	-

The Trust 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. ANZ hold a security interest over Somerset House, and investment property owned by SAL relating to the loan on this property.

15 Retained Earnings and Reserves

Retained Earnings				
Opening Balance	21,903,717	20,849,853	16,619,559	16,275,681
Net Profit/Loss for the Period	-	1,053,864	-	343,878
Closing Balance 31 March	21,903,717	21,903,717	16,619,559	16,619,559
Revaluation Reserve				
Opening Balance	-	-	-	-
Other Comprehensive Income	339,786	-	339,786	-
Closing Balance 31 March	339,786	-	339,786	-
Total Equity				
Opening Balance	21,903,717	20,849,853	16,619,559	16,275,681
Total Comprehensive Income	339,786	1,053,864	339,786	343,878
Closing Balance 31 March	22,243,503	21,903,717	16,959,345	16,619,559

Other Comprehensive income is made up entirely of the Fair Value movement of Investments in Shares

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

16 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.

17 Commitments for Expenditure

Capital Commitments

There were no capital projects committed at Balance Date. Last year the Ashburton Licensing Trust was nearing completion of a Capital project at the Tinwald complex at balance date, payments of \$247,113 were required to complete this project.

Lease Commitments

Finance lease liabilities and non-cancellable operating lease commitments are disclosed in note 20.

18 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 agency at the Devon 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 agency to the NZ Racing Board.

There are no other contingent assets or contingent liabilities at balance date (2020 \$Nil).

19 Leases

Finance Lease Liabilities

The Trust has no finance leases in place.

Operating Lease Commitments

The Group has entered into commercial leases on certain items of equipment. These leases have an average life of less than 12 months, 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 2021	Group 2020	Parent 2021	Parent 2020
	\$	\$	\$	\$
Within 12 months	3,428	3,480	5,784	17,995
Between 1 and 5 years	925	4,353	925	6,772
Greater than 5 years	-	-	-	-
	<u>4,353</u>	<u>7,833</u>	<u>6,709</u>	<u>24,767</u>

Operating Leases as a Lessor

Somerset Ashburton Ltd, a subsidiary of the Trust has entered into commercial property leases on its investment property, Somerset House. These non-cancellable leases have remaining terms of up to 61 months. During this financial year the Ashburton Licensing Trust has leased out 2 (2020: 3) of its properties which are classified as Investment Property. These non-cancellable leases have remaining terms of up to 65 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:

No later than 1 Year	943,770	1,562,525	458,678	927,596
Later than 1 and not later than 5 years	2,616,360	4,850,050	1,834,712	3,710,384
Later than 5 years	156,675	932,616	156,675	884,426
	<u>3,716,805</u>	<u>7,345,191</u>	<u>2,450,065</u>	<u>5,522,406</u>

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

20 Related Parties

Somerset Ashburton Trust

The Licensing Trust formed the Somerset Ashburton Trust (previously known as the Braided Rivers Trust), a charitable trust, and two charitable companies, Braided Rivers Limited and Somerset Ashburton Limited. Braided Rivers Ltd was wound up on 31 March 2019. Somerset Ashburton 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 \$10,334 (2020 \$10,334)
- Management and marketing fees to Somerset Ashburton Ltd for \$6,667 (2020 \$Nil)
- Property management fees to Somerset Ashburton Ltd for \$28,433 (2020 \$Nil)
- Administration and accounting services to Somerset Ashburton Trust for \$5,750 (2020 \$5,750)
- Paid rental expense for Head Office of \$12,701 (2020 \$14,400) plus a share of operating expenses \$4,015 (2020 \$5,191).
- There was nothing outstanding at balance date. (2019 \$Nil)

Members

Transactions with the Trust and group are conducted in accordance with normal commercial practice. There were no transactions undertaken with board members this financial year (2020: Nil), any transactions are undertaken on a normal 'arms-length' basis.

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

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 2021 \$	Group 2020 \$	Parent 2021 \$	Parent 2020 \$
Remuneration and expenses paid during the year amounted to:				
President	25,000	24,000	25,000	24,000
Other Members Fees	54,000	42,900	54,000	42,900
Total Remuneration paid	79,000	66,900	79,000	66,900
Expenses reimbursed to the President and members Relating to meeting attendance and other activities	3,160	8,279	3,160	8,279
Total Cost	82,160	75,179	82,160	75,179

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 General Manager, 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

Total Compensation paid to key management personnel	235,600	215,764	235,600	215,764
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21 Events Subsequent to Balance Date

The Trust sought to be reconstituted as a Community Trust, this has been granted and will take effect in the 2021-22 Financial Year.

SAL, a subsidiary of the Trust refinanced part of its bank debt in the 2021-22 financial year. As part of this transaction the ALT parent made loans to SAL totaling \$1.83m. The remaining debt with ANZ is an interest only facility.

There have been no undisclosed events subsequent to balance date (2020: Nil).

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

22 Financial Instruments

The main risk arising from the Trust's and Group's financial Instruments is interest rate risk. The board reviews and agrees a policy for this risk and it is summarised below.

	Group 2021 \$	Group 2020 \$	Parent 2021 \$	Parent 2020 \$
<u>Categories of Financial Instruments</u>				
Financial Assets at Amortised Cost				
Cash and Cash Equivalents	4,660,117	830,253	4,483,108	618,588
Term Deposits greater than 90 days	254,846	572,263	254,846	572,263
Trade and Other Receivables	239	44,597	1,023	14,090
Financial Liabilities measured at Amortised Cost				
Trade Payables	69,871	71,555	61,480	67,000
ANZ Term loans	3,337,322	3,810,064	-	-
Financial Assets measured at Fair Value through Profit & Loss				
Managed Fund	2,535,361	1,767,943	2,535,361	1,767,943
Financial Assets measured at Fair Value through Other Comprehensive Income				
Investment in Shares	1,235,082	897,680	1,235,082	897,680

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.

23 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 Somerset Ashburton Trust, Somerset Ashburton Trust is the sole shareholder of Somerset Ashburton Ltd.

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

APPENDIX A.

Full Grants List	99,451
Allenton Bowling Club	500
Ashburton A&P Association	565
Ashburton College	10,000
Ashburton Community Christmas Lunch	586
Ashburton County Scottish Society Pipe Band	2,000
Ashburton Fanciers Society	1,300
Ashburton Indian Multicultural Trust	1,750
Ashburton Pony Club	704
Ashburton Santa Parade	2,500
Ashburton Society of Arts	1,500
Ashburton Trust Event Centre	5,000
Ashburton Youth Café Charitable Trust	5,000
Ashburton Youth Council	1,000
CCS Canterbury & West Coast	470
Community House Mid Canterbury	1,750
Connecting Mid Canterbury Charitable Trust	10,000
Farming Families Trust	2,500
Hakatere Youth Sports Club Inc	10,000
Life Education Trust	1,121
Mid Canterbury Bowling Greens Association	300
Mid Canterbury Childrens Trust	2,500
Mid Canterbury Emergency Relief Charitable Trust	5,000
Mid Canterbury Hockey Inc.	4,000
Mid Canterbury Riding for the Disabled	4,500
Mid Canterbury Tennis	4,725
Mid Canterbury Tennis Charitable Trust	5,500
Sacred Heart College Reunion	3,500
Special Olympics Mid Canterbury	2,000
St Josephs/Hinds School	4,230
The Big Little Theatre Company	3,800
Zonta Club of Ashburton	1,150

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