

# WIRI LICENCING TRUST

## Summary Financial Statements

For the year ended 31 March 2011

### Statement of Financial Position

	2011	2010
As at 31 March 2011		
Current Assets	179,319	248,640
Non-Current Assets	16,354,348	16,701,094
<b>Total Assets</b>	<b>16,533,667</b>	<b>16,949,734</b>
Current Liabilities	545,611	617,329
Non-Current Liabilities	774,677	831,817
<b>Total Liabilities</b>	<b>1,320,288</b>	<b>1,449,146</b>
Trust Equity	14,644,415	14,931,624
Asset Revaluation Reserve	568,964	568,964
<b>Total Equity</b>	<b>15,213,379</b>	<b>15,500,588</b>

### Statement of Changes in Equity

	2011	2010
For the year ended 31 March 2011		
Equity at Start of Year	15,500,588	16,523,675
Total Comprehensive Income	287,209	1,023,087
<b>Total Equity at End of Year</b>	<b>15,213,379</b>	<b>15,500,588</b>

### Statement of Comprehensive Income

	2011	2010
For the year ended 31 March 2011		
Bar Revenue	348,957	418,560
Other Revenue	1,331,981	1,343,454
Sponsorship	162,501	123,203
Other Expenditure excluding finance costs	1,732,565	1,578,314
Finance Costs	65,348	69,526
<b>Operating Surplus</b>	<b>45,526</b>	<b>237,377</b>
Revaluation Loss	-	1,000,100
Impairment Loss	-	350,000
<b>Net Surplus/ (Deficit) before tax</b>	<b>45,526</b>	<b>1,117,273</b>
Tax Expense	12,735	28,364
<b>Net Surplus/ (Deficit) after tax</b>	<b>287,209</b>	<b>1,141,087</b>
Other Comprehensive Income	-	118,000
<b>Total Comprehensive Income</b>	<b>287,209</b>	<b>1,023,087</b>

### Notes to the Summary Financial Statements

For the year ended 31 March 2011

These are the summary financial statements of Wiri Licensing Trust for the year ended 31 March 2011.

The specific disclosures included in these summary financial statements have been extracted from the full annual financial statements dated XX of XXXXXX 2011.

This summary financial report cannot be expected to provide an understanding as provided by the full financial statements.

An unqualified audit opinion has been received on the full financial statements for the year ended 31 March 2011. A copy of the full financial statements for Wiri Licensing Trust for the year ended 31 March 2011 can be obtained by contacting Alan Johnson, Chairperson, Wiri Licensing Trust, PO Box 98833, South Auckland Mail Centre, Manukau City 2241, New Zealand.

This summary financial report has been examined by our auditor for consistency with the full financial statements. These summary financial statements were approved for issue by the Board of Trustees for Wiri Licensing Trust on xx of xxxxxx 2011.

These are the financial statements of Wiri Licensing Trust. Wiri Licensing Trust is a Licensing Trust constituted under and governed by the Sale of Liquor Act 1989 and domiciled in New Zealand.

#### Reporting Entity

The financial statements are of a single trust which has been designated a profit orientated entity. The objective of the Trust is to maximise profits from its tavern & property portfolio to enable it to distribute as much funds as sustainably possible to its community. The trust owns commercial property at 639 Great South Road Manukau City, a Tavern trading as 'Our Local' situated at 254 Roscommon Road Wiri and a Tavern trading as 'Trusty Fullback' situated at Station Road Manurewa.

#### Statement of Compliance

These financial statements comply with FRS43: Summary Financial Statements. The presentation currency is New Zealand dollars, rounded to the nearest whole dollar. The full financial statements upon which these Summary Financial Statements are based have been prepared in accordance with Generally Accepted Practice in New Zealand and to comply with the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards.

#### Differential Reporting

The Trust is a qualifying entity for differential reporting purposes. The grounds on which the Trust qualifies are that it is not publicly accountable within the meaning of the Framework for Differential Reporting and it is not large. The Trust has taken advantage of all differential reporting exemptions available to it with regard to the full financial statements.

#### Revenue

Revenue comprises the fair value for the sale of goods and services, excluding Goods and Services Tax and discounts. Revenue is recognised as follows:

##### Sales of Goods

Sales of Goods are recognised when the Trust has delivered a product to the customer. Retail sales are usually in cash or by EFTPOS. The recorded revenue is the gross amount of the sale.

##### Rental Income

Rental Income is recognised on a straight line basis over the lease term.

#### Specific Accounting Policies

All other specific accounting policies have been applied on the same basis as those used in the full financial statements.

## Notes to the Summary Financial Statements

For the year ended 31 March 2011

### Property, Plant and Equipment

#### Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of them can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

#### Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

#### Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the statement of comprehensive income. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

#### Depreciation

Depreciation of property, plant and equipment is calculated using diminishing income tax value. The rates are as follows:

Buildings – Roscommon Rd	4% DV Depreciated using remaining useful life
Plant & Equipment	7.5 – 60% DV Depreciated using DV income tax value
Fixtures, Fittings & Office Equipment	7.5 – 48% DV
Motor Vehicles	36% DV

#### Revaluation

Operational land & buildings are revalued on a three yearly valuation cycle on the basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are assessed annually by independent valuers to ensure that they do not differ materially from fair value. If there is evidence supporting a material difference, then the asset is revalued. Operational land & buildings are valued at fair value as determined from market-based evidence by an independent valuer. Assumptions include willing buyer/seller and a reasonable period within which to negotiate a sale. The method of valuation is land value due to sit location, its good condition and the performance of the bar operation. The most recent valuation was performed by K G Stevenson for Seagar & Partners at 31 March 2011.

#### Investment Properties

Investment Properties Land and Buildings are valued annually at fair value. The valuation was carried out by K G Stevenson for Seagar & Partners at 31 March 2011. Gains or losses arising from the fair value of Investment Properties are recorded in the Surplus or Deficit.

#### Contingencies

On April 2004 the Trust entered into a Deed of Settlement with Auckland City Council (formally Manukau City Council). It was agreed that the Trust is indebted to the Council for 50% of the market value of its investment properties, being areas A to H and W.

However the Council agreed to forebear from making demand for repayment unless the Trust defaults by selling all or part of the land without the Council's written consent.

Borrowing, secured by first mortgage secured on the land, an amount of more than 50% of the current market value of the land.

Winding up the Trust or appointing a provisional liquidator or statutory manager for the Trust.

Failing to meet a payment or obligation under the Deed of Settlement and fails to remedy the breach within contingency is calculated to be 21 days of notice from the Council. This \$7,330,000 being 50% of the market value as recorded in the Statement of Financial Position.

### Related Parties

The following transactions were carried out with related parties during the year:

Chairperson Alan Johnson	- Manurewa Rugby League Football Sports Club – Executive Committee Member
Former Trustee Mote Pahulu	- Alfriston College – Board of Trustees
Trustee Rangil McLean	- Te Wharekura o Manurewa – Chairperson
Wiriri Licensing Trust	- Auckland City Council
	- Auckland Regional Council
	- Manukau City Council

The following related party transactions were in the form of sponsorship or donations from the Trust:

	2011	2010
Clendon Community Support Group	-	2,848
Weymouth Intermediate School	-	2,000
Manurewa Youth Leadership Forum	-	1,250
Manurewa Youth Workers Network	-	1,200
Manurewa Marae	-	20,000
Te Wharekura O Manurewa	500	3,685
Manukau City Council	-	1,333
Manurewa Rugby League Club	18,000	-
Alfriston College Premier Netball Team	444	-
	18,944	32,316
	51,284	-
	18,738	22,857
	17,015	127,680
	87,037	150,537

The following related party transactions were in the form of rates payments from the Trust:

Auckland City Council	51,284	-
Auckland Regional Council	18,738	22,857
Manukau City Council	17,015	127,680
	87,037	150,537

### Commitments

The Trust leases property plant & equipment in the normal course of its business. The future aggregate minimum lease payments payable under non-cancellable operating lease are as follows:

Leased Asset	< 1 Year	1 – 2 Years	2 – 5 Years	> 5 Years	Total
2011 Operating Commitments					
Trusty Fullback Bar Lease – VTM Trust	100,000	100,000	300,000	225,000	725,000
Trusty Fullback Bar Body Corp – Livingstones	32,884	32,884	98,652	73,989	238,409
2010 Operating Commitments					
Trusty Fullback Bar Lease – VTM Trust	100,000	100,000	300,000	325,000	825,000
Trusty Fullback Bar Body Corp – Livingstones	32,884	32,884	98,652	101,392	265,812

### Key Management Personnel Compensation

	2011	2010
R McLean	2,640	4,110
H Pender	3,120	5,370
T Van der Laan	2,640	4,650
A Johnson	12,023	3,000
W Emery	12,371	17,500
W Emery – Management Fees	-	13,720
M Pahulu	2,380	5,310
D Newman	1,680	-
K Penney	2,160	-
A Dalton	2,160	-
	41,674	53,660

Trustees are paid \$240 each for attendance to each board meeting. The Chairperson receives an honorarium of \$21,000 per annum. There was an election in October 2010 in which the bc chairperson changed. Trustees are considered the only key management personnel of the Trust.

### Subsequent Events

There are no subsequent events after balance date.