

WIRI LICENSING TRUST

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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WIRI LICENSING TRUST

TRUST DIRECTORY FOR THE YEAR ENDED 31 MARCH 2013

Settlement: 1972

IRD Number: 013-582-076

Nature of Business: Bar, Gaming & Commercial Rental

Location of Business: 254 Roscommon Road
Wiri
AUCKLAND

Trustees: R McLean
A Johnson – Chairperson
A Dalton – Deputy Chairperson
D Newman (to January 2013)
K Penney
P Kingsley Jones

Bankers: ASB Bank
Property Finance Unit

Solicitors: Kempsweir Lawyers
Central Park
Greenlane
AUCKLAND

Chartered Accountants: Williamson & Co Chartered Accountants Limited
61 Edinburgh Street
Pukekohe
AUCKLAND

Phone No: (09) 237 0021

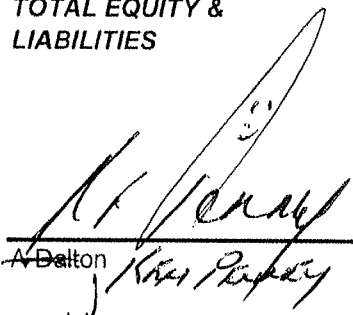
Auditors Audit New Zealand
For and on behalf of the Auditor General

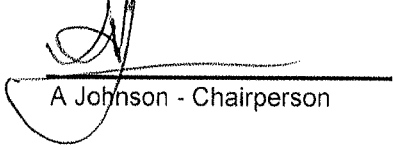


WIRI LICENSING TRUST

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2013

	Note	2013	2012
CURRENT ASSETS			
Cash & Cash Equivalents	<u>7</u>	166,161	128,947
Debtors & Other Receivables	<u>8</u>	24,328	14,000
Inventory	<u>9</u>	16,975	24,761
		<u>207,464</u>	<u>167,708</u>
NON CURRENT ASSETS			
Property Plant & Equipment	<u>11</u>	1,623,718	2,831,197
Investment Property	<u>10</u>	16,950,000	15,500,000
Intangible Assets	<u>12</u>	36	81
		<u>18,573,754</u>	<u>18,331,278</u>
TOTAL ASSETS		<u><u>\$18,781,217</u></u>	<u><u>\$18,498,986</u></u>
CURRENT LIABILITIES			
Creditors & Other Payables	<u>13</u>	185,300	290,960
Taxation	<u>17</u>	24,225	32,344
Income received in advance		30,337	49,690
Borrowings	<u>14</u>	100,000	312,174
		<u>339,862</u>	<u>685,168</u>
NON CURRENT LIABILITIES			
Borrowings	<u>14</u>	2,030,000	1,686,799
		<u>2,030,000</u>	<u>1,686,799</u>
TRUST EQUITY AND RESERVES			
Trust Equity	<u>15</u>	15,842,391	15,558,055
Asset Revaluation Reserve	<u>15</u>	568,964	568,964
		<u>16,411,355</u>	<u>16,127,019</u>
TOTAL EQUITY & LIABILITIES		<u><u>\$18,781,217</u></u>	<u><u>\$18,498,986</u></u>


A Dalton


A Johnson - Chairperson

17.6.2013
Date

17/6/2013
Date

WIRI LICENSING TRUST

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2013

	2013	2012
Equity at Start of Year	16,127,019	15,213,369
Comprehensive Income		
Surplus/(Deficit)	<u>284,336</u>	<u>913,650</u>
Total Comprehensive Income	<u>284,336</u>	<u>913,650</u>
TOTAL EQUITY AND RESERVES AT END OF YEAR	<u><u>\$16,411,355</u></u>	<u><u>\$16,127,019</u></u>



WIRI LICENSING TRUST

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2013

	Note	2013	2012
INCOME			
Bar & Wholesale Sales		428,860	410,849
Gaming Machine Site Rental		239,404	321,376
Rental Income		991,378	1,001,128
Other Operating Income	<u>2</u>	23,408	16,088
Other Income	<u>2</u>	7,803	1000
Investment Property Revaluation Gain		250,000	840,000
		<u>1,940,854</u>	<u>2,590,441</u>
EXPENDITURE			
Cost of Sales		174,829	254,008
Personnel Costs	<u>3</u>	473,966	471,303
Depreciation & Amortisation	<u>11</u> <u>12</u>	47,964	67,474
Other Expenses	<u>6</u>	816,328	768,779
Finance Costs		117,806	74,863
		<u>1,630,893</u>	<u>1,636,427</u>
PROFIT/(LOSS) BEFORE TAX		<u>309,961</u>	<u>954,014</u>
Income Tax Expense		25,624	40,365
PROFIT/(LOSS) AFTER TAX		<u>284,336</u>	<u>913,649</u>
TOTAL COMPREHENSIVE INCOME		<u>284,336</u>	<u>913,649</u>



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

1 STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

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.

The financial statements are of a single trust which has been designated a profit orientated entity for the purpose of New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS). 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 & 185-187 Great South Road Manurewa. They also own a Tavern trading as 'Our Local' situated at 254 Roscommon Road Wiri.

The financial statements are for the year ended 31 March 2013.

Basis of Preparation

Statement of Compliance

These financial statements have been prepared in accordance with Generally Accepted Practice in New Zealand. They comply with the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for profit oriented entities.

Measurement Base

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings and investment property.

Functional and Presentation Currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the Trust is New Zealand dollars.

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 as the Trust has less than 50 employees and total revenue is less than \$20 million for the year. The Trust has taken advantage of all differential reporting exemptions available to it.

Changes in accounting policy

There have been no specific changes in accounting policies and they have been applied on a consistent basis with those of the previous period.



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

Significant Accounting Policies

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.

Income Tax

The income tax expense recognised for the year is calculated using the taxes payable method and is determined using tax rules. Under the taxes payable method, income tax expense in respect of the current period is equal to the income tax payable for the same period.

Goods and Services Tax

The Statement of Comprehensive Income has been prepared so that all components are stated exclusive of GST. All items in the statement of financial position are stated net of GST with the exception of receivables and payables, which include GST invoiced.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of comprehensive income.

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. Cost is determined on a first in, first out basis.

Critical Accounting estimates and assumptions

In preparing these financial statements the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

Property Plant and Equipment useful lives and residual values

At each balance date the Trust reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the Trust to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by the Trust, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life of residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the statement of comprehensive income and carrying amount of the asset in the statement of financial position. The Trust minimises the risk of this estimation uncertainty by:

- Physical inspection of assets;
- Asset replacement programs
- Review of second hand market prices for similar assets; and
- Analysis of prior asset sales.

The Trust has not made significant changes to past assumptions concerning useful lives and residual values. The carrying amounts of property, plant and equipment are disclosed in note 11.

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



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

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 site location, its good condition and the performance of the bar operation. The most recent valuation was performed by Mike Clark for Seagar & Partners at 31 March 2013.

Investment Properties

Investment Properties Land and Buildings are valued annually at fair value. The valuation was carried out by Mike Clark for Seagar & Partners at 31 March 2013. Gains or losses arising from the fair value of Investment Properties are recorded in the Surplus or Deficit.

Intangible Assets

Software Costs

Software costs have a finite useful life. They are capitalised and written off over the useful economic life of 2 – 5 years. Costs associated with developing or maintaining computer software programs are recognised as an expense when incurred.

Impairment of Intangible Assets

Intangible assets that have an indefinite useful life, or not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less costs to sell and value in use.

The value in use for cash generating assets is the present value of expected future cash flows.

If an assets carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised in other comprehensive income to the extent the impairment loss does not exceed the amount in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive income and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus of deficit.

For assets not carried at a revalued amount the reversal of an impairment loss is recognised in the surplus or deficit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Trust prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Trust has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Employee Benefits

Employee Benefits that the Trust expected to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include wages and salaries accrued up to balance date, annual leave earned to, but not taken at balance date, and sick leave.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent it will be used by staff to cover those future absences.

Sick leave, annual leave, vested long service leave, non vested long service leave and retirement gratuities expected to be settled within 12 months of the balance date, are classified as a current liability. All other employee benefits are classified as a non current liability.

Equity

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of components. The components are:

General Trust Equity

Asset Revaluation Reserves



WIRI LICENSING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

2 INCOME	2013	2012
Other Operating Income		
Rebates	-	936
Games, Cigarettes, Other Income	23,408	15,152
	<u>23,408</u>	<u>16,088</u>

Other Income	2013	2012
Dividends Received	343	677
Profit on Disposal of Plant & Equipment	7,460	323
	<u>7,803</u>	<u>1,000</u>

3 PERSONNEL COSTS	2013	2012
General Wages and Salaries	478,991	467,451
Increase (Decrease) in Employee Benefits	-5,025	3,852
	<u>473,966</u>	<u>471,303</u>

4 KEY MANAGEMENT PERSONNEL	2013	2012
R McLean - Trustee	2,880	2,400
A Johnson - Chairperson	21,000	21,000
P Kingsley Jones - Trustee	2,400	2,880
D Newman - Trustee	2,160	3,120
K Penney - Trustee	2,640	3,120
A Dalton - Trustee	2,400	3,120
	<u>33,480</u>	<u>35,640</u>

Trustees are paid \$240 each for attendance to each board meeting. The Chairperson receives an honorarium of \$21,000 per annum. The General Manager is also considered a key management personnel.

5 EMPLOYEE REMUNERATION	2013	2012
Total remuneration paid or payable:		
\$120,000 - \$129,999	1	-
	<u>1</u>	<u>-</u>



WIRI LICENSING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

6 OTHER EXPENSES	Note	2013	2012
Auditors Remuneration		34,555	39,138
Lease Termination Expenses		173,000	-
Professional and Legal Fees		63,030	128,410
Repairs and Maintenance		112,100	83,116
Sponsorship		8,409	79,681
Board Member Remuneration	4	33,480	35,640
Other Expenses		391,754	402,794
		<u>816,328</u>	<u>768,779</u>

7 CASH AND CASH EQUIVALENTS	2013	2012
Cash Floats	28,783	60,464
ASB Our Local Account	-	15,033
ASB Playaz Account	-	1,480
Undeposited Funds	11,938	11,332
Playaz Gaming	-	23,981
WLT Local Gaming	17,856	16,656
ASB Wiri Trust Account	107,584	-
	<u>166,161</u>	<u>128,946</u>

8 TRADE AND OTHER RECEIVABLES	2013	2012
Trade Debtors	21,718	12,826
Prepayments	1,436	-
Bonds	1,174	1,174
	<u>24,328</u>	<u>14,000</u>

The Bonds are security deposits lodged with suppliers as part of their terms of trade

9 INVENTORY	2013	2012
Alcohol, Food & Merchandise	16,975	24,761
	<u>16,975</u>	<u>24,761</u>



WIRI LICENSING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

10 INVESTMENT PROPERTY	2013	2012
Opening Fair Value Land and Buildings	15,500,000	14,660,000
Transfer to Investment Property	1,200,000	-
Revaluation Increase	250,000	840,000
	<u>16,950,000</u>	<u>15,500,000</u>

Investment Properties are valued annually effective at 31 March to fair value. The valuation was performed by Registered Valuers, Seagar & Partners (Manukau) Ltd, at 31 March 2013. Seagar & Partners (Manukau) Ltd is an experienced valuer with extensive market knowledge in the types and location of investment properties owned by Wiri Licensing Trust.

	2013	2012
Investment Property generating income	1,008,878	987,372
Expenses from Investment Property generating income	382,722	117,230
Contractual obligations for capital expenditure	-	-
Contractual obligations for operating expenditure	-	-

Leases

Assets leased to third parties under operating leases are included in investment properties in the Statement of Financial Position. They are revalued annually to determine fair value. The trust has operating leases for 639 Great South Road Manukau, & 185-187 Great South Road Manurewa as follows:

639 Great South Road Manukau - Area A

Mobil Oil (NZ) Ltd – Expires 30th June 2013.

639 Great South Road Manukau - Area B

Vacant Land. This was leased to Mobil Oil (NZ) Ltd, now the costs are absorbed by Wiri Licensing Trust

639 Great South Road Manukau - Area C

BNZ Branch Properties Ltd – Expires 17th December 2017.

639 Great South Road Manukau - Area D

Common access way. The costs are shared with NZ Liquor Merchants and Wiri Licensing Trust.

639 Great South Road Manukau - Area E

NZ Liquor Mechants Ltd & JK Kids Ltd. Expires 30 June 2013.

639 Great South Road Manukau - Area F

Victa Ltd. Expires 30 June 2014.

639 Great South Road Manukau - Area G

Common Parking area. The costs are shared with NZ Liquor Merchants and Wiri Licensing Trust.

639 Great South Road Manukau - Area H

Vacant Land. These costs are absorbed by Wiri Licensing Trust.

639 Great South Road Manukau - Area W

Wendco (NZ) Ltd. Twenty year lease expires 10 April 2021.

185-187 Great South Road Manurewa

Laird Holdings Ltd. Expires 17 September 2024, ROR from 17 September 2015.

WIRI LICENSING TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

11 PROPERTY PLANT AND EQUIPMENT

2013	Cost/ Valuation	Accumulated Depn and impairment changes	Carrying Amount	Current Year			Gain/Loss on Disposal/ Reclassification	Cost/ Valuation	Accumulated Depn	Carrying Amount
				Reclassification/Dispo sals	Depn	Additions				
Office Equipment – Trusty Fullback	1,040	728	312	-	-	125	1,040	853	187	
Fixtures & Fittings – Trusty Fullback	50,725	15,088	35,637	-	-	4,313	50,725	19,401	31,324	
Plant & Equipment – Trusty Fullback	39,915	16,754	23,161	900	-	6,205	36,415	21,896	14,519	
Roscommon Road	1,530,000	38,805	1,491,195	-	-	18,248	1,530,000	57,053	1,472,947	
Plant & Equipment - Our Local	289,867	224,272	65,595	96	-	13,038	321,551	235,251	86,300	
Motor Vehicles - at Cost	23,212	20,369	2,843	-	-	1,023	23,212	21,392	1,820	
Office Furniture & Equipment - Our Local	84,465	60,769	23,696	-	-	4,898	73,479	56,928	16,551	
26/185 Great South Road Manurewa	1,200,000	11,381	1,188,619	-	1,200,000	-	2,247	-	-	
Computer Equipment - at Cost	704	565	139	-	-	70	704	635	70	
	3,219,928	388,731	2,831,197	1,200,998	-	47,919	2,037,126	413,408	1,623,718	

11 PROPERTY PLANT AND EQUIPMENT

2012	Cost/ Valuation	Accumulated Depn and impairment changes	Carrying Amount	Current Year			Gain/Loss on Disposal/ Reclassification	Cost/ Valuation	Accumulated Depn	Carrying Amount
				Reclassification/Dispo sals	Depn	Additions				
Office Equipment – Trusty Fullback	1,040	520	520	-	-	207	1,040	728	312	
Fixtures & Fittings – Trusty Fullback	50,725	10,118	40,607	-	-	4,969	50,725	15,088	35,637	
Plant & Equipment – Trusty Fullback	39,915	6,737	33,178	-	-	10,016	39,915	16,754	23,161	
Roscommon Road	1,530,000	19,800	1,510,200	-	-	19,005	1,530,000	38,805	1,491,195	
Plant & Equipment - Our Local	287,129	210,481	76,648	391	-	15,464	289,867	224,272	65,595	
Motor Vehicles - at Cost	23,212	18,770	4,442	-	-	1,598	23,212	20,369	2,843	
Office Furniture & Equipment - Our Local	84,465	56,175	28,290	-	-	4,593	84,465	60,769	23,696	
26/185 Great South Road Manurewa	-	-	-	-	1,200,000	-	1,200,000	-	-	
Computer Equipment - at Cost	704	426	278	-	-	138	704	565	139	
	2,017,190	323,027	1,694,163	391	-	67,371	3,219,928	388,731	2,831,197	

VALUATION

Land and Buildings

Land and Buildings are valued at fair value using market based evidence based on its highest and best use with reference to comparable land and buildings values. The most recent valuation of land was performed by a registered independent valuer, Seagar & Partners (Manukau) Ltd, and the valuation is effective as at 31 March 2011.

WIRI LICENSING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

12 INTANGIBLE ASSETS	2013	2012
Computer Software		
Original Cost	2,838	2,838
Accumulated Amortisation	2,757	2,654
Current Year Amortisation	45	103
	<u>2,802</u>	<u>2,757</u>
Closing Balance Computer Software	<u>36</u>	<u>81</u>
13 TRADE AND OTHER PAYABLES	2013	2012
Trade Creditors	34,675	117,302
Nautilus	-	22,357
The Trusts Charitable Foundation	24,189	14,870
Accruals	100,447	116,753
GST Payable	25,011	17,940
Loyalty Points Redeemable	978	1,740
	<u>185,300</u>	<u>290,960</u>
14 BORROWINGS	2013	2012
Non Current		
ASB Commercial Loan 9	-	674,517
ASB Commercial Loan 10	-	100,000
ASB Loan 88	1,055,000	-
VTM Trust	1,075,000	1,175,000
Less: Current Portion of Non Current Liabilities	-100,000	-262,719
Total Term Liabilities	<u>\$2,030,000</u>	<u>\$1,686,798</u>
Current		
ASB Wiri Trust Account	-	49,455
Term Loans	100,000	262,719
	<u>\$100,000</u>	<u>\$312,174</u>



WIRI LICENSING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

ASB Loan 88 - \$1,055,000. \$865,000 from 11 April 2012, to refinance ASB term loans that were outstanding.

A further \$50,000 was drawn on 21 August 2012 & \$140,000 on 10 December 2012 for various expenditure.

Term: Interest only

Interest Rate: Variable – Currently 5.34% (2012 - 5.31%)

Deed of assignment of all leases, for the Trust Property 639 Great South Road Manukau.

A first registered all obligations mortgage over the property 639 Great South Road Manukau, being the land comprised in the certificate of title 25A/65 Lot 27 DP 68770

A first registered all obligations mortgage over the property 254 Roscommon Road Manukau, being the land comprised in the certificate of title 108C/627 Lot DP 176526

Vendor Finance Loan VTM Trust - \$1,200,000 from 1 Dec 2011, to purchase 185-187 Great South Road Manurewa.

Term: 7 years from 1 December 2011.

Interest Rate: 6% (2012 - 6%)

15 EQUITY

General Trust Equity	2013	2012
Opening Balance	15,558,055	14,644,405
Profit / Deficit for year	<u>284,336</u>	<u>913,650</u>
	15,842,391	15,558,055
Asset Revaluation Reserve		
Opening Balance	568,964	568,964
Property Revaluation Gain/(Loss) for year	-	-
Closing Balance	<u>568,964</u>	<u>568,964</u>
Total Equity	<u><u>16,411,355</u></u>	<u><u>16,127,019</u></u>

WIRI LICENSING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

16 CONTINGENCIES

On April 2004 the Trust entered into a Deed of Settlement with Auckland 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 property situated at 639 Great South Road Manukau, being areas A to H and W.

However the Council agreed to forebear from making demand for repayment unless the Trust defaults by:

- 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.
- Selling all or part of the land without the Council's written consent.
- Failing to meet a payment or obligation under the Deed of Settlement and failing to remedy the breach within 21 days or notice from the council.

This contingency is calculated to be \$8,300,000 being 50% of the market value as recorded in the Statement of Financial Position.

17 TAXATION

	2013	2012
Net Profit/(Deficit)	309,961	954,015
Taxation @ 28%	86,789	267,124
Plus/(Less) Tax effect of:		
Non deductible expenditure	37	604
Non accessible income	- 70,133	- 235,476
Depreciation Adjustment	5,109	3,229
Employee Benefits	4,094	5,501
Prior Year Assessment Adjustment		- 617
Tax Expense	<u>25,897</u>	<u>40,365</u>
Less		
Resident Withholding Tax Paid	23	37
Provisional Tax Paid	29,416	8,603
Prior Year Terminal Tax Due	- 27,767	-
Prior Period Assessment Adjustment		- 617
Tax Payable per Statement of Financial Position	<u>24,225</u>	<u>32,342</u>
Current Tax	25,897	40,982
Prior Year Adjustment to Current Tax		-617

WIRI LICENSING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

18 GUARANTEES

At balance date guarantees totalling \$30,550 had been entered into with the following suppliers and arranged with the ASB Bank as follows:

	2013	2012
Westpac Payroll Letter of Credit	\$30,550	\$30,550

19 COMMITMENTS

Operating Leases as lessee

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

2013 Operating Commitments	< 1 Year	1 – 2 Years	2 – 5 Years	> 5 Years	Total
Our Local Photocopier - MARAC Finance	1,620	1,620	1,215	-	4,455
Trusty Fullback Bar Body Corp - Livingstones	32,884	32,884	98,652	8,221	172,641
2012 Operating Commitments	< 1 Year	1 – 2 Years	2 – 5 Years	> 5 Years	Total
Trusty Fullback Bar Lease – VTM Trust	-	-	-	-	-
Trusty Fullback Bar Body Corp - Livingstones	32,884	32,884	98,652	41,105	205,525
Our Local Photocopier - MARAC Finance	1,620	1,620	2,835	-	6,075

20 RELATED PARTY TRANSACTIONS

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

Wiri Licensing Trust

Auckland Council

Alan Johnson - Treasurer

Manurewa Rugby League Football Sports Club Inc

Ken Penney - Life Member

Manurewa Rugby Club



WIRI LICENSING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

	2013	2012
Manurewa Rugby Club	-	11,660
Manurewa Rugby League Club	-	10,000
	<u>-</u>	<u>21,660</u>

The following related party transactions were in the form of bar & food sales to the Trust:

	2013	2012
Manurewa Rugby League Football Sports Club Inc	120	-
Manurewa Rugby Club	4,089	-
	<u>4,209</u>	<u>-</u>

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

	2013	2012
Auckland Council	134,428	95,284
	<u>134,428</u>	<u>95,284</u>

21 SUBSEQUENT EVENTS

There are no subsequent events

22 FINANCIAL INSTRUMENTS

The accounting policies for financial instruments have been applied to the line items below:

FINANCIAL ASSETS	2013	2012
Loans and receivables		
Cash and cash equivalents	166,161	128,947
Debtors and other receivables	22,892	14,000
	<u>189,053</u>	<u>142,947</u>
FINANCIAL LIABILITIES	2013	2012
Financial Liabilities at amortised cost		
Creditors and other payables	160,289	273,020
Secured loans	2,130,000	1,998,972
	<u>2,290,289</u>	<u>2,271,992</u>

