

The Trust – During the past year the elected members have taken the opportunity to lease out one of its non-performing premises (the Bridge Tavern, Kaitangata) to ex-Rosebank Lodge manager Justin Winter. Justin took over the control of this business in August 2016 and to date has made positive improvements in its operational performance.

In October 2016, the Board faced the tri-annual election process, whereby we saw long-standing Owaka member Doug Scoles retire after 23 years of service (thanks Doug), who was replaced by Trevor McIntosh. Julie Gardner retired after 9 years of service (thanks Julie), replaced by her husband Neville Gardner. All other serving members were re-elected.

Sadly, during the latter part of 2016 Margaret **Joy** Greene (serving member for the Kaitangata ward) became terminally ill and passed away early December. Joy was extremely passionate about the Trust, having worked in the business for many years at the Bridge Tavern in various roles including a period of management, and then taking the opportunity to serve as an elected member for what would have been her second term.

In the early part of 2017 a by-election was held in the Kaitangata ward, which saw the re-election of Debbie Robertson-Dunn appointed unopposed.

During the election process, I was nominated and appointed President of the Trust replacing incumbent member Blair Cross. I personally wish to thank Blair for his efforts whilst holding the chairman's position and for his continued input and support from that point forward.

The new board offers a varied array of strengths and I am excited with the forward energy that all have presented in the past 8 months, whereby the focus has been to improve the financial delivery of our business for the benefit of you the stakeholders.

We remain operating/managing six of our seven properties and most have delivered improved performances during the past fiscal year for varying reasons. The Trust has experienced growth in food, accommodation and from the bars with the only static sector being our off-premise sales from our bottle stores, of which they operate in a very price competitive market.

Please remember, these premises are owned by **YOU** the people of South Otago, and the more support we get from you, the owners, the better the facilities and amenities we can provide for your use and comfort.

Liquor Licensing Laws & Legislation Changes – Current liquor licensing laws do not support the serving of alcohol to persons who are intoxicated and we are regularly faced with confrontation at our doors and at our bars from persons that feel they have the right to enter and/or gain further service in whatever condition they present themselves.

Whilst we would like as much custom as possible, we unfortunately do not have the desire to risk the loss of our trading rights and we reserve the right to decline service and/or entry to those in this condition. We too enjoy a good time and it's not our aim to drive you out of our bars, but we must hold firm on this control for the benefit of all our customers, not just the few.

Clutha District Senior Citizens Christmas Luncheons – The Trust again hosted its annual Senior Citizens Christmas luncheons in early December at the Rosebank Lodge and we are planning this event for mid-December again this year. On entry, our guests make a small donation and last year these donations totalled **\$1,385.00**, which were donated to the South Otago Plunket group for member resources.

Trading & Financial - As you will note by the summary of our annual accounts (presented as follows), the Trust has an improved trading result by approximately \$190,000 over last year before taxation. This has come about from improved operating controls and improved margins from the sales we are fortunate to receive.

Note: A full set of accounts can be viewed on-line via the Trust's website: <http://www.clt-trust.co.nz>

Over the past year, the accommodation sector has grown by approximately 11%, the food sector by 9% and our bars (on premise sector) by 5%, with our bottle stores (off premise sector) presenting similar results to last year.

The Boards aim is to explore every avenue possible to reduce costs from the business, without being detrimental to standards, products and/or premise conditions offered within our business currently.

Our focus with the support of senior management and all Trust staff is to offer improved service standards and a more consistent level of product, especially within the food sector as this sector continues to grow both in volume and complexity.

We have also experienced increasing demands for craft beers and you may have noticed development within our bottle stores and bars over the past year to allow us to meet this market. Please talk with our staff if you have a favourite we are not currently stocking, so they can endeavour to supply to your preference.

Operational Developments – over the past year to eighteen months we have installed an integrated Point of Sales system throughout the business with one stage yet to complete. This system has introduced an improved price structure between our premises (excluding our banner pricing Liquorland and Super Liquor) and an improved transaction processing system, which hopefully is being experienced by you our customer. We have also installed Free Wi-Fi into our bars, cafés, restaurants and some accommodation sectors, so if you haven't used this facility please ask our staff to explain how to access this.

On the Property development front – We have advised previously that we are exploring improvements to the Hotel South Otago premise/business, yet to date we have not identified an option that not only meets our preferred budget, but also something that works effectively on what we describe as a difficult piece of land to place a structure. We are fully aware that this facility needs to be improved and we are currently in the process of giving the male toilet areas a bit of a lift to hold us over until a decision is reached.

We have also commenced with accommodation bathroom upgrades at the Rosebank Lodge, which should be completed later this year. The windows in these rooms will also be double glazed in the coming months for further operating cost savings and for the comfort of our guests.

These projects along with a good number of smaller capital and repairs/maintenance items will be completed this current year, should trading be as positive as we have forecasted, and if completed will see approximately **\$428,000** re-invested into improvements within and around our properties.

The board is mindful that most of our buildings are ageing and will in the very near future require some serious re-investment/maintenance to keep these properties at an acceptable standard that we feel is required in the hospitality industry.

We aim to deliver the best facilities we can, so if you feel we are falling short in anyway, please forward your suggestions via our website enquiry system link: <http://www.clt-trust.co.nz/enquiries.html>.

The Trusts Community Foundation Limited - supported 63 groups and organisations within South Otago during the 2016/17 period to the value of **\$644,688** (refer to the attached schedule of recipients), compared with 49 applications during the previous period totalling \$384,655.

The Clutha Licensing Trust also distributed **\$12,227** in sponsorships to community groups within our district during the past year.

In closing, I would sincerely like to say, "thank you" to all of our customers for supporting the Trust and our businesses where possible and I now take the opportunity to thank my fellow Trustees for their support and commitment during the first part of my presidential term and for the past year working hard for the Trust. I wish to thank our management team and all our staff for the dedication and commitment they have afforded the Trust, the Board and myself during this year. Kind Regards, Steve Morris – President.

STATEMENT of COMPREHENSIVE INCOME for the year ended 31 March 2017			STATEMENT of FINANCIAL POSITION as at 31 March 2017		
	2017	2016		2017	2016
Operating Revenue			Current Assets	2,368,907	2,032,499
Sales	8,787,197	8,594,483	Non-current Assets	7,468,837	6,812,210
Other Income	316,314	314,534	Total Assets	9,837,744	8,844,709
Total Operating Revenue	9,103,511	8,909,017	Current Liabilities	1,734,812	1,260,442
Less Expenses	9,121,230	9,109,567	Non Current Liabilities	1,275,728	1,444,533
Less Finance Costs	22,248	21,552	Total Liabilities	3,010,540	2,704,975
Gain/Loss on sale of property plant & equipment	(8,109)	(1,407)	Net Assets	6,827,203	6,139,734
Operating Surplus before Taxation	(31,859)	(220,695)	Represented by:		
Taxation	4,684	(33,063)	Revaluation Reserves	3,374,690	2,650,678
Operating Surplus after Taxation	(36,543)	(187,632)	Retained Earnings	3,452,513	3,489,056
Revaluation of Property, Plant, Equipment & Financial Assets	931,368	(973)	Total Equity	6,827,203	6,139,734
Deferred Tax on Revaluation of Buildings	(207,356)		STATEMENT of CASH FLOWS for the year ended 31 March 2017		
Total Comprehensive Income	687,469	(188,605)		2017	2016
STATEMENT of MOVEMENT in EQUITY for the year ended 31 March 2017					
	2017	2016	Cash flows from		
Equity at the beginning of the year	6,139,734	6,328,339	Operating Activities	471,184	481,928
Total Comprehensive Income	687,469	(188,605)	Cash flows from		
Equity at 31 March 2017	6,827,203	6,139,734	Investing Activities	(243,278)	(248,859)
			Net Increase/(Decrease) in Cash	227,906	233,069
			Opening Cash		
			Brought Forward	1,003,913	770,844
			Closing Cash	1,231,819	1,003,913

**NOTE: TO THE READER of the above SUMMARY of
FINANCIAL ACCOUNTS**

The above information is a summary of the Trust's audited financial accounts for the fiscal period 31 March 2017.

A full copy of the Trust's Financial Annual report and the Trust's Presidents' report can be located on the Trust's website: <http://www.clt-trust.co.nz> under the financial reporting tab or from the Trust's Head Office located at the Rosebank Lodge, 265 Clyde Street, Balclutha.

If you have any immediate questions please contact the Trust's General Manager – David Kenny on 03 419 0021 or forward written correspondence to our email mail@clt-trust.co.nz or post to the Clutha Licensing Trust PO Box 113, Balclutha 9240.

SJ Morris
President of the Trust
16th June 2017

SD McKenzie
Vice-President of the Trust
16th June 2017

THE TRUSTS COMMUNITY FOUNDATION GRANTS

The Trusts Community Foundation (TTCF) is the preferred gaming machine service provider for the **Clutha Licensing Trust** and operates its gaming machines at the following venues:

- Bridge Tavern, Kaitangata
- Catlin's Inn, Owaka
- Hotel South Otago, Balclutha
- Oak Tree Inn, Clinton
- Rosebank Lodge, Balclutha
- White Horse Inn, Milton

Management and staff at these outlets are acknowledged for providing their ongoing support to TTCF's class 4 gaming machine operation in such a diligent manner.

TTCF is authorised to operate class 4 gaming machines in licensed premises on a nationwide basis and has always had strong links with the Licensing Trust sector. The Foundation currently provides services to 9 individual Licensing/Charitable Trusts here in New Zealand and has always had a policy of distributing all pokie profits generated from venues within a Licensing Trust area directly back into the local community.

An amendment to the Gambling Act shortly after it came into force made provision for elected members of Licensing Trusts to have an input into TTCF's grants approval process by way of making recommendations to TTCF.

Accordingly, TTCF invites the elected members of the Clutha Licensing Trust to consider all compliant applications received from within the Clutha Trust boundaries on a monthly basis. TTCF subsequently considers these recommendations at their next scheduled Net Proceeds Committee meeting.

The recommendations of the elected members of the Clutha Licensing Trust, utilising their extensive local knowledge, has been invaluable in terms of ensuring the needs of the local community are being met.

These are the grants approved by TTCF in the last financial year from funds generated in the **Clutha Licensing Trust area:**

ADARDS Otago Inc. (Alzheimers Disease and Related Disorders Society) \$ 2,519.00
Anglican Family Care Centre Inc \$ 24,000.00
Balclutha Contract Bridge Club \$ 2,800.00
Balclutha Gymnastics Club Inc \$ 1,575.50
Balclutha Junior Soccer Club \$ 3,500.00
Balclutha Pipe Band Inc \$ 1,547.82
Balclutha Scouts \$ 3,499.00
Balclutha Technical Classes Association Inc. \$ 4,049.00
Balclutha Toy Library Inc. \$ 519.40
Bowls South Otago Inc \$ 7,504.00
Catlin's Area School \$ 3,390.52
Catlin's Search and Rescue \$ 1,129.92
Citizens Advice Bureau Dunedin Inc. \$ 2,000.00

CONTINUED:

These are the grants approved by TTCF in the last financial year from funds generated in the Clutha Licensing Trust area:

Clinton Community Centre Society Incorporated \$ 14,391.22
Clinton Community Pools Inc. - Society Committee \$ 99,490.00
Clinton Primary School \$ 6,270.44
Clutha Community Health Company Ltd T/A Clutha Health First \$ 13,579.35
Clutha Country Music Club Inc \$ 13,156.35
Clutha Development Incorporated \$ 10,000.00
Clutha District Council - Clutha Country Christmas Celebration \$ 10,616.75
Clutha District Council - District Library \$ 1,136.17
Clutha Valley Cricket Club \$ 2,735.71
Clutha Valley Recreation Ground Society Inc. \$ 10,000.00
Country Saints Netball Club \$ 1,470.00
Jenny's Companionship Group Inc \$ 1,325.15
Kaitangata Junior Netball Club \$ 2,792.85
Kaitangata Pistol Club Inc. \$ 2,000.00
Kaitangata Primary School BOT \$ 3,891.29
Kaka Point Surf Life Saving Club Inc \$ 6,000.00
Lawrence Area School \$ 20,000.00
Lawrence Golf Club Incorporated \$ 30,000.00
Lawrence Heritage and Cultural Charitable Trust \$ 10,000.00
Life Education Trust Heartland Otago/Southland \$ 5,000.00
MCHT Support & Advocacy - Tokomairiro Community Hub \$ 30,200.00
Milton Boat Club Inc \$ 1,420.25
Otago Country Rugby Supporters Club Inc. \$ 16,461.00
Presbyterian Support Otago Incorporated \$ 9,000.00
Puketiro Gun Club \$ 23,401.35
South Otago Agricultural and Pastoral Society \$ 4,845.69
South Otago Free Kindergarten Assn. - Milton Kindergarten \$ 4,154.74
South Otago Free Kindergarten Association \$ 5,126.96
South Otago Free Kindergarten Association Inc. - Goldfields Kindergarten \$ 3,387.93
South Otago Gun Club Incorporated \$ 15,548.00
South Otago Historical Society Inc \$ 59,982.00
South Otago Justices of the Peace Assn Inc \$ 635.00
South Otago Pony Club Inc \$ 12,000.00
South Otago Theatrical Society Inc \$ 9,792.00
Sport Otago \$ 30,000.00
St Mary's School \$ 25,000.00
The Hone Tuwhare Charitable Trust \$ 15,360.00
The Milton & Districts Senior Citizens Club Inc \$ 1,308.56
The Parenting Place - Attitude Youth Division (South Island) \$ 4,687.00
The South Otago Health Support Trust \$ 4,500.00
Tokomairiro A&P Society \$ 6,943.53
Tokomairiro Community Recreation Centre Trust Inc. \$ 14,326.00
Tokomairiro Early Learning Centre Inc \$ 5,000.00
Tokomairiro High School Netball Club \$ 6,000.00
Tokomairiro High School PTA \$ 301.95
Tuapeka Goldfields Museum Inc. \$ 21,120.00
Warepa Collie Club \$ 14,774.07
Warepa School Board of Trustees \$ 3,000.00
Subtotal \$ 670,165.47
Less Refunds Received -\$ 25,477.14
ANNUAL ALLOCATION TOTAL = \$ 644,688.33

**Applications for funding can be either downloaded from www.ttcfltd.org.nz
or requested directly from the TTCF Grants Office by telephoning
0800 882 3583 Extension 2**



Clutha Trust

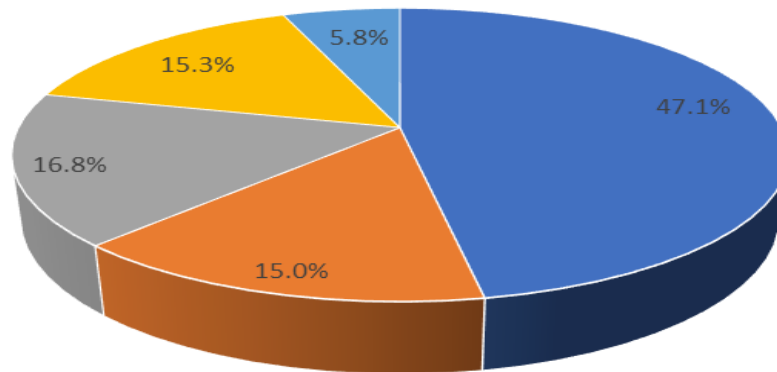
Our People - Your Business - Your Trust
Clutha Licensing Trust – Operating Since 1956

FINANCIAL

GRAPHS

TOTAL SALES BREAKDOWN for 2016/17

SALES BY SECTOR



■ Off Premise ■ Trade Wholesale ■ On Premise ■ Food ■ Accommodation



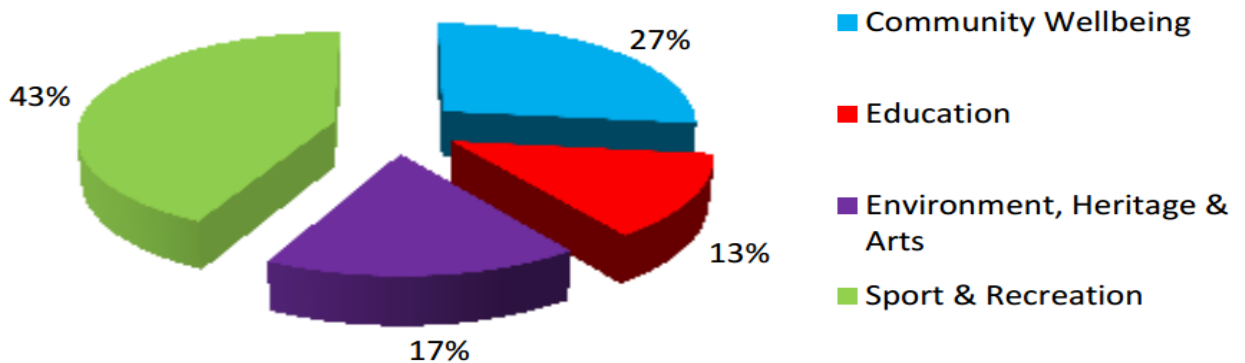
THE TRUSTS
Community
FOUNDATION

GRANT

ALLOCATIONS

FUNDING BREAKDOWN for 2016/17 versus 2015/16

Grants by Sector 2016/2017



Community Elected Trustees

Mr G.E.B. (Blair) CROSS – <i>Balclutha Ward</i>	- elected 2010
Mr R.G. (Tiny) AGNEW – <i>Tokomairiro Ward</i>	- appointed August 2011
Mr J.F.R (Jason) Lyders – <i>Lawrence Ward</i>	- elected 2012
Mr S.J. (Steve) Morris (President) – <i>Balclutha Ward</i>	- elected 2013
Mr S.D. (Scott) McKenzie (Vice-President) – <i>Clinton Ward</i>	- elected 2013
Mr I. R. (Icky) Carruthers – <i>Tokomairio Ward</i>	- elected 2013
Mr T.M. (Trevor) McIntosh – <i>Owaka Ward</i>	- elected 2016
Mr N.C. (Neville) GARDNER – <i>Balclutha Ward</i>	- elected 2016
Mrs D.A. (Debbie) Robertson-Dunn – <i>Kaitangata Ward</i>	- elected 2017

Executive of the Trust & Service Providers

Mr D.F. (David) KENNY – Chief Executive Officer/General Manager

Mr W.J. (Wayne) FELTS – Operations & Purchasing Manager

· TRUST ACCOUNTANT	- Mike Wallace - Chartered Accountant - Gore
· AUDITORS	- Audit New Zealand - Dunedin
· BANKERS	- Bank of New Zealand - Balclutha
· BANKERS - Credit line	- ANZ Banking Group - Dunedin
· INSURANCE BROKERS	- AON New Zealand (N.Z.L.T.A Insurance Collective)
· SOLICITORS	- Sumpter Moore - Balclutha

HEAD OFFICE: 265 CLYDE STREET, BALCLUTHA 9230

PHONE: 03 419 0021 FACSIMILE: 03 418 1493

Postal: P O Box 113 Balclutha 9240

Email: mail@clt-trust.co.nz

Website: <http://www.clt-trust.co.nz>

Rosebank Lodge Motor Hotel - 265 Clyde Street, Balclutha.

Phone: 03 419 0021 Fax: 03 418 1489
Email: manager@rosebanklodge.co.nz
General Manager: Mrs Trudy Spicer-Stevenson

Clutha Liquorland - 70 Clyde Street, Balclutha.

Phone: 03 418 0099 Fax: 03 418 3160
Email: manager.clutha@liquorland.co.nz
Warehouse Manager: Mr Cody Botting
Shop Manager: Ms Kaye Moodie

Hotel South Otago – 13 Clyde Street, Balclutha.

Phone: 03 418 2100 Fax: 03 418 2116
Email: hotelsouthotago@xtra.co.nz
Manager: Mr Andrew de Geest

White Horse Inn – 147 Union Street, Milton.

Phone: 03 417 8049 Fax: 03 417 7278
Email: whitehorseinmilton@xtra.co.nz
Manager: Ms Anita O'Connell

Oak Tree Inn – Hotel & Motel - Gorge Road, Clinton.

Phone/Fax: 03 415 7007
Email: oaktreeinclinton@xtra.co.nz
Manager: Mrs Carol Hill

Catlin's Inn – 21 Ryley Street, Owaka.

Phone: 03 415 8350 Fax: 03 415 8624
Email: catlinsinnowaka@xtra.co.nz
Managers: Mrs Michelle McLaren

LEASED PROPERTY

Bridge Tavern – Clyde Terrace Kaitangata.

Phone: 03 413 9790 Fax: 03 413 9794
Email: bridgetavernkai@xtra.co.nz
Lessee: Mr Justin Winter