



Mount Wellington Licensing Trust

ANNUAL REPORT

For financial year April 2020 – March 2021

It is in unusual circumstances that we present to the Minister of Justice and the residents of the Mount Wellington Licensing Trust area the Annual Report for the year ended 31 March 2021.

With our financial year ending each March, it is normal practice to present the Annual Report at an AGM in September of the same calendar year. However, the Covid-19 pandemic reaching New Zealand in March 2020 meant that was not possible.

We were informed by Audit New Zealand (our auditors appointed by the Office of the Auditor General) that a lack of resource meant they would be unable to complete the audit of our 2020 accounts within the usual four-to-five-month timeframe. Despite significant effort on our part Audit New Zealand were unable to complete this work until the middle of 2022, resulting in our 2020 AGM being held in September 2022. This major delay to our 2020 accounts meant that our newly appointed auditors RSM Hayes could not commence the audit of our 2021 accounts until the middle of 2022. We are pleased to now be able to present the 2021 accounts; we thank you for your understanding and expect to be able to share the 2022 accounts in the first quarter of 2023.

It should be noted that the commentary and information in this report relate solely to the March 2021 financial year.

Elected Members of the Mount Wellington Licensing Trust for the March 2021 year:

Mr A Verrall (President)	Dr M Benson-Rea
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Mr M Gosche	Ms J Dolheguy
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Ms N Henry	Ms T Batucan
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CHIEF EXECUTIVE: Mr B Robinson

Trading Report

WAIPUNA HOTEL & CONFERENCE CENTRE

On the 25th of March 2020 New Zealand went into a nationwide lockdown due to the onset of the Covid-19 pandemic. As such the Mount Wellington Licensing Trust began the 2021 financial year in one of the most precarious positions in its history. The organisation had legacy bank debt of over \$10m, its businesses were closed indefinitely due to the lockdown with no visibility of when they would trade again, and all its operations were anchored in a hospitality sector which was clearly going to be one of the sectors worst impacted by the pandemic.

Throughout this first lockdown the Board and Management were meeting weekly to understand what was required to give the Trust and its businesses the best chance of survival. With zero revenue and no visibility of when we could trade again it was critical to get all our costs as low as possible, leaving no choice but to undertake a significant staff restructuring process. For an organisation whose point of difference is its people this was incredibly difficult; we were empathetic but honest with our people about the situation we faced, and we cannot thank our staff enough for the understanding and professionalism they showed throughout the process.

In May 2020 with the country still in lockdown we were approached by the government and asked if we would consider contracting the Waipuna Hotel & Conference Centre as a Managed Isolation Facility (MIF). With the dire outlook for the accommodation and hospitality sectors this was undoubtedly the best financial option, and after carefully understanding the health and safety considerations we entered a contract for the hotel to operate as a MIF for a six-week period. A critical factor in this decision was that the contract would be for the hotel to operate as an isolation venue only; anybody either symptomatic or Covid-positive would go to a separate quarantine facility and would not stay at the hotel.

As the scale of the pandemic became apparent so did its impact on the accommodation and hospitality sectors. The Mount Wellington Licensing Trust has for many years been

financially reliant on the Waipuna Hotel and our long-term financial modelling forecasted significant losses for the hotel for many years. For these reasons we renewed the MIF contract with the government and the Waipuna Hotel continued to operate as a MIF for the remainder of the March 2021 financial year. This offered an element of financial security during the first year of the pandemic and enabled us to provide work to approximately 90 staff. Importantly the MIF contract provided certainty of revenue and work for our people throughout the various alert level changes and lockdowns that occurred during this year.

PANMURE HOTEL

The Corner Bar and the Landmark / RSA were also closed indefinitely from April 2020 due to lockdown, and only had the option of reopening when Auckland moved back to Alert Level 2 in late May 2020. The Corner Bar reopened at this time, however a combination of severe gathering and serving restrictions along with a public understandably nervous about both going out and spending, meant that trading was slow. Auckland moved back to Alert Level 3 for a month in August 2020, and again in February 2021. Each time The Corner Bar had to close, and each time it reopened gathering restrictions and a cautious public sentiment made for very challenging trading. The combination of multiple lockdown-enforced closures and reopening made this a very difficult twelve months for The Corner Bar, and we want to thank our staff for the effort and resilience they showed throughout the year.

The onset of the pandemic had an even more severe impact on the Landmark / RSA. By the time Auckland moved to Level 2 in late May 2020 and hospitality venues had the option of re-opening, the government's strong advice was that our elderly people were more susceptible than most to Covid, and that indoor gatherings were high risk environments for transmission. Given the aged demographic of the Landmark / RSA this made it questionable whether re-opening the venue was the right thing to do. Additionally, the financial forecast was dire for this business in the covid environment. In previous years the wider Mount Wellington Licensing Trust group chose

to underwrite the losses made by the Landmark / RSA. With the future of the Waipuna Hotel uncertain absorbing losses was no longer an option and so the difficult decision was made not to reopen the Landmark / RSA.

HIGHBROOK

Our Highbrook Conference business was exposed to the same lockdown-enforced closures as all other businesses, with the additional impact of being severely restricted when open by the strict limits on indoor gatherings that formed part of the government response to the Covid pandemic. We acknowledge the element of rent relief provided by Goodman Property, however there could not have been more trying conditions in which to operate a conference / meetings venue, making it a very challenging year for the Highbrook business.

OUR PEOPLE

There isn't enough we can say to acknowledge and thank our people for what they have given to the Mount Wellington Licensing Trust through this financial year. A difficult but necessary restructuring process was followed by very different work delivering the MIF contract at the Waipuna Hotel, and continually closing and reopening our businesses at the Panmure Hotel and Highbrook. We have done everything we can to look after our people throughout such a difficult year; the MIF contract provided certainty of work at a time when job losses in the sector were high, and we are proud that we again invested in significantly increasing our entry level pay rates. The Trust simply would not have got through such a demanding year without the incredible efforts of our people, and we thank them immensely.

In Summary and Looking Ahead

For a year that started with the Trust in such a precarious position, the securing of the MIF contract has meant that we have come through the March 2021 financial year remarkably better than we envisaged. That said, it has become clear that the real challenge for the Trust lies beyond the Covid pandemic. It is widely accepted that it will take many years for the hospitality, accommodation, and tourism sectors to recover to anywhere near pre-Covid trading levels, if indeed it ever will. The Trust is almost solely reliant on the Waipuna Hotel & Conference Centre, and our financial modelling shows many challenging years ahead post Covid. For this reason the Board has, during this financial year, had a relentless focus on paying down debt. Going into Covid the Trust still carried significant debt from its expansion of the Waipuna Hotel in 1990, and with an uncertain trading outlook beyond the pandemic the Board saw it as critical

to reduce this debt by as much as possible.

We end the March 2021 financial year and head into the next having navigated a turbulent twelve months, but still severely exposed to hospitality and accommodation sector conditions that would have seen us make significant losses this year were it not for the MIF contract.

There are undoubtedly more challenging times and difficult decisions ahead; however, your trustees remain committed to navigating the Licensing Trust through these unprecedented times and ensuring the organisation has a long, bright future.

With warm regards,

THE TRUSTEES

Mt Wellington Licensing Trust

Community Giving

MOUNT WELLINGTON FOUNDATION

The Mount Wellington Foundation (MWF) is a gaming trust that operates Class IV gaming machines located in The Corner Bar and the Landmark / RSA. It distributes funds that become available from these gaming machines, with grant decisions made by a board, the majority of which is made up of elected Mount Wellington Licensing Trust Trustees.

During the March 2021 financial year, the Mount Wellington Foundation made grants totaling \$802,566. This was down on the grants given in the March 2020 year totaling \$1,178,129. The funds available to grant are a direct result of the level of use of the gaming machines located in The Corner Bar and The Landmark / RSA. It is covered elsewhere in this report the extent to which both these businesses were closed due to the various Covid lockdowns throughout the March 2021 year. The lesser value of funds available is a direct result of the businesses being closed at various times during the year due to Covid-19, and the slow trading conditions at the times The Corner Bar was open.

A list of grant recipients is included as an appendix to this Annual Report.

Future Management of Gaming Operations

For many years the Mount Wellington Foundation has contracted the services of Parker Joyce to act as General Manager and deliver all aspects of its Class IV gaming operations. During this financial year Parker Joyce confirmed to the MWF board that he would be retiring effective March 2021.

This saw the Mount Wellington Licensing Trust board need to undertake a review of the various options for managing the affairs of the MWF following the retirement of Mr Joyce. All operating models were identified, and tenders called for. Submissions were evaluated against a detailed set of criteria. The Board had to consider

the significant requirements that come with operating a gaming trust including extensive Department of Internal Affairs compliance, financial reporting, harm minimisation training, investment in grant management software and other administrative requirements, all of which must be resourced separately to all other Trust functions to meet regulatory requirements.

This robust process resulted in the board entering an agreement with The Lion Foundation (TLF) for them to operate the gaming machines at The Corner Bar. TLF already manage gaming operations in over 100 venues around New Zealand. Highlights of this agreement include:

- TLF's scale means they have a dedicated compliance department, ensuring all gaming activities meet the strict Department of Internal Affairs requirements
- A commitment to best-in-class harm minimisation training
- The establishment of a Grants Committee to decide on funding applications; this committee is made up solely of three Mount Wellington Licensing Trust trustees, ensuring that local people with local community knowledge continue to make these funding decisions
- TLF are highly experienced in these partnerships; they have similar arrangements in place with other Licensing Trusts including Birkenhead, Oamaru, and Ashburton.

The amount of funds available from gaming machines is solely a function of how much they are used, so the partnership with The Lion Foundation removes all the compliance, reporting, operational and administrative requirements of operating the machines without impacting the amount of funds available. Your Trustees are confident that the local organisations who benefit from these funds will be well served by this partnership with the Lion Foundation.

MT WELLINGTON CHARITABLE TRUST

Mount Wellington Charitable Trust (MWCT) distributions are reliant solely on profits generated by the Trust's businesses – all of which operate in the hospitality sector.

With all the Trust's businesses so severely impacted by the Covid pandemic and with such a challenging outlook, there were limited grants made by the MWCT in the March 2021 year. In December 2020 the Charitable Trust once again funded the annual Senior Citizens Christmas lunches. With the Waipuna Hotel in use as a managed isolation facility the luncheons were this time held at The Landmark and were very well received by over 500 of our local senior citizens.

The Charitable Trust also made \$15,000 available to a Trust staff giving program, an initiative which saw staff able to vote on local worthy organisations to support. This saw the Tamaki Community Development Trust, Sweet Louise, and the Maungarei Community Christian Trust each receive a grant of \$5000 during the year.

With the Charitable Trust's sole source of funds being profits from our commercial businesses, the trading conditions and the impact of the Covid pandemic on the Trust's businesses that are described elsewhere in this report means that realistically the MWCT will not receive further funds to distribute for the foreseeable future.

Mount Wellington Licensing Trust

GROUP ACCOUNTS

For year ended 31 March 2021

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ENTITY INFORMATION

as at 31 March 2021

Registered Office:

Room 701, 58 Waipuna Road
Mount Wellington
Auckland, 1060

Trustees:

Mr A Verrall | **President**
Mr M Gosche
Ms N Henry
Dr M Benson-Rea
Ms J Dolheguy
Ms T Batucan
CHIEF EXECUTIVE: Mr B Robinson

Auditors:

RSM Hayes on behalf of the Office of the Auditor General

Bankers:

ASB Bank

Solicitors:

Wynyard Wood
PO Box 204-231
Auckland, 2161

Date of Incorporation:

Not applicable as created under statute

Nature of Business

Licensing Trust

MOUNT WELLINGTON LICENSING TRUST

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2021

	Note	Group Actual 2021 \$	Group Actual 2020 Restated \$
REVENUE			
Accommodation		6,967,812	6,939,292
Food & Beverage		5,806,016	9,492,070
Gaming Machine Venue Hire & Proceeds		1,398,636	2,725,002
Other	4	1,690,325	207,739
Finance		8,966	14,027
TOTAL REVENUE		15,871,755	19,378,130
COSTS AND EXPENSES			
Cost of Sales		1,814,885	2,795,651
Employee Benefits		6,070,692	7,581,486
Depreciation and amortisation	12,13,14	1,291,794	1,749,125
Donations		823,579	1,328,952
Other Expenses	5	3,200,519	5,317,158
Finance Costs	6	295,812	547,330
TOTAL EXPENSES		13,497,281	19,319,702
NET OPERATING SURPLUS BEFORE INTEREST AND TAXATION		2,374,474	58,428
INCOME TAX EXPENSE	15	720,864	(3,048,078)
OPERATING SURPLUS AFTER TAXATION		1,653,610	3,106,506
OTHER COMPREHENSIVE INCOME			
Revaluation (loss)/gain		47,103,800	0
TOTAL OTHER COMPREHENSIVE (LOSS)/INCOME		47,103,800	0
TOTAL COMPREHENSIVE INCOME AFTER TAX		48,757,410	3,106,506

The accompanying notes on pages 13 to 28 form part of these financial statements.

MOUNT WELLINGTON LICENSING TRUST

Consolidated Statement of Changes in Equity

For the year ended 31 March 2021

	Note	Group Actual 2021 \$	Group Actual 2020 Restated \$
EQUITY AT THE START OF THE YEAR			
Restatement adjustment prior period error	21	37,133,389	41,049,657
		0	(7,022,776)
RESTATED OPENING EQUITY AT THE START OF THE YEAR		37,133,389	34,026,881
SURPLUS & REVLUATIONS			
Surplus/(Deficit)		1,653,610	2,853,311
Asset Revaluation Movement		47,103,800	0
Restate surplus due to prior period error		0	253,197
RESTATED EQUITY AT THE END OF THE YEAR		85,890,798	37,133,389
MOVEMENTS IN RETAINED EARNINGS			
Opening Retained Earnings as previously reported		15,187,191	12,023,873
Restatement due to prior period error	21	0	56,812
Restated opening balance		15,187,191	12,080,685
Surplus/deficit for the year		1,653,610	3,106,507
RESTATED CLOSING RETAINED EARNINGS		16,840,801	15,187,191
MOVEMENTS IN RESERVES			
Opening Balance		21,946,198	28,147,277
Restatement due to prior period error	21	0	(6,201,079)
Restated opening balance		21,946,198	21,946,198
Total Other Comprehensive income for the year		47,103,800	0
CLOSING BALANCE		69,049,998	21,946,198
		85,890,798	37,133,389

The accompanying notes on pages 13 to 28 form part of these financial statements.

Signed for on behalf of the Trust on the 23rd day of November 2022

NH

President
Nerissa Henry

TB

Vice President
Tania Batucan

MOUNT WELLINGTON LICENSING TRUST

Consolidated Statement of Financial Position

As At 31 March 2021

	Note	Group Actual 2021 \$	Group Actual 2020 Restated \$
CURRENT ASSETS			
Cash and cash equivalents	8	1,667,052	2,258,055
Financial assets		400,000	250,000
Trade & other receivables and prepayments	9	1,604,100	1,007,563
Income Tax Receivable		0	207,294
Assets held for sale	13	33,067	0
Inventories		155,745	283,318
TOTAL CURRENT ASSETS		3,859,964	4,006,230
CURRENT LIABILITIES			
Bank overdraft	8	37	304
Trade and other payables	10	1,240,475	1,616,735
Income Tax Payable		393,152	0
GST		183,620	217,079
Lease liability	14	259,151	218,751
Employee benefit liabilities	11	417,239	554,097
Borrowings	16	4,840,000	0
TOTAL CURRENT LIABILITIES		7,333,674	2,606,966
WORKING CAPITAL SURPLUS		(3,473,710)	1,399,264
NON-CURRENT ASSETS			
Property, plant and equipment	13	92,902,260	46,896,138
Right of use of Assets	14	951,870	1,181,312
Intangible assets	12	28,758	57,672
TOTAL NON-CURRENT ASSETS		93,882,888	48,135,122
TOTAL ASSETS		97,742,851	52,141,352
NON-CURRENT LIABILITIES			
Borrowings	16	2,410,000	10,050,000
Lease Liability	14	893,380	1,172,668
Employee benefit liabilities	11	7,708	5,871
Deferred tax liability	15	1,207,291	1,172,460
TOTAL NON-CURRENT LIABILITIES		4,518,379	12,400,999
TOTAL LIABILITIES		11,852,053	15,007,965
NET ASSETS		85,890,798	37,133,389
EQUITY			
Retained earnings		16,840,798	15,187,190
Other reserves		69,049,999	21,946,199
TOTAL EQUITY		85,890,798	37,133,389

The accompanying notes on pages 13 to 28 form part of these financial statements.

MOUNT WELLINGTON LICENSING TRUST

Consolidated Statement of Cash Flows

For the year ended 31 March 2021

	Note	Group Actual 2021 \$	Group Actual 2020 Restated \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from accommodation, food & beverage		14,198,344	20,061,491
Interest received		8,967	14,027
Dividends received		0	1,125
Wage subsidies		1,095,290	
Payments to suppliers and employees		(12,454,401)	(16,540,359)
Interest paid		(295,812)	(549,250)
Goods and services tax (net)		(24,016)	(155,590)
Income tax paid		(85,586)	(586,865)
NET CASH INFLOWS FROM OPERATING ACTIVITIES		2,442,788	2,244,582
CASH FLOWS FROM INVESTING ACTIVITIES			
Insurance claim		0	2,005
Payments/Receipt of Investments		(150,000)	100,000
Purchase/Sale of property, plant and equipment		155,366	(449,477)
Purchase of intangible software		0	(5,300)
NET CASH OUTFLOWS FROM INVESTING ACTIVITIES		5,366	(352,772)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds/(Repayment) of borrowings		(2,800,000)	300,000
Repayment of lease liabilities		(238,888)	(219,807)
NET CASH OUTFLOWS FROM FINANCING ACTIVITIES		(3,038,888)	80,193
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the beginning of the year	8	2,257,751	285,748
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	8	1,667,016	2,257,751
Cash and cash equivalents were comprised of			
Cash and cash equivalents		1,667,052	2,258,055
Bank overdraft		(37)	(304)
		1,667,016	2,257,751

The accompanying notes on pages 13 to 28 form part of these financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

1. Statement of Accounting Policies

REPORTING ENTITY

Mount Wellington Licensing Trust (MWLT) is a licensing trust operating under the Sale and Supply of Alcohol Act 2012.

The MWLT group (MWLT Group, the Trust Group) is comprised of the following entities:

- Mount Wellington Licensing Trust (MWLT, the Trust)
- Mount Wellington Trust Hotels Limited (MWTH)
- Keri Corporation Limited (Keri)
- Mount Wellington Charitable Trust (MWCT)
- Mount Wellington Foundation Limited (MWFL)

The group is primarily involved in hospitality, conferencing, accommodation and gaming activities within the Mount Wellington area.

These activities are conducted through the MWLT's subsidiary entities with the intention of making a profit to enable distribution of available funds to community groups within the local area.

MWLT has therefore designated itself as a profit oriented entity for the purpose of New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The consolidated financial statements of the Trust Group are for the year to 31 March 2021 (2020: 31 March 2020).

The consolidated financial statements have been approved and were authorised for issue by the Board of Trustees on the **23 November 2022**.

BASIS OF PREPARATION

These consolidated financial statements of the Trust Group have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). The Trust Group is a for-profit entity for the purposes of complying with NZ GAAP. The consolidated financial statements comply with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime ("NZ IFRS RDR"), other New Zealand accounting standards, and authoritative notices that are applicable to entities that apply NZ IFRS RDR.

The Trust Group is eligible and has elected to report in accordance with Tier 2 For-Profit Accounting Requirements (NZ IFRS RDR) on the basis that The Trust has no public accountability and is not large. In applying NZ IFRS RDR, the Trust Group has applied all available disclosure concessions. The consolidated financial statements of the Trust have been prepared on an historical cost basis, except as noted otherwise below.

The information is presented in New Zealand dollars and all values are rounded to the nearest dollar.

GOING CONCERN

These consolidated financial statements have been prepared on the basis that The Trust Group is a going concern.

CHANGES IN ACCOUNTING POLICIES

MWTH has previously accounted for land and buildings using the revaluation method, requiring that independent valuations be undertaken no less regularly than every three years. MWTH's independent valuation for the 2021 financial year identified that the heritage aspects of the Queens Road property are such that it is impracticable to obtain a reliable valuation of the building highlighting that the revaluation accounting policy was applied in error. Effective 1 April 2020, the accounting policy for the Building class of assets was changed from revaluation model to cost model to correct this prior period error.

The impact of this change in policy as a result of this prior period error is detailed in Note 21.

All other policies have been applied on a consistent basis as used in previous years.

SPECIFIC ACCOUNTING POLICIES

In the preparation of these consolidated financial statements, the specific accounting policies are as follows:

(a) 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.

MWLT's investment in its subsidiaries are carried at cost in MWLT's own financial statements.

(b) Revenue

Revenue is measured at the fair value of consideration received or receivable.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Sales of goods are recognised when a product is sold to the customer. Sales are usually in cash, credit card or credit. The recorded revenue is the gross amount of the sale. Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

Wage subsidy relating to the COVID-19 was recognised based on a pro-rata amount being applied to the period for which the subsidy related to. Interest income is recognised using the effective interest method.

(c) Receivables

Receivables are financial assets classified and measured at amortised cost less allowance for Expected Credit Loss ("ECLs"). Short-term trade receivables are not discounted. These financial instruments are short term in nature and the carrying amounts are considered to be a reasonable approximation of fair value. The Trust applies a simplified approach in calculating expected credit losses. Therefore The Trust Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

(d) Cash and Cash Equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

If there are bank overdrafts these are shown within borrowings in current liabilities in the Statement of Financial Position.

(e) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method.

(f) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at either fair value through Other Comprehensive Income (OCI), fair value through Profit or Loss, or at amortised cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

The classification of financial assets at initial recognition depends on the contractual cash flow characteristics of the financial assets and the business model for managing them.

At amortised cost

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrumental level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model. The Trust Group's financial assets are amortised cost included cash and cash equivalents, accounts receivable, and related party current accounts.

Financial Assets at Fair Value through Profit and Loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment of Financial Assets

For trade receivables and related party current accounts, The Trust applies a simplified approach in calculating expected credit losses (ECL's). Therefore, The Trust Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Trust has established a provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(g) Property, Plant & Equipment

Property, plant and equipment consists of land, buildings, plant and equipment, furniture and fittings and motor vehicles.

Land	Not Depreciated
Buildings	10 to 100 years
Motor Vehicles	10 years
Furniture & Fittings	8 to 25 years
Plant & Equipment	4 to 12.5 years

Furniture, motor vehicles, plant and equipment and buildings are recognised at cost. Land is carried at fair value as determined by an independent valuer.

Any revaluation increase arising on the revaluation of land is credited to the revaluation reserve for that asset. Where this results in a debit balance in the individual asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the surplus or deficit. Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the statement of comprehensive income will be recognised first in the surplus or deficit up to the amount previously expensed and then credited to the revaluation reserve for that asset.

Leased assets are depreciated over the unexpired term of the lease or over the estimated useful life, whichever is shorter.

Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write off the cost of the assets to their estimated residual values over their useful lives.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or services potential associated with the item will flow to The Trust Group and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

(h) Intangible Assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred.

Amortisation is recognised on a straight-line basis over the useful life of the asset.

IT Software - Intangibles 5 years

(i) Leases

The Trust Group applies a single recognition and measurement approach for all assets, except for short term leases and leases of low-value assets. The Trust Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right of Use

The Trust recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

Lease Liabilities

At the commencement date of the lease, Mount Wellington Licensing Trust Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include payments of penalties for terminating the lease, if the lease term reflects The Trust Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

Short-term leases and leases of low-value assets

Mount Wellington Licensing Trust Group applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applied the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the term of the lease.

(j) Impairment

At each reporting date, The Trust Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

An asset's recoverable amount is the higher of an asset or cost generating unit's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless that asset does not generate cash inflows that are largely dependent of those from other groups of assets.

If the recoverable amount of a cash generating unit is estimated to be less than its carrying amount, the carrying amount of the cash generating unit is reduced to its recoverable amount.

Other financial assets, including investments in subsidiaries, are reviewed for impairment when events, or changes in circumstances, indicate that the carrying amount may not be recoverable.

An impairment loss is recognised as the amount by which the carrying amount of an asset exceeds the recoverable amount. The impairment will be recognised in the surplus / deficit for the year. Where the recoverable amount of the asset exceeds the carrying amount, the impairment losses previously recognised through the surplus / deficit may be reinstated to the higher of the cost or recoverable amount of the assets.

(k) Goods & Services Tax

These consolidated financial statements have been prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable which are shown inclusive of GST.

(l) Income Tax Expense

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by 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 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 used.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantially enacted by balance date.

Current tax and deferred tax is charged or credited to the statement of comprehensive income except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

The Mount Wellington Licencing Trust group policy is that the tax losses incurred by Keri Corporation Ltd for an income tax year will be transferred through a 100% subvention payment by Mount Wellington Trust Hotels Ltd subject to Mount Wellington Trust Hotels Ltd generating sufficient taxable profits.

A subvention payable and subvention expense is recognised at 31 March based on the current year's taxable losses as it is considered sufficiently certain that those tax losses will be transferred to Mount Wellington Trust Hotels Ltd through a 100% subvention payment and the administrative requirements of the Income Tax Act 2007 will be met.

(j) Employee Entitlements

A liability for holiday pay, sick pay and long service leave entitlements is recognised in the balance sheet.

Where the payment is expected to be longer than 12 months from balance date, the liability is recorded at its present value. Where the payment is expected to be less than 12 months from balance date, the provision is the amount expected to be paid.

(k) Critical Estimates & Judgements

In preparing this financial report The Trust Group was required to make estimates and assumptions. These estimates and assumptions are based on historical experience including expectation future events that may have an impact on The Trust Group. All judgements, estimates and assumptions are believe to be reasonable based on the most current set of circumstances available.

The areas of judgements, estimates or assumptions that could have a material impact on reporting are:

Land valuation is obtained from an independent valuation by a qualified person exercising their professional judgement to assess the fair value at the date of valuation.

An independent valuation of the land at Waipuna Road and Queens Road was undertaken with an effective fair value recognition date of 31 March 2021.

2. AUDIT

These consolidated financial statements have been subject to audit, please refer to Independent Auditor's Report.

3. CONTINGENT LIABILITIES

Mount Wellington Trust Hotels Ltd has a guarantee bond in favour of the New Zealand Racing Board payable on default of TAB bankings of \$15,000 (2020: \$15,000).

Mount Wellington Trust Hotels Ltd has a guarantee bond in favour of Highbrook Development Ltd payable on default of rent of \$97,289 (2020: \$97,289)

MWTH has received preliminary earthquake strengthening reports for its property in Panmure that indicate some remedial work may be required to make one of its buildings compliant with Auckland Council standards. The investigations into what needs to be done have progressed with preliminary quotes received. The lengthy compliance period means this work will be deferred resulting in no contingencies being provided for this year.

4. OTHER INCOME

	2021 \$	2020 \$
Tenant Rentals	161,728	0
COVID-19 Wage Subsidy	1,106,520	76,589
Other	297,884	131,150
Gain on sale of assets	124,193	0
TOTAL OTHER INCOME	1,690,325	207,739

5. OTHER EXPENSES

	2021 \$	2020 \$
Audit Fees	106,758	131,333
Operating lease expense MWTH	39,818	16,581
Gaming machine duty MWFL	321,299	626,751
Other operating expenses	2,732,644	4,542,493
TOTAL OPERATING EXPENSES	3,200,519	5,317,158

6. FINANCE COSTS

	2021 \$	2020 \$
Interest on bank borrowings	213,845	451,919
Interest on lease liabilities	81,967	95,410
TOTAL FINANCE COSTS	295,812	547,330

7. TRUSTEE AND DIRECTOR'S REMUNERATION

Trustee and Director's remuneration paid or due and payable during the year was \$107,266, (2020 \$121,614).

8. CASH & CASH EQUIVALENTS

	2021 \$	2020 \$
Cash and bank accounts	1,667,052	2,258,055
Bank overdrafts	(37)	(304)
	1,667,015	2,257,751

Mount Wellington Trust Hotels Ltd has an unsecured, on-demand overdraft of \$400,000 with an interest rate of 3.04%, (2020 4.08%).

9. TRADE & OTHER RECEIVABLES	2021 \$	2020 \$
Trade & Other Receivables	1,389,603	804,075
Prepayments	214,497	223,191
Debtor Impairment	0	(19,703)
	1,604,100	1,007,563

10. TRADE AND OTHER PAYABLES	2021 \$	2020 \$
Accounts Payable	944,052	657,608
Accrued Expenses	296,423	959,127
	1,240,475	1,616,735

11. EMPLOYEE BENEFIT LIABILITIES	2021 \$	2020 \$
CURRENT		
EMPLOYEE BENEFITS		
Provision for Accrued Pay	72,875	248,527
Provision for Holiday Pay	335,455	295,406
Provision for Long Service Leave	8,908	10,164
TOTAL CURRENT PROVISIONS	417,238	554,097
Provision for Long Service Leave	7,708	5,871
TOTAL NON-CURRENT PROVISIONS	7,708	5,871

12. INTANGIBLES	2021 \$	2020 \$
IT SOFTWARE - INTANGIBLES		
Opening Cost	285,231	279,930
Opening Accum Depn & Impairment	(227,558)	(186,593)
Opening Book Value	57,673	93,337
Additions	0	5,300
Amortisation	(28,915)	(40,965)
Closing Cost	285,231	285,230
Closing Accum Depn & Impairment	256,473	227,558
CLOSING BOOK VALUE	28,758	57,672

13. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant, Equipment & Vehicles	Furniture & Fittings	Work in progress	Total
31 March 2021						
Opening cost	25,696,200	24,420,750	2,145,720	3,483,514	52,060	55,798,244
Opening accum depreciation	0	(6,422,711)	(1,294,548)	(1,184,847)	0	(8,902,106)
OPENING BOOK VALUE	25,696,200	17,998,039	851,172	2,298,667	52,060	46,896,138
Additions	0	14,960	9,108	0	53,316	77,384
Disposals	0	0	(108,558)	0	0	(108,558)
Revaluation	47,103,800	0	0	0	0	47,103,800
Depreciation Charge	0	(468,965)	(244,178)	(320,293)	0	(1,033,436)
Transfer to assets held for sale	0	0	(33,067)	0	0	(33,067)
Closing cost	3,750,000	24,435,710	2,013,203	3,483,514	105,376	33,787,803
Closing Revaluation	69,050,000	0	0	0	0	69,050,000
Closing Accum Depreciation	0	(6,891,676)	(1,538,726)	(1,505,140)	0	(9,935,542)
CLOSING BOOK VALUE	72,800,000	17,544,034	474,477	1,978,374	105,376	92,902,261

	Land	Buildings	Plant, Equipment & Vehicles	Furniture & Fittings	Work in progress	Total
31 March 2020						
Opening cost	25,696,200	28,435,111	2,043,818	5,405,490	0	61,580,619
Opening accum depreciation	0	(1,296,083)	(1,533,274)	(2,455,115)	0	(5,284,472)
OPENING BOOK VALUE	25,696,200	27,139,028	510,544	2,950,375	0	56,296,147
Write back of revaluation assets due to prior period error	0	(3,055,877)	1,859	(6,216)	0	(3,060,234)
Write back revaluation depreciation due to prior period error	0	(5,279,409)	(1,860)	1,656	0	(5,279,613)
Restated Opening Cost	25,696,200	25,379,234	2,045,677	5,399,274	0	58,520,385
Restated Opening accum depreciation	0	(6,575,492)	(1,535,134)	(2,453,459)	0	(10,564,085)
RESTATED OPENING BOOK VALUE	25,696,200	18,803,742	510,543	2,945,815	0	47,956,300
Restated Closing Cost	3,750,000	24,420,750	2,145,720	3,483,514	52,060	33,852,044
Restated Closing Revaluation	21,946,200	0	0	0	0	21,946,200
Restated Closing Accum Depreciation	0	(6,422,711)	(1,294,548)	(1,184,847)	0	(8,902,106)
RESTATED CLOSING BOOK VALUE	25,696,200	17,998,039	851,172	2,298,667	52,060	46,896,138

Land carried at fair value

An independent valuation of the land at Waipuna Road and Queens Road was undertaken by JLL, registered independent valuers, with an effective fair value recognition date of 31 March 2021.

Given the ongoing uncertainty around the duration and severity of the impact COVID-19 has had on New Zealand and its economy, these valuations are subject to a material valuation uncertainty.

Buildings carried using the Cost Model

The 2020 opening balances for Buildings have been restated from the revaluation to cost model to correct the prior period error discussed in Note 21. From 2020, all Building assets are recognised using the Cost Model, disclosing the cost of assets less accumulated depreciation.

Security Interests

The properties at Waipuna Road and Queens Road have security interests registered by ASB, MWCT and MWLT, limited to the values owed to the secured parties at that time.

14. LEASES

Right of Use of Asset	Buildings	Vehicles	Total
At 1 April 2020	1,133,035	48,278	1,181,313
Depreciation charge	(209,176)	(20,267)	(229,443)
31 MARCH 2021	923,859	28,011	951,870
At 1 April 2019	1,342,211	23,470	1,365,681
Additions	0	42,648	42,648
Depreciation charge	(209,176)	(17,840)	(227,016)
31 MARCH 2020	1,133,035	48,278	1,181,313

Lease Liability	Buildings	Vehicles	Total
At 1 April 2020	1,335,773	55,645	1,391,418
Lease Payments	(284,160)	(36,695)	(320,855)
Interest	65,409	16,558	81,967
31 MARCH 2021	1,117,022	35,508	1,152,530
At 1 April 2019	1,543,278	25,300	1,568,578
Additions	0	42,648	42,648
Lease Payments	(284,160)	(31,057)	(315,217)
Interest	76,656	18,754	95,410
31 MARCH 2020	1,335,774	55,645	1,391,419

15. TAXATION

	2021 \$	2020 Restated \$
Current Tax expense	686,032	183,522
Deferred Tax Expense	34,831	(3,231,600)
INCOME TAX EXPENSE	720,863	(3,048,078)
Relationship between income tax expense & accounting profit		
Surplus (deficit) before tax	2,374,474	58,428
Tax @28%	664,853	16,360
Tax effect of non-deductible expenditure	114,353	214,642
Tax effect of permanent differences	(58,342)	(65,633)
Taxation depreciation on buildings	0	(2,935,799)
Tax loss not recognised		(24,451)
Prior Period Error	0	(253,197)
INCOME TAX EXPENSE	720,864	(3,048,078)

DEFERRED TAX ASSETS/(LIABILITIES)

	Property, Plant & Equipment	Employee Entitlements	Leases	Other Provisions	Total
31 March 2021					
Balance as at 1 April 2020	(1,302,819)	87,204	36,809	6,349	(1,172,457)
Charged to surplus or deficit	(34,453)	10,925	(7,361)	(3,945)	(34,834)
BALANCE AS AT 31 MARCH 2021	(1,337,272)	98,129	29,448	2,404	(1,207,291)
31 March 2020					
Opening balance previously reported 01 Apr 2019	(7,032,756)	89,309	0	2,161	(6,941,286)
Restatement due to prior period error	0	0	0	0	0
Restated opening balance 01 Apr 2019	(7,032,756)	89,309	0	2,161	(6,941,286)
Balance as at 1 April 2019	(7,032,756)	89,309	0	2,161	(6,941,286)
Charged to other comprehensive income	341,644	0	0	0	341,644
Charged to surplus or deficit	3,747,653	(2,108)	36,809	4,188	3,786,542
Restated charge to comprehensive income due to prior period error	1,640,640	0	0	0	1,640,640
RESTATED BALANCE AT 31 MARCH 2020	(1,302,819)	87,201	36,809	6,349	(1,172,460)

16. BORROWINGS

Term Liabilities, excluding finance leases, are detailed below along with the original term, security and interest rate as at balance date.

	2021 \$	2020 \$
Term liabilities, excluding finance leases, at balance date:		
Loan Committed Cash Advance Facility	4,840,000	10,050,000
Registered Mortgage, reviewed annually - interest rate 2.2%		
Loan Business Finance Guarantee Scheme	2,410,000	0
Registered Mortgage, 5 years - interest rate 1.85%		
	7,250,000	10,050,000

The Trust Group's borrowings are contracted through MWTH. Banking arrangements with ASB Bank provide for first security over land and building improvements at Waipuna Road and Queens Road.

At balance date \$7,250,000 was drawn against the total available facilities of \$12,050,000. Mount Wellington Trust Hotels Ltd makes repayments when cash flow allows.

The loan committed cash advance facility portion of the agreement is reviewed and extended annually. The business finance guarantee scheme component of the agreement is fixed, due to renew in December 2025.

17. CAPITAL EXPENDITURE COMMITMENTS

There are no capital commitments. (2020: \$0).

18. IMPACTS OF COVID-19

On 11 March 2020 the World Health Organisation declared the outbreak of coronavirus (COVID-19) as a pandemic and two weeks later the New Zealand Government declared a State of National Emergency. The country was in lockdown at Alert Level 4 for the period 26 March 2020 to 27 April 2020.

The main impacts on The MWLT Group's consolidated financial statements for the financial year due to COVID-19 for the financial year ending 31 March 2021 are outlined below:

REVENUE

During the 2020 Level 4 lockdown, all non-essential businesses, including all divisions of Mount Wellington Trust Hotels Ltd ceased normal operations; the COVID wage subsidy provided minimal revenue during this time.

On 16 May 2020, The Waipuna Hotel & Conference Centre commenced a contract with the NZ Government to operate as a Managed Isolation Facility (MIF) providing the business revenue during a period of extreme uncertainty.

Prior to Covid-19 The Landmark Bar & Eatery had a joint venture with an RSA. Based on both the financial projections and given the age of the clientele it was deemed not appropriate to reopen after the initial Level 4 lockdown. The venue remains available for private function hire.

PEOPLE

Employees agreed to receive reduced salaries and wages while the business was closed due to lockdown restrictions and the business qualified for the wage subsidy.

A staff restructuring process was started in April 2020 that resulted in the workforce being significantly downsized. A substantial portion of employees displaced in this restructuring were rehired on either fixed term or casual contracts to support delivery of the MIF contract.

OPERATING EXPENSES

Operating expenses reduced during the year ended 31 March 2021 due to the change in operating environment while Waipuna Hotel & Conference Centre traded as a MIF.

ACCOUNTS RECEIVABLE

COVID-19 did not have a significant impact on the accounts receivable recoverability and outstanding balances were all recovered, with the exception of some immaterial balances.

IMPAIRMENT OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

No impairment of property, plant and equipment and/or intangible assets was required as a result of COVID-19.

CAPITAL PROJECTS AND INITIATIVES

COVID-19 directly impacted the completion of some capital works projects that either remain on hold, have been substituted, or have been cancelled.

The impact of COVID-19 on Mount Wellington Trust Hotels Ltd as at balance date are reflected in these consolidated financial statements based on the information available at the date these financial statements were signed.

19. SIGNIFICANT EVENTS AFTER BALANCE DATE

Following the Alert Level 4 lockdown in 2020, The Landmark Bar and Eatery has not reopened. The business had a joint venture agreement with an RSA and given the age of the clientele, was deemed neither appropriate from a Health & Safety perspective nor financially viable in the COVID environment to operate this business. The gaming venue license agreement for this was surrendered to the DIA after the requisite number of days of closure had occurred.

On 01 April 2021 MWFL assigned the gaming machine licenses located in The Corner Bar to The Lion Foundation and MWTH entered into a venue hire agreement with The Lion Foundation on the same date.

The Waipuna Hotel & Conference Centre was contracted as a MIF from May 2020 and remained closed to the public while contracted as a MIF, reopening to the public on 16 September 2022.

MWFL was removed from the Companies Register on 28 March 2022. Prior to this all remaining assets were disposed of and proceeds distributed in line with regulations imposed by the Gaming Act.

Keri Corporation amalgamated into MWTH on 1 April 2022. At this date all assets and liabilities of Keri Corporation were absorbed into MWTH.

Despite the enormously difficult situation MWTH faced in early 2020, the ability to operate as a MIF has enabled the business to continue trading at commercially acceptable levels. It is difficult to predict how the business will trade after being closed to the public for 28 months; however, the Waipuna Hotel & Conference Centre is forecast to return to profitability in the 2025 financial year. This, combined with a strong asset base and appropriate cash funding facilities makes it appropriate to adopt the going concern basis of accounting. And is largely dependant on the recovery of the wider travel, accommodation and conference sectors. It is unlikely that MWTH will make donations to MWCT while MWTH navigates this period of uncertainty.

There were no other significant events subsequent to balance date.

20. BREACH OF STATUTORY REPORTING DEADLINE

The financial statements for The Trust Group for the year ending 31 March 2021 were not prepared by within the five month deadline, resulting in a breach of section 334(1) of the Sale and Supply of Alcohol Act 2012.

The audit of the financial statements for the 2020 financial year was concluded on 11 May 2022 followed by the annual general meeting being held on 15 September 2022 resulting in a breach of Section 335(a) of the Sale and Supply of Alcohol Act 2012 that dictates that a licensing trust must hold a meeting of electors within 2 months after the annual financial statements have been audited by the Auditor-General.

21. PRIOR PERIOD ERROR

MWTH has previously accounted for land and buildings using the revaluation method. The independent valuation for the 2021 financial year identified that the heritage aspect of the Queens Road property are such that it is impractical to obtain a reliable valuation of the building highlighting that the revaluation accounting policy was applied in error.

Effective 01 April 2020, the accounting policy for the class of assets of Buildings was changed from revaluation model to cost model to correct this prior period error.

The process of correcting the above prior period error identified three additional historic errors:

- (1) the Statement of Comprehensive income in the 2020 financial statements showed a revaluation adjustment for a change in accounting policy through other comprehensive income. This treatment was incorrect as the revaluation adjustment should have been processed directly to the Statement of Movements in Equity.
- (2) the allocation between cost, accumulated depreciation and revaluations were incorrect.
- (3) deferred tax was incorrect as a result of the errors identified.

IAS requires retrospective application of prior period errors by restating the opening balances of asset, liabilities, and equity for the earliest prior period presented. This requirement is reflected in the primary financial statements and in notes 13 and 15.

	2020 Previously Reported	Increase / (Decrease)	2020 Restated	2019 Previously Reported	Increase / (Decrease)	2019 Restated
Statement of Comprehensive Income						
31 March 2020						
Revaluation Adjustment	(1,220,154)	1,220,154	0			
Tax on Valuation	341,644	(341,644)	0			
Taxation expense	(2,794,881)	(253,197)	(3,048,078)			
TOTAL COMPREHENSIVE INCOME	1,974,801	1,131,705	3,106,506			
Statement of Financial Position						
31 March 2020						
Buildings at Cost	27,475,921	(3,055,171)	24,420,750	28,338,171	(3,055,171)	25,283,000
Accumulated Depreciation	(1,143,303)	(5,279,468)	(6,422,771)	(1,200,049)	(5,279,468)	(6,479,517)
	26,332,618	(8,334,579)	17,998,039	27,138,122	(8,334,639)	17,998,039
Plant, Equipment & Vehicle at cost	2,129,946	1,859	2,131,805	2,334,390	1,859	2,336,249
Accumulated Depreciation	(1,278,775)	(1,860)	(1,280,635)	(997,786)	(1,860)	(999,646)
	851,171	(1)	851,170	1,336,604	(1)	1,336,603
Furniture & Fittings at cost	3,489,730	(6,216)	3,483,514	4,410,689	(6,216)	4,404,473
Accumulated Depreciation	(1,186,503)	1,656	(1,184,847)	(1,016,557)	1,656	(1,014,901)
	2,303,227	(4,560)	2,298,667	3,394,132	(4,560)	3,389,572
Total Property, plant & equipment (net book value)	55,235,986	(8,339,848)	46,896,138	57,516,303	(8,339,200)	49,177,103
TOTAL NON-CURRENT ASSETS	56,474,970	(8,339,848)	48,135,122	57,609,641	(8,339,200)	49,270,441
Deferred Tax Liability	3,621,237	(2,448,777)	1,172,460	6,941,258	(2,448,777)	4,492,481
TOTAL LIABILITIES	17,456,742	(2,448,771)	15,007,965	19,311,279	(2,448,771)	17,998,039
Retained Earnings	14,877,183	310,007	15,187,190	12,023,873	56,811	12,080,684
Reserve	28,147,276	(6,201,076)	21,946,200	29,025,786	(7,079,586)	21,946,200
TOTAL EQUITY	43,024,459	(5,891,069)	37,133,390	41,252,553	(7,022,775)	34,229,778

22. RELATED PARTIES

The MWLT group (MWLT Group, the Trust Group) is comprised of MWLT, MWTH, Keri, MWCT and MWFL. During the year there were a number of transactions between the entities in the group that are disclosed below.

Entity	Payment / Receipt	To / From	Entity	Type of Transactions	Relationship	2021 \$	2020 \$
MWTH	Payment	To	Keri	Payment for food and beverage	Group	(240,340)	(408,262)
MWTH	Payment	To	Keri	Payment of wage subsidy	Group	(88,246)	(2,106)
MWTH	Payment	To	Keri	Payment for other services rendered	Group	(20,478)	(44,735)
MWTH	Payment	To	Keri	Payment for subvention	Group	(208,363)	(268,950)
MWTH	Receipt	From	Keri	Receipt of payment for COGS	Group	196,213	132,701
MWTH	Receipt	From	Keri	Receipt for employee costs	Group	519,607	369,584
MWTH	Receipt	From	Keri	Receipt of management fee	Group	78,000	106,175
MWTH	Receipt	From	Keri	Receipt of intercompany rental	Group	67,283	83,361
MWTH	Receipt	From	Keri	Receipt for other services rendered	Group	187,328	191,331
						491,004	159,099
MWTH	Receipt	From	MWFL	Directors expenses	Group	513	1,537
MWTH	Receipt	From	MWFL	Directors remuneration	Group	32,353	34,999
MWTH	Receipt	From	MWFL	Other expenses	Group	8,225	0
MWTH	Receipt	From	MWFL	Venue payments	Group	0	237,922
Keri	Receipt	From	MWFL	Venue payments	Group	221,374	198,074
Keri	Payment	To	MWCT	Payment for services rendered	Group	(36,724)	0
MWTH	Receipt	From	MWCT	Payment of expenses	Group	17,458	66,996

Key management personnel services are provided to MWLT by MWTH at nil cost.

Independent Auditor's Report

To the Readers of Mount Wellington Licensing Trust's Consolidated Financial Statements For the year ended 31 March 2021

The Auditor-General is the auditor of Mount Wellington Licensing Trust group (the Group). The Auditor-General has appointed me, Steve Hayes, using the staff and resources of RSM Hayes Audit, to carry out the audit of the consolidated financial statements of the Group on his behalf.

Opinion

We have audited the consolidated financial statements of the Group on pages 9 to 28, that comprise the statement of consolidated financial position as at 31 March 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, and the notes to the consolidated financial statements that include accounting policies and other explanatory information.

In our opinion the consolidated financial statements of the Group:

- a) present fairly, in all material respects:
 - its consolidated financial position as at 31 March 2021;
 - its consolidated financial performance and cash flows for the year then ended; and
- b) comply with generally accepted accounting practice in New Zealand in accordance with *New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime*.

Our audit was completed on 28 November 2022. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Members and our responsibilities relating to the consolidated financial statements, we comment on other information, and we explain our independence.

Basis for opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Trustees for the consolidated financial statements

The Trustees are responsible on behalf of the Group for preparing consolidated financial statements that are fairly presented and comply with generally accepted accounting practice in New Zealand.

The Trustees are responsible for such internal control as they determine is necessary to enable them to prepare consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Trustees are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern. The Trustees are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Trustees resolve to amalgamate or liquidate the Group, or to cease operations, or have no realistic alternative but to do so.

The Trustees' responsibilities arise from the Sale and Supply of Alcohol Act 2012.

Responsibilities of the auditor for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements, as a whole, are free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these consolidated financial statements.

We did not evaluate the security and controls over the electronic publication of the consolidated financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Members.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Members and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease as a going concern.

- We evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the consolidated financial statements of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Trustees are responsible for the other information. The other information comprises the reports and entity information included on pages 2 to 8 and the appendix on pages 32 to 34 but does not include the consolidated financial statements, or our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standards 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Group.

A handwritten signature in blue ink, appearing to read 'Steve Hayes', with a long, sweeping underline.

Steve Hayes
RSM Hayes Audit
On Behalf of the Auditor-General
Auckland, New Zealand

Appendix

Mt Wellington Foundation Donations

For the year ended 31 March 2021

		\$
Ambury Park Centre for Riding Therapy Inc	Lockers, PC carrier, drying rack & paint	2,878
Anxiety New Zealand	Salary	3,000
Asthma New Zealand	Salary	5,000
Attainable Trust	Salaries	4,914
Auckland & District Pipe Band Inc	Hat badges	1,211
Auckland Basketball Services Ltd	Hall hire	5,000
Auckland Observatory & Planetarium Trust Board	Educator salaries	3,000
Auckland Sexual Abuse Help Foundation	Salary	5,000
Auckland Softball Association Inc	Uniform tops	5,000
Auckland Table Tennis Association	Salaries	5,000
Auckland University Cricket Club	Juniors coaching	2,500
Auckland University Rugby Football Club Inc	Coaching	5,000
Bach Musica NZ	Soloists	2,000
Bailey Road School	ICT equipment	14,352
Bayside Westhaven Little League	Bats	1,991
Big Buddy Mentoring Trust	Salary	3,000
Bill McKinlay Park Trust	Floodlights, switchboard, poles, project manager	101,713
Brothers in Arms Charitable Trust	Salary	5,000
Canteen	Salary	5,000
Christians Against Poverty	Laptops & monitors	2,996
CNSST Foundation/Chinese New Settlers Services	Video production	1,000
Cochlear Implant Foundation of NZ	Laptops	6,528
Communicare	Venue hire & salary	8,521
Dance Therapy NZ	Venue hire, facilitation, materials	5,094
East Auckland Home & Budget Service	Oven & dishwasher	1,340
Ellerslie Amateur Athletic & Harrier Club	Trophies, medals & ribbons	2,120
Ellerslie Association Football Club	Junior coaching salary	20,000
Ellerslie Badminton Club	Shuttles	808
Ellerslie Community Arts Trust	Circus entertainment & bands	2,005
Ellerslie Eagles Rugby League Football Club	Gib & paint	2,690
Ellerslie Toy Library	Storage room hire	1,000
Epilepsy Assn of New Zealand	Salary	5,000
Family Life	Brochures & mailing	2,500
Fancy Footsteps	Accommodation	1,000
Galaxy Sports Trust	Youth team fees	550

Glaucoma New Zealand	Training modules & website contract	3,000
Glen Innes Chinese Groups	Hall rental	1,500
Glen Innes Foodbank	Food parcels	17,000
Glen Innes Primary School	ICT equipment leasing	10,000
Glen Taylor School Board of Trustees	ICT equipment & leasing	10,000
Glenbrae Primary School	ICT equipment	10,000
Good Seed Trust	Consumables, printing, transport, salaries	5,000
Graeme Dingle Foundation	Salaries	3,000
Habitat for Humanity Northern Region	Racking	5,000
Howick Pakuranga Cricket Club	Balls	2,500
Howick Pakuranga Hockey Club Inc	Venue hire	5,000
Kidney Kids of NZ	Laptops	2,199
Leukaemia & Blood Cancer New Zealand	Parking & gift vouchers	1,000
Life Education Trust Auckland Central	Educator salary	10,000
Manaiakalani Education Trust	Broadcasting	5,000
Marist Softball Club Inc	Fees, marquees, chiller	5,000
Maungarei Community Christian Trust	Salaries	25,000
Mens Shed Auckland East Inc	Flooring construction & materials	5,000
Mercy Hospice Auckland	Salaries	10,000
Momentum Charitable Trust	Course facilitators	1,475
Mt Wellington Amateur Swimming Club	Coaching	20,000
Mt Wellington Roller Sports Club	Rink hire, trophies, referees, airfares	10,000
Mt Wellington Softball Club	Uniforms & equipment	5,000
New Zealand Aids Foundation	Portaloos	3,440
New Zealand Blue Light Ventures	Resource books	584
New Zealand Centre for Gifted Education	Salary	2,500
New Zealand Council of Victim Support Groups	Salary	4,923
New Zealand Nepal Society	Court hire & shuttles	2,250
Northern Region BMX	Uniform & trophies	762
One Tree Hill College	Coaching	20,000
Order of St John Northern Region Trust Board	Generators, radios & equipment	18,020
Otahuhu College Board of Trustees	ICT equipment	10,000
Otahuhu Rovers Rugby League Football Club	Womens uniforms	3,125
Otahuhu Softball Club	Trophies	2,802
Outward Bound	Scholarships	30,253
Pakuranga Athletic Club Juniors	Sound system	1,995
Panama Road School	ICT equipment	10,590
Panmure Bridge School	ICT equipment	9,912
Panmure Business Association	Panmure fun day	23,542
Panmure District School	ICT equipment	10,000

Panmure Lagoon Sailing Club Inc	Sailing dinghy	5,000
Panmure Squash Rackets Club	Power bills	1,800
Panmure Yacht and Boating Club	Lift	60,000
Parkinson's New Zealand	Salary	4,583
Piha Surf Life Saving Club	Juniors equipment	1,495
Probus Club of Panmure	Bus trips	820
Rape Prevention Education Whakatu Mauri Trust	Salary	5,000
Ronald McDonald House Charities NZ Trust	Car parking	5,425
Royal New Zealand Foundation for the Blind	Talking books	5,000
Royal New Zealand Plunket Trust	Salaries	1,000
Ruapotaka School	Digital sign & concrete	10,000
Sacred Heart College Development Foundation	Scholarships	15,648
Sommerville School	ICT equipment	10,000
SPELD New Zealand Inc	Teacher tuition	600
Spirit of Adventure Trust	Voyage scholarships	28,260
St Georges Rowing Club	Roof replacement	10,000
St Pius X School	ICT equipment	10,000
Stanhope Road School	Astroturf & ICT equipment	20,800
Starjam Charitable Trust	Venue hire & salaries	2,066
Stonefields School	ICT equipment	5,000
Storytime Foundation	Books	3,499
Stroke Foundation of New Zealand	Salary	5,000
Stuttering Treatment & Research Trust	Room hirage	1,984
Surf Life Saving Northern Region	Fuel	2,500
Tamaki College	ICT equipment	9,999
Tamaki Community Development Trust	Staff salaries	5,000
Tamaki Primary School	ICT equipment	10,000
Te Karanga CharitableTrust	Salaries	3,600
Te Waipuna Puawai Mercy Oasis Ltd	Salary	2,850
The Operating Theatre T/A Tim Bray Theatre	Tickets	3,250
The Retreat New Zealand	Window coverings	6,500
Trees for Survival Charitable Trust	Potting mix, bags, spades, auger	1,623
Wandersearch Auckland Charitable Trust	Salary	1,000
Youthline Auckland	Communication services	5,000
YSAR Trust	Equipment	1,900
	Less: Donation refunds	-33,719
		802,566

**WAIPUNA**
CONFERENCE SUITES
HIGHBROOK

**WAIPUNA**
HOTEL & CONFERENCE CENTRE

**PANMURE**
HISTORIC HOTEL