



# Annual Report

Redwood Trust Incorporated  
For the year ended 31 March 2017

Prepared by WK Advisors and Accountants Limited

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## Entity Information

### Redwood Trust Incorporated For the year ended 31 March 2017

#### Legal Name

Redwood Trust Incorporated

#### Entity Status and Legal Basis

Incorporated Society  
Registration number 418159

#### Date of Incorporation

18 August 1988

#### Entity Purpose or Mission

To donate to recognised charitable or amateur sporting organisations funded from gaming machine proceeds.

#### Entity Structure

The Incorporated Society is governed by a Board of Trustees which meets monthly to consider funding applications and governance matters. The entity contracts directly with a tavern, through a venue agreement, to operate the entity's gaming machines.

The Board of Trustees is not less than two nor more than four persons who shall be known as the Trustees of the Society and who shall be approved as Trustees and as members of the Management Committee by the Department of Internal Affairs or any other authority responsible for the supervision of gaming machine operations.

#### Trustees

Bob Penington  
Craig Forsyth  
Bruno Dalliessi

#### Contact Details

**Physical Address:** Level 1, 22 Scott Street, Blenheim 7201  
**Postal Address:** PO Box 349, Blenheim 7240  
**Phone:** 03-5780180  
**Email:** enquiries@redwoodtrust.org.nz  
**Website:** www.redwoodtrust.org.nz

#### Main Sources of Cash and Resources

Redwood Trust Incorporated has received income from gaming machines sited at the Redwood Tavern, Cleghorn Street, Redwoodtown, Blenheim 7201, and from investments.

#### Main Methods Used to Raise Funds

Aside from gaming machines, the entity does not carry out fundraising.

#### Reliance on Volunteers and Donated Services

The entity does not rely on volunteers or donated services



*These statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Auditors Report*

**Entity Information**

**IRD Number**

050-432-882

**GST Status**

Payments Basis, Two monthly returns, Coinciding with balance date

**Chartered Accountants**

WK Advisors and Accountants Limited  
P O Box 349  
Blenheim 7240  
Contact - Craig Forsyth

**Auditors**

Crowe Horwath NZ Audit Partnership  
PO Box 764  
Blenheim 7240

**Bankers**

Bank of New Zealand  
92-94 Market Street  
Blenheim 7201



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# Statement of Service Performance

## Redwood Trust Incorporated For the year ended 31 March 2017

### Entities Outcomes

The Redwood Trust is a charitable trust that exists for the purpose of raising funds for the community. The entity owns gaming machines installed at a tavern in Marlborough, that manages the machines on their behalf.

Profits from these machines are utilised for authorised purposes, for distribution within the community.

### Quantification of Outputs

	2017	2016
<b>Applied and distributed funds</b>		
Donations	\$408,421	\$420,550
Applied and distributed funds as a percentage of gross proceeds	40.5%	41.0%

For more information visit [www.redwoodtrust.org](http://www.redwoodtrust.org).



# Statement of Financial Performance

## Redwood Trust Incorporated For the year ended 31 March 2017

	NOTES	2017	2016
<b>Revenue</b>			
<b>Revenue from providing Goods or Services</b>			
Proceeds from Gaming Machines		1,004,572	1,023,303
<b>Total Revenue from providing Goods or Services</b>		<b>1,004,572</b>	<b>1,023,303</b>
<b>Interest, Dividends and other Investment Revenue</b>			
Interest Received		130	77
<b>Total Interest, Dividends and other Investment Revenue</b>		<b>130</b>	<b>77</b>
<b>Other Revenue</b>			
Depreciation - Gain on Sale		4,922	2,573
<b>Total Other Revenue</b>		<b>4,922</b>	<b>2,573</b>
<b>Total Revenue</b>		<b>1,009,623</b>	<b>1,025,952</b>
<b>Expenses</b>			
<b>Grants and Donations Made</b>			
Donations		408,421	420,550
<b>Total Grants and Donations Made</b>		<b>408,421</b>	<b>420,550</b>
<b>Costs related to providing goods or services</b>			
Advertising and Marketing		1,110	1,435
Electronic Monitoring Activity		12,349	8,489
Gaming Machine Duty		231,052	235,360
Insurance		6,205	6,672
Intralot Telecom Line Charge		618	618
Licences & Registrations		998	565
Operator's Annual Fee		3,612	3,612
Operator's Licence - Renewal		10,246	2,260
Printing, Stamps & Stationery		1,171	1,715
Problem Gambling Levy		15,050	15,416
Repairs & Maintenance		-	1,034
Repairs & Maintenance - Gaming Room		659	347
Secretarial Services		55,010	55,686
Service Contract		16,800	16,800
Site Fees and Administration		128,380	122,495
Subscriptions		1,806	490
Venue Annual Fee - per Machine		11,342	6,800
Venue Licence - Amendment		169	226
Venue Licence - Renewal		170	170
Website		-	594
<b>Total Costs related to providing goods or services</b>		<b>496,746</b>	<b>480,782</b>
<b>Other Expenses</b>			
Accountancy Fees		5,579	6,000

These financial statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Auditors Report



Statement of Financial Performance

	NOTES	2017	2016
Audit Fees		2,376	1,856
Bank Charges		186	229
Depreciation - Loss on Disposal		1,657	1,468
Depreciation Expense		68,324	64,054
Interest - Marac Finance		8,669	10,146
Loan Fees		350	370
Loss on Scrapping Asset		-	2,390
Trustees Fees		20,000	17,500
<b>Total Other Expenses</b>		<b>107,141</b>	<b>104,013</b>
<b>Total Expenses</b>		<b>1,012,307</b>	<b>1,005,345</b>
<b>Net Surplus (Deficit) for the Year</b>		<b>(2,684)</b>	<b>20,608</b>




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# Statement of Financial Position

## Redwood Trust Incorporated As at 31 March 2017

	NOTES	31 MAR 2017	31 MAR 2016
<b>Assets</b>			
<b>Current Assets</b>			
BNZ - Current Account		53,146	60,899
<b>Total Current Assets</b>		<b>53,146</b>	<b>60,899</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment		198,113	198,771
<b>Total Non-Current Assets</b>		<b>198,113</b>	<b>198,771</b>
<b>Total Assets</b>		<b>251,260</b>	<b>259,670</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables		44,705	33,041
Donation Creditors		-	15,000
GST Account		13,498	18,585
Interest Accrued		346	584
Marac Finance - Current Portion		50,274	73,237
<b>Total Current Liabilities</b>		<b>108,823</b>	<b>140,448</b>
<b>Non-Current Liabilities</b>			
<b>Loans</b>			
Heartland Bank - Loan Sept 2016		34,359	-
Marac Finance - November 2015		12,926	17,856
Marac Finance - September 2014		-	3,531
<b>Total Loans</b>		<b>47,285</b>	<b>21,387</b>
<b>Total Non-Current Liabilities</b>		<b>47,285</b>	<b>21,387</b>
<b>Total Liabilities</b>		<b>156,108</b>	<b>161,834</b>
<b>Net Assets</b>		<b>95,152</b>	<b>97,836</b>
<b>Accumulated Funds</b>			
Accumulated Funds		95,152	97,836
<b>Total Accumulated Funds</b>		<b>95,152</b>	<b>97,836</b>

Signed by:

 Trustee

 Trustee

Date: 19.6.2017



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# Statement of Cash Flows

## Redwood Trust Incorporated For the year ended 31 March 2017

	March 2017	March 2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash was provided from:		
Receipts from gaming machines	1,004,572	1,023,303
Interest	130	77
	<u>1,004,702</u>	<u>1,023,380</u>
Cash was applied to:		
Payments to suppliers and employees	518,660	511,001
Authorised Distributions	423,421	405,550
Taxation paid	0	0
Interest paid	8,907	10,167
	<u>950,988</u>	<u>926,718</u>
<b>NET CASH INFLOW(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>53,714</b>	<b>96,662</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash was provided from:		
Sale of fixed assets	10,250	6,000
Cash was applied to:		
Purchase of fixed assets	<u>74,652</u>	<u>68,457</u>
<b>NET CASH INFLOW(OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>-64,402</b>	<b>-62,457</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Cash was provided from:		
Hire purchase drawdowns	74,412	60,164
Cash was applied to:		
Repayment of hire purchase loans	<u>71,477</u>	<u>92,454</u>
<b>NET CASH INFLOW(OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>2,935</b>	<b>-32,290</b>
Net Increase(Decrease) in cash held	-7,752	1,915
Add cash at start of year	<u>60,899</u>	<u>58,985</u>
Cash at end of year	<u>53,147</u>	<u>60,899</u>
<b>RECONCILIATION OF NET SURPLUS/(DEFICIT) TO NET CASHFLOW FROM OPERATING ACTIVITIES</b>		
<b>REPORTED NET SURPLUS/(DEFICIT)</b>	<b>-2,684</b>	<b>20,608</b>
<b>ADD(LESS) NON CASH ITEMS</b>		
Depreciation and net gain on sale	65,059	65,339
<b>ADD(LESS) MOVEMENTS IN OTHER WORKING CAPITAL ITEMS</b>		
(Increase)/Decrease in Accounts Receivable	0	0
(Decrease)/Increase in GST Due	-5,087	30
(Decrease)/Increase in Accounts Payable	11,664	-4,294
(Decrease)/Increase in Donation Creditors	-15,000	15,000
(Decrease)/Increase in Interest Accrued	-238	-21
	<u>-8,662</u>	<u>10,715</u>
<b>NET CASH INFLOW(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>53,713</b>	<b>96,662</b>



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## Schedule of Fixed Assets and Depreciation

### Redwood Trust Incorporated For the year ended 31 March 2017

NAME	PURCHASED	COST	OPENING VALUE	PURCHASES	DISPOSALS	RATE	DEPRECIATION	CLOSING ACCUM DEP	CLOSING VALUE
<b>Gaming Machines</b>									
00700483 Pyramid Magic 2c V99	31 Oct 2012	26,495	4,578	-	-	40%	1,831	23,748	2,747
00700483 White Tiger Conversion	5 Nov 2014	6,000	3,000	-	-	40%	1,200	4,200	1,800
00700484 Lucky Strike - Conversion	5 Nov 2014	6,000	3,000	-	-	40%	1,200	4,200	1,800
00700484 The Phantom 2c V99	31 Oct 2012	28,995	5,010	-	-	40%	2,004	25,989	3,006
00701149 Vir W/S MidR LTB Pure Gold 2c V04	4 Nov 2015	17,000	14,167	-	-	40%	5,667	8,500	8,500
00701150 Vir W/S MidR LTB Spark Royal BS 2c V01	4 Nov 2015	17,000	14,167	-	-	40%	5,667	8,500	8,500
00868042 Game Conversion	1 Jun 2005	4,750	21	-	-	40%	8	4,738	12
01920206 Multistar Dynamic	1 Aug 2010	33,995	879	-	-	48%	422	33,538	457
01920206 Multistar Gold Fever Conversion	30 Nov 2013	3,000	900	-	-	40%	360	2,460	540
01920207 Multistar Jackpots	1 Aug 2010	33,995	879	-	-	48%	422	33,538	457
01920207 Multistar Megastar 3	30 Nov 2013	-	-	-	-	40%	-	-	-
01920657 Multistar Gold Fever 2 Conversion	30 Nov 2013	3,000	900	-	-	40%	360	2,460	540
01920657 Multistar Mystery Mix Conversion from Multistar GF 2	20 Sep 2016	5,000	-	5,000	-	40%	1,167	1,167	3,833
01920657 Multistar Wishes & Dreams	30 Jun 2011	33,995	2,937	-	-	40%	1,175	32,233	1,762
01920658 Multistar Gold Fever 3	30 Nov 2013	3,000	900	-	-	40%	360	2,460	540
01920658 Multistar Rock N' Jaguar	30 Jun 2011	33,995	2,937	-	-	40%	1,175	32,233	1,762
01931034 Multistar World Champion Series	20 Sep 2016	26,995	-	26,995	-	40%	6,299	6,299	20,696
01960411 Conversion Multistar Foxy Fortune	1 Apr 2008	6,000	106	-	-	40%	42	5,936	64
01960411 Multistar Foxy Fortune	1 Oct 2002	18,700	21	-	-	40%	8	18,687	13
01970459 Multistar 10G Megastar	1 Sep 2005	24,995	124	-	-	40%	49	24,920	75
01980695 Multistar Megastar 2 w Pids	1 Apr 2008	25,995	460	-	-	40%	182	25,717	278
01983377 Multistar Foxy Fortune	1 Aug 2010	22,995	594	-	-	48%	285	22,686	309
01983378 Multistar 11	1 Aug 2010	22,995	594	-	-	48%	285	22,686	309

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Schedule of Fixed Assets and Depreciation

NAME	PURCHASED	COST	OPENING VALUE	PURCHASES	DISPOSALS	RATE	DEPRECIATION	CLOSING ACCUM DEP	CLOSING VALUE
07993772 PC4 Equinox	5 Nov 2014	25,995	12,998	-	-	40%	5,199	18,197	7,799
07993773 Multideluxe Conversion from SL-V Equinox	20 Sep 2016	5,995	-	5,995	-	40%	1,399	1,399	4,596
07993773 SL-V Equinox	5 Nov 2014	27,495	13,748	-	-	40%	5,499	19,247	8,249
07994088 EGM Scatter Strike Blue	4 Nov 2015	23,995	19,996	-	-	40%	7,998	11,998	11,998
07994469 SL-V Dualos Beyond Olympus Fire Surge	20 Sep 2016	28,995	-	28,995	-	40%	6,766	6,766	22,230
09007252 Selexion 7 - free conversion	30 Jun 2011	26,950	2,328	-	2,328	40%	-	-	-
09007635 Norse Warrior FSF	31 Oct 2012	26,950	4,657	-	4,657	40%	-	-	-
Display Flags x2	20 Jan 2012	1,058	677	-	-	10%	68	449	609
EMS - Wiring & Software	1 Mar 2007	931	2	-	-	50%	1	930	1
Jackpot Conversion	1 Mar 2001	950	-	-	-	40%	-	950	-
Jackpot System Generation One	30 Nov 2013	29,250	8,775	-	-	40%	3,510	23,985	5,265
Jackpot Sinfo Kits AU1 x3	30 Nov 2013	3,300	990	-	-	40%	396	2,706	594
Jackpot Sinfo Kits GU4 x2	30 Nov 2013	4,000	1,200	-	-	40%	480	3,280	720
Jackpot Sinfo Kits GU4A x2	30 Nov 2013	4,000	1,200	-	-	40%	480	3,280	720
Mystery Jackpot 1078	1 Oct 1999	8,042	2	-	-	40%	1	8,041	1
Notes sorter, s/no 2P105L052	13 Jan 2016	5,300	4,770	-	-	40%	1,908	2,438	2,862
Qcom Conversion Kits	1 Apr 2006	2,000	13	-	-	40%	5	1,992	8
Qcom Upgrades	1 Apr 2006	17,250	111	-	-	40%	44	17,183	67
Revaluation	1 Aug 2004	60,423	60,423	-	-	-	-	-	60,423
Superflat Monitors x5	1 Sep 2005	6,500	32	-	-	40%	13	6,480	20
<b>Total Gaming Machines</b>		<b>714,274</b>	<b>188,098</b>	<b>66,985</b>	<b>6,985</b>		<b>63,935</b>	<b>476,211</b>	<b>184,163</b>
<b>Plant &amp; Equipment</b>									
Air Conditioning	1 Aug 2003	5,000	1,080	-	-	11%	123	4,043	957
Bar Stools	1 Sep 2003	3,727	176	-	-	22%	38	3,589	138

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Schedule of Fixed Assets and Depreciation

NAME	PURCHASED	COST	OPENING VALUE	PURCHASES	DISPOSALS	RATE	DEPRECIATION	CLOSING ACCUM DEP	CLOSING VALUE
Bases	1 Oct 2006	1,019	204	-	-	16%	32	847	172
Bases	1 Sep 2006	10,136	2,003	-	-	16%	312	8,446	1,690
Computer System 26.01.12	26 Jan 2012	1,850	101	-	-	50%	51	1,799	51
EMS - Wiring	1 Oct 2006	650	1	-	-	50%	-	650	-
EMS - Wiring & Software	1 Oct 2006	3,940	6	-	-	50%	3	3,937	3
EMS - Wiring & Software Dual Loop	1 Jan 2007	898	2	-	-	50%	1	897	1
Gambling Machines Cash Management System	20 Sep 2016	7,667	-	7,667	-	40%	1,789	1,789	5,878
Gaming Stools x 6	1 Jul 2007	2,280	325	-	-	20%	65	2,020	260
Performance Optimising Monitoring System	24 Nov 2011	5,900	2,215	-	-	20%	443	4,128	1,772
Security Cameras	13 Apr 2015	5,162	3,097	-	-	40%	1,239	3,304	1,858
VIR LCD Button Upgrade Kit	5 Nov 2014	1,995	1,463	-	-	20%	293	825	1,170
<b>Total Plant &amp; Equipment</b>		<b>50,224</b>	<b>10,673</b>	<b>7,667</b>	<b>-</b>		<b>4,389</b>	<b>36,273</b>	<b>13,951</b>
<b>Total</b>		<b>764,498</b>	<b>198,771</b>	<b>74,652</b>	<b>6,985</b>		<b>68,324</b>	<b>512,484</b>	<b>198,114</b>

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## Disposal Schedule

### Redwood Trust Incorporated For the year ended 31 March 2017

NAME	PURCHASED	COST	ASSET VALUE	SALE PRICE	DEP RECOVERED	LOSS	CAPITAL GAIN	DISPOSED
<b>Gaming Machines</b>								
09007252 Selexion 7 - free conversion	30 Jun 2011	26,950	2,328	7,250	4,922	-	-	20 Sep 2016
09007635 Norse Warrior FSF	31 Oct 2012	26,950	4,657	3,000	-	1,657	-	20 Sep 2016
<b>Total Gaming Machines</b>		<b>53,900</b>	<b>6,985</b>	<b>10,250</b>	<b>4,922</b>	<b>1,657</b>	-	
<b>Total</b>		<b>53,900</b>	<b>6,985</b>	<b>10,250</b>	<b>4,922</b>	<b>1,657</b>	-	

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# Notes to the Financial Statements

## Redwood Trust Incorporated For the year ended 31 March 2017

### 1. Statement of Accounting Policies

#### Basis of Preparation

The financial statements presented here are for the entity Redwood Trust Incorporated an Incorporated Society registered under the Incorporated Societies Act 1908.

Redwood Trust Incorporated is eligible to apply Tier 3 PBE Accounting Standards : PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit), on the basis that it does not have public accountability and has total annual expenses equal to or less than \$2,000,000. All transactions in the financial statements are reported using the accrual basis of accounting.

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been used, with the exception of certain items for which specific accounting policies have been identified.

The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except when otherwise indicated.

The financial statements are prepared under the assumption that the entity will continue to operate in the foreseeable future.

#### Changes in Accounting Policies

The entity transitioned on 1 April 2016 from preparation of Special Purpose financial reporting to Tier 3 PBE Accounting Standards : PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) in accordance with External Reporting Board Guidelines. The transition had minimal impact on the accounting policies of the entity.

All other accounting policies were applied consistently during the year.

#### Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the entity and revenue can be reliably measured. Revenue shall be recorded on the occurrence of a recognition event. This is when there is a legal right to receive cash either now or sometime in the future. Revenue is measured at the fair value of the consideration received.

#### The following specific recognition criteria must be met before revenue is recognised:

- Interest revenue is recognised as it accrues, using the effective interest method.
- Gaming income is recognised on an accruals basis in accordance with the gaming machine electronic monitoring activity reports.

#### Income Tax

The Redwood Trust Incorporated is exempt from income tax under section CW48 of the Income Tax Act 2007.

#### Going Concern

The Trust continues to adopt the Going Concern assumption in preparing the financial statements as the Trust has, in the opinion of the Trustees, adequate resources to continue operations in the foreseeable future.

	2017	2016
<b>Property, Plant and Equipment</b>		
<b>Gaming Machines</b>		
Opening Balance	188,098	189,981
Purchases	66,984	63,295
Sales	(6,985)	(4,895)
Depreciation	(63,935)	(60,283)
<b>Total Gaming Machines</b>	<b>184,162</b>	<b>188,098</b>
<b>Plant and Machinery</b>		
Opening Balance	10,673	11,671
Purchases	7,667	5,162
Sales	-	(2,390)
Depreciation	(4,389)	(3,770)
<b>Total Plant and Machinery</b>	<b>13,951</b>	<b>10,673</b>
<b>Total Property, Plant and Equipment</b>	<b>198,113</b>	<b>198,771</b>

### Fixed Assets

Fixed Assets have been included at cost less accumulated depreciation. Details of fixed assets are set out in the attached Schedule of Fixed Assets and Depreciation.

### Depreciation

Depreciation has been charged on a diminishing value (DV) basis, at rates approved by the Inland Revenue Department. Details of rates and depreciation claims are set out in the Fixed Asset Register included herein.

### Goods and Services Tax

The Statement of Financial Performance and Statement of Cashflows have 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 account receivables and payables.

### 2. Audit

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

### 3. Related Parties

Accountancy and secretarial services have been provided to the Trust by WK Advisors and Accountants Limited, a firm in which Trustee, C.A. Forsyth is a Director.

All related party transactions are carried out on an arms length basis on normal commercial terms. No related party debts have been written off or forgiven during the year.

### 4. Contingent Liabilities

At balance date there are no known contingent liabilities (2016: \$0). Redwood Trust Incorporated has not granted any securities in respect of liabilities payable by any other party whatsoever.



## 5. Capital Commitments

As at balance date there are no significant capital commitments (2016: \$0).

## 6. Events Subsequent to Balance Date

No events or transactions have occurred since balance date which would have a material effect upon the financial statements or which are of such significance as to require mention in the notes to the financial policies. There are no plans or intentions that may materially affect the current value or classification of assets and liabilities (2016: \$0).

