Trust House Limited
Consolidated Financial Statements
for the year ended 31 March 2023

Contents

Consolidated statement of profit or loss

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Group 2023 $	Group 2022 $	Parent 2023 $	Parent 2022 $
Revenue	5	38,662,257	33,910,457	29,297,327	25,246,235
Cost of sales		(6,334,809)	(5,064,052)	(6,334,809)	(5,064,052)
Gross profit		32,327,448	28,846,405	22,962,518	20,182,183
Operating expenses	7	(24,033,670)	(21,634,165)	(19,631,718)	(17,362,493)
Operating profit		8,293,778	7,212,240	3,330,800	2,819,690
Finance costs	23	(1,152,560)	(957,384)	(1,152,560)	(957,384)
Finance income	23	46,902	4,082	46,991	23,830
Net finance costs	23	(1,105,658)	(953,302)	(1,105,569)	(933,554)
Net operating profit		**7,188,120**	**6,258,938**	**2,225,231**	**1,886,136**
Non-operating items	6	(19,026,760)	28,586,767	(19,026,760)	28,586,767
Net profit before charitable donations		**(11,838,640)**	**34,845,705**	**(16,801,529)**	**30,472,903**
Charitable donations	29	(4,722,319)	(4,328,245)	(5,000)	(60,000)
Net profit for year		**(16,560,959)**	**30,517,460**	**(16,806,529)**	**30,412,903**

Grant Thornton New Zealand Audit Ltd. Marked for identification purposes.

The accompanying notes and accounting policies form part of, and should be read in conjunction with, these financial statements

Consolidated statement of comprehensive income

FOR THE YEAR ENDED 31 MARCH 2023

	Group 2023 $	Group 2022 $	Parent 2023 $	Parent 2022 $
Net profit / (loss)	(16,560,959)	30,517,460	(16,806,529)	30,412,903
Other comprehensive income:				
	-	-	-	-
Total comprehensive income for the year	(16,560,959)	30,517,460	(16,806,529)	30,412,903

The accompanying notes and accounting policies form part of, and should be read in conjunction with, these financial statements

Consolidated statement of changes in equity

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Group 2023 $	Group 2022 $	Parent 2023 $	Parent 2022 $
Total comprehensive income		(16,560,959)	30,517,460	(16,806,529)	30,412,903
Movements in equity for the year		(16,560,959)	30,517,460	(16,806,529)	30,412,903
Equity at the start of the year		176,543,047	146,025,587	174,788,594	144,375,691
Equity at the end of the year		**159,982,088**	**176,543,047**	**157,982,065**	**174,788,594**

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Consolidated statement of financial position

AS AT 31 MARCH 2023

	Notes	Group 2023 $	Group 2022 $	Parent 2023 $	Parent 2022 $
Current assets					
Cash and cash equivalents	8	2,987,509	4,465,554	296,514	2,152,846
Trade and other receivables	9	1,643,797	744,165	1,673,253	802,659
Prepayments		587,143	503,925	482,497	416,483
Inventories	10	505,803	453,518	505,803	453,518
Other investments	11	-	-	150,000	150,000
Total current assets		**5,724,252**	**6,167,162**	**3,108,067**	**3,975,506**
Non-current assets					
Other investments	11	-	-	-	300,000
Investment properties	13	159,105,000	173,386,324	159,105,000	173,386,324
Property, plant and equipment	14	23,102,696	22,799,308	21,965,543	21,613,130
Intangible assets	15	141,675	138,928	35,660	44,720
Total non-current assets		**182,349,371**	**196,324,560**	**181,106,203**	**195,344,174**
Total assets		**188,073,623**	**202,491,722**	**184,214,270**	**199,319,680**
Current liabilities					
Trade and other payables	16	3,461,352	2,034,215	2,446,730	1,546,785
Employee entitlements	17	1,187,495	1,121,269	1,187,495	1,121,269
Borrowings	18	1,025,000	25,000	1,025,000	25,000
Lease liabilities	30	182,998	226,857	182,998	226,857
Provisions	25	-	50,000	-	50,000
Charitable donations allocated	29	844,708	930,159	-	-
Total current liabilities		**6,701,553**	**4,387,500**	**4,842,223**	**2,969,911**
Non-current liabilities					
Employee entitlements	17	28,945	37,747	28,945	37,747
Borrowings	18	20,014,584	20,039,584	20,014,584	20,039,584
Lease liabilities	30	1,327,064	1,466,880	1,327,064	1,466,880
Provisions	25,26	19,389	16,964	19,389	16,964
Total non-current liabilities		**21,389,982**	**21,561,175**	**21,389,982**	**21,561,175**
Equity					
Share capital	19	11,330,740	11,330,740	11,330,740	11,330,740
Retained earnings	19	147,415,391	163,976,350	145,415,368	162,221,897
Asset revaluation reserve	19	1,235,957	1,235,957	1,235,957	1,235,957
Total equity		**159,982,088**	**176,543,047**	**157,982,065**	**174,788,594**
Total liabilities and equity		**188,073,623**	**202,491,722**	**184,214,270**	**199,319,680**

Signed on behalf of Trust House Limited

L GRIFFITHS
DEPUTY CHAIR

S CAMPBELL
DIRECTOR

Grant Thornton New Zealand Audit Ltd. Marked for identification purposes.

The accompanying notes and accounting policies form part of, and should be read in conjunction with, these financial statements

Consolidated statement of cash flows

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Group 2023 $	Group 2022 $	Parent 2023 $	Parent 2022 $
Cash flows from operating activities					
Cash was provided from:					
Receipts from customers		37,760,053	33,687,932	28,421,223	25,041,916
Interest received		46,902	4,082	46,991	23,830
		37,806,955	33,692,014	28,468,214	25,065,746
Cash was applied to:					
Payments to suppliers and employees		27,770,694	24,592,972	23,989,683	20,879,060
Charitable donations		4,807,770	4,063,829	5,000	60,000
Interest paid		1,055,792	862,978	1,055,792	862,978
Lease interest paid		92,593	93,658	92,593	93,658
		(33,726,849)	(29,613,437)	(25,143,068)	(21,895,696)
Net cash flows from operating activities	22	**4,080,106**	**4,078,577**	**3,325,146**	**3,170,050**
Cash flows from investing activities					
Cash was provided from:					
Sale of plant, property and equipment		473,800	15,200	455,518	5,200
Repayment of loans		-	-	300,000	150,000
		473,800	15,200	755,518	155,200
Cash was applied to:					
Purchase of plant, property and equipment		2,123,013	1,612,806	2,047,072	1,416,351
Purchase of intangible assets		19,014	54,540	-	22,300
Upgrading of investment property		4,745,436	1,724,557	4,745,436	1,724,557
		(6,887,463)	(3,391,903)	(6,792,508)	(3,163,208)
Net cash flows from investing activities		**(6,413,663)**	**(3,376,703)**	**(6,036,990)**	**(3,008,008)**
Cash flows from financing activities					
Proceeds from borrowings		1,000,000	-	1,000,000	-
Lease debt entered into		-	98,207	-	98,207
		1,000,000	98,207	1,000,000	98,207
Cash was applied to:					
Repayment of borrowings		25,000	25,000	25,000	25,000
Repayment of lease debt		119,488	153,365	119,488	153,365
		(144,488)	(178,365)	(144,488)	(178,365)
Net cash flows from financing activities		**855,512**	**(80,158)**	**855,512**	**(80,158)**
Net (decrease) / increase in cash held		(1,478,045)	621,716	(1,856,332)	81,884
Opening cash balance		4,465,554	3,843,838	2,152,846	2,070,962
Closing cash balance		**2,987,509**	**4,465,554**	**296,514**	**2,152,846**
Closing cash is made up of					
Cash and cash equivalents		2,987,509	4,465,554	296,514	2,152,846
	8	**2,987,509**	**4,465,554**	**296,514**	**2,152,846**

The accompanying notes and accounting policies form part of, and should be read in conjunction with, these financial statements

Grant Thornton New Zealand Audit Ltd. Marked for identification purposes.

Notes to the consolidated financial statements

1 REPORTING ENTITY

These financial statements have been prepared in accordance with the Companies Act 1993 and the Constitution of Trust House Limited. The parent and Group financial statements of Trust House Limited as at and for the year ended 31 March 2023 comprise Trust House Limited as the parent and Trust House Foundation as a controlled entity.

Trust House Limited is primarily involved in the hospitality industry running a number of bars, restaurants, a bottle store, two hotels, a large rental housing portfolio and a small hydroelectric scheme. Trust House Foundation is a class IV gaming Foundation.

2 BASIS OF PREPARATION

(a) Basis of compliance

The financial statements of the Group comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements were approved by the Board of Directors on 27th June 2025.

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP). For the purposes of complying with NZ GAAP the entity is a for-profit entity. The Company is a Tier 1 for-profit entity, as it has expenditure of more than $30 million.

Trust House Limited is a company incorporated and domiciled in New Zealand, registered under the Companies Act 1993. The companies registered office is 4 Queen Street, Masterton 5840, New Zealand. Accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:

- investment property is measured at fair value.
- land and buildings are measured at fair value.

The methods used to measure fair values are discussed further in note 4.

(c) Functional and presentation currency

These financial statements are presented in New Zealand dollars, which is the Company's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest dollar.

(d) Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties include:

- Financial instruments' risk management and policies	Note 20
- Sensitivity analyses disclosures	Note 15 and 20

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

- Note 13 - Valuation of investment property
- Note 14 - Valuation of land and buildings
- Note 15 - Goodwill impairment
- Note 30 - Estimating the incremental borrowing rate for leases

(e) Changes in accounting policy and disclosures

All accounting policies adopted in these financial statements are consistent with those of the previous financial year.

3 SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The consolidated financial statements comprise the financial statements of Trust House Limited and its controlled entity as at 31 March each year ('the Group')

The Group financial statements consolidate the financial statements of subsidiaries.

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue and expenses of entities in the Group on a line-by-line basis.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The Group has the following financial assets which are all measured at amortised cost: cash and cash equivalents, trade and other receivables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group has the following financial liabilities which are all measured at amortised cost: trade and other payables, loans and borrowings including bank overdrafts.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and term deposits with a duration of less than three months. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

Trade and other receivables

Trade and other receivables are stated at their amortised cost less expected credit losses.

Borrowings

Borrowings are classified as current unless there is an unconditional right to defer settlement for at least 12 months after the balance date.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred. Interest on qualifying assets is capitalised to the asset.

Trade and other payables

Trade and other payables are stated at amortised cost.

Property, plant and equipment

Recognition and measurement

Land and buildings are revalued with sufficient regularity such that the carrying value is not materially different to fair value, but at least every three years. The fair value is determined by an independent registered valuer by reference to their highest and best use. Additions between revaluations are recorded at cost.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Furniture, plant and equipment, hydro assets, motor vehicles and gaming machines are initially recorded at cost, and depreciated.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation

Depreciation is calculated on a straight-line basis on all plant, property and equipment and gaming machines (other than freehold land and items under construction, which are not depreciated), at a rate which will write off the cost (or valuation) of the assets to their estimated residual value over their useful lives.

The depreciation rates for property, plant and equipment are as follows:

Land & Buildings - structure	1.96%-4.35%
Land & Buildings - services and fit out	1.96%-33.33%
Furniture & Plant - general	5.26%-67%
Furniture & Plant - gaming machines and counters	25%-100%
Motor Vehicles	10.5%-20%
Hydro Assets - Electrical reticulation	6.67%
Hydro Assets - Computerised load control equipment	16.67%

When the components of an item of property, plant and equipment have different useful lives or provide benefits to the entity in different patterns, thus requiring different depreciation rates and methods, the cost of the item is allocated to its component and each component is accounted for separately.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets

Intangible assets comprise software acquired by the Group and goodwill on acquired businesses. Intangible assets acquired by the Group which have finite lives, are measured at cost less accumulated amortisation and accumulated impairment losses. Software is amortised at a rate of 15-25% per year on a straight-line basis. Gaming machine software upgrades are amortised at 25% per year on a straight-line basis.

Investment property

Property is classified as investment property when the primary income stream from the asset is rental income.

Investment property is initially recorded at cost. After initial recognition it is measured at fair value at each balance date.

With the introduction of IFRS 13 Fair value measurement, the Group's policy is to value at fair value considering highest and best use on an individual property basis.

Any increase or decrease in fair value is recognised in the Statement of Profit or Loss. Investment property is not depreciated.

Impairment

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any objective evidence of impairment.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the Statement of profit or loss

Impairment of receivables

All individual receivables which are considered to be significant are evaluated on a case-by-case basis. For trade receivables which are not significant on an individual basis, collective impairment is assessed on a portfolio basis, based on numbers of days overdue, and taking into account the historical loss experience in portfolios with a similar amount of days overdue.

Leases

(i) Measurement Basis

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the group's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date.
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and phones.

(ii) Extension and termination options

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

Extension and termination options are included in a number of property and equipment leases across the group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by Group and not by the respective Lessor.

Inventories

Inventories are valued at the lower of cost, on a weighted average basis, and net realisable value.

Employee entitlements

Provision is made in respect of the Group's liability for annual leave, long service leave, and retirement gratuities.

Annual leave and other entitlements that are expected to be settled within 12 months of the reporting date are measured at nominal values on an actual entitlement basis at a current rate of pay.

Entitlements that are payable beyond 12 months, such as long service leave and retirement gratuities, have been calculated on an actuarial basis on the present value of the expected future entitlements.

A provision for sick leave is recognised where employees have over the past two years taken more sick leave than their yearly allowance and still have accrued sick leave entitlements at year end. The provision is calculated as the number of excess sick leave days over the employees entitlement expected to be taken in the next 12 months times the employees' daily rate.

A provision is recognised for the amount expected to be paid under short-term cash bonus plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Revenue

Trust House Limited is primarily involved in the hospitality industry running a number of bars, restaurants, a bottle store, two hotels, a large rental housing portfolio and a small hydroelectric scheme. Trust House Foundation is a class IV gaming Foundation.

(1) Goods sold / sales

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(2) Services

Trust House Limited acts as a management company for other Group entities. Revenue for management fees is recognised in accordance with the fees agreed in those contracts.

(3) Rental income

Rental income from investment property is recognised in the Statement of profit or loss as it becomes due.

(4) Gaming machine income

Revenue from gaming operations is measured at the fair value of the consideration received or receivable. Revenue is recognised when recovery of the consideration is probable.

(5) Government Grants

Government grants are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant.
Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments comprise of a loan to Trust House Foundation. The loan is measured at amortised cost.

Tax

Trust House Limited is exempt from income tax as the Charities Commission has granted it charitable status. Trust House Foundation is exempt from income tax as it is a Class IV gaming venue operator.

Goods and Services Tax

These accounts are prepared on a GST exclusive basis with the exception of trade and other receivables and trade and other payables, which are stated on a GST inclusive basis. Where GST is irrecoverable as an input tax, then it is recognised as part of the related asset or expense.

The amount of GST owing to or from the Inland Revenue Department at balance date, being the difference between output GST and input GST, is included in Trade and other receivables or Trade and other payables (as appropriate). The net GST paid or received from the IRD including the GST relating to investing and financial activities, is classified as an operating cash flow in the Cash Flow Statement.

Charitable donations

Charitable donations are recognised when approval is given.

Held for sale assets

Non-current assets are reclassified as current assets held for sale when their carrying amount will be recovered principally through a sale transaction rather than continuing use and a sale is highly probable.

Assets designated as held for sale are held at the lower of carrying amount at designation and fair value less costs to sell.

Depreciation is not charged against property, plant and equipment classified as held for sale.

New standards, amendments and interpretations not yet effective

There are no standards or amendments that have been issued but are not yet effective that are expected to have a significant impact on the Group.

4 DETERMINATION OF FAIR VALUES

A number of the Groups accounting policies and disclosures require the determination of fair values for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Land and Buildings

The fair value of land and buildings is based on market values. The market value of land and buildings is the estimated amount for which they could be exchanged on the date of valuation, between a willing buyer and a willing seller in an arms-length transaction after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.

(b) Investment Property

An external independent valuer, having appropriate recognised professional qualifications and recent experience in the location and category of assets being valued, values the Groups investment property portfolio every 12 months. The valuations are prepared by considering the individual highest and best use of the properties in the portfolio.

5 REVENUE

	Group 2023 $	Group 2022 $	Parent 2023 $	Parent 2022 $
Revenue from contracts with customers	30,105,237	25,935,315	20,740,307	17,271,093
Wage subsidy	26,067	437,186	26,067	437,186
Revenue from other sources	305,738	289,467	305,738	289,467
Residential rental revenue	8,225,215	7,248,489	8,225,215	7,248,489
Total revenue	38,662,257	33,910,457	29,297,327	25,246,235

Disaggregation of revenue from contracts with customers

The group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines. All revenue is earnt in the lower North Island.

	Revenue recognised at a point in time $	Revenue recognised over time $	Total $
Group			
2023			
Hospitality	18,442,680	-	18,442,680
Gaming income	11,138,571	-	11,138,571
Other	484,966	39,021	523,987
Total	30,066,217	39,021	30,105,238
2022			
Hospitality	15,134,636	-	15,134,636
Gaming income	10,293,465	-	10,293,465
Other	446,790	60,425	507,215
Total	25,874,891	60,425	25,935,316

	Revenue recognised at a point in time $	Revenue recognised over time $	Total $
Parent			
2023			
Hospitality	18,442,681	-	18,442,681
Venue payments	1,373,640	-	1,373,640
Management services	-	400,000	400,000
Other	484,966	39,021	523,987
Total	20,301,287	439,021	20,740,308
2022			
Hospitality	15,134,636	-	15,134,636
Venue payments	1,191,098	-	1,191,098
Management services	-	438,145	438,145
Other	446,790	60,425	507,215
Total	16,772,524	498,570	17,271,094

5 REVENUE (continued)

Performance obligations

The Group had the following performance obligations in relation to revenue earned over time:

Rental income: The Group hosts a mobile telephone mast and must continue to provide access to the site to receive rental.

Trust House Limited receives management fees from the Trust House Foundation. Trust House Limited must ensure that all services under the contract, primarily provision of administration, accounting, secretarial support and Class IV gaming expertise are provided to the standard required in the management contract.

There were no material contract assets or liabilities at balance date.

The parent and group has the following revenue recognised at a point in time:

Hospitality revenue is received from the supply of food, beverages and accommodation.

Venue payments relates to commission received from Trust House Foundation for managing their gaming activities at Trust House Limited venues.

Gaming income is received by the Group from outlets with gaming machine operations.

The performance obligation for the above income is satisfied at a point in time as payment is recognised at the time the goods or services are supplied. There are no variable consideration, rights of return, refunds of other related obligations.

Revenue from the Kourarau Dam is recognised at generation at the prevailing spot market price.

6 NON-OPERATING ITEMS

		Group 2023 $	Group 2022 $	Parent 2023 $	Parent 2022 $
Change in fair value of investment property	13	(19,026,760)	28,586,767	(19,026,760)	28,586,767
		(19,026,760)	28,586,767	(19,026,760)	28,586,767

7 OPERATING EXPENSES

	Group 2023 $	Group 2022 $	Parent 2023 $	Parent 2022 $
Administration and financial	1,571,186	1,362,587	1,334,957	1,122,614
Advertising and promotion	895,808	594,070	895,808	594,070
Audit Fees	107,000	108,127	90,000	92,590
Audit Fees - Masterton Community Trust	6,500	4,572	6,500	4,572
Prospective financial statement review*	4,734	4,210	-	-
Movement in provision for doubtful debts	23,026	(9,175)	23,026	(9,175)
Depreciation	1,639,213	1,695,374	1,142,737	1,135,229
Amortisation	66,685	80,638	9,060	16,547
Impairment of intangible assets	-	649,364	-	649,364
Impairment of property, plant and equipment	99,838	-	99,838	-
Loss / (gain) on sale of plant and equipment	15,474	(14,621)	(1,786)	(4,621)
Loss / (gain) on sale of intangible assets	3,448	22,667	-	19,444
Property expenses	6,083,493	4,913,044	5,875,525	4,695,549
Rent and lease expenses	406,608	455,856	-	-
Employee costs	9,903,232	8,825,990	9,903,232	8,825,990
Directors and Trustees Fees	377,122	340,530	252,821	220,320
Gaming Machine Duty and Licenses	2,830,303	2,600,932	-	-
	24,033,670	21,634,165	19,631,718	17,362,493

* These fees relate to prospective financial accounts for the Trust House Foundation forecast, required by the Department of Internal Affairs and are performed by the Principal Auditor

8 CASH AND CASH EQUIVALENTS

	Group 2023 $	Group 2022 $	Parent 2023 $	Parent 2022 $
Bank balances	2,737,242	4,218,291	46,247	1,905,583
Cash floats	250,267	247,263	250,267	247,263
Cash and cash equivalents	2,987,509	4,465,554	296,514	2,152,846

	Group 2023 $	Group 2022 $	Parent 2023 $	Parent 2022 $
Cash and cash equivalents	2,987,509	4,465,554	296,514	2,152,846
Bank overdrafts used for cash management purposes	-	-	-	-
Cash and cash equivalents	2,987,509	4,465,554	296,514	2,152,846

The carrying value of cash at bank, cash floats and bank overdrafts approximates fair value.

9 TRADE AND OTHER RECEIVABLES

	Group 2023 $	Group 2022 $	Parent 2023 $	Parent 2022 $
Trade receivables	1,351,515	589,324	1,351,515	589,324
Less provision for impairment	(51,447)	(28,421)	(51,447)	(28,421)
	1,300,068	560,903	1,300,068	560,903
Sundry receivables	343,729	183,262	373,185	241,756
	1,643,797	744,165	1,673,253	802,659

	Group and Parent 2023 $	2022 $
Aging of trade receivables		
The status of trade receivables at the reporting date is as follows:		
Not past due	1,170,625	519,229
1-30 days	80,737	17,704
31-60 days	14,185	18,680
60 days+	85,968	33,711
	1,351,515	589,324

As of 31 March 2023, trade receivables of $51447 (2022: $28,421) were past due and considered impaired and trade receivables of $129,443 (2022: $41,674) were past due but not considered impaired.

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9 TRADE AND OTHER RECEIVABLES (continued)

Movements in the group provision for impairment of receivables are as follows:

	Group 2023 $	Group 2022 $	Parent 2023 $	Parent 2022 $
As at 1 April	28,421	37,596	28,421	37,596
Additional provisions made during the year	23,026	(9,175)	23,026	(9,175)
Receivables written off during the year	-	-	-	-
Balance at the end of the year	51,447	28,421	51,447	28,421

Amounts charged to the provision are generally written off when there is no expectation of recovering additional cash.

The individually impaired receivables relate mainly to customers that are in difficult economic circumstances.

10 INVENTORIES

	Group 2023 $	Group 2022 $	Parent 2023 $	Parent 2022 $
Raw materials and consumables	102,413	59,076	102,413	59,076
Goods available for sale	403,390	394,442	403,390	394,442
	505,803	453,518	505,803	453,518

Inventory comprises goods available for sale and food ingredients.

No inventories are pledged as security for liabilities (2022 $nil). However, some inventories are subject to retention of title clauses.

11 OTHER INVESTMENTS

	Group 2023 $	Group 2022 $	Parent 2023 $	Parent 2022 $
Current investments (at amortised cost)				
Loan to Trust House Foundation	-	-	150,000	150,000
Total investments	-	-	150,000	150,000
Non current investments (at amortised cost)				
Loan to Trust House Foundation	-	-	-	300,000
	-	-	-	300,000
Total investments	-	-	150,000	450,000

12 CASH GENERATION

The table below shows the cash generation of the housing division and the rest of the group. Central office costs and interest expense have been allocated to the Housing Division to better reflect its actual performance.

	Group 2022/23		Group 2021/22	
	Rest of THL $	Housing $	Rest of THL $	Housing $
Revenue	30,423,727	8,238,530	26,649,968	7,260,489
Cost of sales	(6,334,809)	-	(5,064,052)	-
Gross Profit	24,088,918	8,238,530	21,585,916	7,260,489
Operating expenses	(19,378,715)	(4,654,956)	(17,405,599)	(3,579,203)
	4,710,203	3,583,574	4,180,317	3,681,286
Finance costs	(126,348)	(1,026,212)	(109,504)	(847,880)
Finance income	46,902	-	4,082	-
Net finance costs	(79,446)	(1,026,212)	(105,422)	(847,880)
Net operating profit	4,630,757	2,557,362	4,074,895	2,833,406
Housing improvements	-	(3,089,989)	-	(1,300,595)
Net profit after housing improvements	4,630,757	(532,627)	4,074,895	1,532,811
Add back				
Depreciation/amortisation	1,641,442	64,456	1,725,315	50,697
Impairments / (reversal of impairments)	99,838	-	-	-
Total non-cash expenses	1,741,280	64,456	1,725,315	50,697
Cash Generated	**6,372,037**	**(468,171)**	**5,800,210**	**1,583,508**

13 INVESTMENT PROPERTY

	Group and Parent 2023 $	2022 $
Investment property is comprised of		
Residential property	155,685,000	169,881,324
Commercial property	3,420,000	3,505,000
	159,105,000	173,386,324
Classified as:		
Current - available for sale at 31 March	-	-
Non-Current	159,105,000	173,386,324
	159,105,000	173,386,324

(a) Residential properties

	Group and Parent 2023 $	2022 $
Balance at 1 April	169,881,324	139,845,000
Under construction	1,613,838	356,324
Improvements	3,089,988	1,300,595
Change in fair value - recognised in Statement of profit or loss	(18,900,150)	28,379,405
	155,685,000	169,881,324

Residential investment property comprises 475 (2022: 482) rental houses in the lower North Island.
The Group's investment properties are valued annually at fair market value effective 31st March 2023.

The valuation uses level 2 observable inputs in arriving at fair value. These include the ratio of rental income to selling prices of equivalent assets done both on a total portfolio basis and also on a regional basis reflecting different ratios achieved in different areas. Depreciated replacement cost is also used as a supporting method.

The Group has no restrictions on the realisability of its investment property. The group has no contractual obligations to purchase, construct or develop investment property or for repair, maintenance or enhancements.

The valuation was performed by an independent valuer, J McKeefry BBS (VPM), Dip BS (Fin), MPINZ; Registered Valuer of Telfer Young, Wellington. Telfer Young are an experienced valuer with extensive market knowledge in the types of investment properties owned by the Group.

In arriving at the valuation the valuer has to make critical judgements of the likely yield a property of the type held by the Group would sell at on the retail market. This judgement is applied by geographic location and takes into account sales of similar housing and knowledge of the rental and sale markets in those locations.

13 INVESTMENT PROPERTY (continued)

Insurance

Rental properties are insured for full replacement value, with a deductible (excess) of $5,000 per dwelling.

(b) Commercial property

One of the Groups commerical properties has been designated as an investment property.

	Group and Parent	
	2023	2022
	$	$
Balance at 1 April	3,505,000	3,230,000
Improvements	41,610	67,638
Change in fair value - recognised in Statement of profit or loss	(126,610)	207,362
Balance at 31 March	3,420,000	3,505,000
Classified as:		
Non Current	3,420,000	3,505,000
	3,420,000	3,505,000

The valuation of this property uses level 2 observable inputs in arriving at fair value. These include rental prices per square metre of equivalent assets and capitalisation rates of rental income on sales of equivalent assets.

The fair value of the buildings at 31 March 2023 has been assessed by an independent valuer, J McKeefry BBS (VPM), Dip BS (Fin), MPINZ, Registered Valuer of Telfer Young, Wellington.Telfer Young are an experienced valuer with extensive market knowledge in the types of investment properties owned by the Group.

	Group and Parent	
	2023	2022
	$	$
Rental income	249,893	247,500
Tenant recharge income	34,082	32,501
Expenses from investment property generating income	138,301	130,049

14 PROPERTY, PLANT AND EQUIPMENT

Group	Land and buildings $	Furniture and plant $	Hydro assets $	Motor vehicles $	Total $
Cost or valuation					
Balance at 1 April 2021	20,482,193	9,986,999	1,007,259	375,520	31,851,971
Additions	926,242	569,150	2,400	185,788	1,683,580
Disposals	(58,498)	(37,593)	-	(43,119)	(139,210)
Balance at 31 March 2022	21,349,937	10,518,556	1,009,659	518,189	33,396,341
Balance at 1 April 2022	21,349,937	10,518,556	1,009,659	518,189	33,396,341
Additions	1,409,153	826,358	49,250	320,236	2,604,997
Disposals	(736,315)	(526,904)	-	(109,155)	(1,372,374)
Reclassified from available for sale	-	-	-	-	-
Balance at 31 March 2023	22,022,775	10,818,010	1,058,909	729,270	34,628,964
Depreciation and impairment losses					
Balance as at 1 April 2021	1,160,187	7,100,982	611,929	167,272	9,040,370
Depreciation for the year	585,978	979,863	34,882	94,652	1,695,375
Disposals	(58,279)	(37,594)	-	(42,839)	(138,712)
Balance at 31 March 2022	1,687,886	8,043,251	646,811	219,085	10,597,033
Balance at 1 April 2022	1,687,886	8,043,251	646,811	219,085	10,597,033
Depreciation for the year	601,030	886,671	35,031	116,481	1,639,213
Disposals	(143,436)	(492,920)	-	(73,618)	(709,974)
Balance at 31 March 2023	2,145,480	8,437,002	681,842	261,948	11,526,272
Carrying amounts					
As at 31 March 2022	19,662,051	2,475,304	362,848	299,105	22,799,308
As at 31 March 2023	19,877,296	2,381,009	377,067	467,324	23,102,696

14 PROPERTY, PLANT AND EQUIPMENT (continued)

Parent	Land and buildings $	Furniture and plant $	Hydro assets $	Motor vehicles $	Total $
Cost or valuation					
Balance as at 1 April 2021	20,482,192	5,180,875	626,096	375,521	26,664,684
Reclassified from available for sale	-	-	-	-	-
Additions	926,242	359,108	2,400	185,788	1,473,538
Disposals	(58,498)	(6,279)	-	(43,119)	(107,896)
Balance at 31 March 2022	21,349,936	5,533,704	628,496	518,190	28,030,326
Balance at 1 April 2022	21,349,937	5,533,704	628,496	518,190	28,030,327
Reclassified	-	-	-	-	-
Additions	1,409,153	361,135	49,250	320,236	2,139,774
Disposals	(736,315)	(129,641)	-	(109,155)	(975,111)
Balance at 31 March 2023	22,022,775	5,765,198	677,746	729,271	29,194,990
Depreciation and impairment losses					
Balance as at 1 April 2022	1,160,187	3,831,140	230,766	167,272	5,389,365
Depreciation for the year	585,978	419,718	34,881	94,652	1,135,229
Disposals	(58,279)	(6,280)	-	(42,839)	(107,398)
Balance at 31 March 2022	1,687,886	4,244,578	265,647	219,085	6,417,196
Balance at 1 April 2022	1,687,886	4,244,578	265,647	219,085	6,417,196
Depreciation for the year	601,030	390,195	35,031	116,481	1,142,737
Disposals	(143,436)	(113,429)	-	(73,618)	(330,483)
Balance at 31 March 2023	2,145,480	4,521,344	300,678	261,948	7,229,450
Carrying amounts					
As at 31 March 2022	19,662,051	1,289,126	362,848	299,105	21,613,130
As at 31 March 2023	19,877,296	1,243,856	377,067	467,324	21,965,543

14 PROPERTY, PLANT AND EQUIPMENT (continued)

Valuation - land and buildings

At fair value as determined from market-based evidence by an independent valuer.

The most recent valuation was performed by J McKeefry BBS (VPM), Dip BS (Fin), MPINZ; Registered Valuer of Telfer-Young Wellington and the valuation is effective as at 31 March 2021.

The valuations were primarily based on the rental capitalisation methodology, depreciated replacement cost is used as a support method.

The total fair value of land and buildings valued by J McKeefry Group and Parent as at 31 March 2021 was $19,195,000. This figure relates to both parent and group. The valuation uses Level 2 observable inputs in arriving at fair value.

These include rental prices per square metre of equivalent assets and capitalisation rates of rental income on sales of equivalent assets.

Impairment

Impairment losses for the company of $99,838 were recognised in 2022/23 (2021/22 $649,364).

Insurance

The Trust House Group and related entities are part of a group insurance collective run by the New Zealand Licensing Trust Association in order to obtain improved coverage and pricing.

The NZLTA collective scheme has insurance cover of $65 million for fire and $170 million for material damage and business interruption.

Deductibles for claims are as follows:

Non-natural disaster - $5000 for each and every claim.

Natural disaster - 5% of site sum insured per site.

15 INTANGIBLE ASSETS

Group	Goodwill $	Software $	Total $
Cost			
Balance at 1 April 2021	770,000	884,702	1,654,702
Additions	-	48,790	48,790
Impairment loss	(770,000)	-	(770,000)
Disposals	-	(37,741)	(37,741)
Balance at 31 March 2022	-	**895,751**	**895,751**
Balance at 1 April 2022	-	895,751	895,751
Additions	-	72,880	72,880
Disposals	-	(32,495)	(32,495)
Balance at 31 March 2023	-	**936,136**	**936,136**
Amortisation and impairment losses			
Balance at 1 April 2021	120,636	691,259	811,895
Amortisation for the year	-	80,638	80,638
Disposals	-	(15,074)	(15,074)
Impairment loss	(120,636)	-	(120,636)
Balance at 31 March 2022	-	**756,823**	**756,823**
Balance at 1 April 2022	-	756,823	756,823
Amortisation for the year	-	66,685	66,685
Disposals	-	(29,047)	(29,047)
Balance at 31 March 2023	-	**794,461**	**794,461**
Carrying amounts			
As at 31 March 2022	-	138,928	138,928
As at 31 March 2023	-	141,675	141,675

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15 INTANGIBLE ASSETS (continued)

Parent	Goodwill $	Software $	Total $
Cost			
Balance at 1 April 2021	770,000	506,352	1,276,352
Additions	-	22,300	22,300
Impairment loss	(770,000)	-	(770,000)
Disposals	-	(32,746)	(32,746)
Balance at 31 March 2022	-	**495,906**	**495,906**
Balance at 1 April 2022	-	495,906	495,906
Balance at 31 March 2023	-	**495,906**	**495,906**
Amortisation and impairment losses			
Balance at 1 April 2021	120,636	447,941	568,577
Amortisation charge	-	16,547	16,547
Impairment loss	(120,636)	-	(120,636)
Disposals	-	(13,302)	(13,302)
Balance at 31 March 2022	-	**451,186**	**451,186**
Balance at 1 April 2022	-	451,186	451,186
Amortisation charge	-	9,060	9,060
Balance at 31 March 2023	-	**460,246**	**460,246**
Carrying amounts			
As at 31 March 2022	-	44,720	44,720
As at 31 March 2023	-	35,660	35,660

16 TRADE AND OTHER PAYABLES

	Group 2023 $	Group 2022 $	Parent 2023 $	Parent 2022 $
Trade creditors	1,347,794	1,052,583	988,308	785,268
Interest payable	9,305	5,130	9,305	5,130
Capital payables	590,692	129,334	176,548	104,471
Accrued expenses	1,326,471	703,978	1,139,345	508,726
Intangible payables	53,866	-	-	-
Revenue in advance	133,224	143,190	133,224	143,190
	3,461,352	2,034,215	2,446,730	1,546,785

17 EMPLOYEE ENTITLEMENTS

	Group 2023 $	Group 2022 $	Parent 2023 $	Parent 2022 $
Current portion				
Accrued pay	363,422	275,128	363,422	275,128
Accrued leave	791,904	825,995	791,904	825,995
Provision for staff long service / retirement benefits	27,640	18,194	27,640	18,194
Sick pay	4,529	1,952	4,529	1,952
	1,187,495	1,121,269	1,187,495	1,121,269
Non-current portion				
Provision for long service / retirement benefits	28,945	37,747	28,945	37,747
	28,945	37,747	28,945	37,747
Total employee entitlements	1,216,440	1,159,016	1,216,440	1,159,016

18 BORROWINGS

	Group 2023 $	Group 2022 $	Parent 2023 $	Parent 2022 $
Current liabilities				
Bank overdrafts	-	-	-	-
Secured bank loans	1,000,000	-	1,000,000	-
Other loans	25,000	25,000	25,000	25,000
	1,025,000	25,000	1,025,000	25,000
Non-current liabilities				
Secured bank loans	20,000,000	20,000,000	20,000,000	20,000,000
Other loans	14,584	39,584	14,584	39,584
	20,014,584	20,039,584	20,014,584	20,039,584

This Note provides information about the contractual terms of the Group's interest-bearing borrowings. For more information about the Company's exposure to interest rate risk see Note 20. Security over the other loan being a first ranking mortgage over the property at 4 Queen Street, Masterton in favour of DB Breweries who provided a fitout loan, the loan was repaid in 2024.

All movements in borrowings are cash.

Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

	Nominal interest rate	Year of maturity	Face value 2023 $	Carrying amount 2023 $	Face value 2022 $	Carrying amount 2022 $
Group & Parent						
Secured BNZ Bank loans			15,000,000	15,000,000	15,000,000	15,000,000
Secured BNZ Bank loans			5,000,000	5,000,000	5,000,000	5,000,000
Secured ANZ Bank loan			1,000,000	1,000,000	-	-
Other loans			39,584	39,584	64,584	64,584
Bank overdrafts			-	-	-	-
Total interest-bearing liabilities			21,039,584	21,039,584	20,064,584	20,064,584

The ANZ overdrafts are secured with registered first mortgages over a specified subset of land and buildings with a carrying amount of $6,847,854 (2022: $7,472,270). The ANZ also has a general charge over Trust House Limited's assets. The BNZ loans are secured by first charge mortgages over the remaining residential housing portfolio that is not secured by ANZ. A secondary security is also held over the rental income stream from the housing portfolio.

19 CAPITAL AND RESERVES

Group	Share capital $	Revaluation reserve $	Retained earnings $	Total equity $
Balance at 1 April 2021	11,330,740	1,235,957	133,458,890	146,025,587
Total comprehensive income / (expense)	-	-	30,517,460	30,517,460
Balance at 31 March 2022	11,330,740	1,235,957	163,976,350	176,543,047
Balance at 1 April 2022	11,330,740	1,235,957	163,976,350	176,543,047
Total comprehensive income / (expense)	-	-	(16,560,959)	(16,560,959)
Balance at 31 March 2023	11,330,740	1,235,957	147,415,391	159,982,088

Parent	Share capital $	Revaluation reserve $	Retained earnings $	Total equity $
Balance at 1 April 2021	11,330,740	1,235,957	131,808,994	144,375,691
Total comprehensive income / (expense)	-	-	30,412,903	30,412,903
Balance at 31 March 2022	11,330,740	1,235,957	162,221,897	174,788,594
Balance at 1 April 2022	11,330,740	1,235,957	162,221,897	174,788,594
Total comprehensive income / (expense)	-	-	(16,806,529)	(16,806,529)
Balance at 31 March 2023	11,330,740	1,235,957	145,415,368	157,982,065

Number of shares on issue at 31 March 2023 10,637,000 (2022: 10,637,000). All issued shares are fully paid up and have no par value.

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20 FINANCIAL INSTRUMENTS

Exposure to credit interest rate and liquidity risk arises in the normal course of the Group's business.

Market Risk

Market risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks include three types of risk, interest rate risk, currency risk and other price risk.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a finance instalment or customer contract leading to a financial loss

Management has a process in place under which each new customer seeking credit with the Group is individually analysed for credit worthiness and assigned a purchase limit before credit is offered.

The Group does not require collateral in respect of trade and other receivables, except in relation to rental properties where bonds are required and lodged with the tenancy tribunal.

The Group's exposure to credit risk is mainly influenced by its customer base, as such it is concentrated to the default risk of its industry. No single customer balance would be considered material.

Investments are allowed only in call or short-term deposits with specified counterparties.

Credit quality of financial assets

Cash and cash equivalents are held with the ANZ which currently has a Standard and Poor's credit rating of AA. Trade and other receivables are all with counterparties without credit ratings with no history of default with Trust House Limited in the past.

Liquidity risk

Liquidity risk represents the Group's ability to meet its contractual obligations. The Group evaluates its liquidity requirements on an ongoing basis. In general, the Group generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has credit lines in place to cover potential shortfalls.

	Group 2023 $	Group 2022 $	Parent 2023 $	Parent 2022 $
Overdrafts and credit lines in place	2,000,000	2,000,000	1,500,000	1,500,000
Term facilities undrawn	7,000,000	3,000,000	7,000,000	3,000,000

Interest rate risk

The Group regularly reviews the balance between its fixed rate and floating rate borrowings. The Group has flexibility within its borrowing facilities to move between fixed and floating rates as required.

Other market price risk

The Group is not exposed any other substantial market price risk arising from financial instruments.

Quantitative disclosures

Credit risk

The carrying amount of financial assets represents the Group's maximum credit exposure.

20 FINANCIAL INSTRUMENTS (continued)

(a) Liquidity risk

The following table sets out the contractual cash flows for all financial liabilities, except for lease liabilities in Note 30.

Group 2023	12 months or less $	1-2 years $	2-5years $	More than 5 years $	Contractual cash flows $	Carrying Amount $
Secured bank loans	1,129,800	1,129,800	22,583,726	-	24,843,326	21,000,000
Other loans	25,000	14,584	-	-	39,584	39,584
Trade and other payables	2,654,085	-	-	-	2,654,085	2,654,085
Total liabilities	3,808,885	1,144,384	22,583,726	-	27,536,995	23,693,669
Group 2022						
Secured bank loans	879,700	879,700	22,082,553	-	23,841,953	20,000,000
Other loans	25,000	25,000	14,584	-	64,584	64,584
Trade and other payables	1,456,713	-	-	-	1,456,713	1,436,770
Total liabilities	2,361,413	904,700	22,097,137	-	25,363,250	21,501,354

Parent 2023	12 months or less $	1-2 years $	2-5years $	More than 5 years $	Contractual cash flows $	Carrying Amount $
Secured bank loans	1,129,800	1,129,800	22,583,726	-	24,843,326	21,000,000
Other loans	25,000	14,584	-	-	39,584	39,584
Trade and other payables	2,115,045	-	-	-	2,115,045	2,115,045
Total liabilities	3,269,845	1,144,384	22,583,726	-	26,997,955	23,154,629
Parent 2022						
Secured bank loans	879,700	879,700	22,082,553	-	23,841,953	20,000,000
Other loans	25,000	25,000	14,584	-	64,584	64,584
Trade and other payables	1,354,096	-	-	-	1,354,096	1,354,096
Total liabilities	2,258,796	904,700	22,097,137	-	25,260,633	21,418,680

(b) Sensitivity analysis

Interest rate risk

The effect of a +100bps increase in interest rates applicable to the floating rate financial instruments held by the Parent and Group is a reduction in profit of $60,000 (2022:$31,545)

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20 FINANCIAL INSTRUMENTS (continued)

(c) Classification and fair values

Group	Financial assets at amortised cost $	Total carrying value and fair value $
2023		
Assets		
Trade and other receivables	1,643,797	1,643,797
Cash and cash equivalents	2,987,509	2,987,509
	4,631,306	4,631,306
2022		
Assets		
Trade and other receivables	744,166	744,166
Cash and cash equivalents	4,465,544	4,465,544
	5,209,710	5,209,710
Parent		
2023		
Assets		
Investments	150,000	150,000
Trade and other receivables	1,673,253	1,673,253
Cash and cash equivalents	296,514	296,514
	2,119,767	2,119,767
2022		
Assets		
Other financial assets	-	-
Trade and other receivables	802,659	802,659
Other financial assets through profit or loss	450,000	450,000
Cash and cash equivalents	2,152,846	2,152,846
	3,405,505	3,405,505

20 FINANCIAL INSTRUMENTS (continued)

Group	Financial liabilities at amortised cost $	Fair value amount $
2023		
Liabilities		
Trade and other payables	2,654,085	2,654,085
Borrowings	21,039,584	21,039,584
Total liabilities	23,693,669	23,693,669
2022		
Liabilities		
Borrowings	20,064,584	20,064,584
Trade and other payables	1,436,770	1,436,770
Total liabilities	21,501,354	21,501,354
Parent		
2023		
Liabilities		
Trade and other payables	2,115,045	2,115,045
Borrowings	21,039,584	21,039,584
Total liabilities	23,154,629	23,154,629
2022		
Liabilities		
Trade and other payables	1,354,096	1,354,096
Borrowings	20,064,584	20,064,584
Total liabilities	21,418,680	21,418,680

21 COMMITMENTS AND CONTINGENCIES

The Group and Parent had capital commitments of $2,269.292 at 31 March 2023 (2022: $4,941,964).

The Group and Parent had contingent liabilities of $Nil as at 31 March 2023 (2022: $55,000)

The Group and Parent have a contingent liability in relation to the lease of the Island Bay Bar. This business was sold in 2015 and Trust House Limited is liable to make lease payments until the end of the lease in November 2029 in the event that the new business owner is unable to pay.

22 RECONCILIATION OF NET PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2023 $	Group 2022 $	Parent 2023 $	Parent 2022 $
Net Profit/(Loss) for year	(16,560,959)	30,517,460	(16,806,529)	30,412,903
Add (less) non-cash items:				
Depreciation	1,639,213	1,695,374	1,142,737	1,135,229
Amortisation of intangibles	66,685	80,638	9,060	16,547
Revaluation of investment properties	19,026,761	(28,586,767)	19,026,761	(28,586,767)
Provisions	(47,575)	(47,878)	(47,575)	(47,878)
Fixed assets impairment / (reversal)	99,838	-	99,838	-
Goodwill impairment	-	649,364	-	649,364
(Gain) loss on sale of intangibles	3,448	22,667	-	19,444
(Gain) loss on sale of fixed assets	3,945	(14,621)	4,456	(4,621)
Investments received	-	-	-	-
	20,792,315	(26,201,223)	20,235,277	(26,818,682)
Add (less) movements in working capital items:				
(Increase) / decrease in receivables and prepayments	(982,848)	(266,446)	(936,606)	(224,716)
(Increase)/ decrease in inventories	(52,286)	(22,991)	(52,286)	(22,991)
Increase / (decrease) in charitable distributions payable	(85,451)	264,416	-	-
Increase/ (decrease) in employee entitlements	57,424	(6,882)	57,424	(6,882)
Increase/ (decrease) in trade and other payables	911,911	(205,757)	827,866	(169,582)
	(151,250)	(237,660)	(103,602)	(424,088)
Net cash inflow from operating activities	4,080,106	4,078,577	3,325,146	3,170,050

23 FINANCE INCOME AND EXPENSES

	Consolidated 2023 $	Consolidated 2022 $	Parent 2023 $	Parent 2022 $
Finance costs				
Interest expense	1,059,967	863,726	1,059,967	863,726
Lease interest expense	92,593	93,658	92,593	93,658
Total finance costs	1,152,560	957,384	1,152,560	957,384
Interest income	(46,902)	(4,082)	(46,991)	(23,830)
Total finance income	(46,902)	(4,082)	(46,991)	(23,830)
Net finance costs	1,105,658	953,302	1,105,569	933,554

24 RELATED PARTY TRANSACTIONS

(i) Parent and ultimate controlling party

The immediate parent and ultimate controlling party of Trust House Limited is the Masterton Community Trust.

(ii) Transactions with key management personnel

Several of the Directors of Trust House Limited and Trustees of Masterton Community Trust own or run businesses in their own right. All transactions are entered into in the normal course of business and on arm's length.

During the year Directors and senior management, as part of a normal customer relationship, were involved in minor transactions with Trust House Limited (such as purchase of meals or liquor). Directors and senior management are entitled to a 10% discount on non-discounted goods. These buying privileges are available to all employees.

Mena Antonio, a Director of Trust House Limited, is the owner of The Disapora Way which provides networking forum services to Trust House Limited. During the year Trust House Limited and Group paid The Diaspora Way $Nil (2022:$5,000). The amount outstanding at year end was $Nil (2022: $Nil). Mena is also a Trustee of Leaving the Ladder Down Charitable Trust. During the year Trust House Limited made a charitable donation to the Trust of $Nil (2022: $10,000).

Corrie James, a Director of Trust House Limited, is a shareholder of TUMU Masterton Limited which provides building supplies to Trust House Limited. During the year Trust House Limited, paid TUMU Masterton Limited $80,496 (2022 $Nil). The amount outstanding at year end was $11,356 (2022: $Nil).

Leanne Southey, a Director of Trust House Limited, holds a 1% shareholding of Mangan Graphics Limited, this pre-dates Leanne Southey's election to Masterton Community Trust and appointment to the Board of Trust House Limited. Mangan Graphics provides uniforms to Trust House Limited. During the year Trust House Limited, paid Mangan Graphics Limited $21,351 (2022: $20,671). The amount outstanding at year end was $155 (2022: $541).

Lucy Griffiths, a Director of Trust House Limited, is the spouse of a major shareholder in Technology Solutions which provides technology services and hardware to Trust House Limited. Technology Solutions has been the preferred supplier of information technology hardware and services to the Trust House Group for at least 20 years, pre-dating Lucy Griffiths election to Masterton Community Trust and appointment to the Board of Trust House Limited. During the year Trust House Limited paid Technology Solutions $488,165 (2022: $276,107). The amount outstanding at year end was $28,046 (2022: $74,264) Trust House Group paid $499,442 (2022: $305,649) during the year and the amount outstanding at year end was $28,046 (2022: $99,127). Lucy is the Chair of Hokai Tahi. During the year Trust House Limited made a charitable donation of $5,000 (2022: $Nil). The amount outstanding at year end was $Nil (2022: $Nil).

Cindy Grant, a senior manager of Trust House Limited, and her spouse jointly own Power Related Services Limited (PRSL) which provides electrical services and storage to Trust House Group. During the year Trust House Limited, Parent and Group, paid PRSL $Nil (2022: $300). The amount outstanding at year end was $Nil (2022: $Nil).

Jill Harrison, a senior manager of Trust House Limited, and her spouse jointly own Riteway Waterproofing Limited which provides painting services to Trust House Limited. During the year Trust House Limited, paid Riteway Waterproofing Limited $84,684 (2022: $93,474). The amount outstanding at year end was $Nil (2022: $Nil).

24 RELATED PARTY TRANSACTIONS (continued)

(iii) Key management and personnel compensation

	2023 $	2022 $
Salaries and other short-term benefits	1,594,983	1,324,326
Post employment benefits	36,797	29,296
	1,631,780	1,353,622

Key management personnel compensation comprises that of the Directors, Trustees, Chief Executive and other senior managers.

Employee Remuneration

The following table shows the number of employees whose total remuneration (including benefits) exceeds $100,000 per annum.

	2023	2022
$100,000 - $110,000	2	-
$110,000 - $120,000	-	1
$150,000 - $160,000	-	2
$160,000 - $170,000	2	-
$170,000 - $180,000	1	1
$180,000 - $190,000	1	-
$200,000 - $210,000	-	1
$220,000 - $230,000	1	-
$290,000 - $300,000	-	1
$450,000 - $470,000	1	-
	8	6

(iv) Other related party transactions

	2023 $	2022 $
(a) Sales of goods and services:Masterton Community Trust (MCT) - formerly Masterton Licensing Trust		
Shares in Trust House Ltd (number of shares) 10,026,629		
MCT Trustees Fees paid by Trust House Limited	22,320	22,320

When Masterton Licensing Trust was changed to Masterton Community Trust, to minimise costs, Masterton Community Trust was set up as non-trading parent. Its minimal expenses are paid by Trust House Limited.

(b) Trust House Foundation (THF)

(i) Trust House Foundation is an independent trust. Three of the Directors of Trust House Limited are also Trustees of Trust House Foundation.

(ii) Gaming machine proceeds are generated in the premises of Trust House Limited, Rimutaka Licensing Trust and other independent operators. Trust House Foundation has established regional net proceeds committees in Masterton, Rimutaka, Flaxmere and Porirua. Regional net proceeds committees consider grant applications from their area and make recommendations to the Trust House Foundation board. The Trust House Foundation board considers these recommendations and may or may not approve them.

24 RELATED PARTY TRANSACTIONS (continued)

	2023 $	2022 $
Funds available 1st April	1,754,453	1,649,896
Net surplus before charitable distributions	4,962,889	4,372,802
Grants unclaimed	329,231	316,264
Grants approved	(5,046,550)	(4,584,509)
	2,000,023	1,754,453

For a full list of these grants please refer to the Trust House Foundation accounts. Trust House Limited (THL) is responsible for administering Trust House Foundation (THF)

Site rentals paid by THF to THL	1,373,641	1,191,098
Management Fees paid by THF to THL	400,000	438,145

As at 31 March 2023, Trust House Foundation owed Trust House Limited $179,456 (2022: $508,493).

25 CURRENT PROVISIONS

	Group		Parent	
	2023	**2022**	**2023**	**2022**
	$	**$**	**$**	**$**
Legal claims	-	50,000	-	50,000
	-	50,000	-	50,000

26 NON-CURRENT PROVISIONS

	Group 2023 $	Group 2022 $	Parent 2023 $	Parent 2022 $
Property reinstatement provisions	19,389	16,964	19,389	16,964
	19,389	16,964	19,389	16,964

Trust House Limited leases one premise. A condition of the lease is that Trust House Limited must, if required by the landlord at the end of the lease, reinstate the premises to the configuration and condition at the lease inception.

	Property reinstatement provisions $	Total $
Group and Parent 2023		
Non-current		
Opening balance as at 1 April 2022	16,964	16,964
Provisions added	2,425	2,425
Closing provision at 31 March 2023	19,389	19,389
Group and Parent 2022		
Non-current		
Opening at 1 April 2021	14,842	14,842
Provisions added	2,122	2,122
Previously leased building purchased	-	-
Closing provision at 31 March 2022	16,964	16,964

27 GROUP ENTITIES

Subsidiaries

Trust House Foundation is a controlled entity.

The Group has applied IFRS 10 Consolidated Financial Statements in preparing these financial accounts.

28 CAPITAL MANAGEMENT

The Groups capital includes share capital, reserves and retained earnings.

The Groups policy is to maintain a capital base so as to maintain creditor and community confidence and to sustain future development of the business.

The Group is not subject to any externally imposed capital requirements.

There have been no material changes in the Groups' management of capital during the period.

29 CHARITABLE DISTRIBUTIONS

The following charitable donations were made by Trust House Limited during the year.

	Parent	
	2023 $	2022 $
Hokai Tahi	5,000	-
Autism Wairarapa	-	10,000
Pasifika O Wairarapa Charitable Trust	-	10,000
Leaving the ladder down charitable trust	-	10,000
Pukaha Mount Bruce	-	10,000
Te Aranga Marae	-	10,000
Wairarapa Community Health Trust	-	10,000
Masterton food bank	-	-
	5,000	60,000

The Group total includes community donations paid through Trust House Foundation - refer note 24(b)

	Group	
	2023 $	2022 $
Charitable distributions approved	5,046,550	4,584,509
Add back - distributions not uplifted	(267,899)	(149,848)
- distributions refunded	(61,332)	(166,416)
Charitable donations	5,000	60,000
	4,722,319	4,328,245

The Group total includes community donations paid through Trust House Foundation - refer note 24(b)

As at 31 March 2023, charitable distributions of $844,708 (2021/22 $930,159) had been approved by Trust House Foundation but not yet paid. These amounts are recognised as liabilities in the statement of financial position under Charitable donations allocated.

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30 LEASES

The group leases premises, equipment such as photocopiers and televisions, and vehicles as part of its normal trading activities.

The group also has a land right of use asset that is classified as an investment property.

On adoption of NZ IFRS 16 Leases, the group utilised the following practical expedients available under the standard:
a) applied a single discount rate to a portfolio of leases with similar terms and similar class of underlying asset
b) excluded initial direct costs from the measurement of the right of use assets at the date of initial application.

Trust House Foundation (a controlled entity) paid Class IV gaming venue payments which are a lease by nature. The payments are variable dependent on gaming income. In these circumstances IFRS 16 permits payments to be classified as ordinary operating expenses and no right of use asset to be created.

	Group		Parent	
	2023 $	2022 $	2023 $	2022 $
Venue payments made	406,608	455,856	-	-

Lease liabilities are presented at net present value in the statement of financial position are as follows.

	Group and parent	
	2023 $	2022 $
Current	182,998	226,857
Non-current	1,327,064	1,466,880
	1,510,062	1,693,737

Reconciliation of liabilities arising from financing activities is as follows.

	Group and Parent	
	2023 $	2022 $
Liabilities at 1 April	1,693,737	1,748,895
Additional leases entered into	20,626	98,207
Change in liability on reassessment of lease term	(59,790)	-
Lease debt repaid during the year	(144,511)	(153,365)
Lease liabilities at 31 March at Net Present Value	1,510,062	1,693,737

At 31 March 2023 the group and parent had no commitments to leases which had not commenced

30 LEASES (continued)

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities for group and parent at 31 March is as follows.

	Within 1 year $	1-2 years $	2-5 years $	Over 5 years $	Total $
Lease payments					
31 March 2023	187,138	134,764	291,431	2,936,950	3,550,283
31 March 2022	231,797	186,470	385,782	3,027,550	3,831,599

The movement in leased assets included in note 13 Property, plant & equipment for group and parent is as follows.

	Land & Buildings	Motor Vehicles	Plant & Equipment	Total
Balance as at 1 April 2021	15,954	123,559	225,845	365,358
Additions	98,207	-	-	98,207
Disposals	(218)	-	-	(218)
Depreciation for the year	(20,645)	(56,368)	(73,086)	(150,099)
Net book value at 31 March 2022	93,298	67,191	152,759	313,248
NBV				
Balance as at 1 April 2022	93,298	67,191	152,759	313,248
Additions	-	-	20,626	20,626
Disposals	(75,809)	(235)	(8,770)	(84,814)
Depreciation for the year	(17,489)	(41,196)	(62,264)	(120,949)
Net book value at 31 March 2023	-	25,760	102,351	128,111

Leases as lessor

	Group and Parent 2023 $	2022 $
Less than one year	247,750	247,750
Between 1 and 2 years	95,458	247,750
Between 2 and 5 years	195,000	225,458
Over five years	222,083	287,083
	760,291	1,008,041

The Group has number of commercial premises where the trading business has been sold but the freehold or leasehold interest has been retained and the properties leased to the purchaser or third parties.

31 SUBSEQUENT EVENTS

Due to significant delays finalizing the audit of the 2020 and 2021 accounts the audits of the 2022, 2023 and 2024 accounts have been materially delayed. This passage of time has identified a number of subsequent significant adjusting or non-adjusting events that have occurred between 31 March 2022 and date the financial statements are authorized for issue. These events are:

Valuation of Investment property independent property valuations have been conducted as at 31 March 2023 and 31 March 2024. These valuations assess changes of value of investment property as an decrease in value by $19 million for the 2023 financial year and a decrease in value of $2 million for the 2024 financial year.

Sale of surplus investment properties in 2024 the company agreed a strategy for its residential investment property asset. This strategy includes the sale of surplus properties to assist the funding of new housing stock. In the period to date of authorization of the 2022 accounts the company has disposed of property and received (or will receive on contracts that have yet to settle) proceeds of $11.6m.

Repayment of debt proceeds from the sale of surplus property have been applied to debt reduction. As at date of authorization Group debt was $9 million.

Healthy School Lunches Programme in 2024 the Government announced changes to the Healthy School Lunches Programme. These changes have a material impact on the income earned from this activity.

Except for the above matters, there have been no events subsequent to the reporting date requiring adjustment to or disclosure in the consolidated financial statements.

Grant Thornton

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Independent Auditor's Report

To the readers of Trust House Limited and group's financial statements for the year ended 31 March 2023

The Auditor-General is the auditor of Trust House Limited (the company) and its subsidiary (together referred as the "group"). The Auditor-General has appointed me, Brent Kennerley, using the staff and resources of Grant Thornton New Zealand Audit Limited, to carry out the audit of the financial statements of the company and group on his behalf.

Opinion

We have audited the financial statements of the company and group on pages 2 to 41, that comprise the consolidated statement of financial position as at 31 March 2023, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the company and group:

- present fairly, in all material respects:
  - its financial position as at 31 March 2023; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with New Zealand Equivalents to International Financial Reporting Standards.

Our audit was completed on 27 June 2025. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw your attention to the other matter below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements, and we explain our independence.

Delay in completion of the audit

The audit of the company and group's financial statements for the year ended 31 March 2022 was delayed due to the late completion of the audit for the prior reporting period, which was completed in late 2024. This delay impacted our ability to commence and complete the 2022 audit within the expected timeframe. Consequently, the audit for the year ended 31 March 2023 was not completed by the statutory reporting deadline.

Grant Thornton

Basis for our 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 for the audit of the financial statements* 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 Board of Directors for the financial statements

The Board of Directors are responsible on behalf of the company and group for preparing financial statements that are fairly presented and comply with generally accepted accounting practice in New Zealand.

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

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

The Board of Directors' responsibilities arise from the the Charities Act 2005.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

We did not evaluate the security and controls over the electronic publication of the 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 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 company and group's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company and 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 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 company and group to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We obtain sufficient appropriate audit evidence regarding the 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 Board of Directors 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.

Independence

We are independent of the company and group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of *Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.*

Other than the audit, we have no relationship with, or interests in, the company and group.

Brent Kennerley

Brent Kennerley

Grant Thornton New Zealand Audit Limited

On behalf of the Auditor-General

Wellington, New Zealand