

1946

NEW ZEALAND

INVERCARGILL LICENSING TRUST

SECOND ANNUAL REPORT, FOR THE YEAR ENDED 31st MARCH, 1946

Presented to both Houses of the General Assembly pursuant to the Invercargill Licensing Trust Act, 1944, Section 28

MEMBERS of the Invercargill Licensing Trust have pleasure in presenting their second annual report and balance-sheet. Progress made during the year has been satisfactory, considering the numerous difficulties encountered. Up to date we have not been able to provide sufficient premises to accommodate the travelling public or to provide conditions satisfactory to the members for sale of liquor and refreshments. We have, however, renovated and enlarged our leading hotel, which will, we think, bring it to a very high standard, as would be expected of the Trust. The only permit granted for a new hotel was that for Hotel Southland, which should be completed in three to four months time. This will provide accommodation close to the principal public hospital and serve the district of South Invercargill. During the year the Trust has acquired certain necessary buildings. One building is to supplement our store accommodation, the other to extend accommodation of the leading hotel. During the year we also acquired Deschler Hotel and Hotel Avenal, and have, in addition to renovating same, introduced the sale of liquor. The Brown Owl Restaurant experiment continues to be successful, except from a financial standpoint, the difficulty being that this class of business cannot carry the burden of licensed-hotel workers' wages. The sale of liquor in these premises is only an additional amenity to the restaurant service and is far from being the principal source of revenue. This brings about the anomalous position of the Trust having to pay licensed-hotel workers' wages to employees the majority of whom are not in any way connected with the sale of liquor or the running of an hotel. None the less, we think the experiment well worth the trying and that it should be continued.

LICENSING COMMISSION

The Chairman of the Trust appeared before the Commission and gave evidence covering an extensive survey of the Trust's operations and intentions.

SOUTHLAND BREWERY

During the year the Trust acquired a substantial holding in this brewery and entered into an agreement controlling indiscriminate sales of liquor in our area, a matter which had previously given the Trust a considerable amount of concern. This arrangement is working most satisfactorily. It brings the sale of liquor from this source more into line with the ideals aimed at by the Trust, as well as giving an assured supply.

FINANCE

The Trust has repaid the original £50,000 borrowed from the Treasury, together with interest accrued, and Ministerial consent has been given for the Trust to borrow up to £275,000 from the Bank of New Zealand by a charge over the Trust's assets. As at 31st March the bank balance was a debit of £206,980 3s. 9d. Book value of assets total £288,362 5s. 8d., less losses £12,649 9s. 2d., which equals £275,712 16s. 6d., but this figure can be assessed much higher if the license value is taken into consideration or if assessed on a turnover of over £214,554 5s. 5d. in liquor per annum. The total cash turnover for the twelve months ended 31st March was £266,799 10s. 1d., leaving a taxable profit of £35,621 18s. 3d. After deducting income and social security taxes, the balance to carry forward will be £14,466 11s. 6d. for the year and nine months.

GENERAL

At the end of its complete year of operations, members are satisfied that the policy of the Trust is meeting with an ever-increasing good will from the public, even from those who were critical from either point of view twelve months ago. The general behaviour, including peace celebrations period, was, we think, irreproachable, and we think that the police report could support this statement. The strict observance of hours and general law as to trading has continued to be the inviolable rule of the Trust, in spite of the general unpopularity of the present licensing restrictions.

It, of course, will be several years before a complete judgment can fairly be passed on the success or otherwise of Trust control ideals.

H. RITCHIE, Chairman.

INVERCARGILL LICENSING TRUST
TRADING ACCOUNT FOR PERIOD ENDED 31ST MARCH, 1946

	Appleby Hotel.	Avenal Hotel.	Brown Owl Restaurant.	Cecil Hotel.	Clyde Hotel.	Deschler Hotel.	Grand Hotel.	Kelvin Hotel.	Newburgh Buildings.	Head Office.	Totals.
<i>Dr.</i>	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Stock, 1st April, 1945..	421 11 3	..	1,554 8 9	8 6 1	707 8 7	..	1,200 17 2	770 7 7	..	..	4,662 19 5
Purchases—	18,697 9 10	1,645 5 9	6,106 13 8	2,300 19 8	7,26,815 14 8	2,357 2 3	334,215 8 1	1,41,120 4 4	..	..	433,359 18 2
Cellar ..	50 5 5	1,181 14	212,446 19 10	1,461 3 6	109 6 6	2,660 1 10	2,592 10 1	124 13 7	..	..	20,536 17 9
Provisions ..	9,842 14 1	3,183 15	619,127 18 6	6,826 12 6	6,15,000 16 10	8,273 2 6	6,20,274 9 8	26,643 13 1	3,711 1 2	..	112,800 9 10
Gross profit ..	29,012 0 7	6,010 15	539,236 0	910,687 3	842,633 6	713,296 6	7,58,195 5	10,68,668 4	7	..	271,450 5 2
<i>Cr.</i>	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Bar takings ..	28,727 7 3	3,180 7 3	912,086 7 0	5,267 14 9	9,42,152 14 3	4,709 8 6	5,50,359 5	8,68,061 12 4	..	..	214,554 5 5
Board and residence ..	..	2,646 16 6	..	4,002 6 2	..	8,185 12 0	5,756 5 0	..	..	..	20,500 19 8
Restaurant ..	..	..	25,415 10 11	..	..	..	..	..	..	..	25,415 10 11
Stock, 31st March, 1946	68 11 2	..	170 10 0	1,241 2 9	..	68 0 0	664 1 9	..	3,711 1 2	..	5,923 6 10
Cellar ..	215 9 11	108 8 5	140 14 7	90 9 0	475 19 1	113 6 0	1,244 19 7	598 17 11	..	..	2,988 4 6
Provisions ..	0 12 3	65 12 9	1,422 18 3	85 11 0	4 13 8	220 2 2	170 13 10	7 14 4	..	..	1,977 17 10
	29,012 0 7	6,010 15	539,236 0	910,687 3	842,633 6	713,296 6	7,58,195 5	10,68,668 4	7	..	271,450 5 2

INVERCARGILL LICENSING TRUST—continued
 PROFIT AND LOSS ACCOUNTS FOR PERIOD ENDED 31ST MARCH, 1946

	Applody Hotel.	Avenal Hotel.	Brown Owl Restaurant.	Cecil Hotel.	Clyde Hotel.	Deschler Hotel.	Grand Hotel.	Kelvin Hotel.	Newburgh Buildings.	Head Office.	Totals.
<i>Dr.</i>	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Wages: Staff	2,225 15 0	1,040 5 0	10,121 14 10	1,284 6 11	3,857 8 0	3,087 9 0	4,603 10 7	5,372 13 5	512 9 4	3,237 11 9	37,566 0 9
Salary: Manager	468 14 10	339 2 10	510 18 6	554 0 0	505 5 8	523 19 6	1,656 19 7	630 13 1	1,075 0 0	1,475 0 0	6,324 14 0
Trust bonuses	106 3 5	206 13 2	885 2 9	732 5 5	103 15 10	656 7 1	1,048 17 5	152 9 5	73 4 4	1,312 10 0	1,312 10 0
Store charges	14 18 4	13 14 10	230 9 6	17 1 9	8 2 6	21 16 3	47 7 2	9 9 6	..	3,264 17 4	5,309 10 8
Carriage and freight	..	..	..	..	..	..	..	..	..	..	3,627 17 4
Transporting	140 12 2	105 7 9	882 5 7	283 19 8	60 14 11	752 9 9	288 15 11	99 70 4	994 6 0	118 7 8	118 7 8
Administration	61 5 8	42 19 9	1,192 17 5	263 13 5	186 15 5	370 3 7	551 14 11	551 7 9	44 19 9	425 19 4	4,094 1 1
Repairs	61 1 4	75 9 0	1,422 17 9	289 15 9	146 9 11	571 2 5	1,773 18 5	235 3 4	656 8 2	17 6 3	3,013 1 9
Rents, rates, and insurance	138 11 2	151 12 0	545 15 2	446 8 1	208 1 2	454 16 0	2,536 17 10	381 4 7	1,182 9 7	430 6 0	4,842 12 1
Interest	13 12 3	39 17 6	406 9 4	115 11 0	32 0 2	121 13 3	252 9 5	35 15 7	..	..	6,249 14 10
Laundry	..	..	..	151 14 0	..	..	..	..	..	..	787 8 6
Goodwill written off	..	..	..	..	..	..	..	..	..	..	151 14 0
Land-tax	..	..	..	..	..	..	..	..	..	..	619 1 0
Depreciation—	..	..	..	..	..	..	..	..	..	..	..
Buildings	61 9 7	54 7 10	113 8 1	308 19 6	156 3 11	642 8 7	349 16 10	161 11 2	437 9 9	617 9 1	2,903 7 4
Furniture	81 2 8	124 2 11	976 6 7	125 11 5	178 5 4	375 17 11	546 8 2	191 7 11	185 6 11	177 5 0	2,859 14 10
Trucks	..	..	..	..	..	..	..	..	175 13 0	197 7 8	197 7 8
Fuel	..	..	..	..	..	..	..	..	..	..	175 13 0
Unauthorized expenditure	..	..	..	..	..	..	..	..	..	..	82 12 5
Net profit	6,439 9 8	750 2 1	126 17 1	2,253 5 7	9,497 14 0	1,020 19 0	7,117 13 5	18,902 10 0	4,260 6 10	13,004 4	46,108 10 10
	9,842 14 1	3,183 15	6,19,127 18 6	6,826 12	6,15,000 16 10	8,279 2	6,20,274 9	8,226,643 19 1	4,260 6 10	13,004 4	3,126,443 19 9
<i>Cr.</i>	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Gross profit	9,842 14 1	3,183 15	6,19,127 18 6	6,826 12	6,15,000 16 10	8,279 2	6,20,274 9	8,226,643 19 1	3,711 1 2	*405 12	10,113,296 5 8
Net loss	..	..	..	..	..	..	..	..	540 5	812,598 11	5,13,147 17 1
	9,842 14 1	3,183 15	6,19,127 18 6	6,826 12	6,15,000 16 10	8,279 2	6,20,274 9	8,226,643 19 1	4,260 6 10	13,004 4	3,126,443 19 9

* Rent, £130 28. 6d.; cellar, £221 10s. 4d.; goods, £45.

<i>Dr.</i>	£ s. d.	£ s. d.
Net losses brought down	..	13,147 17 1
Net profit to Profit and Loss Appropriation Account	..	32,960 13 9
	..	46,108 10 10
<i>Cr.</i>	£ s. d.	£ s. d.
Net profits brought down	..	..
	..	46,108 10 10
	..	46,108 10 10

PROFIT AND LOSS APPROPRIATION ACCOUNT

<i>Dr.</i>	£	s.	d.	<i>Cr.</i>	£	s.	d.
Income-tax	14,169 8 5	Net profit, 1944-45 ..	..	..	22,359 19 11
Social and national security tax	3,065 10 10		..	..
Balance forward	5,125 0 8		..	..
			<u>£22,359 19 11</u>				<u>£22,359 19 11</u>
Provision for—							
Income-tax, 1946	17,631 18 1	Balance brought down ..	..	..	5,125 0 8
Social and national security tax	3,504 9 7	Net profit, 1945-46 ..	..	..	32,960 13 9
Balance	16,949 6 9		..	..
			<u>£38,085 14 5</u>				<u>£38,085 14 5</u>

INVERCARGILL LICENSING TRUST—*continued*DETAILS OF CHARGES, MAINTENANCE, FURNITURE REPLACEMENTS, HEAD OFFICE
SALARIES AND WAGES, ETC.*Charges*

	£	s.	d.
Electricity	977	11	6
Licenses, hotel	310	0	0
Annual charges (telephone and Post Office box rentals, heavy-traffic license, boiler and lift certificates, bank charges, &c.)	283	18	0
Disinfectant	132	18	9
Printing and stationery (includes some printing of cheques and embossing)	866	1	11
Signwriting	116	1	5
Legal fees (including stamp duties, search fees, &c.)	1,015	5	3
Flowers	162	0	4
Stamps, telegrams, and bureaux	282	14	11
Advertisements (staff, tenders, sites, Managers, &c.)	63	19	10
Hireage (furniture and crockery)	53	2	11
Valuation fees (witness expenses, plans, &c., <i>re</i> Grand, Cecil, Appleby, Railway, &c.)	344	11	8
Travelling-expenses (Chairman, members, Managers for interview)	36	19	3
Daily papers (all hotels and Head Office)	138	18	4
Advertising (Brown Owl, Avenal, &c.)	122	9	0
Building permit	44	0	0
Audit fees	240	6	0
Sundries	118	11	7
	£5,309	10	8

Maintenance

	£	s.	d.
Plumbing repairs	413	10	1
Painting, glazing, and signwriting (chiefly Newburghs, Brown Owl, and Elmwood)..	1,454	18	6
Electrical repairs	131	15	10
(cleaning windows (Brown Owl and Head Office)	63	6	6
Plastering and brickwork (chiefly Newburghs and Deschlers)	128	19	1
Chimney-sweeping (Grand and Brown Owl)	10	13	6
Tar and sand (Newburgh roof)	36	19	0
Fixture repairs (chiefly Newburgh and Grand)	87	16	6
Gravel for roads and rights-of-way	17	15	6
Wages and materials, &c. (for carpentering repairs to all of Trust premises, including Head Office and store)	1,733	14	11
Sundries	14	11	8
	£4,094	1	1

Furniture Replacements

	£	s.	d.
Electric globes	78	18	0
Glasses	491	0	1
Crockery and cutlery	521	2	10
Table-cloths, smocks, linen, &c.	392	4	10
Brushes, mops, and ironmongery	137	11	1
Piano-tuning and gramophone records	3	16	6
Blinds	54	14	2
Lino, carpets, and rugs (replacement and cleaning)	630	10	2
Keys (various hotels)	4	15	7
Rubber tubing for beer equipment	16	14	0
Repairs to furniture and equipment	552	17	5
Coffee tables, trays, &c.	80	1	3
Difference in replacement value, cash registers	38	12	6
Sundries	10	3	4
	£3,013	1	9

INVERCARGILL LICENSING TRUST—*continued**Salaries and Wages, &c., Head Office and Trust Honoraria*

	£	s.	d.
Head Office	3,237	11	9
Bulk store			
Maintenance staff			
Secretary-Manager	1,075	0	0
Trust honoraria	1,312	10	0
	<u>£5,625</u>	<u>1</u>	<u>9</u>

Details of Unauthorized Expenditure for Period ended 31st March, 1946

	£	s.	d.
Red Cross appeal	5	0	0
Patriotic Council	10	0	0
Hotel Workers' Union ball	5	5	0
Trust staff picnic	10	0	0
Entertainment of outstanding guests, and refreshments	52	7	5
	<u>£82</u>	<u>12</u>	<u>5</u>

Statement of Balances as at 31st March, 1946

<i>Dr.</i>	£	s.	d.	£	s.	d.	<i>Cr.</i>	£	s.	d.	£	s.	d.
Bank Account	206,980	3	9				Bank of New Zealand	205,353	1	2			
Frank Holloway							Outstanding cheques	3,285	6	2			
Lighting Fund 104 12 8							Cash on hand	1,658	3	7			
							Post Office Savings-bank account	104	12	8			
	<u>£104</u>	<u>12</u>	<u>8</u>	<u>206,980</u>	<u>3</u>	<u>9</u>		<u>£1,762</u>	<u>16</u>	<u>3</u>	<u>208,638</u>	<u>7</u>	<u>4</u>
				104	12	8					1,762	16	3
				<u>£206,875</u>	<u>11</u>	<u>1</u>					<u>£206,875</u>	<u>11</u>	<u>1</u>

* Contingent liability for awards made under section 90 of the Public Works Act, 1928, in respect of the following properties taken under the above Act and amount not yet determinable:—

	A.	R.	P.	
Appleby ..	6/27/A574	0	1	0
Clyde ..	6/27/A286	0	1	0
	6/27/A287	0	1	0
	6/27/A288	0	1	0
	6/27/A289	0	1	0
Head Office	6/27/E977	0	1	16.4
Kelvin ..	6/27/A192	0	0	27.2

Gazette notice, 7th December, 1944.
Gazette notice, 9th July, 1945.
Gazette notice, 7th December, 1944.
Gazette notice, 26th February, 1945.

I hereby certify that the statement of accounts and Balance-sheet have been duly examined and compared with the relative books and documents submitted for audit, and correctly state the position as disclosed thereby.—J. P. RUTHERFORD, Controller and Auditor-General.

Invercargill Licensing Trust:

ERIC. B. BARNETT, Secretary-Manager.

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