



Annual Report

Redwood Trust Incorporated

31 March 2013

Prepared by Winstanley Kerridge Chartered Accountants Limited



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Trust Directory

Redwood Trust Incorporated For the year ended 31 March 2013

1. Date of Formation

18 August 1988

2. Trustees

Bob Penington
Craig Forsyth
Bruno Dalliessi

3. Nature of Business

To give donations to recognised charitable or amateur sporting organisations funded from gaming machines

4. GST Status

Payments Basis, Two monthly returns, Coinciding with balance date

5. IRD Number

050-432-882

6. Auditors

Angela Wood Chartered Accountant
PO Box 777
Blenheim 7240

7. Bankers

Bank of New Zealand
92-94 Market Street
Blenheim 7201

8. Accountants

Winstanley Kerridge Chartered Accountants Limited
P O Box 349
Blenheim 7240

These 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

Redwood Trust Incorporated For the 12 months ended 31 March 2013

	Mar-13	Mar-12
Trading Income		
Gaming Machine Funds - Redwood	981,056	1,031,496
Total Trading Income	981,056	1,031,496
Gross Profit	981,056	1,031,496
Other Income		
Depreciation - Gain on Sale	4,757	18,702
Interest Received	106	87
Sundry Income	-	308
Total Other Income	4,863	19,097
less Expenses		
Accountancy Fees	6,081	4,986
Advertising and Marketing	6,445	4,179
Audit Fees	1,700	1,600
Bank Charges	237	235
Depreciation	73,562	92,466
Depreciation - Loss on Disposal	5,450	4,335
Donations	391,444	422,822
Electronic Monitoring Activity	7,688	7,692
Gaming Machine Duty	225,643	237,244
Insurance	8,487	7,010
Interest - Marac Finance	17,090	16,908
Intralot Telecom Line Charge	618	618
Licences & Registrations	13,067	13,293
Loan Fees	500	500
Printing, Stamps & Stationery	1,028	506
Problem Gambling Levy	16,697	17,556
Repairs & Maintenance	1,843	659
Repairs & Maintenance - Gaming Room	-	317
Secretarial Services	49,841	57,697
Service Contract	16,800	15,750
Site Fees and Administration	118,205	123,615
Subscriptions	490	490
Trustees Fees	20,000	20,000
Website	594	594
Total Expenses	983,512	1,051,073
Net Profit (Loss)	2,407	(480)

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



Statement of Cashflows

Redwood Trust Incorporated For the 12 months ended 31 March 2013 Excluding GST

	March 2013	March 2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash was provided from:		
Receipts from gaming machines	981,056	1,037,486
Interest	106	87
Sundry income	0	308
	<u>981,162</u>	<u>1,037,881</u>
Cash was applied to:		
Payments to suppliers and employees	497,612	516,488
Authorised Distributions	391,444	442,822
Taxation paid	0	0
Interest paid	16,610	16,924
	<u>905,666</u>	<u>976,234</u>
NET CASH INFLOW(OUTFLOW) FROM OPERATING ACTIVITIES	75,496	61,647
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash was provided from:		
Sale of fixed assets	11,500	22,500
Cash was applied to:		
Purchase of fixed assets	82,440	109,898
NET CASH INFLOW(OUTFLOW) FROM INVESTING ACTIVITIES	-70,940	-87,398
CASH FLOW FROM FINANCING ACTIVITIES		
Cash was provided from:		
Hire purchase drawdowns	82,081	83,806
Cash was applied to:		
Repayment of hire purchase loans	48,748	56,046
NET CASH INFLOW(OUTFLOW) FROM FINANCING ACTIVITIES	33,333	27,760
Net Increase(Decrease) in cash held	37,889	2,009
Add cash at start of year	69,700	67,691
Cash at end of year	<u>107,589</u>	<u>69,700</u>
RECONCILIATION OF NET SURPLUS TO NET CASHFLOW FROM OPERATING ACTIVITIES		
REPORTED NET SURPLUS	2,407	-480
ADD(LESS) NON CASH ITEMS		
Depreciation	74,255	78,099
ADD(LESS) MOVEMENTS IN OTHER WORKING CAPITAL ITEMS		
(Increase)/Decrease in Accounts Receivable	0	5,990
(Decrease)/Increase in GST Due	-380	169
(Decrease)/Increase in Accounts Payable	-1,266	-2,115
(Decrease)/Increase in Donation Creditors	0	-20,000
(Decrease)/Increase in Interest Accrued	480	-16
	<u>-1,166</u>	<u>-15,972</u>
NET CASH INFLOW(OUTFLOW) FROM OPERATING ACTIVITIES	75,496	61,647

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

Statement of Movements in Undistributed Funds

Redwood Trust Incorporated For the 12 months ended 31 March 2013

	31 Mar 2013	31 Mar 2012
Equity		
Opening Balance	103,090	103,570
plus movement for the year		
Current Year Earnings	2,407	(480)
Total movement for the year	2,407	(480)
Total Equity	105,497	103,090

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



Statement of Financial Position

Redwood Trust Incorporated As at 31 March 2013

31 Mar 2013 31 Mar 2012

Assets

Current Assets		
BNZ - Current Account	107,590	69,701
Total Current Assets	107,590	69,701
Non Current Assets		
Fixed Assets as per Schedule	214,908	218,222
Total Non Current Assets	214,908	218,222
Total Assets	322,498	287,923

Liabilities

Current Liabilities		
Accounts Payable	31,533	32,799
GST	15,853	16,233
Interest Accrued	677	197
Rounding	-	-
Total Current Liabilities	48,064	49,229
Non Current Liabilities		
Term Loans		
Marac Finance - April 2009	-	1,610
Marac Finance - August 2010	51,735	69,158
Marac Finance - June 2011	52,457	64,837
Marac Finance - November 2012	64,745	-
Total Term Loans	168,937	135,604
Total Non Current Liabilities	168,937	135,604
Total Liabilities	217,001	184,833
Net Assets	105,497	103,090

Equity

Accumulated Funds	105,497	103,090
Total Trustee Funds	105,497	103,090

The financial statements are subject to audit. The accompanying notes form part of these financial statements and should be read in conjunction with the reports contained herein.

For and on behalf of the Board:

Trustee

Date

Trustee

[Signature]
24/5/13

[Signature: B.S. Dall'Amico]

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

Schedule of Fixed Assets and Depreciation

Redwood Trust Incorporated 1 April 2012 to 31 March 2013

Name	Cost	Rate	Purchased	Disposed	1-Apr-12	Purchases	Depreciation	Disposals	Accum Dep	31-Mar-13
Gaming Machines										
00700483 Pyramid Magic 2c V99	26,495	40.0%DV	31 Oct 2012		-	26,495	5,299	-	5,299	21,196
00700484 The Phantom 2c V99	28,995	40.0%DV	31 Oct 2012		-	28,995	5,799	-	5,799	23,196
00868042 Game Conversion	4,750	39.6%DV	1 Jun 2005		154	-	61	-	4,657	93
00868043 Game Conversion	5,500	39.6%DV	30 Sep 2011	30 Oct 2012	4,230	-	-	4,230	-	-
Werewolf Wild										
00868043 Turtle Treasure	24,751	39.6%DV	1 May 2003	31 Oct 2012	279	-	-	279	-	-
00868043 Turtle Treasure	4,750	39.6%DV	1 Jun 2005	31 Oct 2012	154	-	-	154	-	-
00868043 Turtle Treasure	5,700	39.6%DV	1 Jul 2008	31 Oct 2012	883	-	-	883	-	-
00868302 Players Choice	29,900	48.0%DV	1 Dec 2006		955	-	458	-	29,404	496
01920206 Multistar Dynamic	33,995	48.0%DV	1 Aug 2010		12,020	-	5,770	-	27,744	6,251
01920207 Multistar Jackpots	33,995	48.0%DV	1 Aug 2010		12,020	-	5,770	-	27,744	6,251

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Schedule of Fixed Assets and Depreciation

Name	Cost	Rate	Purchased	Disposed	1-Apr-12	Purchases	Depreciation	Disposals	Accum Dep	31-Mar-13
01920657 Multistar Wishes & Dreams	33,995	40.0%DV	30 Jun 2011		22,663	-	9,065	-	20,397	13,598
01920658 Multistar Rock N' Jaguar	33,995	40.0%DV	30 Jun 2011		22,663	-	9,065	-	20,397	13,598
01960411 Conversion Multistar Foxy Fortune	6,000	39.6%DV	1 Apr 2008		798	-	316	-	5,518	482
01960411 Multistar Foxy Fortune	18,700	39.6%DV	1 Oct 2002		161	-	64	-	18,603	97
01960430 Conversion Multistar Enchanted w. Pids	2,000	39.6%DV	1 Apr 2008		266	-	105	-	1,839	161
01960430 Multistar Enchanted 10	19,800	39.6%DV	1 Mar 2004		339	-	134	-	19,595	205
01970459 Multistar 10G Megastar	24,995	39.6%DV	1 Sep 2005		933	-	370	-	24,431	564
01980693 Classic Collection 5 w Pids	25,995	39.6%DV	1 Apr 2008		3,460	-	1,370	-	23,905	2,090
01980694 1c 50L 50 Lines w Pids	25,995	39.6%DV	1 Apr 2008	31 Oct 2012	3,460	-	-	3,460	-	-
01980695 Multistar Megastar 2 w Pids	25,995	39.6%DV	1 Apr 2008		3,460	-	1,370	-	23,905	2,090
01983377 Multistar Foxy Fortune	22,995	48.0%DV	1 Aug 2010		8,131	-	3,903	-	18,767	4,228
01983378 Multistar	22,995	48.0%DV	1 Aug 2010		8,131	-	3,903	-	18,767	4,228

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Schedule of Fixed Assets and Depreciation

Name	Cost	Rate	Purchased	Disposed	1-Apr-12	Purchases	Depreciation	Disposals	Accum Dep	31-Mar-13
09006126 K2 Vision 500 Selextion 1	23,950	39.6%DV	1 Apr 2008	31 Oct 2012	3,187	-	-	3,187	-	-
09007252 Selextion 7 - free conversion	26,950	40.0%DV	30 Jun 2011		17,967	-	7,187	-	16,170	10,780
09007635 Norse Warrior FSF	26,950	40.0%DV	31 Oct 2012		-	26,950	5,390	-	5,390	21,560
09990001 Selextion 2 03089 upgrade	12,950	39.6%DV	1 Apr 2009		2,853	-	1,130	-	11,227	1,723
09990001 Selextion 2 ZKA 03089	18,500	39.6%DV	1 Nov 2004		453	-	179	-	18,226	274
09990004 Selextion 4 - 04986 upgrade	12,950	39.6%DV	1 Apr 2009		2,853	-	1,130	-	11,227	1,723
09990004 Selextion 4 - ZKA 04986	18,500	39.6%DV	1 Mar 2004		317	-	126	-	18,308	192
Display Flags x2	1,058	10.0%DV	20 Jan 2012		1,032	-	103	-	130	928
EMS - Wiring & Software	931	50.0%DV	1 Mar 2007		28	-	14	-	917	14
Jackpot Conversion	950	39.6%DV	1 Mar 2001		4	-	1	-	948	2
Mystery Jackpot 1078	8,042	39.6%DV	1 Oct 1999		15	-	6	-	8,033	9
Qcom Conversion Kits	2,000	39.6%DV	1 Apr 2006		97	-	39	-	1,941	59
Qcom Upgrades	17,250	39.6%DV	1 Apr 2006		838	-	332	-	16,744	506
Revaluation	60,423	0.0%DV	1 Aug 2004		60,423	-	-	-	-	60,423
Superflat Monitors x5	6,500	39.6%DV	1 Sep 2005		243	-	96	-	6,353	147

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Schedule of Fixed Assets and Depreciation

Name	Cost	Rate	Purchased	Disposed	1-Apr-12	Purchases	Depreciation	Disposals	Accum Dep	31-Mar-13
Total Gaming Machines	700,195				195,470	82,440	68,554	12,193	412,386	197,163
Plant & Equipment										
17" TFT Security Monitor	650	20.0%DV	28 Apr 2011		520	-	104	-	234	416
15-MC17TH-4 28.04.11										
Air Conditioning	5,000	11.4%DV	1 Aug 2003		1,753	-	200	-	3,447	1,554
Alarm System	667	26.4%DV	1 Jan 2000		15	-	4	-	656	11
Bar Stools	3,727	21.6%DV	1 Sep 2003		465	-	100	-	3,363	364
Bar Stools x12	1,788	21.6%DV	1 Nov 2001		143	-	31	-	1,676	112
Bases	10,136	15.6%DV	1 Sep 2006		3,947	-	616	-	6,805	3,331
Bases	1,019	15.6%DV	1 Oct 2006		403	-	63	-	679	340
Carpet	4,510	39.6%DV	1 Sep 1999		8	-	3	-	4,505	5
Change Machine	8,950	24.0%DV	1 Sep 1996		125	-	30	-	8,855	95
Coin Scale	1,390	26.4%DV	1 May 2003		91	-	24	-	1,323	67
Computer	2,265	40.0%DV	1 Feb 2011		1,268	-	507	-	1,504	761
Computer	2,900	48.0%DV	1 Jun 2003		9	-	4	-	2,895	5
Computer System 26.01.12	1,850	50.0%DV	26 Jan 2012		1,619	-	809	-	1,041	809
Digital Copier	3,788	39.6%DV	1 Feb 2004		63	-	25	-	3,750	38
Digital Recording	4,991	39.6%DV	1 Aug 2003		65	-	26	-	4,952	39
DVD Writer	305	39.6%DV	1 Sep 2004		7	-	3	-	301	4
EMS - Wiring	650	50.0%DV	1 Oct 2006		15	-	8	-	643	8
EMS - Wiring & Software	3,940	50.0%DV	1 Oct 2006		92	-	46	-	3,894	46

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



Schedule of Fixed Assets and Depreciation

Name	Cost	Rate	Purchased	Disposed	1-Apr-12	Purchases	Depreciation	Disposals	Accum Dep	31-Mar-13
					25	-	12	-	886	12
EMS - Wiring & Software Dual Loop	898	50.0%DV	1 Jan 2007							
Gaming Room Improvements	1,511	11.4%DV	1 Feb 2002		442	-	50	-	1,119	392
Gaming Security Cams	2,730	24.0%DV	1 Sep 2006		596	-	143	-	2,277	453
Gaming Stools x 6	2,280	20.0%DV	1 Jul 2007		794	-	159	-	1,645	635
Heat Pump	5,076	11.4%DV	1 Jul 1999		1,086	-	124	-	4,114	962
Jackpot Display Unit	16,750	39.6%DV	1 Dec 2001		94	-	37	-	16,693	57
Lease Hold Improvements	3,266	11.4%DV	1 Aug 1999		706	-	81	-	2,640	626
Performance Optimising Monitoring System	5,900	20.0%DV	24 Nov 2011		5,408	-	1,082	-	1,573	4,327
Security Camera	2,600	21.6%DV	1 Mar 2002		224	-	48	-	2,424	176
Security Camera System	11,014	24.0%DV	1 Jan 2007		2,625	-	630	-	9,019	1,995
Security System	7,397	26.4%DV	1 Jun 1999		146	-	38	-	7,290	107
Total Plant & Equipment	117,948				22,753	-	5,007	-	100,202	17,746
Total	818,143				218,223	82,440	73,562	12,193	512,589	214,908

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



Statement of Accounting Policies

Redwood Trust Incorporated For the year ended 31 March 2013

Statement of Accounting Policies

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

These financial statements have been prepared in accordance with generally accepted accounting practice. 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.

Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

Differential Reporting

Redwood Trust Incorporated qualifies for Differential Reporting because:

- it is not publicly accountable, and
- it is deemed to be 'not large' due to the following criteria -

- * the gross turnover is less than \$20 million, and
- * the total assets are less than \$10 million, and
- * there are less than 50 fulltime employees.

Redwood Trust Incorporated has taken advantage of all available differential reporting exemptions with the exception that a Statement of Cashflow has been provided.

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. (Refer Note 3)

Depreciation

Depreciation has been charged on either a diminishing value (DV) or cost price (CP) 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 & Service Tax

The Statement of Financial Performance and Statement of Cashflows (where included) 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.

Taxation

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

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

Notes to the Financial Statements

Redwood Trust Incorporated For the year ended 31 March 2013

1. Audit

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

2. Contingent Liabilities

At balance date there are no known contingent liabilities (2012 \$0). Redwood Trust Incorporated has not granted any Securities in respect of liabilities payable by any other party whatsoever.

3. Gaming Machine Revaluation

Gaming Machines were revalued to market value at 31 August 2010. Valuation was obtained from Gaming Machine Distributors Limited the suppliers of Gaming Machines

4. Capital Commitments

As at balance date there are no significant capital commitments.

5. 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 statements. There are no plans or intentions that may materially affect the current value or classification of assets and liabilities.

6. Related Parties

Accountancy and Secretarial services have been provided to the Trust by Winstanley Kerridge Chartered 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.

7. Term Liabilities

Marac Finance (November 2011)

Repayable monthly instalments Principal and Interest
Interest Rate 9.95% PA
\$2,311.89 Monthly
Secured by a specific security deed over the assets purchased.
Balance as at 31 March 2013 - 64,745

Marac Finance (August 2010)

Repayable monthly instalments Principal and Interest
Interest rate 11.95% PA
\$2,062.76 Monthly
Secured by a specific security deed over the assets purchased.
Balance as at 31 March 2013 - 51,735

Marac Finance (June 2011)

Repayable monthly instalments Principal and Interest
Interest rate 10.95% PA
\$1,590.85 Monthly
Secured by a specific security deed over the assets purchased.
Balance as at 31 March 2013 - 52,457

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

Notes to the Financial Statements

Marac Finance (April 2009)

Repayable monthly instalments Principal and Interest

Interest Rate 11.95% PA

\$1,626.05 Monthly

Secured by a specific security deed over the assets purchased.

Balance as at 31 March 2013 - NIL

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



INDEPENDENT AUDITOR'S REPORT

To the Members of Redwood Trust Incorporated

Report on the Financial Statements

I have audited the financial statements of Redwood Trust Incorporated on pages 4 to 15, which comprise the Statement of Financial Position as at 31 March 2013, and the Statement of Financial Performance, Statement of Cashflows and Statement of Movements in Undistributed Funds for the year then ended, and a summary of significant accounting policies and other explanatory information.

Trustees' Responsibility for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing (New Zealand). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Other than in my capacity as auditor I have no relationship with, or interests in, the Redwood Trust Incorporated.

Opinion

In my opinion the financial statements on pages 4 to 15 present fairly, in all material respects, the financial position of Redwood Trust Incorporated as at 31 March 2013 and its financial performance for the year then ended in accordance with generally accepted accounting practices in New Zealand.

Angela Wood

Angela Wood
Chartered Accountant
Blenheim

24 May 2013