



Annual Report

Redwood Trust Incorporated

31 March 2014

Prepared by Winstanley Kerridge Chartered Accountants Limited

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Trust Directory

Redwood Trust Incorporated For the year ended 31 March 2014

1. Date of Formation

18 August 1988

2. Trustees

Bob Penington
Craig Forsyth
Bruno Dalliesi

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 2014

	Mar-14	Mar-13
Income		
Gaming Machine Funds - Redwood	980,287	981,056
Other Income		
Depreciation - Gain on Sale	-	4,757
Interest Received	175	106
Total Other Income	175	4,863
Total Income	980,462	985,919
Gross Profit	980,462	985,919
Less Operating Expenses		
Accountancy Fees	6,121	6,081
Advertising and Marketing	2,433	6,445
Audit Fees	1,770	1,700
Bank Charges	234	237
Depreciation - Loss on Disposal	2,696	5,450
Depreciation Expense	67,635	73,562
Donations	427,195	391,444
Electronic Monitoring Activity	7,822	7,688
Gaming Machine Duty	225,466	225,643
Insurance	8,723	8,487
Interest - Marac Finance	17,160	17,090
Intralot Telecom Line Charge	618	618
Licences & Registrations	13,067	13,067
Loan Fees	500	500
Printing, Stamps & Stationery	1,333	1,028
Problem Gambling Levy	15,252	16,697
Repairs & Maintenance	-	1,843
Repairs & Maintenance - Gaming Room	742	-
Secretarial Services	53,563	49,841
Service Contract	16,800	16,800
Site Fees and Administration	118,205	118,205
Subscriptions	490	490
Trustees Fees	20,000	20,000
Website	594	594
Total Operating Expenses	1,008,419	983,512
Net Profit (Loss)	(27,957)	2,407

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 2014

	March 2014	March 2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash was provided from:		
Receipts from gaming machines	980,287	981,056
Interest	175	106
Sundry income	0	0
	<u>980,462</u>	<u>981,162</u>
Cash was applied to:		
Payments to suppliers and employees	488,443	497,612
Authorised Distributions	427,195	391,444
Taxation paid	0	0
Interest paid	17,326	16,610
	<u>932,964</u>	<u>905,666</u>
NET CASH INFLOW(OUTFLOW) FROM OPERATING ACTIVITIES	<u>47,498</u>	<u>75,496</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash was provided from:		
Sale of fixed assets	0	11,500
Cash was applied to:		
Purchase of fixed assets	50,145	82,440
NET CASH INFLOW(OUTFLOW) FROM INVESTING ACTIVITIES	<u>-50,145</u>	<u>-70,940</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Cash was provided from:		
Hire purchase drawdowns	58,167	82,081
Cash was applied to:		
Repayment of hire purchase loans	68,036	48,748
NET CASH INFLOW(OUTFLOW) FROM FINANCING ACTIVITIES	<u>-9,869</u>	<u>33,333</u>
Net Increase(Decrease) in cash held	-12,516	37,889
Add cash at start of year	107,590	69,700
Cash at end of year	<u>95,074</u>	<u>107,589</u>
RECONCILIATION OF NET SURPLUS TO NET CASHFLOW FROM OPERATING ACTIVITIES		
REPORTED NET SURPLUS	-27,956	2,407
ADD(LESS) NON CASH ITEMS		
Depreciation	70,330	74,255
ADD(LESS) MOVEMENTS IN OTHER WORKING CAPITAL ITEMS		
(Increase)/Decrease in Accounts Receivable	0	0
(Decrease)/Increase in GST Due	136	-380
(Decrease)/Increase in Accounts Payable	5,155	-1,266
(Decrease)/Increase in Donation Creditors	0	0
(Decrease)/Increase in Interest Accrued	-166	480
	<u>5,124</u>	<u>-1,166</u>
NET CASH INFLOW(OUTFLOW) FROM OPERATING ACTIVITIES	<u>47,498</u>	<u>75,496</u>

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 2014

	31 Mar 2014	31 Mar 2013
Equity		
Opening Balance	105,497	103,090
plus movement for the year		
Current Year Earnings	(27,957)	2,407
Total movement for the year	(27,957)	2,407
Total Equity	77,541	105,497

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 2014

31 Mar 2014 31 Mar 2013

Assets

Current Assets		
BNZ - Current Account	95,073	107,590
Total Current Assets	95,073	107,590
Non Current Assets		
Fixed Assets as per Schedule	194,723	214,908
Total Non Current Assets	194,723	214,908
Total Assets	289,795	322,498

Liabilities

Current Liabilities		
Accounts Payable	36,688	31,533
GST	15,989	15,853
Interest Accrued	511	677
Rounding	-	-
Total Current Liabilities	53,187	48,064
Non Current Liabilities		
Term Loans		
Marac Finance - August 2010	32,113	51,735
Marac Finance - June 2011	38,307	52,457
Marac Finance - November 2012	42,446	64,745
Marac Finance - November 2013	46,202	-
Total Term Loans	159,068	168,937
Total Non Current Liabilities	159,068	168,937
Total Liabilities	212,255	217,001
Net Assets	77,541	105,497

Equity

Accumulated Funds	77,541	105,497
Total Funds	77,541	105,497

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 behalf of the Board

Trustee *R. G. [Signature]* Trustee *R. J. [Signature]*

Date 24/6/14

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 2013 to 31 March 2014

Name	Cost	Rate	Purchased	Disposed	1-Apr-13	Purchases	Depreciation	Disposals	Accum Dep	31-Mar-14
Gaming Machines										
00700483 Pyramid Magic 2c V99	26,495	40.0%DV	31 Oct 2012		21,196	-	8,478	-	13,777	12,718
00700484 The Phantom 2c V99	28,995	40.0%DV	31 Oct 2012		23,196	-	9,278	-	15,077	13,918
00868042 Game Conversion	4,750	39.6%DV	1 Jun 2005		93	-	37	-	4,694	56
00868302 Players Choice	29,900	48.0%DV	1 Dec 2006		496	-	238	-	29,642	258
01920206 Multistar Dynamic	33,995	48.0%DV	1 Aug 2010		6,251	-	3,000	-	30,745	3,250
01920206 Multistar Gold Fever Conversion	3,000	40.0%DV	30 Nov 2013		-	3,000	500	-	500	2,500
01920207 Multistar Jackpots	33,995	48.0%DV	1 Aug 2010		6,251	-	3,000	-	30,745	3,250
01920207 Multistar Megastar 3	-	40.0%DV	30 Nov 2013		-	-	-	-	-	-
01920657 Multistar Gold Fever 2 Conversion	3,000	40.0%DV	30 Nov 2013		-	3,000	500	-	500	2,500
01920657 Multistar Wishes & Dreams	33,995	40.0%DV	30 Jun 2011		13,598	-	5,439	-	25,836	8,159

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Schedule of Fixed Assets and Depreciation

Name	Cost	Rate	Purchased	Disposed	1-Apr-13	Purchases	Depreciation	Disposals	Accum Dep	31-Mar-14
01920658 Multistar Gold Fever 3	3,000	40.0%DV	30 Nov 2013		-	3,000	500	-	500	2,500
01920658 Multistar Rock N' Jaguar	33,995	40.0%DV	30 Jun 2011		13,598	-	5,439	-	25,836	8,159
01960411 Conversion Multistar Foxy Fortune	6,000	39.6%DV	1 Apr 2008		482	-	191	-	5,709	291
01960411 Multistar Foxy Fortune	18,700	39.6%DV	1 Oct 2002		97	-	38	-	18,641	59
01960430 Conversion Multistar Enchanted w. Pids	2,000	39.6%DV	1 Apr 2008		161	-	64	-	1,903	97
01960430 Multistar Enchanted 10	19,800	39.6%DV	1 Mar 2004		205	-	81	-	19,676	124
01970459 Multistar 10G Megastar	24,995	39.6%DV	1 Sep 2005		564	-	223	-	24,655	340
01980693 Classic Collection 5 w Pids	25,995	39.6%DV	1 Apr 2008		2,090	-	828	-	24,733	1,262
01980695 Multistar Megastar 2 w Pids	25,995	39.6%DV	1 Apr 2008		2,090	-	828	-	24,733	1,262
01983377 Multistar Foxy Fortune	22,995	48.0%DV	1 Aug 2010		4,228	-	2,029	-	20,796	2,199
01983378 Multistar 11	22,995	48.0%DV	1 Aug 2010		4,228	-	2,029	-	20,796	2,199
09007252 Selextion 7 - free conversion	26,950	40.0%DV	30 Jun 2011		10,780	-	4,312	-	20,482	6,468

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Schedule of Fixed Assets and Depreciation

Name	Cost	Rate	Purchased	Disposed	1-Apr-13	Purchases	Depreciation	Disposals	Accum Dep	31-Mar-14
09007635 Norse Warrior FSF	26,950	40.0%DV	31 Oct 2012		21,560	-	8,624	-	14,014	12,936
09990001 Selexion 2 03089 upgrade	12,950	39.6%DV	1 Apr 2009		1,723	-	682	-	11,909	1,041
09990001 Selexion 2 ZKA 03089	18,500	39.6%DV	1 Nov 2004		274	-	108	-	18,335	165
09990004 Selexion 4 - 04986 upgrade	12,950	39.6%DV	1 Apr 2009		1,723	-	682	-	11,909	1,041
09990004 Selexion 4 - ZKA 04986	18,500	39.6%DV	1 Mar 2004		192	-	76	-	18,384	116
Display Flags x2	1,058	10.0%DV	20 Jan 2012		928	-	93	-	222	836
EMS - Wiring & Software	931	50.0%DV	1 Mar 2007		14	-	7	-	924	7
Jackpot Conversion	950	39.6%DV	1 Mar 2001		2	-	1	-	949	1
Jackpot System Generation One	29,250	40.0%DV	30 Nov 2013		-	29,250	4,875	-	4,875	24,375
Jackpot Sinfo Kits AU1 x3	3,300	40.0%DV	30 Nov 2013		-	3,300	550	-	550	2,750
Jackpot Sinfo Kits GU4 x2	4,000	40.0%DV	30 Nov 2013		-	4,000	667	-	667	3,333
Jackpot Sinfo Kits GU4A x2	4,000	40.0%DV	30 Nov 2013		-	4,000	667	-	667	3,333
Mystery Jackpot 1078	8,042	39.6%DV	1 Oct 1999		9	-	4	-	8,036	6
Qcom Conversion Kits	2,000	39.6%DV	1 Apr 2006		59	-	23	-	1,965	35
Qcom Upgrades	17,250	39.6%DV	1 Apr 2006		506	-	200	-	16,944	306

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Schedule of Fixed Assets and Depreciation

Name	Cost	Rate	Purchased	Disposed	1-Apr-13	Purchases	Depreciation	Disposals	Accum Dep	31-Mar-14
Revaluation	60,423	0.0%DV	1 Aug 2004		60,423	-	-	-	-	60,423
Superflat Monitors x5	6,500	39.6%DV	1 Sep 2005		147	-	58	-	6,411	89
Total Gaming Machines	659,099				197,163	49,550	64,352	-	476,738	182,361
Plant & Equipment										
17" TFT Security Monitor	650	20.0%DV	28 Apr 2011		416	-	83	-	317	333
15-MC17TH-4 28.04.11										
32" HDMI Monitor	595	20.0%DV	30 Nov 2013		-	595	50	-	50	545
Air Conditioning	5,000	11.4%DV	1 Aug 2003		1,554	-	177	-	3,624	1,376
Alarm System	667	26.4%DV	1 Jan 2000	31 Mar 2014	11	-	-	11	-	-
Bar Stools	3,727	21.6%DV	1 Sep 2003		364	-	79	-	3,441	286
Bar Stools x12	1,788	21.6%DV	1 Nov 2001	31 Mar 2014	112	-	-	112	-	-
Bases	10,136	15.6%DV	1 Sep 2006		3,331	-	520	-	7,325	2,811
Bases	1,019	15.6%DV	1 Oct 2006		340	-	53	-	732	287
Carpet	4,510	39.6%DV	1 Sep 1999	31 Mar 2014	5	-	-	5	-	-
Change Machine	8,950	24.0%DV	1 Sep 1996	31 Mar 2014	95	-	-	95	-	-
Coin Scale	1,390	26.4%DV	1 May 2003	31 Mar 2014	67	-	-	67	-	-
Computer	2,265	40.0%DV	1 Feb 2011		761	-	304	-	1,808	457
Computer	2,900	48.0%DV	1 Jun 2003	31 Mar 2014	5	-	-	5	-	-
Computer System 26-01.12	1,850	50.0%DV	26 Jan 2012		809	-	405	-	1,445	405
Digital Copier	3,788	39.6%DV	1 Feb 2004	31 Mar 2014	38	-	-	38	-	-
Digital Recording	4,991	39.6%DV	1 Aug 2003	31 Mar 2014	39	-	-	39	-	-

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Schedule of Fixed Assets and Depreciation

Name	Cost	Rate	Purchased	Disposed	1-Apr-13	Purchases	Depreciation	Disposals	Accum Dep	31-Mar-14
DVD Writer	305	39.6%DV	1 Sep 2004	31 Mar 2014	4	-	-	4	-	-
EMS - Wiring	650	50.0%DV	1 Oct 2006		8	-	4	-	646	4
EMS - Wiring & Software	3,940	50.0%DV	1 Oct 2006		46	-	23	-	3,917	23
EMS - Wiring & Software Dual Loop	898	50.0%DV	1 Jan 2007		12	-	6	-	892	6
Gaming Room Improvements	1,511	11.4%DV	1 Feb 2002	31 Mar 2014	392	-	-	392	-	-
Gaming Security Cams	2,730	24.0%DV	1 Sep 2006		453	-	109	-	2,386	344
Gaming Stools x 6	2,280	20.0%DV	1 Jul 2007		635	-	127	-	1,772	508
Heat Pump	5,076	11.4%DV	1 Jul 1999	31 Mar 2014	962	-	-	962	-	-
Jackpot Display Unit	16,750	39.6%DV	1 Dec 2001	31 Mar 2014	57	-	-	57	-	-
Lease Hold Improvements	3,266	11.4%DV	1 Aug 1999	31 Mar 2014	626	-	-	626	-	-
Performance Optimising Monitoring System	5,900	20.0%DV	24 Nov 2011		4,327	-	865	-	2,439	3,461
Security Camera	2,600	21.6%DV	1 Mar 2002	31 Mar 2014	176	-	-	176	-	-
Security Camera System	11,014	24.0%DV	1 Jan 2007		1,995	-	479	-	9,498	1,516
Security System	7,397	26.4%DV	1 Jun 1999	31 Mar 2014	107	-	-	107	-	-
Total Plant & Equipment	118,543				17,746	595	3,283	2,696	40,292	12,362
Total	777,642				214,908	50,145	67,635	2,696	517,030	194,723

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 2014

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 2014

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 (2013 \$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 (2013: \$0).

5. 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.

6. Term Liabilities

Marac Finance (November 2012)

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 2014 - \$42,445

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 2014 - \$32,112

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 2014 - \$38,307

Marac Finance (November 2013)

Repayable monthly instalments Principal and Interest
Interest rate 9.95% PA
\$1,649.77 Monthly
Secured by a specific security deed over the assets purchased.
Balance as at 31 March 2014 - \$46,202

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

7. 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. (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 2014, 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 2014 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 June 2014