1947 NEW: ZEALAND

INVERCARGILL LICENSING TRUST

THIRD ANNUAL REPORT, FOR THE YEAR ENDED 31st MARCH, 1947

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 third annual report and balance-sheet. Progress during the year has, considering the difficulties with regard to labour and materials, &c., been good. The Grand Hotel renovations and alterations have now been completed and the hotel is fully open to the public. A start has been made on the Federal annex, but only the main lounge and a new roof is all that we have been permitted to do. Unfortunately, a fire did considerable damage to the Federal portion and ruined a portion of the new roof. The Chief Building Inspector has inspected the damage and has promised us a permit to complete our alterations sooner than waste money reconditioning. This will make the Grand Hotel one of the best hotels in New Zealand. Hotel Southland has now been completed and was opened in November last. Both the Grand and Southland have been very highly commended for their comfort, appointments, and service. They also feature the Trust's policy of "all sit-down drinking," which is proving reasonably successful, if not from the financial angle. The acquiring of the Rugby Park block was completed at the beginning of November, and a bottle-store was opened just prior to Christmas to help serve that area. Owing to lack of building permits there is still insufficient accommodation both for the travelling public and bar patrons. The Brown Owl Restaurant is proving a worth-while experiment, the sale of drink now being only a small part of the whole. However, having to pay hotel workers' wages to a greater portion of the staff, including waitresses, cooks, and to the Elmwood staff, has made it almost impossible to make this venture pay its way. We can see no reason why the restaurant staff should be paid different wages from the average restaurant, as, outside of the bar, attendants have nothing to do with the sale or handling of drink.

During the year two increases in the awards have taken place, one operating from the commencement of the year and the other from December. These apply, of course, to all branches of the Trust's activities. Wages and costs are all on the increase, whilst tariffs and prices received remain the same, hence the decrease in this year's profits.

SOUTHLAND BREWERY

The Trust have acquired a further number of shares and have now two directors on the board who are Trust members. Also, an agreement has been entered into which improves and consolidates our position with regard to supplies and brewery sales.

FINANCE

As at 31st March, 1947, the bank balance was a debit of £277,679 16s. Book value of assets included special reserves £356,642 16s. 5d., and if the license value is taken into account £600,000 would not be too high if assessed on a turnover of

£319,288 19s. 3d. per annum. The taxable profit for the year was £26,561 18s. 9d. after allowing for income-tax, social security charge, less refund from last year owing to finalizing of Grand Hotel Suspense Account, the net profit is £17,504 11s. 10d.

The members of the Trust are at present considering placing on the market a debenture issue to cover present indebtedness.

DISTRIBUTION OF PROFITS

After closing the 1945–46 accounts the Trust distributed the following: the Council of Sport, £4,000; Civic Band, £250; Southland Museum, £100; Ladies' Pipe Band, £50; First Battalion Band, £100; Progress League, £100; Southland Domain Board, £200; Southland Regional Planning Council, £200; Y.M.C.A., £500; Boy Scouts Association, £500; a total of £6,050. Further distributions will also be made this year after the finalizing of the balance-sheet.

Hours, etc.

Six o'clock closing with no after-hour trading leads to large sales of bottled drink. We are inclined to think that evening drinking-hours would at least restrict drinking in homes or silent drinking. Some consideration must be given to the drunkenness figures of Tasmania, where the convictions have gradually declined since the adoption of the following trading-hours: 12 (noon) to 2 p.m. and 3 p.m. to 10 p.m. incidentally, has the lowest drunkenness figures in Australasia. From these facts we assume that 5 p.m. to 6 p.m. heetic drinking on an empty stomach is the cause of a large amount of drunkenness and that drinking after the evening meal leads to more leisurely drinking and making intoxicating drink what it should be—a social amenity. We look forward to the time when our saloons can be called social centres with drink only a small part of the entertainment. We already can see this tendency in our sit-down saloons. While complaints may be made on the slow service of drink in our hotels, we think that the service of drinks on request is preferable to the practice of barmen filling the empty glass or shouting when a round of drinks is completed. There is still the problem of youthful drinkers. Our staff have great difficulty in assessing ages, but do their best to prohibit doubtful customers from procuring drink. We think that this is where our churches or prohibition friends could give us some practical assistance. The criticism of these people has, we find, been most fair, but their open patronage in our saloons, or more particularly in our restaurant, the Brown Owl, would do much to help in the youthful drinking problem. We claim, however, that the Trust and their servants do everything possible to prohibit under-age drinking.

GENERAL

At the end of its second complete year of operations members are becoming more satisfied that the policy of the Trust, now that it is becoming more widely known, is progressing along the right lines, as the general behaviour of our patrons is very good indeed, and we think that the police could again support this statement. Our strict observance of hours and the general law as to trading still continues to be the inviolable rule of the Trust and is strongly impressed on all new managers and staff.

A staff superannuation scheme was inaugurated during the year.

We wish to pass a word of praise to our staffs. Very few of them had hotel experience previous to employment with the Trust, and, taken generally, they have given every assistance in carrying out the policy adopted by our members.

However, until our full building programme is completed no complete judgment

can be passed as to the success or otherwise of Trust control.

HUGH RITCHIE, Chairman.

INVERCARGILL LICENSING TRUST

TRADING ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1947

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PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1947 INVERCARGILL LICENSING TRUST—continued

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Profit and Loss Appropriation Account	ents (1946) $20,911$ 4 11 Balances brought down (in respect of year 1944-45) ξ s. d. Soft the Invercargill 2,300 0 0 14,874 9 6	£38,085 14 5	ldings $13,198$ 7 6 Balance brought down	10,818 5 5 5 1,760 18 6 9,057 6 11	19,180 13 10 <u>£41,436 8 3</u>
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INVERCARGILL LICENSING TRUST—continued

DETAILS OF EXPENSES, FURNITURE REPLACEMENTS, AND MAINTENANCE

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INVERCARGILL LICENSING TRUST—continued

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DETAILS OF	UNAUTHORIZED	EXPENDITURE	FOR YEAR	ENDED	318T	MARCH.	1947

Returned Servicemen's Associat W. M. C. Denham's Presentation Ex-gratia payment, widow of J. Wreaths for deceased personnel Refreshments, &c.	R. Lynch	· Appe	eal 			$\begin{array}{c} 5 \\ 10 \end{array}$	5 0 16 2 11	d. 0 8 0 1
Dr.	£ s. 277,679 16 d.	d. 0	AS AT 31ST MARCH Cr. Bank of New Zealand Outstanding cheques Cash on hand Post Office Savings- bank Account	£ s. 757 14	d. 1		s. 3 7	d. 0 1
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INVERCARGILL LICENSING TRUST—continued
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	Appleby Hotel.	Avenal Hotel.	Brown Owl Restaurant.	Cecil Hotel.	Clyde Hotel.	Deschler Hotel.	Grand Hotel.	Head Office.	Kelvin Hotel.	Rugby Park Bottle-store.	Southland Hotel.	Totals.
Bank Less cash in hand	55 4 3	£ s. d.	1. £ s. d. 3 150 13 9	£ s. d. 21 16 0	£ s. d.	1. £ s. d. 3 18 7 1	£ s. d. 224 7 1	ક : ં જ	£ s. d.	£ s. d.	£ s. d.	2 8. d. 278437 10 11 757 14 1
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Depreciation reserves— Furniture	207 16 0	91 262	9 2680 5 8	307 16 10	462 10 10	779 3 1	2321 6 4		547 11 3	8 6	179 16 7	8045 0
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Maintenance Furniture and fittings Plant Practs	1153 13 8	1861	9 11788 9 2 1092 17 5	$1924^{\circ}39$ 2130	2397 5 2	2 4542 19 10	10 15929 1 5 12815 12 10	1640 19 1 1647 · 7	2398 13 0		3596 10 10	÷ ਜ
Land and buildings Sundry debtors Goodwill	3993 6 1 82 5 6	5086 9 97 16	5 585 10 8 123 2415 0 0 900	29320 12 6 123 2 9 900 0 0	687 7 0	012638 7 5 9 145 9 6	5 95434 7 9 6 658 4 7 7200 0 0	13292 1 3 905 3 0 486 15 0	8125 15 1 177 12 0	3053 19 47 15	1 16573 18 9 0 70 14 10	77
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* Confingent hability for awards made under section 30 of the Public Works Act. 1928, in respect of the following premises taken under the above Act and account not yet determinable: Kelvin, 6/27/A192, Invercargill Town South, Part Section 22, Block X, 27-2 p., Gazette notice, 26th February, 1945.

The Audit Office, having examined the balance-sheet and accompanying accounts required by law to be audited, hereby Invercargill Licensing Trust: certifies them to be correct.—J. P. RUTHERFORD, Controller and Auditor-General.

ERIC. B. BARNETT, Secretary-Manager.

Approximate Cost of Paper.—Preparation, not given; printing (543 copies), £18 10s.

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