

The Akarana Community Trust Limited
Financial Statements
For the Year Ended 31st March 2016

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The Akarana Community Trust Limited
Company Directory
As at 31st March 2016

Registered Office	Shop 2, 116 Cavendish Drive Manukau, Auckland 2104 New Zealand
Directors	Malcolm Gordon Mary Frances Hackshaw Janu Partap Singh Pramjit Rai Suchdev
Company Number	3265349
Auditors	Audit Services Chartered Accountants Limited Chartered Accountants Level 1, 208 Great South Road Papatoetoe Auckland - 2025
Accountants	Tally Accounting & Business Solutions Ltd 116B Cavendish Drive Manukau, Auckland 2104 Auckland - 2041
Bankers	Bank of New Zealand
Solicitors	Jarrod True Harkness Henry 85 Alexandra Street, Hamilton
Date of Formation	23 Feb 2011
Nature of Business	Gaming Machine Operator
Shareholders	Malcolm Gordon Mary Frances Hackshaw
	50 Ordinary Shares 50 Ordinary Shares <hr/> 100



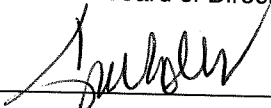
The Akarana Community Trust Limited
Directors' Annual Report
For the Year Ended 31st March 2016

The Directors present here their Annual Report including Financial Statements of the Company for the year ended 31st March 2016.

Annual Report Non-Compliance

A unanimous resolution was passed by the company pursuant to subsection 211(3) of the Companies Act, 1993 that the Annual Report need not comply with paragraphs (a) and (e) to (j) of subsection 211(1) of the Act.

For and on behalf of the Board of Directors,

Director  _____

Director  _____

Dated this 28 day of 04 2016



The Akarana Community Trust Limited
Trading Account
For the Year Ended 31st March 2016

	2016	2015
	\$	\$
OPERATING REVENUE		
Gaming Machine Proceeds	6,613,224	6,149,989
OPERATING DIRECT COSTS		
Application fees	39	565
Electronic Monitoring System	37,806	32,658
Esibalance Fees	16,140	16,848
Gaming Machine Duty	1,500,446	1,414,498
Problem Gambling Levy	98,279	92,650
Repair & Maintenance	89,308	85,104
Site Rental	716,225	676,553
Venue Licence	38,059	33,709
Total	<u>2,496,302</u>	<u>2,352,585</u>
GROSS SURPLUS FROM TRADING	<u>\$4,116,922</u>	<u>\$3,797,404</u>
GROSS SURPLUS MARGIN	62.3%	61.7%

The accompanying notes form part of these financial statements.



The Akarana Community Trust Limited
Statement of Financial Performance
For the Year Ended 31st March 2016

	2016	2015
	\$	\$
Gross Surplus from Trading	4,116,922	3,797,404
SUNDRY INCOME		
Interest Received	1,539	3,228
Total Income	<u>4,118,461</u>	<u>3,800,632</u>
Less Indirect Operating Expenses		
Accident Compensation Levy	507	2,196
Accountancy Fees	7,440	12,802
Advertising	2,441	3,031
Audit Fees	3,250	3,250
Bank Charges	11,779	10,252
Compliance fees	6,757	2,161
Computer Expenses	755	547
Conference Expenses	-	50
Consultancy	35	-
Directors' Fees	56,400	51,500
Freight & Courier	234	240
General Expenses	-	873
Insurance	15,553	13,690
Interest	24,877	34,720
IRD Penalty	-	100
KiwiSaver Employer Contributions	2,800	-
Legal Expenses	77,487	34,684
Licences & Registrations	5,872	5,872
Light Power & Heating	-	103
Membership Fees	615	600
Motor Vehicle Expenses	3,547	4,122
Office Expenses	-	69
Printing, Stamps & Stationery	9,331	9,005
Rents	12,000	10,004
Staff Training	960	4,326
Subscriptions	2,490	2,490
Telephone, Tolls & Internet	10,454	12,046
Travel - National	5,063	3,506
Travel - International	1,399	1,304
Wages & Salaries	110,112	104,350
Total Indirect Operating Expenses	<u>372,158</u>	<u>327,893</u>
Net Surplus Before Depreciation	<u>3,746,303</u>	<u>3,472,739</u>
Less Depreciation Adjustments		
Depreciation as per Schedule	252,354	357,118
Depreciation - Loss on Sale	32,655	8,000
Amortisation	-	-
Net Depreciation Adjustment	<u>285,009</u>	<u>365,118</u>

The accompanying notes form part of these financial statements.

The Akarana Community Trust Limited
Statement of Financial Performance
For the Year Ended 31st March 2016

	2016	2015
	\$	\$
UNDISTRIBUTED SURPLUS PRIOR TO DISTRIBUTIONS	<u>3,461,294</u>	<u>3,107,621</u>
DISTRIBUTIONS		
Distributions Made During the Year	3,062,143	3,318,165
NET UNDISTRIBUTED SURPLUS FOR THE YEAR	<u><u>\$399,151</u></u>	<u><u>(\$210,544)</u></u>

The accompanying notes form part of these financial statements.



The Akarana Community Trust Limited
Statement of Movements in Equity
For the Year Ended 31st March 2016

	2016	2015
	\$	\$
UNDISTRIBUTED FUNDS AT THE START OF YEAR	(167,987)	42,557
Net Undistributed Surplus for the year	399,151	(210,544)
Total Recognised Revenues & Expenses	<u>399,151</u>	<u>(210,544)</u>
UNDISTRIBUTED FUNDS AT THE END OF THE YEAR	<u><u>\$231,164</u></u>	<u><u>(\$167,987)</u></u>

The accompanying notes form part of these financial statements.

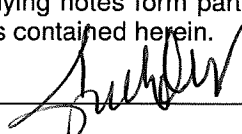


The Akarana Community Trust Limited
Statement of Financial Position
As at 31st March 2016

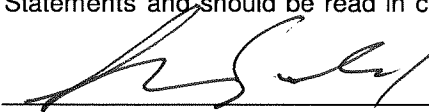
	2016	2015
	\$	\$
CURRENT ASSETS		
BNZ Bank- Akarana Oncall Account	375,113	15
BNZ Bank - Highbrook Account	34,225	9,495
Taxation	1,746	1,237
Accrued Income	102,978	-
Total Current Assets	<u>514,062</u>	<u>10,747</u>
NON-CURRENT ASSETS		
Fixed Assets as per Schedule	399,868	447,780
Total Non-Current Assets	<u>399,868</u>	<u>447,780</u>
TOTAL ASSETS	<u>913,930</u>	<u>458,527</u>
CURRENT LIABILITIES		
GST Due for payment	149,168	116,435
Accounts Payable	179,817	171,318
Accrued Expenses	2,599	2,390
Credit Card - Janu Partap Singh	1,453	1,278
Security Bond Received	-	40,000
Term Loans - Current Portion	177,798	161,243
Total Current Liabilities	<u>510,835</u>	<u>492,664</u>
NON-CURRENT LIABILITIES		
BNZ Bank - Term Loan No 3	-	9,677
BNZ Bank - Term Loan No 4	-	48,730
BNZ Bank - Term Loan No 5	-	75,443
BNZ Bank Loan - Term Loan 6	45,962	-
BNZ Bank Loan - Term Loan 7	125,969	-
Total Non-Current Liabilities	<u>171,931</u>	<u>133,850</u>
TOTAL LIABILITIES	<u>682,766</u>	<u>626,514</u>
NET ASSETS/(LIABILITIES)	<u>\$231,164</u>	<u>(\$167,987)</u>
Represented by:		
EQUITY		
Share Capital	-	-
Reserves	-	-
Retained Earnings	231,164	(167,987)
TOTAL EQUITY	<u>\$231,164</u>	<u>(\$167,987)</u>

The accompanying notes form part of these Financial Statements and should be read in conjunction with the reports contained herein.

Director



Director



Date

28/04/2016

The accompanying notes form part of these financial statements.

The Akarana Community Trust Limited
Cash Flow Statement
For the Year Ended 31st March 2016

	2016	2015
	\$	\$
Cash Flows from Operating Activities		
<u>Cash was received from:</u>		
Fees Received (GST exclusive)	6,613,224	6,149,989
Interest received	1,539	3,228
GST Movements	32,098	24,435
	<u>6,646,861</u>	<u>6,177,652</u>
<u>Cash was paid to:</u>		
Payments to suppliers and employees	2,966,553	2,565,100
Rent paid	11,000	10,004
Interest paid	24,877	34,720
Authorised Purpose Distribution	3,062,143	3,318,165
	<u>6,064,573</u>	<u>5,927,989</u>
Net Cash Inflow (Outflow) from Operating Activities	<u>582,288</u>	<u>249,663</u>
Cash Flows from Investing Activities		
<u>Cash was received from:</u>		
Reimbursement of Venue Enhancement	-	954
	<u>-</u>	<u>954</u>
<u>Cash was paid to:</u>		
Purchase of fixed assets	237,097	315,114
	<u>237,097</u>	<u>315,114</u>
Net Cash Inflow (Outflow) from Investing Activities	<u>(237,097)</u>	<u>(314,160)</u>
Cash Flows from Financing Activities		
<u>Cash was received from:</u>		
Loan advances received	450,374	207,796
	<u>450,374</u>	<u>207,796</u>
<u>Cash was paid to:</u>		
Repayment of Loans	395,738	329,860
	<u>395,738</u>	<u>329,860</u>
Net Cash Inflow (Outflow) from Financing Activities	<u>54,636</u>	<u>(122,064)</u>
NET INCREASE (DECREASE) IN CASH HELD	<u>399,827</u>	<u>(185,861)</u>
Cash and cash equivalents as at 1 April 2015	9,510	196,071
Cash and Cash Equivalents as at 31 March 2016	<u>2(k) <u>409,337</u></u>	<u>9,510</u>

The accompanying notes form part of these financial statements.

The Akarana Community Trust Limited
Schedule of Finance Leases & Term Loans
As at 31st March 2016

	2016	2015
	\$	\$
BNZ Bank - Term Loan No 1 - Security - Over Company's Assets		
Opening Balance	6,243	77,801
Interest Charges	-	3,874
Less Payments	(6,243)	(75,432)
Total Outstanding	-	6,243
Current Portion due	-	6,243
BNZ Bank - Term Loan No 2 - Security - Over Company's Assets		
Opening Balance	21,750	83,425
Interest	-	4,718
Less Payments	(21,750)	(66,393)
Total Outstanding	-	21,750
Current Portion due	-	21,750
BNZ Bank - Term Loan No 3 - Security - Over Company's Assets		
Opening Balance	35,601	59,420
Interest Charges	-	4,168
Less Payments	(35,601)	(27,987)
Total Outstanding	-	35,601
Current Portion due	-	25,924
Non-Current Portion	-	9,677
BNZ Bank - Term Loan No 4 - Security - Over Company's Assets		
Opening Balance	101,297	196,511
Interest Charges	-	11,347
Less Payments	(101,297)	(106,561)
Total Outstanding	-	101,297
Current Portion due	-	52,567
Non-Current Portion	-	48,730
BNZ Bank - Term Loan No 5 - Security - Over Company's Assets		
Opening Balance	130,202	-
Advance Amount	-	130,202
Interest Charges	-	10,612
Less Payments	(130,202)	(10,612)
Total Outstanding	-	130,202
Current Portion due	-	54,759

The accompanying notes form part of these financial statements.

The Akarana Community Trust Limited
Schedule of Finance Leases & Term Loans
As at 31st March 2016

	2016	2015
	\$	\$
Non-Current Portion	-	75,443
BNZ Bank Loan - Term Loan 6 - Security - Over Company's Assets		
Advance Account	228,200	-
Less Payments	<u>(71,221)</u>	<u>-</u>
Total Outstanding	156,979	-
Current Portion due	111,017	-
Non-Current Portion	45,962	-
BNZ Bank Loan - Term Loan 7 - Security - Over Company's Assets		
Advance Account	222,174	-
Less Payments	<u>(29,424)</u>	<u>-</u>
Total Outstanding	192,750	-
Current Portion due	66,781	-
Non-Current Portion	125,969	-
Total Current Portion Due	177,798	161,243
Total Non-Current Portion	<u>171,931</u>	<u>133,850</u>
Total Term Loans	<u><u>349,729</u></u>	<u><u>295,093</u></u>

The accompanying notes form part of these financial statements.

The Akarana Community Trust Limited

Notes to the Financial Statements

For the Year Ended 31st March 2016

1. REPORTING ENTITY

The Akarana Community Trust Limited is a gaming society established for the primary activity of operating gaming machines to generate surplus revenue to be distributed in accordance with its constitution and authorised purpose as approved by the Department of Internal Affairs. The Society conducts class 4 gaming in New Zealand as defined in the Gambling Act 2003.

2. STATEMENT OF ACCOUNTING POLICIES

(a) Entity Reporting

The financial statements are for the Gaming Society known as THE AKARANA COMMUNITY TRUST LIMITED ("the corporate society").

The Corporate Society was incorporated on 23 February 2011 and was granted a gaming license which commenced on 1 May 2012.

The Financial Statements were approved and were authorised for issue by the Directors on 26th April 2015.

(b) Statement of Compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that has been authorised for use by the External Reporting Board for Non-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large.

The Directors have elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions. This decision results in the company not preparing a Statement of Service Performance for both reporting periods.

(c) Measurement Base

The accounting principles recognized as appropriate for the measurement and reporting of Financial Performance, Financial Position and Cash Flow Statements have been applied on an historical cost basis.

(d) Changes in Accounting Policies

For the year ended 31 March 2015, the directors prepared the financial statements using the differential reporting. These have now been restated to Not-for-Profit PBE IPSAS-RDR. An explanation of how the transition to Tier 2 Not-For-Profit PBE Accounting Standards has affected the reporting Statement of Financial Position and Statement of Comprehensive Revenue and Expenses is provided in Note 8 of the financial statements.

The Akarana Community Trust Limited

Notes to the Financial Statements

For the Year Ended 31st March 2016

(e) Specific Accounting Policies

The financial statements are prepared in accordance with New Zealand generally accepted accounting practice. The accounting policies that materially affect the measurement of financial performance, financial position and cash flows are set out below:

Revenue

Revenue comprises the amounts received and receivable for goods and services supplied to customers in the ordinary course of business.

Goods and Services Tax (GST)

The Financial statements have been prepared on a GST exclusive basis with the exception of the accounts receivable and accounts payable which are stated inclusive of GST.

(f) Property, Plant & Equipment

Initial Recording

The cost of purchased property, plant and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended service.

Valuation of Fixed Assets

Property, Plant and Equipment are stated at cost (unless otherwise stated) less aggregate depreciation.

Depreciation

Depreciation of property, plant and equipment is calculated so as to expense the cost of the assets to their residual values over their estimated useful lives. The rates are as follows:

Motor Vehicles	21%	DV
Furniture & Fittings	33.3%	SL
Plant & Equipment	33.2-58.6%	SL

(g) Taxation

The company is exempt from income Tax under section CW48 of the Income Tax Act 2007. The Act provides an exemption for gaming machine income of licensed operators provided all distributions are made in accordance with the Gambling Act 2003. Accordingly, all surpluses are distributed as grants in accordance with the Company's Authorised Purpose statement as approved by the Department of Internal Affairs.

The Akarana Community Trust Limited

Notes to the Financial Statements

For the Year Ended 31st March 2016

(h) Impairment

Annually, the Directors assess the carrying value of each asset. Where the estimated recoverable amount of the asset is less than its carrying amount, the asset is written down. The impairment loss is recognized in the Statement of Financial Performance.

(i) Financial Instruments

Financial Instruments carried on the statement of financial position include cash and bank balances, investments, receivables, payables and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

(j) Operating Leases

Leases that are not finance leases are classified as operating leases. Operating lease payments are recognized as expenses in the periods the amounts are payable.

(k) Statement of Cash Flows

The Statement of Cash Flows is prepared exclusive of GST, which is consistent with the method used in the Statement of Financial Performance.

The following are the definitions of the terms used in the statement of cash flows:

- Operating activities include all transactions and other events that are not investing or financing activities.
- Investing activities are those activities relating to the acquisition, holding and disposal of property, plant and equipment and of investments. Investments can include securities not falling within the definition of cash.
- Financing activities are those activities that result in changes in the size and composition of the capital structure. This includes both equity and debt not falling within the definition of cash.
- Cash is considered to be cash on hand and current accounts in banks, net of bank overdrafts.

(l) Going Concern

These financial statements have been prepared on the basis that the company is a going concern and has the continuing support of its shareholders. Based on the continuing financial support of its shareholders, the company would satisfy the solvency requirements of the Companies Act 1993.

3. CONTINGENT LIABILITIES

At balance date there are no known contingent liabilities. The Akarana Community Trust Limited has not granted any securities in respect of liabilities payable by any other party whatsoever.



The Akarana Community Trust Limited
Notes to the Financial Statements
For the Year Ended 31st March 2016

4. OPERATING REVENUE

	2016	2015
	\$	\$
Sales	6,613,224	6,149,989
Interest Received	1,539	3,228
Total Other Income	1,539	3,228
Total Operating Revenue	<u>6,614,763</u>	<u>6,153,217</u>

5. RELATED PARTIES

There were no related party transactions during the year under review., except the following:

1. Three of the four directors are being paid director fees. The director fees paid are fair to the company. The amount of director fees are commensurate with the experience, time, effort, knowledge, skills, dedication, responsibilities, connections, expertise, stress, risks, leadership provided to the company by the recipients.
2. Mr. Janu Singh, director of the company is also working as General Manager of the Company and is being paid salary with PAYE deducted there from, apart from the reimbursement of motor vehicle expenses. The vehicle of the company is used by him exclusively for the use of the company.
3. Mr. Parmjit Suchdev is the director of the company. Grants have been given to another Trust "Roopa Aur Aap Charitable Trust" in which his sister is a Trustee. Criteria applicable to other charitable organisations have been applied while considering the Grant for this Trust

6. COMMITMENTS - GRANTS

The following grants were approved as at 31 March 2016 and were paid out subsequent to the balance date:

- (1) \$5,100.00 to Auckland Netball Inc paid on 01 April 2016.
- (2) \$25,000.00 to Basketball Trust paid on 04 April 2016.
- (3) \$28,525.73 to Chinese Senior Citizen Help Foundation 01 April 2016.
- (4) \$1,000.00 to Eden Roskill District Cricket Club on 01 April 2016.
- (5) \$6,017.92 to Kiwi Indian Community Trust paid on 01 April 2016.
- (6) \$4,000.00 to Manaia Squash Club paid on 01 April 2016.
- (7) \$1,150.00 to North Triathlon Harbour Club paid on 01 April 2016.
- (8) \$1,000.00 to NZ Council Victim Support paid on 01 April 2016.
- (9) \$4,270.00 to Papatoetoe Cricket Club paid on 01 April 2016.
- (10) \$23,123.00 to Roopa Aur Aap Charitable Trust paid on 04 April 2016.
- (11) \$600.00 to Saanjh Sports and Cultural Club paid on 01 April 2016.
- (12) \$159,718.56 to Supreme Sikh Society paid on 01 April 2016.
- (13) \$1,320.50 to Te Kura Maori O Nga Tapuwae paid on 01 April 2016.
- (14) \$10,000.00 to Thames Valley Rugby paid on 06 April 2016.
- (15) \$13,333.00 to The South Trust paid on 01 April 2016.
- (16) \$7,907.00 to Woman Care Trust paid on 04 April 2016.

The Akarana Community Trust Limited
Notes to the Financial Statements
For the Year Ended 31st March 2016

7. EVENTS AFTER THE REPORTING DATE

The Directors and management is not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in these financial statements that have significantly or may significantly affect the operations of The Akarana Community Trust Limited.

8. EXPLANATION OF THE TRANSITION TO PBE IPSAS

The financial statements for the year ended 31 March 2016 are the first annual financial statements prepared in accordance with PBE IPSAS. The Company has applied PBE FRS 47 "First-time adoption of PBE standards by entities other than those previously applying NZ IFRS's" in preparing these financial statements.

9. PROPERTY, PLANT & EQUIPMENT

	2016	2015
	\$	\$
Motor Vehicles		
At cost	24,348	24,348
Less accumulated depreciation	<u>(9,152)</u>	<u>(5,113)</u>
	15,196	19,235
Current year depreciation	4,039	5,113
	<u>4,039</u>	<u>5,113</u>
Furniture & Fittings		
At cost	68,619	68,619
Less accumulated depreciation	<u>(51,479)</u>	<u>(33,919)</u>
	17,140	34,700
Current year depreciation	17,560	19,047
	<u>17,560</u>	<u>19,047</u>
Plant & Equipment		
At cost	1,204,512	1,048,973
Less accumulated depreciation	<u>(834,230)</u>	<u>(655,128)</u>
	370,282	393,845
Current year depreciation	230,755	332,958
	<u>230,755</u>	<u>332,958</u>
Total Property, Plant & Equipment	<u>\$399,868</u>	<u>\$447,780</u>
Total Depreciation for the year	<u>\$252,354</u>	<u>\$357,118</u>

10. REFUSAL TO RENEW CLASS 4 OPERATOR'S LICENCE

The Department of Internal Affairs by its letter dated 23 February 2016 has proposed to refuse the renewal of class 4 operator's licence granted under the Gambling Act 2003. The Company is in the process of defending this cancellation.