

The Akarana Community Trust Limited
Annual Financial Report
For the Year Ended 31st March 2024

The Akarana Community Trust Limited
Financial Report
For the Year Ended 31st March 2024

Contents	Page
Directory	2
Entity Information	3
Directors' report and Statement of Responsibility for Financial Statements. .	4
Statement of Service Performance	5
Statement of Comprehensive Revenue and Expenses	6
Statement of Changes in Net Assets/Equity.	8
Statement of Financial Position	9
Statement of Cash Flows	10
Notes to the Financial Statements	11
Independent Auditor's Report	27

A *100*

The Akarana Community Trust Limited

Directory

As at 31st March 2024

Registered Office	Unit 6, 17a Ryan Place Manukau Auckland 2104 NZ
Directors	Malcolm Gordon Pramjit Rai Suchdev Phyllis Margaret Huitema Khushmeet Kaur
NZBN Number	9429031223850
Company number	3265349
Auditors	BK Audit
Accountants	Macro Accounting and Tax Advisors Limited 116 B Cavendish Drive Manukau Auckland 2104
Bankers	Bank of New Zealand
Solicitors	True Legal Jarrod True Hamilton
Date of Formation	23 rd February 2011
Shareholders	Malcolm Gordon 50 Ordinary Shares Pramjit Rai Suchdev 50 Ordinary Shares
Class 4 Operator's Licence number	Gaming Licence 2056360

The Akarana Community Trust Limited

Entity Information

For the Year Ended 31st March 2024

Legal Name of Entity	Akarana Community Trust Limited
Type of Entity and Legal Basis	Gaming Society Class 4 - Non-Profit Company
Registration Number	NZBN 9429031223850 - Company # 3265349 - Gaming Licence 2056360
Entity's Purpose or Mission :	<p>Conducting class 4 gambling is to raise money for authorised purposes.</p> <p>New Zealand proudly boasts a unique, community-owned model for pub gaming, where community gets the major share of the net proceeds. Akarana Community Trust holds a Class 4 Gambling licence to conduct Class 4 gambling to raise money for the authorised purposes. Akarana is a major supporter of amateur sport and committed to making local grants that support general community, cultural and religious causes.</p>
Entity Structure	Akarana is a NZ Limited but Non-profit company. Akarana's registration is current under the Industry code 0772012 (Regulating casino and other gambling)
Operational Structure :	Akarana is Non-profit company with board and employed staff/independent contractors. The Board has four Directors with two Directors being the shareholders and the other two Directors are independent Directors. There are two full time staff members and one Independent Contractor as well working for Akarana.
Main Sources of the Entity's Cash and Resources	Akarana holds a Class 4 gambling licence and conducts Class 4 gambling to raise money to build Akarana's cash and resources. Akarana community Trust currently owns 108 machines and have 6 venues in New Zealand. The Trust has raised \$9.587m of gaming machine proceeds in Financial year March 2024 and have funded more than 40% back to the community (\$3.893m)
Main Methods Used By Entity to Raise funds	<p>Conducting class 4 gambling in hospitality venues is the main method used by Akarana Akarana's funds are obtained through our Venue Operators across Auckland and Waikato regions who host Akarana's gaming machines in their bars. Grants Application forms are available online on Akarana's Website and applications submitted by applicants via Post and online via email.</p> <p>All the grant information recorded in the data sheet and checked by Grants Manager and General Manager. Checklist is also filled by Managers and attached to the Application.</p> <p>Akarana's lawyer also review the application each month before it gets presented in the monthly board meeting. Spread sheet is also prepared and presented along with the application at the board meeting for decisions.</p>
Entity's Reliance on Volunteers and Donated Goods or Services	None. Akarana do not have any volunteers or donated goods and services. Grants are not made for personal or commercial gain, professional sport, or groups or individuals standing for an election to public office.
Contact Details	
Physical Address	Unit 6, 17A Ryan Place, Manukau, Auckland 2104
Postal Address	As above
Phone	09 263 4622
Email	janusingh@akaranacommunitytrust.co.nz
Website	www.akaranacommunitytrust.co.nz
Facebook	None

The Akarana Community Trust Limited
Directors' Report and Statement of Responsibility
For the Year Ended 31st March 2024

Directors' Report

The Directors of Akarana Community Trust Limited ("The Company") present this Annual Report, being the financial statements of the Company for the year ended 31 March 2024, and the Independent auditor's report thereon.

The shareholders of the Company have exercised their right under section 211(3) of the Companies Act 1993, whereby pursuant to a decision of the shareholders of the Company who together hold 100% of the voting shares, they have agreed not to comply with the paragraphs (a) and (e) to (j) of section 211(1) or Section 211(2) of the Act.

Statement of Responsibility

The Directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information.

The Directors are responsible for, the systems of internal control. These are designed to provide reasonable but not absolute assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability for assets, and to prevent and detect material misstatements.


Appropriate systems of Internal control have been employed to ensure that all transactions have been executed in accordance with authority and correctly processed and accounted for in the financial records. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties, nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements are prepared on a going concern basis. Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern in the foreseeable future. Please see Note 5(m) for further information,

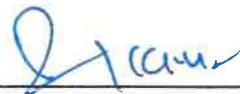
In the opinion of the Directors:

- The Statement of Comprehensive Revenue and Expenses is drawn up so as to present fairly, in all material respects, the financial result of the Company for the financial year ended 31st March 2024,
- The statement of Financial position is drawn so as to present fairly, in all material respects, the financial position of the Company as at 31st March 2024:
- The statement of Cash flows is drawn up so as to present fairly in all material respects, the cash flow of the Company for the financial year ended 31st March 2024;
- There are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

For and on behalf of the Directors:



Director
Date : Pranjit Rai Suchdev
25/6/2024



Director
Date : 25/6/24

The Akarana Community Trust Limited

Statement of Service Performance For the Year Ended 31st March 2024

Outcomes

Details	2024	2023
Gaming Machine Proceeds	\$9.59 Million	\$9.70 Million
Number of Venues	6	6
Number of Gaming Machines	108	108
Community Grants Distributed	\$3.89 Million	\$3.92 Million
Percentage of Gaming Machine Proceeds Distributed	40.61%	40.38%

Output

Details	2024	2023
Total Application Received for Grants	482	419
Number of applications Approved	200	199
Number of applications Declined	282	220

The company maintains the Grants Register on perpetual basis for all applications received, approved and declined. The information with regard to the Grants is available and regularly updated on Trust website.

The Akarana Community Trust Limited
Statement of Comprehensive Revenue and Expenses
For the Year Ended 31st March 2024

	2024 \$	2023 \$
REVENUE FROM EXCHANGE TRANSACTIONS		
Gaming Machine Income	9,587,729	9,698,147
Other Income	-	750
Interest Received	27,450	<u>13,103</u>
Total Revenue	<u>9,615,179</u>	<u>9,712,000</u>
DIRECT COSTS		
Depreciation	575,175	443,276
Loss on disposal of assets	54,798	1,800
Application Fees	3,458	6,095
Electronic Monitoring System	76,259	76,862
Gaming Machine Duty	2,205,224	2,230,574
Problem Gambling Levy	119,082	112,345
Repairs & Maintenance	209,858	198,790
Site Rental	1,533,934	1,551,436
Venue Licence	60,708	81,936
Accident Compensation Levy	369	703
Accountancy Fees	18,095	15,000
Advertising	1,425	3,448
Assets less than \$1,000	670	2,757
Audit Fees	11,327	8,035
Bank Charges	5,380	3,393
Computer Expenses	303	643
Consultancy	222,006	128,775
Directors' Fees	159,435	134,998
Freight & Courier	470	-
FBT	7,139	9,377
General Expenses	3,109	2,211
Insurance	28,403	32,551
Interest	94,113	86,837
Kiwisaver Employer Contributions	1,685	2,425
Legal Expenses	46,631	60,591
Licences & Registrations	33,754	13,858
Membership & Subscription	4,920	5,205
Motor Vehicle Expenses	5,126	9,398
Office Expenses	8,831	5,070
Printing, Stamps & Stationery	20,049	4,871
Rents	22,951	22,283

The above financial statement should be read in conjunction with the notes to the financial statements. These financial statements have been subject to audit. Refer to the Independents Auditor's Report.

A *ICK*

The Akarana Community Trust Limited
Statement of Comprehensive Revenue and Expenses
For the Year Ended 31st March 2024

	<i>Note</i>	2024 \$	2023 \$
Security		19,599	13,324
Staff Training		-	250
Telephone, Tolls & Internet		8,935	10,925
Travel		20,252	19,556
Wages & Salaries		<u>149,739</u>	<u>215,175</u>
Total Expenses		5,733,210	5,514,771
Total Surplus (Deficit) for the year before distribution		<u>3,881,969</u>	<u>4,197,229</u>
Distributions made during the year	16	3,893,198	3,915,978
TOTAL COMPREHENSIVE REVENUE AND EXPENSES		<u>(11,229)</u>	<u>281,251</u>
Income Tax Expense	15	-	113
Total Comprehensive (Deficit)/Surplus for the year		(11,229)	281,138

The above financial statement should be read in conjunction with the notes to the financial statements. These financial statements have been subject to audit. Refer to the Independent Auditor's Report.

The Akarana Community Trust Limited
Statement of Changes in Net Assets / Equity
For the year ended 31st March 2024

	<i>Note</i>	Total Equity 2024 \$	Total Equity 2023 \$
Opening balance 1 st April 2023		1,412,277	1,133,139
Total Comprehensive revenue and expenses		(11,229)	281,138
Closing equity as at 31 st March 2024		<u>1,401,048</u>	<u>1,412,277</u>

A 100

The above financial statement should be read in conjunction with the notes to the financial statements. These financial statements have been subject to audit. Refer to the Independent Auditor's Report.

The Akarana Community Trust Limited

Statement of Financial Position

As at 31st March 2024

	Note	2024 \$	2023 \$
CURRENT ASSETS			
Cash and Cash equivalents		761,524	1,232,320
Receivables from exchange transactions	12	210,624	115,250
TOTAL CURRENT ASSETS		<u>972,148</u>	<u>1,347,570</u>
NON-CURRENT ASSETS			
Property Plant and equipment	10	1,589,866	1,482,660
TOTAL ASSETS		<u>2,562,014</u>	<u>2,830,230</u>
CURRENT LIABILITIES			
Trade and other payables	13	444,759	491,232
BNZ Term Loan – Current portion	11	142,337	461,825
Finance Now – HP Liability Current Portion	11	233,263	95,527
Total Current Liabilities		<u>820,359</u>	<u>1,048,584</u>
NON-CURRENT LIABILITIES			
BNZ Term Loans	11	21,053	190,516
Finance Now – HP Liability	11	319,548	178,853
Total Non-Current Liabilities		<u>340,601</u>	<u>369,369</u>
TOTAL LIABILITIES		<u>1,160,960</u>	<u>1,417,953</u>
NET ASSETS		<u>1,401,054</u>	<u>\$1,412,277</u>
ACCUMULATED EQUITY			
Retained Earnings		1,400,954	1,412,177
Share Capital	14	100	100
TOTAL ACCUMULATED FUNDS		<u>1,401,054</u>	<u>\$1,412,277</u>

The above financial statement should be read in conjunction with the notes to the financial statements. These financial statements have been subject to audit. Refer to the Independent Auditor's Report.

The Akarana Community Trust Limited

Statement of Cash Flows

For the Year Ended 31st March 2024

	2024	2023
	\$	\$
<u>Cashflow from Operating activities</u>		
Receipts:		
Receipts from exchange transactions	9,495,343	9,698,147
Receipts from non-exchange transactions	27,450	13,103
	<u>9,522,793</u>	<u>9,711,250</u>
Payments:		
Payments to suppliers and employees	5,075,569	4,994,623
Rent Paid	22,951	22,283
Interest paid	92,327	86,837
Authorised Purpose Distribution	3,855,042	3,915,978
	<u>9,045,889</u>	<u>9,019,721</u>
Net Cash Inflow (Outflow) from Operating Activities	<u>476,904</u>	<u>691,529</u>
<u>Cash flow from Investing activities</u>		
Proceeds from sale of Property, plant and equipment	7,926	1,125
	<u>7,926</u>	<u>1,125</u>
Purchase of Property, plant and equipment	(745,106)	(547,288)
	<u>(745,106)</u>	<u>(547,288)</u>
Net Cash Inflow (Outflow) from Investing Activities	<u>(737,180)</u>	<u>(546,163)</u>
<u>Cash flow from Financing activities</u>		
Proceeds from draw down of loans	411,674	439,568
	<u>411,674</u>	<u>439,568</u>
Payment of Loan facilities to BNZ	488,951	435,580
Payment of HP Liability – Finance Now	133,243	34,183
	<u>622,194</u>	<u>469,763</u>
Net Cash Inflow (Outflow) from Financing Activities	<u>(210,520)</u>	<u>(30,195)</u>
NET INCREASE (DECREASE) IN CASH HELD	<u>(470,796)</u>	<u>115,171</u>
Cash and cash equivalents as at 1 st April 2023	1,232,320	1,117,149
Cash and Cash Equivalents as at 31st March 2024	<u>761,524</u>	<u>1,232,320</u>

The above financial statement should be read in conjunction with the notes to the financial statements. These financial statements have been subject to audit. Refer to the Independent Auditor's Report.

The Akarana Community Trust Limited

Notes to the Financial Statements

For the Year Ended 31st March 2024

1. REPORTING ENTITY

The Akarana Community Trust Limited is a gaming corporate 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 Company conducts Class 4 Operator's licence by the Department of Internal Affairs under the Gambling Act 2003. in New Zealand as defined in the Gambling Act 2003.

2. STATEMENT OF ACCOUNTING POLICIES

(a) Entity Reporting

These financial statements are for Gaming Society known as "The Akarana Community Trust Limited" ("the corporate society"). The Corporate Society was incorporated on **23rd February 2011**. The operations under the gaming licence which commenced on **1st May 2012**.

These financial statements were approved and were authorised for issue by the Directors on 25th June 2024.

(b) Statement of Compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standard RDR") as appropriate for Tier 2 not for profit public benefit entities and disclosure concessions have been applied as 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.

(c) Measurement Base

The financial statements have been prepared on the historical cost basis.

(d) Functional and presentation currency

The financial statements are presented in New Zealand Dollars (\$), which is the functional and presentation currency, rounded to the nearest dollar. There has been no change in the functional currency of the company.

The Akarana Community Trust Limited

Notes to the Financial Statements

For the Year Ended 31st March 2024

(e) Changes in Accounting Policies

There have been no changes to the Accounting Policies compared to the last year. All accounting policies are consistent with prior year.

(f) Basis of preparation

The financial statements have been prepared on a going concern basis, the validity of which depends on the company continuing to provide adequate operating revenue and cash flows from its gaming machines to cover the company's operating costs which include the payments required under the gaming machines finance agreements. Based on the budgeted cash flows for the next year, it is the considered view of the board of Directors that the gaming machines will continue to satisfy these requirements.

The company is subject to annual re-licencing by the Department of Internal Affairs.

3. PRINCIPAL ACTIVITY

The Company's principal activity is the operation of gaming machines for the purpose of generating surplus revenue to be distributed in accordance with the objectives of the company. Under the terms, the grants paid are required to be used for any charitable and non-commercial purpose that is beneficial to the whole or a section of the community. All gaming machine grants paid by the company have been appropriately used for the Authorised Purpose.

4. SIGNIFICANT JUDEMENTS AND ESTIMATES

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements:

In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Classification of non-financial assets as cash generating assets or non-cash generating assets

For the purpose of assessing impairment indicators and impairment testing, the company classifies non-financial assets as either cash generating or non-cash generating assets. The company classifies a non-financial asset as cash generating assets if the primary objective of the asset is to generate commercial return. All other assets are classified as non-cash generating assets.

The majority of property, plant and equipment held by the company is classified as cash-generating assets.

b) Assumptions and estimation uncertainties

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying

The Akarana Community Trust Limited

Notes to the Financial Statements

For the Year Ended 31st March 2024

amount of assets and liabilities within the next financial year, are described below. The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Fair value measurement of financial instruments

When the fair values of the financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, the fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where it is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Useful lives and residual lives

The useful lives and residual values of the assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of the Directors of the Company
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Changes in accounting estimates

There have been no changes in the accounting estimates for the current reporting period.

The Akarana Community Trust Limited

Notes to the Financial Statements

For the Year Ended 31st March 2024

5. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies that materially affect the measurement of the financial performance, financial position and cash flows are set out below:

a) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognised.

i) Revenue from exchange transactions

Interest revenue

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as available-for-sale, interest income is recorded using the effective interest method. Effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial assets or liability.

Interest revenue is included in finance income in the statement of Comprehensive Revenue and Expenses.

Gaming machine revenue

Revenue shown in the statement of financial performance comprises the amounts received and receivable for gaming services supplied to customers in the ordinary course of business. Revenue recognised in relation to the gaming proceeds is recognised on a daily basis. Gaming profits represent the net win to the company from gaming activities, being the difference between the amounts wagered and amounts won by the gaming patrons.

ii) Revenue from non-exchange transactions

The company did not receive any non-exchange revenue during the current financial period.

b) Finance Costs

Finance costs comprise interest expense on financial liabilities.

10/18

The Akarana Community Trust Limited

Notes to the Financial Statements

For the Year Ended 31st March 2024

c) Financial Instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument.

The company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the company is recognised as a separate asset or liability.

The company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

The company also derecognises financial assets and liabilities when there have been significant changes to the terms and/or the amount of contractual payments to be received/paid.

The financial assets and liabilities are offset, and the net amount presented in the statement of financial position when, and only when the company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The company classifies financial assets as loans and receivables.

The company recognises financial liabilities at amortised cost.

Financial instruments are initially measured at fair value, plus for those financial instruments not subsequently measured at fair value through surplus or deficit, directly attributable transaction costs.

Subsequent measurement is dependent on the classification of the financial instrument, and is specifically detailed in the accounting policies below:

i) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise cash and cash equivalents and receivables.

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalent as defined above.

ii) Amortised cost financial liabilities

Financial liabilities classified as amortised cost are non-derivative financial liabilities that are not classified as fair value through surplus or deficit financial liabilities.

The Akarana Community Trust Limited

Notes to the Financial Statements

For the Year Ended 31st March 2024

Financial liabilities classified at amortised cost are subsequently measured at amortised cost using the effective interest method

Financial liabilities classified as amortised cost comprise payables, loans and finance lease payable.

d) Impairment of non-derivative financial assets

A financial asset not subsequently measured at fair value through surplus or deficit is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one more event that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a counterparty, restructuring of an amount due to the company on terms that the company would not consider otherwise, indications that a counterparty or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security.

Financial assets classified as loans and receivables

The company considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) at both a specific asset and collective level.

All individually significant assets are assessed for specific impairment. Those found not to be specially impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the company uses historical trends of probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flow discounted at the asset's original effective interest rate. Losses are recognised in the statement of comprehensive revenue and expense and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised.

When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of comprehensive revenue and expense.

The Akarana Community Trust Limited

Notes to the Financial Statements

For the Year Ended 31st March 2024

e) Goods and Services Tax (GST)

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

(f) Property, Plant & Equipment

i) Recognition and measurement

Items of property, plant and equipment are initially measured at cost, except those acquired through non exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

Items of property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment cost includes expenditure that is attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have difference useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised as surplus or deficit in the statement of comprehensive revenue and expenses.

ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it is possible that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance is expensed as incurred.

iii) Depreciation

For property, plant and equipment, depreciation is based on the cost of an asset less its residual value.

Significant components of individual assets that have a useful life that is different from the remainder of those assets, those components are depreciated separately.

Depreciation is recognised in statement of comprehensive revenue and expense on a straight-line basis over the estimated useful lived of each component of an item of property, plant and equipment. Leased assets are depreciated over the Term of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The Akarana Community Trust Limited

Notes to the Financial Statements

For the Year Ended 31st March 2024

The estimated useful lives are:

Gaming Machines & Equipment	3-5 years
-----------------------------	-----------

Depreciation methods, useful lives, and residual values are reviewed at reporting date and adjusted if appropriate.

(g) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows (for cash-generating assets) or future remaining service potential (for non-cash-generating assets) are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risk specific to the asset.

Impairment losses are recognised in statement of comprehensive revenue and expense. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(h) Equity

Equity is the Shareholder's interest in the company measured as the difference between total assets and liabilities.

Equity is made up of the following component:

Accumulated Comprehensive revenue and expense

Accumulated comprehensive revenue and expense is the Company's accumulated surplus or deficit since the formation of the Company adjusted for transfers to/from specific reserves.

(i) Taxation

The Company is exempt for 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 2024

(j) Leases

i) Classification and treatment

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases.

Finance Leases

Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to the initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

(k) Distributions to the Community

Distributions to the community as are recorded as an appropriation of the surplus for the year.

Net surplus generated by the company is to be paid out in accordance with the Gambling (Class 4 net proceeds) regulations 2004. The regulation stipulates that all or nearly all net surplus must be distributed during the financial year and any remainder of net surplus within 3 months after the end of the each of its financial years.

For the current financial year, the company has generated net surplus equal to 40.61% of its GST exclusive gross receipts (2023: 40.38%). All net surplus generated from last financial year has been distributed in the current year.

Payment requires approval by the Board of Directors that the recipient has requested the donations for an "authorised purpose" as defined by the Gambling Act 2003.

A KK

The Akarana Community Trust Limited

Notes to the Financial Statements

For the Year Ended 31st March 2024

(l) Statement of Cash Flows

The Statement of Cash flows is prepared exclusive of GST, which is in consistent with the method used in the Statement of Comprehensive Revenue and Expenses.

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 account in banks, net of bank overdrafts.

(m) Going concern

These financial statements have been prepared on the basis that the company is a going concern as determined by the Directors of the Company. The Directors consider that the Company would satisfy the solvency requirements of the Companies Act 1993.

The Board has reviewed the carrying value of fixed assets and consider that these assets are not impaired.

6. CONTINGENT ASSETS AND LIABILITIES

At balance date there are no known contingent assets or liabilities (2023:Nil).

A 100

The Akarana Community Trust Limited

Notes to the Financial Statements

For the Year Ended 31st March 2024

7. RELATED PARTIES

There were no related party transactions during the year except the following –

GRANTS APPROVED 1 APRIL 2023 - 31 MARCH 2024								
S.No:	Grant No:	Organisation Name	Amount Paid	Date Paid	Accepted in Full	Accepted in Part	Reason	Interests
10	ACT003811	Roopa Aur Aap Charitable Trust	\$ 2,669.53	28/04/23	Yes			Chairman of The Akarana Community Trust – Pramjit Rai Suchdev's Sister (Roopa Suchdev) is a grant recipient of The Akarana Community Trust Ltd. Pramjit Rai Suchdev is also a Trustee of Roopa Aur Aap Charitable Trust. Roopa Suchdev is the CEO of the Roopa aur aap charitable trust. Pramjit had a prior employment relationship with Roopa Aur Aap during the period 1 October 2017 to 27 June 2020
40	ACT003874	Roopa Aur Aap Charitable Trust	\$24,619.08	30/06/2023	Yes			Chairman of The Akarana Community Trust – Pramjit Rai Suchdev's Sister (Roopa Suchdev) is a grant recipient of The Akarana Community Trust Ltd. Pramjit Rai Suchdev is also a Trustee of Roopa Aur Aap Charitable Trust. Roopa Suchdev is the CEO of the Roopa aur aap charitable trust. Pramjit had a prior employment relationship with Roopa Aur Aap during the period 1 October 2017 to 27 June 2020
69	ACT003956	Roopa Aur Aap Charitable Trust	\$26,600.00	31/08/23	Yes			Chairman of The Akarana Community Trust – Pramjit Rai Suchdev's Sister (Roopa Suchdev) is a grant recipient of The Akarana Community Trust Ltd. Pramjit Rai Suchdev is also a Trustee of Roopa Aur Aap Charitable Trust. Roopa Suchdev is the CEO of the Roopa aur aap charitable trust. Pramjit had a prior employment relationship with Roopa Aur Aap during the period 1 October 2017 to 27 June 2020
91	ACT003995	Roopa Aur Aap Charitable Trust	\$ 5,573.08	28/09/2023	Yes			Chairman of The Akarana Community Trust – Pramjit Rai Suchdev's Sister (Roopa Suchdev) is a grant recipient of The Akarana Community Trust Ltd. Pramjit Rai Suchdev is also a Trustee of Roopa Aur Aap Charitable Trust. Roopa Suchdev is the CEO of the Roopa aur aap charitable trust. Pramjit had a prior employment relationship with Roopa Aur Aap during the period 1 October 2017 to 27 June 2020
121	ACT004052	Roopa Aur Aap Charitable Trust	\$26,600.00	31/10/23	Yes			Chairman of The Akarana Community Trust – Pramjit Rai Suchdev's Sister (Roopa Suchdev) is a grant recipient of The Akarana Community Trust Ltd. Pramjit Rai Suchdev is also a Trustee of Roopa Aur Aap Charitable Trust. Roopa Suchdev is the CEO of the Roopa aur aap charitable trust. Pramjit had a prior employment relationship with Roopa Aur Aap during the period 1 October 2017 to 27 June 2020
142	ACT004096	Thames Valley Touch Association INC	\$ 3,300.00	20/12/2023	Yes			Director of the Akarana Community Trust - Phyllis Huitema's grand daughter plays in the team
152	ACT004101	Roopa Aur Aap Charitable Trust	\$26,600.00	22/12/2023	Yes			Chairman of The Akarana Community Trust – Pramjit Rai Suchdev's Sister (Roopa Suchdev) is a grant recipient of The Akarana Community Trust Ltd. Pramjit Rai Suchdev is also a Trustee of Roopa Aur Aap Charitable Trust. Roopa Suchdev is the CEO of the Roopa aur aap charitable trust. Pramjit had a prior employment relationship with Roopa Aur Aap during the period 1 October 2017 to 27 June 2020
163	ACT004161	Sikh Youth NZ	\$29,008.75	31/01/2024	Yes			Director Khushmeet Kaur's daughter attended the camp
173	ACT004179	Roopa aur Aap Charitable Trust	\$25,861.40	28/02/2024	Yes			Chairman of The Akarana Community Trust – Pramjit Rai Suchdev's Sister (Roopa Suchdev) is a grant recipient of The Akarana Community Trust Ltd. Pramjit Rai Suchdev is also a Trustee of Roopa Aur Aap Charitable Trust. Roopa Suchdev is the CEO of the Roopa aur aap charitable trust. Pramjit had a prior employment relationship with Roopa Aur Aap during the period 1 October 2017 to 27 June 2020
197	ACT004263	Roopa aur Aap Charitable Trust	\$ 26,156.00	29/04/2024	Yes			Chairman of The Akarana Community Trust – Pramjit Rai Suchdev's Sister (Roopa Suchdev) is a grant recipient of The Akarana Community Trust Ltd. Pramjit Rai Suchdev is also a Trustee of Roopa Aur Aap Charitable Trust. Roopa Suchdev is the CEO of the Roopa aur aap charitable trust. Pramjit had a prior employment relationship with Roopa Aur Aap during the period 1 October 2017 to 27 June 2020

Total grants paid to Roopa Aur Aap Charitable Trust is \$164,679 (2023: \$200,336).

Handwritten initials/signature

The Akarana Community Trust Limited

Notes to the Financial Statements

For the Year Ended 31st March 2024

All Directors are paid Directors Fees. The director fees of \$159,435 (2023: \$134,998) paid are fair to the Company and are commensurate with the experience, time, effort, knowledge, skills, dedication, responsibilities, connections, expertise, stress, risks, leadership provided to the Company by them. One of the directors – Khushmeet Kaur, receives PAYE salary of \$107,175 (2023: \$80,911) apart from Directors Fees.

8. COMMITMENTS

Grants - There were grants for \$38,156 which were approved as at 31st March 2024 and were not paid out (PY Nil)

Lease agreement - The Company has signed a lease agreement for \$2,210 Inc. GST per month with Boston Incorporation Limited towards office lease with 1 right of renewal due on 01/06/2023 with a final expiry of 31/05/2024. The lease has now expired but both Landlord and the Trust are happy to continue the arrangement on month-on-month basis until lease is renewed.

9. 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

10. PROPERTY, PLANT & EQUIPMENT

	2024	2023
	\$	\$
(A) Motor Vehicles		
At cost	65,445	65,445
Less accumulated depreciation	<u>(52,045)</u>	<u>(43,645)</u>
	<u>13,400</u>	<u>21,800</u>
Current year depreciation	<u>8,400</u>	<u>12,917</u>
	<u>8,400</u>	<u>12,917</u>
(B) Furniture & Fittings		
At cost	68,619	68,619
Less accumulated depreciation	<u>(68,619)</u>	<u>(68,619)</u>
	<u>-</u>	<u>-</u>
Current year depreciation	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
(C) Plant & Equipment - Gaming		
At cost	3,809,654	3,263,491
Additions during the year	745,106	546,163
Less Disposals at Cost	(333,119)	-
Add Depreciation on Disposals	270,395	-
Less accumulated depreciation	<u>(2,915,569)</u>	<u>(2,348,794)</u>
	<u>1,576,466</u>	<u>1,460,860</u>

The Akarana Community Trust Limited

Notes to the Financial Statements

For the Year Ended 31st March 2024

	2024 \$	2023 \$
Current year depreciation	566,775	430,359
	<u>566,775</u>	<u>430,359</u>
Total Property, Plant & Equipment	<u>\$1,589,866</u>	<u>\$1,482,660</u>
Total Depreciation for the year	<u>\$575,175</u>	<u>\$443,276</u>

11. TERM LIABILITIES

Term Liabilities, including finance leases, are detailed below along with the original term, security and interest rate as at balance date.

Term liabilities, excluding finance leases, at balance date:

<u>BNZ Term Loan No. 16</u> Security Over Company's Assets (interest rate 10.99%)	-	295,355
<u>BNZ Term Loan No. 17</u> Security Over Company's Assets (interest rate 11.62%)	6,532	43,238
<u>BNZ Term Loan No. 18</u> Security Over Company's Assets (Interest rate 11.10%)	48,585	125,045
<u>BNZ Term Loan No. 19</u> Security Over Company's Assets (interest rate 12.95%)	41,053	80,732
<u>BNZ Term Loan No. 20</u> Security Over Company's Assets (interest rate 12.90%)	67,220	107,972

The Akarana Community Trust Limited
Notes to the Financial Statements
For the Year Ended 31st March 2024

	2024	2023
	\$	\$
<u>Finance Now Term Loan No. 1</u>	87,534	135,519
Security Over Company's Assets (interest rate 10.95%)		
 <u>Finance Now Term Loan No. 2</u>	 91,534	 138,860
Security Over Company's Assets (interest rate 11.95%)		
 <u>Finance Now Term Loan No. 3</u>	 203,553	 -
Security Over Company's Assets (interest rate 12.95%)		
 <u>Finance Now Term Loan No. 4</u>	 33,764	 -
Security Over Company's Assets (interest rate 12.95%)		
 <u>Finance Now Term Loan No. 5</u>	 136,426	 -
Security Over Company's Assets (interest rate 12.95%)		
	<hr/>	<hr/>
	716,201	926,721
Repayable as follows:		
Less than one year		
BNZ	142,337	461,825
Finance Now	233,263	95,527
Greater than one year		
BNZ	21,053	190,516
Finance Now	319,548	178,853
 Total	 <hr/> 716,201 <hr/>	 <hr/> 926,721 <hr/>

12. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Accrued Income	184,022	91,635
Prepayments	26,602	23,615
	<hr/> 210,624 <hr/>	<hr/> 115,250 <hr/>

A ✓

The Akarana Community Trust Limited
Notes to the Financial Statements
For the Year Ended 31st March 2024

13. TRADE AND OTHER PAYABLES

	2024	2023
	\$	\$
GST due for payment	86,581	169,587
Accounts Payable	240,706	247,900
Credit Cards	1,234	1,207
Accrued Expenses	53,686	51,093
Grants Payable	38,156	-
PAYE Payable	24,396	21,445
	<u>444,759</u>	<u>491,232</u>

14. SHARE CAPITAL

The company has issued capital of 100 shares and all these shares are fully paid.

15. TAXATION

The provision for taxation during 2024 was \$Nil (previous year \$ 113).

16. DISTRIBUTION TO BENEFICIARIES TO WHOM GRANTS HAVE BEEN GIVEN

Some of the major beneficiaries of the Grants made by the company are:

- Supreme Sikh Society
- New Zealand Sports & Community Development Trust
- Woman Care Trust
- Sikh Heritage School
- Surf Live Saving
- Roopa Aur Aap Charitable Trust
- Middlemore Foundation
- United Life Piha Lifeguard Service Inc.
- Chinese Senior People Help Centre
- Auckland Hospital Foundation
- Thames Valley Rugby Football Union Inc.
- Starship Foundation
- Sikh Youth NZ
- John Walker Find Your Field of Dreams Foundation

17. COMPARATIVES

Where appropriate, prior year comparatives have been reclassified to make disclosure consistent to current year

A 1011

The Akarana Community Trust Limited

Notes to the Financial Statements

For the Year Ended 31st March 2024

18. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

	2024	2023
	\$	\$
Financial Assets		
<i>Loans and receivables</i>		
Cash and cash equivalents (assets)	761,524	1,232,320
Receivables from exchange transactions	210,624	115,250
	<u>972,148</u>	<u>1,347,570</u>
Financial Liabilities		
<i>At amortised cost</i>		
Trade and other creditors	444,759	491,232
Loan facilities	716,201	926,721
	<u>1,160,960</u>	<u>1,417,953</u>

A-100



10 Bollard Avenue
Mt Albert
Auckland 0600
New Zealand
Tel: +64 22 6926 401
E: info@bkaudit.nz
www.bkaudit.nz
NZBN: 9429046989833

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of The Akarana Community Trust Limited

Opinion

We have audited the general purpose financial report of The Akarana Community Trust Limited (the Company), which comprise the financial statements on pages 6 to 26 and the statement of service performance on page 5. The complete set of financial statements comprise the statement of financial position as at 31 March 2024, the statement of comprehensive revenue and expenses, statement of changes in net assets/equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying general purpose financial report presents fairly, in all material respects:

- the financial position of the Company as at 31 March 2024, and its financial performance and its cash flows for the year then ended;
- the service performance for the year ended 31 March 2024 in accordance with the entity's service performance criteria

in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the service performance information in accordance with the ISAs and New Zealand Auditing Standard (NZ AS) 1 The Audit of Service Performance Information (NZ). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the General Purpose Financial Report* section of our report.

We are independent of The Akarana Community Trust Limited in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our firm has also provided agreed upon procedure service to the Company in relation to the review of the Company's forecast financial statements for the year ending 31 March 2025. The firm has no other relationship with, or interest in, The Akarana Community Trust Limited.

Other Matter

The general purpose financial report of The Akarana Community Trust Limited for the year ended 31 March 2023 was audited by another auditor who expressed an unqualified opinion on those statements on 28 June 2023.

Information Other than the general purpose financial report and Auditor's Report thereon

The Directors are responsible for the other information. The other information comprises the Directory on page 2, Entity Information on page 3 and the Directors' report and Statement of Responsibility for Financial Statements on page 4, but does not include the financial statements, the statement of service performance and our auditor's report thereon.

BK Audit
is a CPA Practice



BK Consulting (2019) NZ Limited is trading as BK Audit



Our opinion on the financial statements and the statement of service performance does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the statement of service performance, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the statement of service performance or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibilities for the General Purpose Financial Report

The Directors are responsible on behalf of the Company for:

- (a) the preparation and fair presentation of the entity information, financial statements and statement of service performance in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board;
- (b) service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity Standards Reduced Disclosure Regime; and
- (c) such internal control as the Directors determine is necessary to enable the preparation of financial statements and statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the general purpose financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the General Purpose Financial Report

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, and the statement of service performance are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this general purpose financial report.

As part of an audit in accordance with ISAs (NZ) and NZ AS 1, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the service performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the financial statements and the service performance information 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

BK Audit
is a CPA Practice



BK Consulting (2019) NZ Limited is trading as BK Audit

- Obtain an understanding of the process applied by the entity to select what and how to report its service performance.
- Evaluate whether the service performance criteria are suitable so as to result in service performance information that is in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.
- Evaluate the overall presentation, structure and content of the general purpose financial report and whether the general purpose financial report represents the underlying transactions, events and service performance in accordance with Public Benefit Entity Standards Reduced Disclosure Regime in a manner that achieves fair presentation.
- Conclude on the appropriateness of the use of the going concern basis of accounting by those charged with governance, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the general purpose financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on Use

This report is made solely to the Company's Shareholders, as a body. Our audit has been undertaken so that we might state to the Company's Shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

BK CONSULTING (2019) NZ LIMITED

BK Consulting (2019) NZ Limited
CERTIFIED PRACTISING ACCOUNTANT

Dated at Auckland this 25th day of June 2024.