

The Akarana Community Trust Limited
Annual Financial Report
For the Year Ended 31st March 2025

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The Akarana Community Trust Limited
Financial Report
For the Year Ended 31st March 2025

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The Akarana Community Trust Limited

Directory

As at 31st March 2025

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 2025

Akarana Community Trust Limited

Entity Information

For the year ended

31 March 2025

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 O772012 (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 104 machines and have 7 venues in New Zealand. The Trust has raised \$8.483m of gaming machine proceeds in Financial year March 2025 and have funded more than 40% back to the community (\$3.429m)
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

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The Akarana Community Trust Limited

Directors' Report and Statement of Responsibility

For the Year Ended 31st March 2025

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 2025, 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 2025,
- 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 2025;
- 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 2025;
- 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 : 03/06/2025

Director

Date :

The Akarana Community Trust Limited

Statement of Service Performance For the Year Ended 31st March 2025

The Company Objectives

- To conduct its affairs in accordance with the Gambling Act 2003 and any related legislation.
- To apply for and hold a class 4 operator's licence under the Gambling Act 2003.
- To generate funds via class 4 gambling as defined in the Gambling Act 2003.
- To distribute the net proceeds of all funds generated via class 4 gambling solely for authorised purpose of class 4 gambling as defined by the Gambling Act 2003.

Performance measure

Details	2025	2024
Gaming Machine Proceeds	\$8.48 Million	\$9.59 Million
Number of Venues	7	6
Number of Gaming Machines	104	108
Community Grants Distributed	\$3.46 Million	\$3.89 Million
Percentage of Gaming Machine Proceeds Distributed	40.77%	40.61%

Performance measure

Details	2025	2024
Total Application Received for Grants	682	482
Number of applications Approved	212	200
Number of applications Declined	470	282

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.

Distribution of funds

The Gambling Act 2003 specified that at least 40% of the "specified sum" of gaming proceeds should be distributed to the community in line with the grant funding framework. Given the need for funding in the community, The Akarana Community Trust Limited (the Company) often have more applications for the proceeds of class 4 gaming than it has money to distribute, so the Company directors approve and decline applications based on the company process.

Venues

The Company and the funding it derive is driven based off the venues that the Company have relationships with and machines in. Keeping venues is a priority for the Company's management, and as part of the venue agreements the Company make payments to venues for having their machines in them.

The Akarana Community Trust Limited
Statement of Comprehensive Revenue and Expenses
For the Year Ended 31st March 2025

	2025	2024
	\$	\$
REVENUE FROM EXCHANGE TRANSACTIONS		
Gaming Machine Income	8,483,211	9,587,729
Other Income	17,911	-
Interest Received	26,691	27,450
Total Revenue	<u>8,527,813</u>	<u>9,615,179</u>
DIRECT COSTS		
Depreciation	530,466	575,175
Application Fees	1,850	3,458
Electronic Monitoring System	75,788	76,259
Gaming Machine Duty	1,951,092	2,205,224
Problem Gambling Levy	105,359	119,082
Repairs & Maintenance	190,627	209,858
Site Rental	1,351,186	1,533,934
Venue Licence	59,769	60,708
Accident Compensation Levy	-	369
Accountancy Fees	24,625	18,095
Advertising	2,378	1,425
Assets less than \$1,000	595	670
Audit Fees	8,593	11,327
Bank Charges	1,155	5,380
Computer Expenses	1,260	303
Consultancy	213,065	222,006
Directors' Fees	179,556	159,435
Freight & Courier	593	470
FBT	5,731	7,139
General Expenses	3,304	3,109
Insurance	37,371	28,403
Interest	108,676	94,113
Kiwisaver Employer Contributions	842	1,685
Legal Expenses	42,565	46,631
Licences & Registrations	11,030	33,754
Loss / (Gain) on disposal of assets	(114,546)	54,798
Membership & Subscription	4,605	4,920
Motor Vehicle Expenses	5,780	5,126
Office Expenses	11,316	8,831
Printing, Stamps & Stationery	11,264	20,049
Rents	25,943	22,951

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.

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The Akarana Community Trust Limited
Statement of Comprehensive Revenue and Expenses
For the Year Ended 31st March 2025

	<i>Note</i>	2025 \$	2024 \$
Security		21,013	19,599
Staff Training		2,000	-
Telephone, Tolls & Internet		9,108	8,935
Travel		20,420	20,252
Wages & Salaries		<u>162,994</u>	<u>149,739</u>
Total Expenses		5,067,373	5,733,210
Total Surplus for the year before distribution		<u>3,460,440</u>	<u>3,881,969</u>
Distributions made during the year	16	3,458,948	3,893,198
TOTAL COMPREHENSIVE REVENUE AND EXPENSES		<u>1,492</u>	<u>(11,229)</u>
Income Tax Expense	15	-	-
Total Comprehensive revenue and expense for the year		1,492	(11,229)

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 2025

	Total Equity 2025 \$	Total Equity 2024 \$
Opening balance 1 st April 2024	1,401,054	1,412,283
Total Comprehensive revenue and expenses	1,492	(11,229)
Closing equity as at 31 st March 2025	<u>1,402,546</u>	<u>1,401,054</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 *Independents Auditor's Report*.

The Akarana Community Trust Limited

Statement of Financial Position

As at 31st March 2025

	<i>Note</i>	2025 \$	2024 \$
CURRENT ASSETS			
Cash and Cash equivalents		1,122,815	761,524
Receivables from exchange transactions	12	364,737	210,624
TOTAL CURRENT ASSETS		1,487,552	972,148
NON-CURRENT ASSETS			
Property Plant and equipment	10	1,826,741	1,589,866
TOTAL ASSETS		3,314,293	2,562,014
CURRENT LIABILITIES			
Trade and other payables	13	549,479	444,759
BNZ Term Loan	11	-	142,337
Finance Now Loan	11	173,159	233,263
Mutual Credit Finance	11	259,066	-
Total Current Liabilities		981,704	820,359
NON-CURRENT LIABILITIES			
BNZ Term Loan	11	-	21,053
Finance Now Loan		119,529	319,548
Mutual Credit Finance Loan		810,514	-
Total Non-Current Liabilities		930,043	340,601
TOTAL LIABILITIES		1,911,747	1,160,960
NET ASSETS		1,402,546	\$1,401,054
ACCUMULATED EQUITY			
Retained Earnings		1,402,446	1,400,954
Share Capital	14	100	100
TOTAL ACCUMULATED FUNDS		1,402,546	\$1,401,054

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.

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The Akarana Community Trust Limited

Statement of Cash Flows

For the Year Ended 31st March 2025

	2025	2024
	\$	\$
<u>Cashflow from Operating activities</u>		
Receipts:		
Receipts from exchange transactions	8,392,192	9,495,343
Receipts from non-exchange transactions	44,602	27,450
	<u>8,436,794</u>	<u>9,522,793</u>
Payments:		
Payments to suppliers and employees	4,467,052	5,075,569
Rent Paid	25,943	22,951
Interest paid	108,677	92,327
Authorised Purpose Distribution	3,467,104	3,855,042
	<u>8,068,776</u>	<u>9,045,889</u>
Net Cash Inflow (Outflow) from Operating Activities	<u>368,018</u>	<u>476,904</u>
<u>Cash flow from Investing activities</u>		
Proceeds from sale of Property, plant and equipment	482,594	7,926
	<u>482,594</u>	<u>7,926</u>
Purchase of Property, plant and equipment	(1,135,388)	(745,106)
	<u>(1,135,388)</u>	<u>(745,106)</u>
Net Cash Inflow (Outflow) from Investing Activities	<u>(652,794)</u>	<u>(737,180)</u>
<u>Cash flow from Financing activities</u>		
Proceeds from draw down of loans	1,265,360	411,674
	<u>1,265,360</u>	<u>411,674</u>
Payment of Loan facilities to BNZ	163,390	488,951
Payment of HP Liability – Finance Now	392,596	133,243
Payment to Mutual Credit Finance	63,307	-
	<u>619,293</u>	<u>622,194</u>
Net Cash Inflow (Outflow) from Financing Activities	<u>646,067</u>	<u>(210,520)</u>
NET INCREASE (DECREASE) IN CASH HELD	<u>361,291</u>	<u>(470,796)</u>
Cash and cash equivalents as at 1 st April 2024	761,524	1,232,320
Cash and Cash Equivalents as at 31st March 2025	<u>1,122,815</u>	<u>761,524</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 Independents Auditor's Report.



The Akarana Community Trust Limited

Notes to the Financial Statements

For the Year Ended 31st March 2025

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 03/06/2025.

(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 2025

(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 2025

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 2025

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 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 comprise 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 daily basis. Gaming profits represents 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.

The Akarana Community Trust Limited

Notes to the Financial Statements

For the Year Ended 31st March 2025

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 2025

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 2025

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 different 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 2025

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 2025

(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 surpluses 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 40.79% of its GST exclusive gross receipts (2024: 40.49%). 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.

The Akarana Community Trust Limited

Notes to the Financial Statements

For the Year Ended 31st March 2025

(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 (2024: Nil).

The Akarana Community Trust Limited

Notes to the Financial Statements

For the Year Ended 31st March 2025

7. RELATED PARTIES

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

GRANTS APPROVED 1 APRIL 2024 - 31 MARCH 2025									
S.N	Grant No	Organisation Name	Amount Paid	Date Paid	Accepted in Full	Accepted in Part	Reason	Interests	Refund
21	ACT004351	SIKH YOUTH NZ	\$9,626.67	04/06/2024	Yes			Director Khushmeet Kaur's Daughter attended the camp in January 2024	\$264.25
36	ACT004388	ROOPA AUR AAP CHARITABLE TRUST	\$27,837.30	08/07/2024	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	
76	ACT004511	ROOPA AUR AAP CHARITABLE TRUST	\$13,918.65	22/08/2024		Yes	insufficient funds to grant full amount	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	ACT004554	ROOPA AUR AAP CHARITABLE TRUST	\$13,918.65	25/09/2024		Yes	insufficient funds to grant full amount	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	
117	ACT004628	ROOPA AUR AAP CHARITABLE TRUST	\$27,837.30	5/11/24	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	
157	ACT004759	ROOPA AUR AAP CHARITABLE TRUST	\$27,837.30	27/12/2024	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	
184	ACT004854	ROOPA AUR AAP CHARITABLE TRUST	\$13,918.85	26/02/2025		Yes	insufficient funds to grant full amount	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	
203	ACT004923	ROOPA AUR AAP CHARITABLE TRUST	\$14,178.65	31/03/2025		Yes	insufficient funds to grant full amount	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	

The Akarana Community Trust Limited

Notes to the Financial Statements

For the Year Ended 31st March 2025

Total grants paid to Roopa Aur Aap Charitable Trust is \$139,447 (2024: \$164,679)

All Directors are paid Directors Fees. The director fees of \$179,556 (2024: \$159,435) 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 (2024: \$107,175) apart from Directors Fees.

8. COMMITMENTS

Grants - There were \$30,000 of grants which were approved as at 31st March 2025 and were not paid out (PY \$38,156).

Lease agreement - The Company has signed a lease agreement for \$2,683.33 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 31/08/2027. 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.

New Venue – The Company signed an agreement for Kamo Hotel venue for which the class 4 licence commenced on 15 April 2025.

9. EVENTS AFTER THE REPORTING DATE

The Department of Internal Affairs grants class 4 venue licence for the Kamo Hotel venue which commenced on 15 April 2025. Other than this, the Directors and Management are 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

	2025	2024
	\$	\$
(A) Motor Vehicles		
At cost	65,445	65,445
Less accumulated depreciation	<u>(60,445)</u>	<u>(52,045)</u>
	<u>5,000</u>	<u>13,400</u>
Current year depreciation	<u>8,400</u>	<u>8,400</u>
	<u>8,400</u>	<u>8,400</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>

The Akarana Community Trust Limited

Notes to the Financial Statements

For the Year Ended 31st March 2025

	2025 \$	2024 \$
(C) Plant & Equipment - Gaming		
At cost	4,221,641	3,809,654
Additions during the year	1,135,388	745,106
Less Disposals at Cost	(1,025,256)	(333,119)
Add Depreciation on Disposals	657,209	270,395
Less accumulated depreciation	(3,167,241)	(2,915,569)
	<u>1,821,741</u>	<u>1,576,466</u>
Current year depreciation	<u>522,066</u>	<u>566,775</u>
	<u>522,066</u>	<u>566,775</u>
Total Property, Plant & Equipment	<u><u>\$1,826,741</u></u>	<u><u>\$1,589,866</u></u>
Total Depreciation for the year	<u><u>\$530,466</u></u>	<u><u>\$575,175</u></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. 17</u>	-	6,532
Security Over Company's Assets		
(interest rate 11.62%)		
<u>BNZ Term Loan No. 18</u>	-	48,585
Security Over Company's Assets		
(Interest rate 11.10%)		
<u>BNZ Term Loan No. 19</u>	-	41,053
Security Over Company's Assets		
(interest rate 12.95%)		
<u>BNZ Term Loan No. 20</u>	-	67,220
Security Over Company's Assets		
(interest rate 12.90%)		

The Akarana Community Trust Limited

Notes to the Financial Statements

For the Year Ended 31st March 2025

	2025 \$	2024 \$
<u>Finance Now Term Loan No. 1</u>	33,997	87,534
Security Over Company's Assets (interest rate 10.95%)		
<u>Finance Now Term Loan No. 2</u>	37,839	91,534
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>	22,006	33,764
Security Over Company's Assets (interest rate 12.95%)		
<u>Finance Now Term Loan No. 5</u>	97,093	136,426
Security Over Company's Assets (interest rate 13.95%)		
<u>Finance Now Term Loan No. 6</u>	57,511	-
Security Over Company's Assets (interest rate 13.95%)		
<u>Finance Now Term Loan No. 7</u>	44,242	-
Security Over Company's Assets (interest rate 13.95%)		
<u>Mutual Credit Finance Term Loan No. 1</u>	488,369	-
Security Over Company's Assets (interest rate 12.50%)		
<u>Mutual Credit Finance Term Loan No. 2</u>	376,211	-
Security Over Company's Assets (interest rate 12.50%)		
<u>Mutual Credit Finance Term Loan No. 3</u>	205,000	-
Security Over Company's Assets (interest rate 12.50%)		
	<u>1,362,268</u>	<u>716,201</u>

The Akarana Community Trust Limited

Notes to the Financial Statements

For the Year Ended 31st March 2025

Repayable as follows:

Less than one year

BNZ

Finance Now

Mutual Credit Finance

-	142,337
173,159	233,263
259,066	-

Greater than one year

BNZ

Finance Now

Mutual Credit Finance

-	21,053
119,529	319,548
810,514	

Total

<u>1,362,268</u>	<u>716,201</u>
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12. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Accrued Income

Prepayments

Other receivables

172,872	184,022
68,743	26,602
123,122	-
<u>364,737</u>	<u>210,624</u>

13. TRADE AND OTHER PAYABLES

GST due for payment

Accounts Payable

Credit Cards

Accrued Expenses

Grants Payable

PAYE Payable

2025	2024
\$	\$
169,122	86,581
305,041	240,706
1,792	1,234
31,610	53,686
30,000	38,156
11,914	24,396
<u>549,479</u>	<u>444,759</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 2025 was \$Nil (previous year \$ Nil).

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The Akarana Community Trust Limited

Notes to the Financial Statements

For the Year Ended 31st March 2025

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 Northern region
- Roopa Aur Aap Charitable Trust
- United Multicultural Trust
- Chinese Senior People Help Centre
- Auckland Netball Centre
- Sikh Heritage School
- Te Karere Community Trust
- Good Care Community Trust

17. COMPARATIVES

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

18. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

	2025	2024
	\$	\$
Financial Assets		
<i>At amortised cost</i>		
Cash and cash equivalents (assets)	1,122,814	761,524
Receivables from exchange transactions	296,995	184,022
	<u>1,419,809</u>	<u>945,546</u>
Financial Liabilities		
<i>At amortised cost</i>		
Trade and other creditors	549,479	444,759
Loan facilities	1,362,268	716,201
	<u>1,911,747</u>	<u>1,160,960</u>