

SUMMARY FINANCIAL STATEMENTS

RANO COMMUNITY TRUST LIMITED FOR THE YEAR ENDED 31 JULY 2022

SUMMARY STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 31 JULY 2022	Note	2022	2021
REVENUE			
Gaming Machine Proceeds (Exchange transactions)		6,635,080	7,414,281
Other Income	2	-	32,869
Total Revenue		6,635,080	7,447,150
EXPENSE			
Gaming Duty & Problem Gambling Levy		1,582,216	1,771,790
Venue Payments		1,060,671	1,185,737
Depreciation		693,165	593,683
Compliance & Regulatory Costs		253,786	188,401
Other Operating Costs		593,592	582,715
Finance Expense		57,718	74,449
Total Expense		4,241,148	4,396,775
Surplus for the Period		2,393,932	3,050,375
Grants Distribution Net of Grants Returned		2,321,831	2,876,483
Net Surplus for the Period		72,101	173,892
Other Comprehensive Revenue and Expense		-	-
Total Comprehensive Revenue and Expense for the year available for distribution		72,101	173,892

SUMMARY STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 31 JULY 2022

Equity at Beginning of Year	404,187	230,295
Total Comprehensive Revenue and Expense for the Year	72,101	173,892
Transactions With Owners	-	-
Equity at End of Year	476,288	404,187

SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2022

Current Assets	874,362	611,363
Non-Current Assets	783,893	960,148
Total Assets	1,658,255	1,571,511
Current Liabilities	950,757	985,800
Non-Current Liabilities	231,210	181,524
Total Liabilities	1,181,967	1,167,324
Net Assets	476,288	404,187
Total Equity	476,288	404,187

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RANO COMMUNITY TRUST LIMITED FOR THE YEAR ENDED 31 JULY 2022

SUMMARY CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2022

	Note	2022	2021
Net cash flows from operating activities		887,419	396,754
Net cash flow to investing activities		(516,910)	(412,562)
Net cash flow to financing activities		(151,854)	(529,712)
Net increase in cash and cash equivalents		218,655	(545,520)
Cash and cash equivalents at the beginning of the year		456,144	1,001,664
Cash and cash equivalents at the end of the year		674,799	456,144

SUMMARY FINANCIAL STATEMENTS

RANO COMMUNITY TRUST LIMITED FOR THE YEAR ENDED 31 JULY 2022

1. Basis of Preparation

These summary financial statements are for Rano Community Trust Limited (the "Company") for the year ended 31 July 2022. The information was extracted from the full financial statements as audited by BDO Auckland, which were approved by the board on 27 October 2022. The audit report was unmodified in the full financial statements. Those full financial statements comply with Generally Accepted Accounting Practices in New Zealand (NZ GAAP). They comply with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") for Tier 2 entities issued by the New Zealand External Reporting Board (XRB) and disclosure concessions have been applied.

The summary financial statements are presented in New Zealand Dollars (\$), which is the functional and presentation currency rounded to the nearest dollar.

The comparative figures are for a period of twelve (12) months.

The summary financial statements are presented in summary form and therefore do not give all information required by Generally Accepted Accounting Practice in New Zealand using PBE Accounting Standards (PBE IPSAS) Reduced Disclosure Regime. The Summary Financial Statements have been prepared in accordance with PBE FRS 43 Summary Financial Statements. They cannot be expected to provide as complete an understanding as provided by the full financial statements.

Due to the summarised nature, these summary financial statements cannot provide a full understanding of the financial performance and financial position of the Company. The understanding can only be obtained by reference to the annual financial statements of the Company which are available from the registered office: 46 Toscana Drive, Karaka, Papakura, 2113, New Zealand.

2. Other Income	2022	2021
	\$	\$
Gain on Disposal of PPE	-	32,869
	-	32,869

3. Non-Current Assets	2022	2021
	\$	\$
Gaming Machines & Associated Equipment	783,445	958,932
Non-Gaming Equipment	448	1,216
	783,893	960,148

4. Term Debt

The term loans consists of 6 (2021: 6) separate loans from BNZ financed for 36 months. The effective interest rate ranges from 3.57% to 6.55% pa. Finance is secured over gaming assets of the Company.

5. Commitments

There is a capital commitment for new machines totalling \$241,915 of new machines to be purchased in Aug 2022 (2021: Nil).

6. Contingent Liabilities

At reporting date there are no known contingent liabilities for which the Company may be liable. (2021: Nil)

7. Related party transactions

Key management personnel are the members of the 4 directors.

The Members of the governing body are paid monthly honoraria. The honoraria paid to the Chairperson was \$24,500 and the remaining members received \$60,000 during the year totalling \$84,500. (2021: \$92,250)

Dawn Management provides day to day operational services to the Company from accounting, compliance, grants to venue management. Expenses incurred by Dawn Management during the year totalled \$231,971 (2021: \$222,727)

Grants are provided to community groups during the normal course of business. At times Directors may be a related party of the group that is applying for a grant (i.e. a Trustee, committee member etc.). During the grant allocation process the Director will disclose his interest and abstain from the discussion. In that way the Director remains independent of the grant process.

Satnam Bains who is a key management personnel was paid \$75,585 for his venue liaison related services (2021: \$28,661). As Satnam Bains became an employee of the Company from May 2022, the venue liaison fees are made up of a total gross salary of \$37,591 which had \$10,633 PAYE deductions and \$1,128 employee kiwisaver deductions during the year.

Mobile phone expenses paid during the year to Satnam Bains for company phone was \$785 (2021: \$792).

During the year the Company gave grants to the number of organisations which were related to Jackson Rao. Details are below:

Related Party Grants Provided to:	Total	Total Refunded	Net Amount
New Zealand Chinese Culture and Arts Exchange Centre	-	539	(539)
New Zealand Culture & Media Group Limited	118,754	-	118,754
New Zealand Culture and Arts Foundation	41,843	3,204	38,639
Total	160,597	3,743	156,854

8. Events subsequent to reporting date

The following BNZ Loans were fully paid off; BNZ Loan 003 in Aug 2022, BNZ Loan 004 in Aug 2022 and BNZ Loan 002 in Oct 2022.

In August 2022, new machines were purchased totalling \$241,915 (2021: \$2,033,033) and Sports Bar 185 was sold totalling \$45,655.

9. Going Concern

The Company posted a net surplus of \$72,101 for the year (2021: \$173,892) along with total operating cash inflow of \$887,419 (2021: \$396,754). However, the Company has working capital deficit of \$76,395 (2021: 374,437).

The Directors have continued to apply the going concern assumption as the basis of the preparation of the financial statements. In reaching their conclusion that the going concern assumption is appropriate, the Directors have considered the ability to achieve financial performance, cash flow and covenant forecasts prepared by management, the ability to withhold from application to or distribution to or for authorised purposes an amount of net proceeds not exceeding a maximum working capital ratio of 1.5 to 1 as per requirements of Gambling (Class 4 Net Proceeds) Regulations 2004 11A(1), and the sufficiency of the cash on hand as at the reporting date.

Management is not aware of any other event or condition that may cast significant doubt on its going concern assumptions.

To the best of the knowledge of the Directors, the Company has, or will have, adequate resources to continue operations for the foreseeable future.

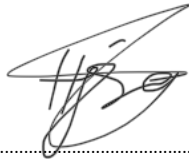
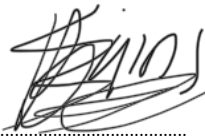
10. DIA LENIENCY DUE TO NEGATIVE IMPACT OF COVID19

The Company only achieved 36.08% operating profitability in FY2022 which is under the 40% minimum standard as set out by paragraph 10(1) of the Gambling (Class 4 Net Proceeds) Regulations 2004. As at 22 March 2022, DIA announced they will be lenient towards companies who did not meet the 40% minimum operating profit standard by requiring the Company to send an application of how the COVID-19 pandemic impacted the business and how costs have been mitigated.

The Company is confident the application will be accepted as it was directly impacted by COVID-19, including in March 2022 during the Omicron outbreak.

The directors authorised the publication of these Summary Financial Statements.

Approved on behalf of the board:



20/12/2022

Date

**REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS
TO THE SHAREHOLDERS OF RANO COMMUNITY TRUST LIMITED**

Opinion

The summary financial statements, which comprise the summary statement of financial position as at 31 July 2022, the summary statement of comprehensive revenue and expense, summary statement of changes in net assets / equity and summary cash flow statement for the year then ended, and related notes, are derived from the audited financial statements Rano Community Trust Limited ("the Company") for the year ended 31 July 2022.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with PBE FRS-43: *Summary Financial Statements* issued by the New Zealand Accounting Standards Board.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR"). Reading the summary financial

statements and the auditor's report thereon, therefore, is not a substitute for reading the audited

financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 28 October 2022. That report also includes:

- The communication of other matter stating that the financial statements of the Company for the year ended 31 July 2021, were audited by another auditor who expressed an unmodified opinion on those statements on 28 October 2021.

Directors' Responsibility for the Summary Financial Statements

The directors are responsible on behalf of the Company for the preparation of the summary financial statements in accordance with PBE FRS-43: *Summary Financial Statements*.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) (ISA (NZ)) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

Other than in our capacity as auditor we have no relationship with, or interests in, the Company.

Who we Report to

This report is made solely to the Company's shareholder, as a body. Our audit work has been undertaken so that we might state those matters which 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 shareholder, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Auckland

BDO Auckland
Auckland
New Zealand
20 December 2022