

Rano Community Trust Limited

Statement of Service Performance

For the year ended 31 July 2023

Why the entity exists:

Rano Community Trust Limited (RCTL) was set up to provide financial support to community organisations, it may make grants for any charitable purpose and any non-commercial purpose that is beneficial to the whole or a section of the community. Priority funding is given to the promotion of health via participation in amateur sport in particular cultural games that include an element of education; the promotion, planning, organising and running of non-profit events that celebrate or concern different cultures such as community cultural and arts festivals including cultural music festivals, etc. The funds are raised via gaming machines in bars/taverns.

RCTL currently operates machines at the Auckland, Waikato, Tauranga, Whangarei and Christchurch. The company is keen to operate at more venues if the addition(s) would be viable.

Gambling can be a harmful activity for some people and RCTL acknowledges its social responsibility in this regard, actively supporting and managing harm minimisation at venues. The company's venue operators are equally active in this area, enforcing the current persons excluded from gaming while monitoring gaming activity to identify potential problems and intervene where necessary.

Outputs:

During July 2023 Financial Year, applicants received 41.51% of GST exclusive Gaming Machine Profit (GMP), (2022: 34.99% of GST exclusive GMP).

	2023	2022
Number of Applications	457	295
Total Requested	\$9,041,386	\$5,416,730
Average	\$21,786	\$18,378
Number Approved	318	182
Total Paid	\$4,227,336	\$2,387,103
Total Refunded	\$131,395	\$65,272
Average	\$14,233	\$13,116

** 2022 Reduced by venue closures due to Covid-19 restrictions*

All payments were for the direct or indirect benefit of the community, categorised as follows:

	2023	2022
Sport and Rec.	\$1,423,528	\$1,053,244

Educational	\$378,045	\$115,850
Arts and Culture	\$1,321,609	\$1,030,937
Health and Welfare	\$1,104,154	\$187,072

RCTL is subject to legislation and regulation that requires minimum returns to the community of 40% of GST-exclusive revenue. The company achieved the required community returns in 2023 41.51% (2022: 34.99%) and accounting profit 42.65% (2022: 36.08%).

Other Information:

Funds Received

Gross Gaming Machine Profit was \$9.9 m excluding GST in 2023, a 48.72% increase on \$6.6 m ex GST in 2022 - the latter was adversely affected by venue closures due to the pandemic.

Funds Utilised

The Company's venues received \$1,568,833 ex GST (2022: \$1,060,671 ex GST) of gross revenue (16%), complying with regulations setting maximum payments to venues. Without a venue, RCTL would not exist and the company extends its sincere thanks and appreciation to the owners and staff of the various venues.

The Company minimises costs wherever possible, to maximise returns to the community. During 2023, the single largest (non-statutory) cost was Depreciation \$584,572 (2022: \$693,165), followed by Management Fees \$217,868 (2022: \$195,312), Gaming Machine Fees \$133,103 (2022: \$75,076), Venue Liaison Fees \$132,495 (2022: \$75,585)

Turning to the future, it is hoped and anticipated that gaming revenue will continue to perform at its current levels. The budget and forecast indicate that RCTL is on track to achieve 40% profitability and community returns during 2024.

SUMMARY FINANCIAL STATEMENTS

RANO COMMUNITY TRUST LIMITED

FOR THE YEAR ENDED 31 JULY 2023

	Notes	2023	2022
SUMMARY STATEMENT OF COMPREHENSIVE REVENUE & EXPENSES			
INCOME			
Gaming Machine Profits		9,867,667	6,635,080
Other Income		21,248	-
Total Income		9,888,915	6,635,080
EXPENDITURE			
Gaming Duty & Problem Gambling Levy		2,392,119	1,582,215
Venue Rental		1,568,833	1,060,671
Depreciation		584,572	693,165
Legal Fees & Management Costs		245,752	211,639
Other Operating Costs		836,829	635,740
Finance Costs		43,625	57,718
Total Expenditure		5,671,730	4,241,148
Surplus for the period		4,217,185	2,393,932
Grants Paid (Net)		4,095,941	2,321,831
Net Surplus for the Period		121,244	72,101
SUMMARY STATEMENT OF CHANGES IN NET ASSETS/EQUITY			
Equity at Beginning of Year		476,288	404,187
Net Surplus for the Period		121,244	72,101
Equity at End of Year		597,532	476,288
SUMMARY STATEMENT OF FINANCIAL POSITION			
Current Assets		675,494	874,362
Non-Current Assets	3	919,267	783,893
Total Assets		1,594,761	1,658,255
Current Liabilities		945,663	950,757
Non-Current Liabilities		51,566	231,210
Total Liabilities		997,229	1,181,967
Net Assets		597,532	476,288
Represented by:			
Shareholders Equity		597,532	476,288

SUMMARY FINANCIAL STATEMENTS

RANO COMMUNITY TRUST LIMITED
FOR THE YEAR ENDED 31 JULY 2023

BASIS OF PREPARATION

1. Basis of Preparation

The statement of service performance and these summary financial statements are for Rano Community Trust Limited (the "Company") for the year ended 31 July 2023.

The summary financial statements are presented in New Zealand Dollars (NZD) 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 Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR). The summary financial statements have been prepared in accordance with PBE FRS 43 Summary Financial Statements.

The full financial report for the Company has been prepared in accordance with Generally Accepted Accounting Practice in New Zealand using PBE Standards RDR.

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 report of the Company which is available from the registered office.

2. Nature of Audit Opinion

The full financial reports for the years ended 31 July 2023 and 31 July 2022 have both been audited with unqualified audit opinions issued in respect of each.

3. Non-Current Assets

Non-current assets are made up of the following:

	2023	2022
Fixed Assets	919,267	783,893
	919,267	783,893

4. Term Debt

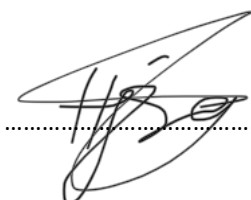
The term loans consists of 2 separate loans from BNZ financed for 36 months. The interest rates range from 11.37% to 11.62%p.a. (2022: 5.02% to 6.55%). Finance is secured over gaming assets of the Company.

5. There is no capital commitment as at 31 July 2023 (2022: \$241,915)

6. At balance date there are no known contingent liabilities (2022: \$Nil)

The Directors authorised the publication of these Summary Financial Statements on 30 / 10 / 2023

Approved on behalf of the board:





JSA Audit Limited
is a CPA Practice



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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 2023, the summary statement of comprehensive revenue & expenses, summary statement of changes in net assets/equity for the year then ended, and related notes, are derived from the audited general purpose financial report of Rano Community Trust Limited (the Company) for the year ended 31 July 2023.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited general purpose financial report, in accordance with 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 Tier 2 Not-for-Profit PBE Accounting Standards – Reduced Disclosure Regime applied in the preparation of the audited general purpose financial report of Rano Community Trust Limited. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited general purpose financial report and the auditor's report thereon. The summary financial statements and the audited general purpose financial report do not reflect the events that occurred subsequent to the date of our report on the audited general purpose financial report.

The Audited General Purpose Financial Report and Our Report Thereon

We expressed an unmodified audit opinion on the audited general purpose financial report in our report dated 31 October 2023.

Directors' Responsibility for the Summary Financial Statements

Directors are responsible on behalf of the Company for the preparation of the summary financial statements in accordance with 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 general purpose financial report 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, Rano Community Trust Limited.

Who we report to

This report is made solely to the shareholders, as a body. Our audit has been undertaken so that we might state to the 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 shareholders as a body, for our work, for this report, or for the opinions we have formed.

JSA AUDIT LTD

JSA AUDIT LIMITED
Parnell, Auckland
31 October 2023