

## SUMMARY FINANCIAL STATEMENTS

### THE NORTH AND SOUTH TRUST LIMITED

FOR THE YEAR ENDED 31 MARCH 2020

	31-Mar-20	31-Mar-19
<b>SUMMARY STATEMENT OF FINANCIAL PERFORMANCE</b>	\$	\$
<b>INCOME</b>		
Gaming Machine Profits	11,775,441	14,823,522
Other operating revenue	<u>337,153</u>	<u>245,658</u>
Total Income	12,112,594	15,069,180
<b>EXPENDITURE</b>		
Gaming Duty and Problem Gambling Levy	2,708,318	3,409,364
Venue Payments	1,816,931	2,376,735
Depreciation	1,080,575	1,082,023
Other expenses	63,032	26,273
Other Operating Costs	1,386,395	1,498,442
Finance costs	<u>48,363</u>	<u>41,217</u>
<b>Total Expenditure</b>	<u>7,103,613</u>	<u>8,434,054</u>
<b>Surplus for the period</b>	<u>5,008,981</u>	<u>6,635,126</u>
Grants Paid	<u>4,876,163</u>	<u>6,736,163</u>
Other comprehensive revenue and expense	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>	<u><u>132,818</u></u>	<u><u>(101,037)</u></u>
<b>SUMMARY STATEMENT OF MOVEMENTS IN NET ASSETS / EQUITY</b>		
Net Assets / Equity at Beginning of Year	854,192	955,229
Total Comprehensive Revenue and Expense for the Year	<u>132,818</u>	<u>(101,037)</u>
<b>Net Assets / Equity at End of Year</b>	<u><u>987,010</u></u>	<u><u>854,192</u></u>

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FOR THE YEAR ENDED 31 MARCH 2020

#### SUMMARY BALANCE SHEET

Current Assets	76,080	283,909
Non-Current Assets	<u>2,005,581</u>	<u>2,028,053</u>
<b>Total Assets</b>	<b>2,081,660</b>	<b>2,311,962</b>
Current Liabilities	768,475	880,208
Non-Current Liabilities-Term Debt	<u>326,175</u>	<u>577,563</u>
<b>Total Liabilities</b>	<b>1,094,650</b>	<b>1,457,771</b>
<b>Net Assets</b>	<b><u>987,010</u></b>	<b><u>854,192</u></b>
Represented by:		
<b>Net Assets / Equity at End of Year</b>	<b><u>987,010</u></b>	<b><u>854,192</u></b>

#### SUMMARY STATEMENT OF CASH FLOWS

	31-Mar-20	31-Mar-19
Net cash flows from operating activities	1,168,492	814,354
Net cash flows from investing activities	(972,705)	(780,487)
Net cash flows from financing activities	(257,816)	(127,088)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b><u>(62,029)</u></b>	<b><u>(93,221)</u></b>
Cash and cash equivalents at 1 April	89,804	183,025
<b>Cash and cash equivalents at 31 March</b>	<b><u>27,775</u></b>	<b><u>89,804</u></b>

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### THE NORTH AND SOUTH TRUST LIMITED FOR THE YEAR ENDED 31 MARCH 2020

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#### BASIS OF PREPARATION

##### 1. Basis of Preparation

These summary financial statements are for The North and South Trust Limited (the "Company") for the year ended 31 March 2020.

The summary financial statements are presented in New Zealand Dollars (NZD) rounded to the nearest dollar.

The Company was incorporated in New Zealand on 10 February 2010 under the Companies Act 1993, and commenced trading from 7 December 2010 upon the issue of its Class 4 Operator's Licence by the Department of Internal Affairs under the Gambling Act 2003.

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.

The full financial statements for the Company have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand using PBE Accounting Standards (PBE IPSAS) Reduced Disclosure Regime.

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.

##### 2. Nature of Audit Opinion

The full financial statements for the years ended 31 March 2020 and 31 March 2019 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:

	2020	2019
Property, plant and equipment	<u>2,005,581</u>	<u>2,028,053</u>

##### 4. Term Debt

As at balance date the Credit Facility is scheduled to expire on 21 May 2023 and is subject to an annual review.

The Credit Facility is collateralised by all present and after acquired assets of the Company.

The Credit Facility requires the Company to comply with certain covenants. The Company is required at all times to ensure that the Company's total tangible assets exceed the Company's total liabilities. As at 31 March 2020 total tangible assets exceed total liabilities by \$938,705. No breaches of covenants have been noted.

##### 5. Current Liability

Accounts payable	119,336	163,589
Accruals	30,710	13,688
Gaming duty payable	169,794	256,227
GST payable	185,353	203,346
Wage subsidy received in advance	21,089	-
Employee related liabilities	14,358	15,521
Loan facility	<u>227,836</u>	<u>227,836</u>
	<u>768,475</u>	<u>880,208</u>

6. At balance date there are no known contingent liabilities or capital commitments.

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### THE NORTH AND SOUTH TRUST LIMITED FOR THE YEAR ENDED 31 MARCH 2020

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7. In March 2020, the World Health Organisation designated COVID-19 to be a pandemic, threatening the health and well-being of large numbers of people across multiple countries. The global outbreak has caused escalating levels of societal uncertainty. In response, New Zealand entered a Government-directed 'Alert Level 4' lockdown at 11.59pm on 25 March 2020. The Government's Alert Level system dictates the level of business activity and societal interaction that can take place. Accordingly the gaming venues were closed until the Country moved to level two on 13 May 2020. All gaming venues are now open for operation with certain social restrictions.

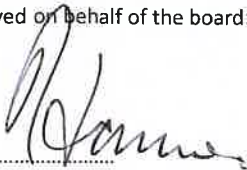
The exact future financial impact from the closure of the venues during level four and three and the revenue impact from the current trading restrictions cannot be measured reliably. The Board has prepared an operational forecast and anticipate that Gaming income to decrease by approximately 100% in April 2020 month, 50% in May 2020 month, 35% in June 2020 month, 10% in July 2020 month and 5% in August 2020 respectively.

Based on the operational forecasts, the Board expects that the Company in conjunction with its bank funding facility, will have sufficient cash flows to meet its obligations to DIA and third parties as they fall due for at least one year from the date of approval of this financial report. In addition, should forecast revenues are not be able to be achieved, further cost reduction initiatives will be considered.

Accordingly, the Board have continued to apply the going concern assumption in preparing these financial statements.

The Directors authorised the publication of these Summary Financial Statements on 13 April 2021.

Approved on behalf of the board:



Director



Director

# Report of the Independent Auditor on the Summary Financial Statements

## To the shareholders of The North and South Trust Limited

### Opinion

The accompanying summary financial statements, which comprise the summary balance sheet as at 31 March 2020, the summary statement of financial performance, summary cash flows and summary statement of movements in net assets / equity for the year then ended, and related notes, are derived from the audited financial statements of The North and South Trust Limited for the year ended 31 March 2020.

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 26 June 2020. That report also includes:

- An Emphasis of Matter section that draws attention to the audited financial statements. We draw attention to the disclosure in Note 18 on page 18 in the financial statements, which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic. Our opinion is not modified in respect of this matter.

### The Board's responsibility for the summary financial statements

The Directors are responsible on behalf of the entity 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 North and South 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.



**RSM Hayes Audit**  
Auckland

22 April 2021