

The North and South Trust Limited

**Summary performance report
For the year ended 31 March 2023**

TABLE OF CONTENTS

Summary statement of service performance	1 - 2
Summary financial statements	
Summary statement of comprehensive revenue and expense	3
Summary statement of net assets / equity	5
Summary statement of financial position	4
Summary statement of cash flows	6
Notes to the summary financial statements	7 - 8
Independent auditor's report	9

THE NORTH AND SOUTH TRUST LIMITED

SUMMARY STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2023

Who are we?

The North and South Trust Limited is a non-profit organisation, that distributes funds generated from the operation of Class 4 gaming machines, to community groups primarily supporting amateur rugby and sport.

Our Purpose

1. To promote and develop amateur rugby union through the direct support of Auckland Rugby.
2. To support any amateur sports playing in recognised leagues or competitions.
3. To support any charitable, educational, cultural or philanthropic purpose or any other non-commercial purpose that is beneficial to the public or a section of it.

What did we do?

The North and South Trust Limited is licensed to operate gaming machines by the Department of Internal Affairs, and the proceeds from those machines provide revenue for the Company. The net proceeds (surplus) is distributed to community groups as donations (grants). The Company must return a minimum of 40% of Total Revenue to community not for profit groups. Applications are considered monthly by the Board where applications are approved or declined.

How did we perform?

Venues and machines

	2023	2022 (Unaudited)
Number of venues	10	12
Number of machines	164	173

Grants to local communities

	2023	2022 (Unaudited)
Total Number of Approved Applications	374	117
Authorised Purpose Distributions made during the Year less refunds	\$6,551,106	\$2,535,215
Return to Community	43.78%	31.88%

The increase in Return to Community and Authorised Purpose Distributions compared to last year was due to last year being impacted by closures and restrictions and on our operations due to the Covid-19 pandemic. Last year we had to endure 106 consecutive days of our Auckland Venues being closed, as well as operating under the government "Traffic Light" system which heavily regulated and restricted the full operation of our Venues.

THE NORTH AND SOUTH TRUST LIMITED

**SUMMARY STATEMENT OF SERVICE PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2023**

Grants by category

	2023	2022 (Unaudited)
Auckland Rugby Union	3,108,231	1,890,000
All other sport	1,977,747	408,114
Education / Research	142,871	15,817
Community / Social	752,938	217,285
Arts / Cultural	51,516	4,000
Health / Welfare	487,720	-
Environment / Animals	9,279	-
Other	20,803	-
Total	6,551,106	2,535,215

Grants by region

	2023	2022 (Unaudited)
Auckland region	6,205,992	2,436,052
Hawkes Bay region	196,689	74,163
Manawatu region	5,000	21,000
Northland region	-	4,000
Waikato region	25,549	-
National	117,876	-
Total	6,551,106	2,535,215

For the full list of Authorised Purpose Distributions please refer to The North and South Trust Limited website – <https://www.nstl.co.nz/apply-for-grants/historic-grants/>

THE NORTH AND SOUTH TRUST LIMITED

**SUMMARY STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE
FOR THE YEAR ENDED 31 MARCH 2023**

	2023	2022
	\$	\$
Income		
Gaming machine revenue	15,013,906	7,704,885
Other operating revenue	<u>166,359</u>	<u>47,843</u>
	<u>15,180,265</u>	<u>7,752,728</u>
Less: expenses		
Gaming machine duty	(3,453,198)	(1,772,124)
Venue rental and commission	(2,348,065)	(1,191,605)
Depreciation expense	(1,055,378)	(903,932)
Finance costs	(41,833)	(31,137)
Other operating costs	(1,585,382)	(1,362,370)
Other expenses	<u>(50,016)</u>	<u>(34,399)</u>
	<u>(8,533,872)</u>	<u>(5,295,567)</u>
Surplus before distributions	6,646,393	2,457,161
Less: distributions	<u>(6,551,106)</u>	<u>(2,535,215)</u>
Surplus / (deficit) after distributions	<u>95,287</u>	<u>(78,054)</u>
Other comprehensive revenue and expense	<u>-</u>	<u>-</u>
Total comprehensive revenue and expense for the year	<u><u>95,287</u></u>	<u><u>(78,054)</u></u>

The accompanying notes form part of these summary financial statements.

THE NORTH AND SOUTH TRUST LIMITED

SUMMARY STATEMENT OF CHANGES IN NET ASSETS / EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Accumulated comprehensive revenue and expense \$
Balance as at 1 April 2021	1,390,986
Deficit for the year	<u>(78,054)</u>
Total comprehensive revenue and expense for the year	<u>(78,054)</u>
Balance as at 31 March 2022	<u>1,312,932</u>
Balance as at 1 April 2022	1,312,932
Surplus for the year	<u>95,287</u>
Total comprehensive revenue and expense for the year	<u>95,287</u>
Balance as at 31 March 2023	<u><u>1,408,219</u></u>

The accompanying notes form part of these summary financial statements.

THE NORTH AND SOUTH TRUST LIMITED
SUMMARY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	2023	2022
	\$	\$
Assets		
Current assets	1,479,280	1,357,701
Non-current assets - property, plant & equipment	<u>2,026,132</u>	<u>2,075,071</u>
Total assets	<u><u>3,505,412</u></u>	<u><u>3,432,772</u></u>
Liabilities		
Current liabilities	1,340,841	1,232,711
Non-current liabilities - term debt	<u>756,352</u>	<u>887,129</u>
Total liabilities	<u><u>2,097,193</u></u>	<u><u>2,119,840</u></u>
Net assets	<u><u>1,408,219</u></u>	<u><u>1,312,932</u></u>
Equity		
Accumulated comprehensive revenue and expense	<u>1,408,219</u>	<u>1,312,932</u>
Total equity	<u><u>1,408,219</u></u>	<u><u>1,312,932</u></u>

The accompanying notes form part of these summary financial statements.

THE NORTH AND SOUTH TRUST LIMITED

**SUMMARY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

	2023	2022
	\$	\$
Net cash provided by operating activities	1,015,588	1,159,385
Net cash used in investing activities	(860,800)	(1,256,809)
Net cash provided by financing activities	<u>(34,618)</u>	<u>175,453</u>
Net increase in cash held	<u>120,170</u>	<u>78,029</u>
Reconciliation of cash		
Cash at beginning of the financial year	1,113,454	1,035,425
Net increase in cash held	<u>120,170</u>	<u>78,029</u>
Cash at end of financial year	<u><u>1,233,624</u></u>	<u><u>1,113,454</u></u>

The accompanying notes form part of these summary financial statements.

THE NORTH AND SOUTH TRUST LIMITED

NOTES TO THE SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These summary financial statements are for The North and South Trust Limited (the "Company") for the year ended 31 March 2023.

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 License 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.

The full financial statements have been audited and issued with an unmodified opinion in respect to the year ended 31 March 2023 on 28 June 2023.

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.

NOTE 2: BORROWINGS

The term loans require the Company to comply with certain covenants. The Company is required to generate earnings before, interest, tax, depreciation and amortisation (EBITDA) that is 3.0 times more than the interest servicing costs and maintain a minimum shareholders funds ratio of 35% (2022: 35%). As at 31 March 2023, the EBITDA is 28.51 (2022: 27.5) times the interest servicing costs and the shareholders funds ratio is 40.2% (2022: 38.3%).

	2023	2022
	\$	\$
NOTE 3: CURRENT LIABILITIES		
Accounts payable	85,004	383,926
Loan facility	546,252	450,093
Employee related liabilities	59,173	48,876
Gaming duty payable	294,704	210,312
GST payable	289,314	121,222
Accrued expenses	<u>66,394</u>	<u>18,282</u>
	<u>1,340,841</u>	<u>1,232,711</u>

THE NORTH AND SOUTH TRUST LIMITED

**NOTES TO THE SUMMARY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

NOTE 4: CONTINGENT LIABILITIES

There are no known contingent liabilities at balance date (2022: Nil).

NOTE 5: CAPITAL AND LEASING COMMITMENTS

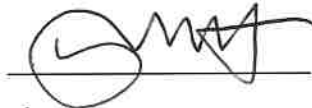
There are no known commitments at balance date (2022: Nil).

NOTE 6: EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to balance date, the Milestone Bar venue has signed with another Society and will be surrendered at a mutually agreed date during the 2024 financial year (2022: Nil).

The Directors authorised the publication of these Summary Financial Statements on 28/6/2023.

Approved on behalf of the board:



Director



Director

INDEPENDENT AUDITOR'S REPORT

On the Summary Performance Report

To the Shareholders of The North and South Trust Limited

Opinion

The accompanying summary performance report, which comprise the summary financial statements on pages 3 – 8, and summary statement of service performance on pages 1 – 2, are derived from the audited performance report of The North and South Trust Limited for the year ended 31 March 2023. The summary financial statements comprise the summary statement of financial position as at 31 March 2023, the summary statement of comprehensive revenue and expense, summary statement of changes in net assets / equity and summary statement of cash flows 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 2023.

In our opinion, the summary performance report derived from the audited performance report of The North and South Trust Limited for the year ended 31 March 2023 are consistent, in all material respects, with those financial statements, in accordance with PBE FRS43.

Summary Performance Report

The summary performance report does not contain all the disclosures required for the full performance report under generally accepted accounting practice in New Zealand. Reading the summary performance report, therefore, is not a substitute for reading the audited performance report of The North and South Trust Limited. The audited performance report, and the summary performance report, do not reflect the effects of events that occurred subsequent to the date of our report on the audited performance report.

The Audited Performance Report and Our Report Thereon

We expressed an unmodified audit opinion on the audited performance report in our report dated 28 June 2023.

Responsibilities of the Directors for the Summary Performance Report

The Directors are responsible for the preparation of a summary of the audited performance report in accordance with Public Benefit Entity Financial Reporting Standard 43: *Summary Financial Statements* (PBE FRS-43).

Auditor's Responsibilities for the Audit of the Summary Performance Report

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

Other than in our capacity as auditor, our firm carries out other assignments for The North and South Trust Limited in the area of assistance with preparation of financial statements. The provision of these other services has not impaired our independence.



BAKER TILLY STAPLES RODWAY AUCKLAND

Auckland, New Zealand

28 June 2023