
Blue Waters Community Trust

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

Blue Waters Community Trust**FINANCIAL STATEMENTS
For the year ended 30 April 2022**

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Blue Waters Community Trust

Directory

For the year ended 30 April 2022

Registered office	Mt Eden Bowling Club 17 Stokes Road Mt Eden, Auckland
Charity number	1183127
Nature of business	The Blue Waters Community Trust generates funds for its Authorised Purpose by operating gaming machines in the greater Auckland region primarily to foster, encourage and safeguard the game of amateur bowls and other amateur sports in New Zealand where the game or sport is conducted for the benefit of the general public and the promotion of health or education.
Trustees	Allan Smith John Slater Ben Marris Murray Lander
Independent auditor	RSM Hayes Audit Level 1 1, Broadway, Newmarket Auckland 2013
Bankers	ASB Bank Limited
Solicitors	Hawk Legal, Auckland

Blue Waters Community Trust

**Trustees' Report and Statement of Responsibility
For the year ended 30 April 2022**

Trustees' Report

The Trustees of Blue Waters Community Trust ("The Trust") present this Annual Report, being the financial statements of the Trust for the financial year ended 30 April 2022, and the independent auditor's report thereon.

Statement of Responsibility

The Trustees are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information.

The independent external auditors, RSM Hayes Audit, have audited the financial statements and their report appears on pages 3 to 4.

The Trustees are also 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 Trustees 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 Trustees to indicate that the Trust will not remain a going concern in the foreseeable future. Please see Note 2(e) for further information.

In the opinion of the Trustees:

- The Statement of Comprehensive Revenue and Expense is drawn up so as to present fairly in all material respects, the financial result of the Trust for the financial year ended 30 April 2022;
- The Statement of Financial Position is drawn up so as to present fairly in all material respects, the financial position of the Trust as at 30 April 2022;
- The Statement of Cash Flows is drawn up so as to present fairly in all material respects, the cash flows of the Trust for the financial year ended 30 April 2022;
- There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they fall due.

For and on behalf of the Trustees:



Trustee

22 July 2022

Date



Trustee

22 JULY 2022

Date

Independent Auditor's Report

To the trustees of Blue Waters Community Trust For the year ended 30 April 2022

Opinion

We have audited the financial statements of Blue Waters Community Trust, which comprise:

- the statement of financial position as at 30 April 2022;
- the statement of comprehensive revenue and expense for the year then ended;
- the statement of changes in net assets/equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements on pages 5 to 18 present fairly, in all material respects, the financial position of Blue Waters Community Trust as at 30 April 2022, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the entity in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Other information

The trustees are responsible for the other information. The other information comprises the directory and trustees' report and statement of responsibility on pages 1 and 2 (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the trustees for the financial statements

The trustees are responsible, on behalf of the entity, for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, and for such internal control as those charged with governance determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible, on behalf of the entity for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-8/>

Who we report to

This report is made solely to the entity's trustees, as a body. Our audit has been undertaken so that we might state 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 Blue Waters Community Trust and the entity's trustees as a body, for our work, for this report, or for the opinions we have formed.

A stylized, handwritten-style signature of 'RSM' in blue ink.

RSM Hayes Audit
Auckland

26 July 2022

Blue Waters Community Trust

**Statement of Comprehensive Revenue and Expense
For the year ended 30 April 2022**

	Notes	2022 \$	2021 \$
<i>Revenue from exchange transactions</i>	16		
Gaming machine income		980,832	1,360,628
Other operating revenue		10	1,799
Total revenue		<u>980,842</u>	<u>1,362,427</u>
<i>Expenses</i>			
Depreciation	10	54,508	50,258
Gaming machine duty & Problem gambling levy		234,389	325,149
Venue rental		141,680	201,704
Consulting Fees		75,000	75,485
Audit Fees		8,750	8,250
Other operating expenses	6	99,085	99,980
Total expenses		<u>613,412</u>	<u>760,826</u>
<i>Total surplus/(deficit) for the year</i>		<u>367,430</u>	<u>601,601</u>
Less: distributions		(373,122)	(639,075)
Total comprehensive revenue and expense		<u>(5,692)</u>	<u>(37,474)</u>

The above statement should be read in conjunction with the notes to the financial statements.

Blue Waters Community Trust

**Statement of Changes in Net Assets/Equity
For the year ended 30 April 2022**

	Accumulated Comprehensive Revenue and Expense
	\$
Opening balance 1 May 2020	188,013
Surplus / (deficit) for the year	(37,474)
Closing equity 30 April 2021	<hr/> 150,539
Surplus / (deficit) for the year	(5,692)
Closing equity 30 April 2022	<hr/> <hr/> 144,847

The above statement should be read in conjunction with the notes to the financial statements.

Blue Waters Community Trust

Statement of Financial Position
As at 30 April 2022

	Notes	2022	2021
		\$	\$
Current assets			
Cash and cash equivalents	7	86,404	80,216
Receivables	8	40,183	23,452
		<u>126,587</u>	<u>103,668</u>
Non-current assets			
Property plant and equipment	10	104,693	128,249
		<u>104,693</u>	<u>128,249</u>
Total Assets		<u>231,280</u>	<u>231,917</u>
Current liabilities			
Trade and other payables from exchange transactions	13	86,433	81,378
		<u>86,433</u>	<u>81,378</u>
Total Liabilities		<u>86,433</u>	<u>81,378</u>
Total net assets		<u>144,847</u>	<u>150,539</u>
Equity			
Accumulated comprehensive revenue and expense		144,847	150,539
Total Equity		<u>144,847</u>	<u>150,539</u>

The above statement should be read in conjunction with the notes to the financial statements.

Blue Waters Community Trust

**Statement of Cash Flows
For the year ended 30 April 2022**

	Notes	2022	2021
Cash flows from operating activities			
<u>Receipts</u>			
Receipts from exchange transactions		964,226	1,343,768
Interest received		10	17
<u>Payments</u>			
Payments to suppliers and employees		(553,211)	(669,598)
Distributions		(373,122)	(639,075)
Net GST		2,772	11,241
Net cash flows from operating activities		40,675	46,353
Cash flows from investing activities			
Proceeds from sale of property plant and equipment		-	2,000
Purchase of property, plant and equipment		(34,487)	(73,985)
Net cash flows from investing activities		(34,487)	(71,985)
Net (decrease)/increase in cash and cash equivalents		6,188	(25,632)
Cash and cash equivalents at 1 May		80,216	105,848
Cash and cash equivalents at 30 April	7	86,404	80,216

The above statement should be read in conjunction with the notes to the financial statements.

Blue Waters Community Trust

Accounting Policies to the financial statements For the year ended 30 April 2022

1. REPORTING ENTITY

Blue Waters Community Trust (the "Trust") is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act 2013. The Trust was incorporated in New Zealand on 21 December 2001 under the Charitable Trusts Act 1957 and commenced trading from 22 November 2004 upon the issue of its Class 4 Operator's Licence by the Department of Internal Affairs under the Gambling Act 2003.

The financial statements and the accompanying notes summarise the financial results of activities carried out by the Trust. The Trust is involved in operating gaming machines in the greater Auckland region primarily to foster, encourage and safeguard the game of amateur bowls and other amateur sports in New Zealand where the game or sport is conducted for the benefit of the general public and the promotion of health or education.

2. BASIS OF PREPARATION

a) Statement of compliance

The primary objective of the entity is to apply all of its net proceeds as grants in the application of its Authorised Purpose as per the Gambling (class 4 net proceeds) Regulations 2004, as such the Trust is a public benefit entity for the purpose of financial reporting.

The financial statements of the Trust comply with the Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") and disclosure concessions have been applied. The Trust is eligible to report in accordance with PBE Standards RDR because it does not have public accountability and is not large.

The financial statements for the Trust are for the year ended 30 April 2022, and were approved by the Trustees on the date mentioned on page 2.

b) Measurement basis

The financial statements have been prepared on the historical cost basis.

c) 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 Trust.

d) Changes in accounting policy

There have been no changes to the accounting policies. All policies applied are consistent with prior year.

e) Going Concern

The financial statements have been prepared on a going concern basis, the validity of which depends on the Trust continuing to provide adequate operating revenue and cash flows from its gaming machines to cover the Trust's operating costs. It is the considered view of the Trustees that the gaming machines will continue to satisfy these requirements.

3. PRINCIPAL ACTIVITY

The Trust'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 Trust. Under the terms and Constitution of the Trust, the grants paid are required to be used to support and encourage amateur games or sport conducted for the benefit of the general public as well as to assist and benefit any charitable, educational, cultural or philanthropic purpose or any other purposes that are beneficial to the public or a section of it.

Blue Waters Community Trust

Accounting Policies to the financial statements For the year ended 30 April 2022

3. PRINCIPAL ACTIVITY (CONT'D)

All gaming machine grants paid by the Trust have been appropriately used for the Authorised Purpose.

4. SIGNIFICANT JUDGMENTS AND ESTIMATES

The preparation of the Trust'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 Trust'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 Trust classifies non-financial assets as either cash-generating or non-cash-generating assets. The Trust classifies a non-financial asset as a cash-generating asset 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 Trust 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 amounts of assets and liabilities within the next financial year, are described below. The Trust 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 Trust. Such changes are reflected in the assumptions when they occur.

Useful lives and residual values

The useful lives and residual values of 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 Trustees of the Trust
- 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 basis of accounting estimates for the current reporting period.

5. SIGNIFICANT ACCOUNTING POLICIES

a) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Trust 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.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a) Revenue (cont'd)

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 rate. 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 asset or liability.

Interest revenue is included in finance income in the statement of comprehensive revenue and expense.

Gaming machine revenue

Revenue shown in the Statement of Comprehensive Income and Expense comprises 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 a daily basis.

Gaming profits represent the net win to the Trust from gaming activities, being the difference between the amounts wagered and amounts won by gaming patrons.

ii) Revenue from non-exchange transactions

The Trust did not receive any non-exchange revenue during the current financial period.

b) Finance income and finance costs

Finance income comprises interest income on financial assets. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense on financial liabilities.

c) Financial instruments

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the financial instrument.

Blue Waters Community Trust

**Accounting Policies to the financial statements
For the year ended 30 April 2022**

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

c) Financial instruments (cont'd)

The Trust derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights 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 Trust is recognised as a separate asset or liability.

The Trust derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.
The Trust also derecognises financial assets and financial liabilities when there has been significant changes to the terms and/or the amount of contractual payments to be received/paid.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Trust 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 Trust classifies financial assets as loans and receivables.

The Trust 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 with an original maturity of three months or less that are readily convertible to known amounts of cash and 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 equivalents as defined above.

ii) Amortised cost financial liabilities

Financial liabilities classified as amortised cost are non-derivative financial liabilities that are not classified at fair value through surplus or deficit financial liabilities.

Financial liabilities classified at amortised cost are subsequently measured at amortised cost using the effective interest method.

Financial liabilities classified at amortised cost comprise payables.

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 or more events 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 Trust on terms that the Trust 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.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d) Impairment of non-derivative financial assets (cont'd)

i) Financial assets classified as loans and receivables

The Trust 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 specifically 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 Trust uses historical trends of the 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 flows discounted at the asset's original effective interest rate. Losses are recognised in 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.

e) Property, plant and 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 directly 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 expense.

ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Trust. 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

Depreciation is recognised in statement of comprehensive revenue and expense on a diminishing value basis over the estimated useful life of the asset.

Blue Waters Community Trust

**Accounting Policies to the financial statements
For the year ended 30 April 2022**

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e) Property, plant and equipment (cont'd)

The estimated useful lives are:

Gaming machines & Equipment	8% - 50% DV
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Depreciation methods, useful lives, and residual values are reviewed at reporting date and adjusted if appropriate.

f) Impairment of non-financial assets

The carrying amounts of the Trust'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 asset's recoverable amount is estimated.

The recoverable amount of an asset or CGU 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 the time value of money and the risks specific to the asset or CGU.

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.

g) Leases

i) Classification and treatment

Leases in terms of which the Trust 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 initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

h) Equity

Equity is the community's interest in the Trust measured as the difference between total assets and total liabilities. Equity is made up of the following component:

Accumulated comprehensive revenue and expense

Accumulated comprehensive revenue and expense is the Trust's accumulated surplus or deficit since the formation of the Trust adjusted for transfers to/from specific reserves.

Blue Waters Community Trust

**Accounting Policies to the financial statements
For the year ended 30 April 2022**

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

i) Income Tax

The Trust is exempt from income tax in accordance with section CW48 of the (New Zealand) 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 Trust's Authorised Purpose statement as approved by Department of Internal Affairs.

j) Goods and services tax

All amounts are shown exclusive of goods and services tax (GST), except for receivables and payables that are stated inclusive of GST.

k) Distributions to the Community & Retention of Net Surplus

Distributions to the Community are recorded as an appropriation of the surplus for the year.

Net surplus generated by the Trust 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 surplus must be distributed during the financial year and any remainder of net surplus within 3 months after the end of each of its financial years. In addition, the Trust is expected to generate net surplus equal to 40% of its GST exclusive gross receipts in each financial year.

For the current financial year the Trust has generated net surplus equal to 37.46% (2021: 44.16%) of its GST exclusive gross receipts, which is below the 40% minimum standard as set out by paragraph 10(1) of the Gambling (Class 4 Net Proceeds) Regulations 2004. On 22 March 2022, DIA announced it would be lenient toward entities that did not meet this 40% minimum operating profit standard if an acceptable application was provided detailing how COVID-19 pandemic impacted business and how costs have been mitigated. All net surplus generated from last financial year has been distributed in the current year.

Payment requires approval by the Trustees that the recipient has requested the donation for an "authorised purpose" as defined by the Gambling Act 2003.

Blue Waters Community Trust

Notes to the financial statements
For the year ended 30 April 2022

6. OTHER OPERATING INCOME/EXPENSES

	2022	2021
Operating expenses include the following:		
Losses on sale of fixed assets	3,535	453
Gaming machine maintenance	15,518	14,261
Servicing of equipment	4,409	4,335
Electronic monitoring system fees	8,594	10,529

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

	2022	2021
Current assets:		
Cash at bank	86,404	80,216
Total cash and cash equivalents in statement of cash flows	<u>86,404</u>	<u>80,216</u>

8. RECEIVABLES

	2022	2021
Trade receivables from exchange transactions	33,467	16,860
Allowance for impairment	-	-
Net trade receivables from exchange transactions	<u>33,467</u>	<u>16,860</u>
Prepayments	<u>6,716</u>	<u>6,592</u>
	<u>40,183</u>	<u>23,452</u>

There are no amounts overdue nor impaired as at year end relating to trade receivables from exchange transactions.

Blue Waters Community Trust**Notes to the financial statements
For the year ended 30 April 2022****9. RELATED PARTY TRANSACTIONS AND BALANCES****Compensation of key management personnel**

An honorarium was paid to Trustees of \$5,750 (2021: \$6,500) for services to the Net Proceeds Committee as well as their duties as Trustees.

10. PROPERTY, PLANT AND EQUIPMENT

	30-Apr-22			30-Apr-21		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Gaming machines & Equipment	420,218	315,525	104,693	426,438	298,189	128,249
	420,218	315,525	104,693	426,438	298,189	128,249

Reconciliation of property, plant and equipment - April 2022

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Gaming machines & Equipment	128,249	34,487	3,535	54,508	104,693
	128,249	34,487	3,535	54,508	104,693

11. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of financial instruments presented in the statement of financial

	2022	2021
Financial assets		
<i>Loans and receivables</i>		
Cash and cash equivalents	86,404	80,216
Receivables from exchange transactions (excl prepayments)	33,467	16,860
	<u>119,871</u>	<u>97,076</u>
Financial liabilities		
<i>At amortised cost</i>		
Trade and other creditors (excl GST & PAYE)	28,157	27,147
Loan facility	-	-
	<u>28,157</u>	<u>27,147</u>

12. FINANCE INCOME

	2022	2021
<i>Finance income</i>		
Interest income from cash & cash receivables	10	25

Blue Waters Community Trust

**Notes to the financial statements
For the year ended 30 April 2022**

13. TRADE & OTHER PAYABLES - EXCHANGE TRANSACTIONS

	2022	2021
Accounts payable	8,549	11,643
Accruals	19,608	15,504
Duty payable	34,482	33,073
GST/PAYE payable	23,794	21,158
	<u>86,433</u>	<u>81,378</u>

14. CAPITAL COMMITMENTS

There are no capital commitments at the reporting date. (2021: \$Nil).

15. CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities at the reporting date. (2021: \$Nil).

16. REVENUE

	2022	2021
Revenue from exchange transactions		
Gaming machine income	980,832	1,360,628
Gain on asset sales	-	1,774
Interest received	10	25
	<u>980,842</u>	<u>1,362,427</u>

Revenue from non-exchange transactions

There was no revenue from non-exchange transactions during the financial period.

17. EVENTS AFTER THE REPORTING DATE

The Trustees 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 Trust (2021: \$Nil).

18. REVENUE IMPACT OF COVID-19 RESTRICTIONS

The Trust revenue for the year was significantly impacted by the COVID-19 restrictions during the financial year. The venue was closed for 14 weeks with no GMP income. On a further 15 weeks the venue operated well below historical averages as turnover recovered from the lockdowns. Total revenue was \$527,168 below forecast for the full financial year. This had a material impact on the Trust's ability to achieve grants for authorised purposes.