



Financial Statements
For the year ended 31 March 2017

ILT Foundation

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ILT Foundation

Directory



Trustees	Alan Dennis Sean Bellew Mike Mika Angela Newell Suzanne Prentice John Young (resigned October 2016) Christopher Ward Jason McKenzie Paddy O'Brien (commenced October 2016)	(Chairman)
Manager	Jackie Flutey	
Registered Office	252 Dee Street PO Box 1771 INVERCARGILL 9840	
Auditor	Audit New Zealand On behalf of the Controller and Auditor-General	
Legal Advisors	Ward Adams Bryan-Lamb Invercargill	
Bankers	Westpac Banking Corporation Invercargill	

ILT Foundation

Statement of Comprehensive Income For the year ended 31 March 2017

	Notes	2017 \$	2016 \$
REVENUE			
Gaming proceeds		9,509,836	9,289,523
Interest income		84,943	100,313
Gain on sale of Plant and Equipment		5,028	4,217
Total revenue		9,599,807	9,394,053
TOTAL REVENUE		9,599,807	9,394,053
EXPENSES			
Gaming duty		2,187,262	2,136,590
Venue payments		1,331,721	1,301,496
Other expenses	5	1,453,162	1,403,545
TOTAL EXPENSES		4,972,145	4,841,631
OPERATING PROFIT/(LOSS) BEFORE GRANTS		4,627,662	4,552,422
Grant expense	8	5,082,990	4,027,188
OPERATING PROFIT/(LOSS)		(455,328)	525,234
OTHER COMPREHENSIVE INCOME			
<i>Movements that will be reclassified to profit or loss in subsequent periods:</i>		-	-
<i>Movements that will not be reclassified to profit or loss in subsequent periods:</i>		-	-
Total other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		(455,328)	525,234

These financial statements have been authorised for issue by the trustees on 4 May 2017.


 Chairperson

 Trustee

4/5/17
 Date
 4/5/17
 Date

ILT Foundation

Statement of Financial Position As at 31 March 2017

	Notes	2017 \$	2016 \$
ASSETS			
Current			
Cash and cash equivalents	6	1,593,398	2,250,537
Short Term Bank Deposits		1,780,000	1,300,000
Trade and Other Receivables		47,895	30,881
Total current assets		3,421,293	3,581,418
Non-current			
Property, plant and equipment	9	1,164,030	1,150,965
Total non-current assets		1,164,030	1,150,965
TOTAL ASSETS		4,585,323	4,732,383
LIABILITIES			
Current			
Trade and Other Payables	7	674,723	433,884
Grants Allocated but Unpaid	8	725,477	657,043
Employee entitlements	11	5,530	6,535
Total current liabilities		1,405,730	1,097,462
TOTAL LIABILITIES		1,405,730	1,097,462
NET ASSETS		3,179,593	3,634,921
FOUNDATION EQUITY			
Undistributed net proceeds		997,553	1,452,881
Capital asset reserve		1,164,030	1,150,965
Depreciation reserve funds		1,018,010	1,031,075
FOUNDATION EQUITY	10	3,179,593	3,634,921

ILT Foundation

Statement of Changes in Equity For the year ended 31 March 2017

	Notes	Undistributed net proceeds	Capital Asset reserve	Depreciation reserve	Total
		\$	\$	\$	\$
Balance 1 April 2016		1,452,881	1,150,965	1,031,075	3,634,921
Profit / (Loss) for the year before grants		4,627,662	-	-	4,627,662
Grants Expense		(5,082,990)	-	-	(5,082,990)
Total comprehensive income		(455,328)	-	-	(455,328)
Net transfer to/ (from) equity reserves in the year		-	13,065	(13,065)	-
Balance 31 March 2017	10	997,553	1,164,030	1,018,010	3,179,593
Balance 1 April 2015		927,647	1,073,912	1,108,128	3,109,687
Profit / (Loss) for the year before grants		4,552,422	-	-	4,552,422
Grants Expense		(4,027,188)	-	-	(4,027,188)
Total comprehensive income		525,234	-	-	525,234
Transfer to/ (from) equity reserves in the year		-	77,053	(77,053)	-
Balance 31 March 2016		1,452,881	1,150,965	1,031,075	3,634,921

ILT Foundation

Statement of Cash Flows For the year ended 31 March 2017

	Notes	2017 \$	2016 \$
Cash flow from operating activities			
<i>Cash was provided from/(applied to):</i>			
Income received from gaming proceeds		9,509,836	9,289,523
Interest received		79,641	105,066
Payments to suppliers, employees and trustees		(4,206,294)	(4,283,698)
Grants paid	8	(5,014,556)	(4,029,636)
GST (net)		31,656	25,296
Net cash from/(used in) operating activities		400,283	1,106,551
Cash flow from investing activities			
<i>Cash was provided from/(applied to):</i>			
Acquisition of property, plant and equipment		(646,465)	(674,006)
Disposal of property, plant and equipment		69,043	21,956
Purchase of investments		(480,000)	(800,000)
Net cash from/(used in) investing activities		(1,057,422)	(1,452,050)
Cash flow from financing activities			
<i>Cash was provided from/(applied to):</i>		-	-
Net cash from/(used in) financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(657,139)	(345,499)
Cash and cash equivalents, beginning of the year		2,250,537	2,596,036
Cash and cash equivalents at end of the year	6	1,593,398	2,250,537

ILT Foundation

Notes to the financial statements for the year ended 31 March 2017

1 Reporting entity

The ILT Foundation was formed by Trust Deed dated 2 August 2005 and is a registered Charitable Trust in terms of the Charitable Trusts Act 1957. It operates Electronic Video Gaming Machines licensed by the Department of Internal Affairs in various premises owned by the Invercargill Licensing Trust.

The financial statements were authorised for issue by the Board of Trustees on 4 May 2017.

2 Basis of preparation

The financial statements have been prepared in accordance with NZ Generally Accepted Accounting Practice (NZ GAAP) and comply with the New Zealand equivalent to International Financial Reporting Standards (NZ IFRS). Under the terms of the Accounting Standards Framework issued by the External Reporting Board (XRB) the ILT Foundation has designated itself a Tier 2 for profit entity and therefore applied Tier 2 Accounting Standards (NZ IFRS Reduced Disclosure Regime).

The Foundation is a qualifying Tier 2 entity as it meets the following criteria:

- the entity does not have public accountability; and
- the entity's expenses are less than \$30 million.

The general accounting principles as appropriate for the measurement and reporting of results and financial position under the historical cost method have been followed in the preparation of these financial statements. The accrual basis of accounting has been used unless otherwise stated.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the Foundation is New Zealand dollars.

(a) Comparatives

The comparative financial period is 12 months.

The net asset position and net profit or loss reported in comparatives is consistent with previously authorised financial statements.

(b) Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

3 Underlying Fundamental Assumptions

A key significant assumption underlying the preparation of the Foundation's financial statements under the going concern assumption is that the Foundation will continue to have its Class 4 Gambling License renewed annually by the Department of Internal Affairs.

Summary of significant accounting policies

The accounting policies of the Foundation have been applied consistently to all years presented in these financial statements.

The significant accounting policies used in the preparation of these financial statements are summarised below:

(a) Income

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Foundation and revenue can be reliably measured. Revenue is measured at the fair value of consideration received.

The Foundation assesses its revenue arrangements against specific criteria to determine if it is acting as the principal or agent in a revenue transaction. In an agency relationship only the portion of revenue earned on the Foundation's own account is recognised as gross revenue in the Profit or Loss.

The following specific recognition criteria must be met before revenue is recognised:

(i) Gaming proceeds

The Foundation operates gaming machines at a number of sites. Revenue from the operation of gaming machines comprises proceeds from the gaming machines less the deduction of prizes to the participants. Revenue from gaming machine proceeds is recognised when received in the gaming machine.

(ii) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(b) Venue payments

These costs are expensed on a monthly basis. They relate to the provision of Venue and Financial services provided by the Invercargill Licensing Trust, under the terms of a Licence Agreement, exclusively for the Foundation's gaming machines. The Agreement is for a period of three years expiring on 31 March 2018 and can be cancelled with one month's notice by either party.

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits in transit, cheques account funds, deposits held on call with banks and other short-term highly liquid investments with original maturities of three months or less.

Short term bank deposits are bank term deposits with maturities greater than three months but less than one year. They are recorded at cost, which is considered to be their fair value.

(d) Trade and other receivables

Trade debtors and other receivables are measured at their cost less any impairment losses.

An allowance for impairment is established where there is objective evidence the Foundation will not be able to collect all amounts due according to the original terms of the receivable.

(e) Creditors and other payables

Trade creditors and other payables are stated at cost.

(f) Financial instruments

The Foundation has policies to manage the risks associated with financial instruments. The Foundation is risk averse and seeks to minimise exposure from its treasury activities. These policies do not allow any transactions that are speculative in nature to be entered into.

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value.

Cash and cash equivalents comprise cash balances and call deposits.

Subsequent measurement of financial assets

The subsequent measurement of financial assets depends on their classification, which is primarily determined by the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition and re-evaluates this designation at each reporting date.

All financial assets held by the Foundation in the years reported have been designated into one classification, "loans and receivables", being non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment.

(g) Property, plant and equipment

Property, Plant and Equipment are valued at cost less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Foundation and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Foundation and the cost of the item can be measured reliably.

All repairs and maintenance expenditure is charged to profit or loss in the year in which the expense is incurred.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the profit or loss.

When an item of property, plant or equipment is disposed of, the gain or loss recognised in the profit or loss is calculated as the difference between the net sale proceeds and the carrying amount of the asset.

Depreciation

Depreciation is provided for using the Diminishing Value method in order to recognise the high first few years reduction in value of gaming equipment. The following rates are applied:

Gaming Machines and Associated Equipment	33% D.V.
Motor Vehicles	21.6% D.V.

The residual value, useful life, and depreciation methods of property, plant and equipment is reassessed annually.

(h) Impairment

The carrying amounts of the Foundation's assets are reviewed at each balance date to determine whether there is any indication of impairment.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the profit or loss.

(i) Non-financial assets

The carrying amounts of the Foundation'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.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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.

(i) Employee entitlements

Short-term employee benefits

Employee benefits, previously earned from past services, that the Foundation expects to be settled within 12 months of reporting date are measured based on accrued entitlements at current rate of pays.

These include salaries and wages accrued up to the reporting date and annual leave earned, but not yet taken at the reporting date.

(j) Income tax

The Financial Statements do not include any provision for income tax. The ILT Foundation, being a registered Charitable Trust and earning income solely from gaming machine activities, is exempt from income tax.

(k) Goods and Services Tax (GST)

All amounts in these financial statements are shown exclusive of GST, except for receivables and payables that are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

(l) Grant expenditure

Grants expensed to the profit or loss for the year represent:

(i) Grants that have been applied for during the year, and which have been approved and allocated for payment by the Trustees, but not necessarily paid out by balance date.

(ii) less Grants that have been returned to the Foundation during the year.

Grants allocated but unpaid at balance date are recorded in the Statement of Financial Position (refer Note 8).

ILT Foundation

Notes to the financial statements for the year ended 31 March 2017

(m) Statement of cash flows

The Statement of Cash Flows has been prepared using the Direct Method whereby major classes of gross cash receipts and gross payments are disclosed. For the purpose of the statement of cashflows, cash and cash equivalents include cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. The following terms are used in the statement of cash flows;

- Operating activities are the principal revenue producing activities of the Foundation and other activities that are not investing or financing activities;
- Investing activities are the acquisition and disposal of long-term assets and other investments not included in cash equivalents; and
- Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowing of the entity.

(n) Goods and Services Tax

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

(o) New standards adopted and interpretations not yet adopted

There were no new accounting standards that needed to be applied for the current reporting period.

4 Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements relate to the valuation of investments and are discussed further in note 3 above.

5 Other expenses

The following amounts were expensed in the profit / (loss) for the year:

	2017	2016
	\$	\$
Audit fees	18,700	18,629
Depreciation	543,254	538,507
Loss on disposal of property, plant and equipment	26,131	40,707
Problem gambling levy	142,442	139,947
Personnel costs	138,951	161,464
Sundry operating expenses	583,684	504,291
Total	1,453,162	1,403,545

6 Cash and cash equivalents

	2017	2016
	\$	\$
Bank balances	293,398	1,470,537
Short term bank deposits - less than 3 months	1,300,000	780,000
Total cash and cash equivalents	1,593,398	2,250,537

The carrying amount of cash and cash equivalents approximates their fair value.

The effective interest rate on short term bank deposits in 2017 was 2.4% (2016: 3.1%).

7 Trade and Other Payables

	2017	2016
	\$	\$
Trade and other payables	674,723	433,884
Total payables	674,723	433,884

8 Grants Allocated but Unpaid

	2017	2016
	\$	\$
Grants allocated but unpaid	725,477	657,043
Total payables - Allocated Grants	725,477	657,043

Grants allocated but unpaid comprise:

	2017	2016
	\$	\$
Opening balance	657,043	659,491
Allocated at Trustees' meetings during the year	5,205,330	4,080,329
Allocated grants paid during the year	(5,014,556)	(4,029,636)
Allocated grants returned	(122,340)	(53,141)
Total grants allocated but unpaid:	725,477	657,043

9 Property, plant and equipment

Movements for each class of property, plant and equipment are as follows:

	Gaming assets	Motor vehicle	Total
2017	\$	\$	\$
Gross carrying amount			
Opening balance	5,175,188	34,975	5,210,163
Additions	605,316	41,149	646,465
Disposals	(837,284)	(34,975)	(872,259)
Closing balance	4,943,220	41,149	4,984,369
Accumulated depreciation and impairment			
Opening balance	4,042,238	16,960	4,059,198
Depreciation for the year	536,587	6,667	543,254
Impairment charge for the year	-	-	-
Depreciation written back on disposal	(765,153)	(16,960)	(782,113)
Closing balance	3,813,672	6,667	3,820,339
Carrying amount 31 March 2017	1,129,548	34,482	1,164,030

	Gaming assets	Motor vehicle	Total
2016	\$	\$	\$
Gross carrying amount			
Opening balance	5,407,690	34,975	5,442,665
Additions	674,006	-	674,006
Disposals	(906,508)	-	(906,508)
Closing balance	5,175,188	34,975	5,210,163
Accumulated depreciation and impairment			
Opening balance	4,356,756	11,997	4,368,753
Depreciation for the year	533,544	4,963	538,507
Impairment charge for the year	-	-	-
Depreciation written back on disposal	(848,062)	-	(848,062)
Closing balance	4,042,238	16,960	4,059,198
Carrying amount 31 March 2016	1,132,950	18,015	1,150,965

Notes to the financial statements for the year ended 31 March 2017

10 Foundation equity

	Undistributed net proceeds	Capital asset reserve	Depreciation reserve funds	Total
	\$	\$	\$	\$
Balance at 1 April 2015	927,647	1,073,912	1,108,128	3,109,687
Total operating profit before grants	4,552,422	-	-	4,552,422
Grants allocated during the year	(4,080,329)	-	-	(4,080,329)
Grants returned during the year	53,141	-	-	53,141
Assets purchased during the year	-	674,006	(674,006)	-
Assets sold during the year	-	(21,956)	21,956	-
Depreciation, gains and losses for the year	-	(574,997)	574,997	-
Balance at 31 March 2016	1,452,881	1,150,965	1,031,075	3,634,921
Balance at 1 April 2016	1,452,881	1,150,965	1,031,075	3,634,921
Total operating profit before grants	4,627,662	-	-	4,627,662
Grants allocated during the year	(5,205,330)	-	-	(5,205,330)
Grants returned during the year	122,340	-	-	122,340
Assets purchased during the year	-	646,465	(646,465)	-
Assets sold during the year	-	(69,043)	69,043	-
Depreciation, gains and losses for the year	-	(564,357)	564,357	-
Balance at 31 March 2017	997,553	1,164,030	1,018,010	3,179,593

Capital asset reserve

The Capital asset reserve represents the equity held in the gaming assets of the Foundation. This is equivalent to the book value of gaming assets at balance date.

Depreciation reserve funds

The Depreciation reserve fund represents funds accumulated from depreciation expense at balance date that have not yet been spent on asset replacements but are available for future expenditure.

11 Employee entitlements

	2017 \$	2016 \$
Current		
Annual leave entitlements	5,530	6,535
Total	5,530	6,535

Short-term employee entitlements represent the Foundation's obligation to its current and former employees that are expected to be settled within 12 months of balance date. These mainly consist of accrued holiday entitlements at the reporting date.

Notes to the financial statements for the year ended 31 March 2017

12 Financial instruments

(a) Classification of financial instruments

The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and liabilities.

2017	Financial assets at fair value through surplus or deficit	Loans and receivables	Financial liabilities at amortised cost	Total carrying amount	Fair value
Financial assets					
Trade and other receivables	-	47,895	-	47,895	47,895
Cash and cash equivalents	-	1,593,398	-	1,593,398	1,593,398
Short Term Bank Deposits	-	1,780,000	-	1,780,000	1,780,000
Total current assets	-	3,421,293	-	3,421,293	3,421,293
Total assets	-	3,421,293	-	3,421,293	3,421,293
Financial liabilities					
Trade and other payables	-	-	674,723	674,723	674,723
Grants allocated but not paid	-	-	725,477	725,477	725,477
Total current liabilities	-	-	1,400,200	1,400,200	1,400,200
Total liabilities	-	-	1,400,200	1,400,200	1,400,200

2016	Financial assets at fair value through surplus or deficit	Loans and receivables	Financial liabilities at amortised cost	Total carrying amount	Fair value
Financial assets					
Trade and other receivables	-	30,881	-	30,881	30,881
Cash and cash equivalents	-	2,250,537	-	2,250,537	2,250,537
Short Term Bank Deposits	-	1,300,000	-	1,300,000	1,300,000
Total current assets	-	3,581,418	-	3,581,418	3,581,418
Total assets	-	3,581,418	-	3,581,418	3,581,418
Financial liabilities					
Trade and other payables	-	-	433,884	433,884	433,884
Grants allocated but not paid	-	-	657,043	657,043	657,043
Total current liabilities	-	-	1,090,927	1,090,927	1,090,927
Total liabilities	-	-	1,090,927	1,090,927	1,090,927

ILT Foundation

Notes to the financial statements for the year ended 31 March 2017

13 Related party transactions

Related party transactions arise when an entity or person(s) has the ability to significantly influence the financial and operating policies of the Foundation.

The ILT Foundation has related party relationships with the Invercargill Licensing Trust, the ILT Foundation's Trustees and other key management personnel.

(a) Related party transactions

The Invercargill Licensing Trust was primarily responsible for the establishment of the ILT Foundation in August 2005. The ILT Foundation operates under its own Trust Deed and is controlled by its own Trustees, some of whom are Invercargill Licensing Trust Trustees. The following are Trustees on both entities: Alan Dennis, Mike Mika, Sean Bellew, Angela Newell, Patric (Paddy) O'Brien and Suzanne Prentice. John Young was a Trustee from 1 April 2016 until 8 October 2016, however he is no longer a Trustee and was replaced by Paddy O'Brien. The ILT Foundation has two additional Trustees who are co-opted onto the ILT Foundation Board, namely Chris Ward and Jason McKenzie.

The ILT Foundation has contracts with the Invercargill Licensing Trust, approved by the Department of Internal Affairs, to operate gaming machines and other activities in their licensed premises. During the period payments to the Invercargill Licensing Trust for site rentals, administration and other services amounted to \$1,497,901 (\$1,361,306 in 2016).

As at 31 March 2017 \$187,798 was owing by the ILT Foundation to the Invercargill Licensing Trust, which was later settled in the normal course of business (the Invercargill Licensing Trust owed ILT Foundation \$12,072 in 2016).

Legal services are provided to the ILT Foundation by Ward Adams Bryan-Lamb where Christopher Ward (Trustee) is a Senior partner. The value of services provided during the year was \$12,195 (\$4,595 in 2016).

Several of the Trustees of the Foundation and key management personnel have a key relationship with organisations which were recipients of grants during the year. The details are as follows:

Trustee	Recipient organisation	Trustee's relationship to recipient organisation	Grant amount 2017	Grant amount 2016
			\$	\$
Alan Dennis	Invercargill City Council	Councillor	146,965	77,258
	Southland Indoor Leisure Centre Charitable Trust	Deputy Chairman	400,000	250,000
			546,965	327,258
Sean Bellew	Southland Racing Club	President	20,000	10,000
	Ascot Park Consortium	Chairman	5,879	-
			25,879	10,000
Chris Ward	Southland Indoor Leisure Centre Charitable Trust	Solicitor	400,000	250,000
			400,000	250,000
Mike Mika	Murihiku Maori and Pacifica Cultural Trust	Trustee	53,000	21,000
			53,000	21,000
John Young	Head Injury Society of Southland Inc	Honorary Solicitor	-	8,000
			-	8,000
Angela Newell	Shakespeare in the Park Charitable Trust	Trustee	2,400	6,000
	Venture Southland	Employee	100,500	50,500
			102,900	56,500
Jason McKenzie	Talent Development Southland	Employee	128,931	56,000
	Touch Southland	Service provider	42,000	35,000
	Rugby Southland	Service provider	340,000	
	Netball South Zone	Service provider	150,000	
	James Hargest College	Trustee	2,500	-
			663,431	91,000

ILT Foundation

Notes to the financial statements for the year ended 31 March 2017

(b) Trustees remuneration

Trustees have received remuneration for their services to the value of \$46,418 during the year (2016: \$47,450)

(c) Key management compensation

The Group have a related party relationship with its key management personnel. Key management personnel include the Board and Senior Management of the Trust.

Key management personnel compensation includes the following expenses:

Salaries and other short-term employee benefits

Termination benefits

Post-employment benefits

Other long-term benefits

Total remuneration

Number of persons recognised as key management personnel

	2017	2016
	\$	\$
	140,213	171,040
	-	-
	-	-
	-	-
	140,213	171,040
	9	9

14 Contingent assets and contingent liabilities

The Foundation has no contingent assets or contingent liabilities (2016: none).

15 Commitments

There are no commitments in place to purchase new gaming machines and game upgrades as at 31 March 2017 (2016: nil).

16 Events after the reporting period

There were no significant events after the balance date.

ILT Foundation

Notes to the financial statements for the year ended 31 March 2017

17 Grants to the Community

	\$		\$
Age Concern Southland	6,942	Invercargill Netball Centre	50,000
Alzheimers Society Southland Inc	5,000	Invercargill Poultry & Pigeon Club	500
Anderson Park Art Gallery	1,200	Invercargill Primary School Educational Initiatives Trust	267,450
Aqua Health Inc	2,000	Invercargill Repertory Society Inc	22,500
Ascot Community School	99,415	Invercargill Rowing Club	15,000
Ascot Park Racing Consortium Inc	5,879	Invercargill Secondary Schools' Network Trust	100,000
Athletics Southland	76,500	Invercargill Sejong Taekwondo Club Inc	9,200
Autism New Zealand Inc.	5,000	Invercargill Summer Festival Charitable Trust	10,000
Badminton Southland	60,000	Invercargill Toy & Puzzle Library	2,500
Barnardos NZ - Invercargill Branch	27,000	James Hargest College	2,500
Blue Jay Marching Club	5,500	Jellicoe Sea Scouts	20,000
Blues Indoor Bowling Club	400	Jet Boating NZ Inc - Southland Branch	1,000
Bluff Oyster & Food Festival	5,000	Jubilee Budget Advisory Service Ltd	15,000
Bluff Rugby Club	2,000	Kew Bowling Club Inc	1,400
Bluff Yacht Club	300	Makarewa Playcentre	500
Bowls Southland	45,000	Makarewa School	2,000
Bowls Southland Umpires Assoc.	200	Marching Southland Association Inc	7,000
Bush Haven Native Bird Rehabilitation Trust	1,000	Metropolitan Cricket Club	1,200
CCS Disability Action Southland	12,000	Murihiku Maori & Pasifika Cultural Trust	53,000
City of Invercargill Rugby League Club	2,000	Murihiku Maori Wardens	3,499
City of Invercargill Highland Pipe Band	49,500	Murihiku Marae - Waihopai Runaka	2,836
Collegiate Rugby Football Club Inc	10,000	Murihiku Swimming Club Inc	1,000
Conductive Education Southern Charitable Trust	12,000	Myross Bush Netball Club	2,676
CS Arts Charitable Trust	5,000	Netball South Zone Inc	150,000
Cycling Southland	168,300	Nga Kete Matauranga Pounamu Charitable Trust	9,500
Deaf Aotearoa NZ Inc (Southland Branch)	2,000	NZ Choral Federation Inc	1,500
Deep South Debonaires	1,500	NZ Symphony Orchestra Foundation	2,500
Diabetes Southland Inc	6,900	Omaui Landcare Charitable Trust	15,000
Disabilities Resource Centre Southland Charitable Trust	19,200	Orca Swimming Club Inc	3,000
Dodgers Softball Club-Invercargill	5,000	Order of St John - Invercargill Area	28,200
EduPaws Kids	1,074	Oreti Park Speedway 1998	2,100
English Language Partners NZ Trust - Southland	3,000	Orphans Aid International Charitable Trust	500
Epilepsy Association of NZ - Southland Branch	7,500	Otago Southland Chinese Association - Invercargill Branch	200
Eventing Southland	5,000	Otatara Bowling Club	3,000
First Presbyterian Church	5,000	Otatara Netball Club	2,000
Foveaux Harmony Chorus Inc	3,600	Otatara School	2,072
Friends of Cathedral Music - Southland Branch	1,500	Panthers Softball Club	5,750
Georgetown Indoor Bowls Club	500	Phoenix Synchro (Southland)	30,000
Gladstone Scout Group	5,000	Pirates Old Boys' Rugby Club	15,000
Glengarry Community Action Group	600	Port Softball	3,500
Golf Southland Inc	25,000	Pregnancy Counselling Services	800
Grasmere Indoor Bowls Club	350	Presbyterian Support Services	117,000
Greenacres Country Club Inc	4,200	Queens Park Ladies' Golf Club	700
Head Injury Society of Southland Inc	8,000	Rape & Abuse Support Centre Southland Inc	15,000
Heartsafe Invercargill Communities	2,734	Ronald McDonald House	2,500
Hockey Southland Inc	75,000	Royal NZ Ballet	10,000
Hospice Southland Charitable Trust	35,000	Royal NZ Foundation for the Blind	4,500
ILT Hockey Turf Charitable Trust	5,000	Royal NZ Pipe Bands-Southland Branch	3,600
Invercargill Citizens Bowling Club	4,500	Royal NZ Plunket Society-Invercargill Branch (Inc)	3,000
Invercargill City Charitable Trust	12,500	RSPCA - Southland	6,000
Invercargill City Council	146,965	Rugby Southland	340,000
Invercargill Contract Bridge Club	3,000	Rugby Southland Supporters Club	10,000
Invercargill Garrison Band/Ascot Park Brass of Invercargill	64,000	Salford School	2,500
Invercargill Golf Club Inc	2,700	Samoan Methodist Church	500
Invercargill Gymnastic Club Inc	8,000	Scout Association of New Zealand-Southland Zone	3,000
Invercargill Harness Racing Club Inc	10,000	Senior Net (South) Inc	974
Invercargill Indoor Bowls Sub Centre	1,200	Shakespeare in the Park Charitable Trust	2,400
Invercargill Kart Club	15,000	South City Community Choir	1,000
Invercargill Musical Theatre Inc	30,000	South Invercargill Urban Rejuvenation Charitable Trust	200,000

ILT Foundation

Notes to the financial statements for the year ended 31 March 2017

17 Grants to the Community (continued)

	\$		\$
Southern Adult Literacy Inc	3,000	Southland Softball Association	40,000
Southern Cross Greyhound Adoptions	500	Southland Softball Association (refer note below)	250,000
Southern Flyers Invercargill H3	1,200	Southland Sports Car Club	31,400
Southern Institute of Technology	11,000	Southland Stock Car Drivers' Association	20,500
Southern National Miniature Horse Club	500	Southland Stroke Club	10,000
Southern SouNZ Inc	2,000	Southland Table Tennis Association (Inc)	22,000
Southland A & P Association	4,000	Southland Tennis Association Inc	55,000
Southland ACC Advocacy Trust	5,000	Southland Triathlon & Multisport Club	4,500
Southland Art Society Inc	10,000	Southland Womens' Club Inc	700
Southland Asthma Society	12,000	Southland Woodworkers Guild	25,000
Southland Basketball Association	84,100	Southland Youth One Stop Shop Trust	35,000
Southland Beneficiaries and Community Rights	25,000	Sport Southland	176,000
Southland Boxing Association (Inc)	3,000	Squash City Invercargill Inc	20,000
Southland Canoe Club	3,500	Squash Southland	45,000
Southland Christmas Parade Charitable Trust	11,000	St Andrews Indoor Bowling Club	500
Southland Clay Target Club	500	St Joseph's School	2,500
Southland Community Nursery Conservation Trust	5,000	St Patrick's Primary School	3,143
Southland Competitions Society Inc	3,500	St Paul's Harrier & Amateur Athletic Club Inc	7,500
Southland Cricket Association	135,000	St Theresa's School	2,500
Southland Darts Association	1,600	Stadium Southland Ltd	15,000
Southland District Rugby Football League Inc	45,000	Strings of Southland Charitable Trust	2,200
Southland Education	15,000	Swim Southland	70,000
Southland Filipino Society	1,000	Taki Rua Productions Society Inc	3,500
Southland Fire Service Museum Society	5,000	Talent Development Southland Charitable Trust	128,931
Southland Foodbank Charitable Trust	20,000	Target Shooting Invercargill Inc	3,500
Southland Football Inc	98,000	Tay Music Trust	500
Southland Golf Club Inc	1,750	Te Rangi Bowling Club	2,908
Southland Greyhound Adoption Trust	500	Te Wharekura O Arowhenua	5,336
Southland Greyhound Racing Club	1,000	The Parenting Place	2,500
Southland Indoor Bowls Centre Inc	22,000	Thistle AFC Inc	1,500
Southland Indoor Bowls Umpires' Association	500	Tisbury Primary School	2,500
Southland Indoor Leisure Centre Charitable Trust	400,000	TOA Fighting Systems Southland Inc	4,800
Southland Kennel Association	800	Touch Southland	42,000
Southland Kindergarten Association	8,000	Venture Southland	150,500
Southland Life Education Community Trust	15,000	Volleyball Southland Inc	33,400
Southland Literacy Association	7,500	Waihapai Association Football Club	5,000
Southland Loss and Grief Interest Group	10,000	Waikiwi Bowling Club	6,000
Southland Masters Badminton Club	2,000	Waikiwi Highland Piping and Dancing Society	1,000
Southland Mature Employment Services	5,000	Waikiwi Rugby Club	15,000
Southland Motorcycle Club Inc	45,000	Windsor North School	2,345
Southland Multicultural Council Inc	12,000	YMCA Charitable Trust Southland	32,500
Southland Multiple Sclerosis Society Inc	20,490	Young Spirit Indoor Bowls Club	200
Southland Musicians' Club	700	Youth Development Southland Regional Trust	23,000
Southland Olympic Weightlifting Inc	1,700	Youthline Southland Inc	3,500
Southland Piping & Drumming Development Trust	35,000		
Southland Pony Club Inc	1,010		
Southland Power Boat Club	12,000	Grants Refunded - Not Required	-122,340
Southland Racing Club	20,000		
Southland Riding for the Disabled	20,000	TOTAL GRANTS	5,082,990
Southland Rodeo Association Inc	5,500		
Southland Rowing Association Inc	10,900		
Southland Science & Technology Fair	1,500		
Southland Secondary Schools' Sport	12,000		
Southland Social Sciences Fair	1,500		
Southland Society of Model Engineers Inc	2,000		

Southland Softball Association - multi-year grant:

In February 2017 the association were allocated a multi-year grant totalling \$450,000 for the redevelopment of their softball pitches and facilities at Surrey Park in Invercargill. The first year's grant value is \$250,000 (as noted above) with the second year value being \$200,000 which is payable subject to the following conditions:

- confirmation is received that the first year's grant value has been applied towards the redevelopment project and
- that the second year's grant value is still required and will be applied towards the redevelopment project
- that the ILT Foundation has funding available in the 2018 financial year for this grant

Independent Auditor's Report

To the Board of Trustees of ILT Foundation

The Auditor-General is the auditor of ILT Foundation (the Foundation). The Auditor-General has appointed me, John Mackey, using the staff and resources of Audit New Zealand, to carry out the audit of the Foundation's annual report on the conduct of class 4 gambling for the year ended 31 March 2017, on his behalf.

Opinion

We have audited the annual report on the conduct of class 4 gambling that comprises:

- the itemised statement of the application or distribution of net proceeds from class 4 gambling for authorised purposes for the year ended 31 March 2017 of the Foundation on pages 17 to 18; and
- the financial statements of the Foundation on pages 2 to 16 that comprise the statement of financial position as at 31 March 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion:

- the Foundation's itemised statement of the application or distribution of net proceeds from class 4 gambling for authorised purposes is presented fairly, in all material respects;
- the Foundation's financial statements:
 - present fairly, in all material respects:
 - its financial position as at 31 March 2017; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with New Zealand equivalents to International Financial Reporting Standards with reduced disclosure requirements.

Our audit was completed on 4 May 2017. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Trustees and our responsibilities relating to the annual report on the conduct of class 4 gambling, and we explain our independence.

Basis for opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Trustees for the annual report on the conduct of class 4 gambling

The Board of Trustees are responsible for preparing an annual report on the conduct of class 4 gambling by the Foundation. The annual report is required to include:

- an itemised statement of application or distribution of net proceeds from class 4 gambling for authorised purposes that is fairly presented; and
- financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board of Trustees are responsible, on behalf of the Foundation for such internal control as they determine is necessary to enable them to prepare the annual report on the conduct of class 4 gambling that is free from material misstatement, whether due to fraud or error.

In preparing the annual report on the conduct of class 4 gambling, the Board of Trustees are responsible, on behalf of the Foundation for assessing the Foundation's ability to continue as a going concern. The Board of Trustees are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Trustees intend to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

The Board of Trustees responsibilities arise from the Gambling Act 2003.

Responsibilities of the auditor for the audit of the annual report on the conduct of class 4 gambling

Our objectives are to obtain reasonable assurance about whether the annual report on the conduct of class 4 gambling, as a whole, is 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 carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of this annual report on the conduct of class 4 gambling.

We did not evaluate the security and controls over the electronic publication of the annual report on the conduct of class 4 gambling.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the annual report on the conduct of class 4 gambling, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual report on the conduct of class 4 gambling or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the annual report on the conduct of class 4 gambling, including the disclosures, and whether the annual report on the conduct of class 4 gambling represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Independence

We are independent of the Foundation in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of the Professional and Ethical Standard 1 (revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Foundation.

A handwritten signature in blue ink, consisting of a stylized, flowing script that appears to read 'John Mackey'.

John Mackey
Audit New Zealand
On behalf of the Auditor-General
Dunedin, New Zealand