



Financial Statements
For the year ended 31 March 2018

ILT Foundation

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ILT Foundation

Directory

Trustees	Alan Dennis Sean Beliew Mike Mika Angela Newell Suzanne Prentice Paddy O'Brien Christopher Ward Jason McKenzie	(Chairman)
Manager	Lisa-Maree Fleck	
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 2018

	Notes	2018 \$	2017 \$
REVENUE			
Gaming proceeds		10,062,049	9,509,836
Interest income		106,153	84,943
Gain on sale of Plant and Equipment		5,025	5,028
Total revenue		10,173,227	9,599,807
TOTAL REVENUE		10,173,227	9,599,807
EXPENSES			
Gaming duty		2,314,272	2,187,262
Venue payments		1,367,524	1,331,721
Other expenses	5	1,443,525	1,453,162
TOTAL EXPENSES		5,125,321	4,972,145
OPERATING PROFIT/(LOSS) BEFORE GRANTS		5,047,906	4,627,662
Grant expense	7	5,070,627	5,082,990
OPERATING PROFIT/(LOSS)		(22,721)	(455,328)
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 / (EXPENSE)		(22,721)	(455,328)

These financial statements have been authorised for issue by the trustees on 17 May 2018.


 Chairperson

 Trustee

17-5-18
 Date
 17/5/2018
 Date

ILT Foundation

Statement of Financial Position As at 31 March 2018

	Notes	2018 \$	2017 \$
ASSETS			
Current			
Cash and cash equivalents	6	254,172	1,593,398
Short Term Bank Deposits		2,580,000	1,780,000
Trade and Other Receivables		66,197	47,895
Total current assets		2,900,369	3,421,293
Non-current			
Property, plant and equipment	8	1,155,680	1,164,030
Work in progress - asset		32,000	-
Total non-current assets		1,187,680	1,164,030
TOTAL ASSETS		4,088,049	4,585,323
LIABILITIES			
Current			
Trade and Other Payables	7	642,305	674,723
Grants Allocated but Unpaid		282,650	725,477
Employee entitlements	10	6,222	5,530
Total current liabilities		931,177	1,405,730
TOTAL LIABILITIES		931,177	1,405,730
NET ASSETS		3,156,872	3,179,593
FOUNDATION EQUITY			
Undistributed Net Proceeds		974,832	997,553
Capital asset reserve		1,187,680	1,164,030
Depreciation reserve funds		994,360	1,018,010
FOUNDATION EQUITY	9	3,156,872	3,179,593

ILT Foundation

Statement of Changes in Equity For the year ended 31 March 2018

	Notes	Undistributed Net Proceeds	Capital Asset reserve	Depreciation reserve	Total
		\$	\$	\$	\$
Balance 1 April 2017		997,553	1,164,030	1,018,010	3,179,593
Profit / (Loss) for the year before grants		5,047,906	-	-	5,047,906
Grants Expense		(5,070,627)	-	-	(5,070,627)
Total comprehensive income / (expense)		(22,721)	-	-	(22,721)
Net transfer to/ (from) equity reserves in the year		-	23,650	(23,650)	-
Balance 31 March 2018	9	974,832	1,187,680	994,360	3,156,872
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 / (expense)		(455,328)	-	-	(455,328)
Transfer to/ (from) equity reserves in the year		-	13,065	(13,065)	-
Balance 31 March 2017		997,553	1,164,030	1,018,010	3,179,593

ILT Foundation

Statement of Cash Flows For the year ended 31 March 2018

	Notes	2018 \$	2017 \$
Cash flow from operating activities			
<i>Cash was provided from/(applied to):</i>			
Income received from gaming proceeds		10,062,049	9,509,836
Interest received		83,374	79,641
Grant funds returned		-	-
Payments to suppliers, employees and trustees		(4,615,937)	(4,206,294)
Grants paid	7	(5,513,454)	(5,014,556)
GST (net)		5,722	31,656
Net cash from/(used in) operating activities		21,754	400,283
Cash flow from investing activities			
<i>Cash was provided from/(applied to):</i>			
Acquisition of property, plant and equipment		(598,980)	(646,465)
Disposal of property, plant and equipment		38,000	69,043
Purchase of investments		(800,000)	(480,000)
Net cash from/(used in) investing activities		(1,360,980)	(1,057,422)
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		(1,339,226)	(657,139)
Cash and cash equivalents, beginning of the year		1,593,398	2,250,537
Cash and cash equivalents at end of the year	6	254,172	1,593,398

ILT Foundation

Notes to the financial statements for the year ended 31 March 2018

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 17 May 2018.

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.

ILT Foundation

Notes to the financial statements for the year ended 31 March 2018

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 services provided by the Invercargill Licensing Trust, under the terms of a Licence Agreement, exclusively for the Foundation's gaming machines. The Agreement was for a period of three years expiring on 31 March 2018 and could be cancelled with one month's notice by either party. This agreement was renewed on 1 April 2018 for a further three year period.

(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.

ILT Foundation

Notes to the financial statements for the year ended 31 March 2018

(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 7).

ILT Foundation

Notes to the financial statements for the year ended 31 March 2018

(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:

	2018	2017
	\$	\$
Audit fees	18,908	18,700
Depreciation	514,264	543,254
Loss on disposal of property, plant and equipment	28,091	26,131
Problem gambling levy	150,428	142,442
Personnel costs	144,011	138,951
Sundry operating expenses	587,823	583,684
Total	1,443,525	1,453,162

ILT Foundation

Notes to the financial statements for the year ended 31 March 2018

6 Cash and cash equivalents

	2018	2017
	\$	\$
Bank balances	254,172	293,398
Short term bank deposits - less than 3 months	-	1,300,000
Total cash and cash equivalents	254,172	1,593,398

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

The effective interest rate on short term bank deposits in 2018 was 3.1% (2017: 2.4%).

7 Grants Allocated but Unpaid

	2018	2017
	\$	\$
Grants allocated but unpaid	282,650	725,477
Total payables - Allocated Grants	282,650	725,477
<i>Grants allocated but unpaid comprise:</i>		
Opening balance	725,477	657,043
Allocated at Trustees' meetings during the year	5,169,705	5,205,330
Allocated grants returned	(99,078)	(122,340)
Grants Expense	5,070,627	5,082,990
Allocated grants paid during the year	(5,513,454)	(5,014,556)
Total grants allocated but unpaid:	282,650	725,477

8 Property, plant and equipment

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

	Gaming assets	Motor vehicle	Total
	\$	\$	\$
2018			
Gross carrying amount			
Opening balance	4,943,220	41,149	4,984,369
Additions	566,980	-	566,980
Disposals	(624,197)	-	(624,197)
Closing balance	4,886,003	41,149	4,927,152
Accumulated depreciation and impairment			
Opening balance	3,813,672	6,667	3,820,339
Depreciation for the year	506,816	7,448	514,264
Impairment charge for the year	-	-	-
Depreciation written back on disposal	(563,131)	-	(563,131)
Closing balance	3,757,357	14,115	3,771,472
Carrying amount 31 March 2018	1,128,646	27,034	1,155,680

	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

Notes to the financial statements for the year ended 31 March 2018

9 Foundation equity

	Undistributed Net Proceeds	Capital Asset Reserve	Depreciation Reserve	Total
	\$	\$	\$	\$
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
Balance at 1 April 2017	997,553	1,164,030	1,018,010	3,179,593
Total operating profit before grants	5,047,906	-	-	5,047,906
Grants allocated during the year	(5,169,705)	-	-	(5,169,705)
Grants returned during the year	99,078	-	-	99,078
Assets purchased during the year	-	598,980	(598,980)	-
Assets sold during the year	-	(38,000)	38,000	-
Depreciation, gains and losses for the year	-	(537,330)	537,330	-
Balance at 31 March 2018	974,832	1,187,680	994,360	3,156,872

Undistributed Net Proceeds

This represents Undistributed Net Proceeds from the ILT Foundation's gaming activities at year end, 31 March 2018. These funds are required, by Department of Internal Affairs gaming regulations, to be distributed within three months of the end of the financial year.

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

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.

10 Employee entitlements

	2018	2017
	\$	\$
Current		
Annual leave entitlements	6,222	5,530
Total	6,222	5,530

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.

(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.

2018	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	-	66,197	-	66,197	66,197
Cash and cash equivalents	-	254,172	-	254,172	254,172
Short Term Bank Deposits	-	2,580,000	-	2,580,000	2,580,000
Total current assets	-	2,900,369	-	2,900,369	2,900,369
Total assets	-	2,900,369	-	2,900,369	2,900,369
Financial liabilities					
Trade and other payables	-	-	642,305	642,305	642,305
Grants allocated but not paid	-	-	282,650	282,650	282,650
Total current liabilities	-	-	924,955	924,955	924,955
Total liabilities	-	-	924,955	924,955	924,955

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

ILT Foundation

Notes to the financial statements for the year ended 31 March 2018

12 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.

(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. 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 \$1,423,207 (\$1,392,686 in 2017).

As at 31 March 2018 \$156,685 was owing by the ILT Foundation to the Invercargill Licensing Trust, which was later settled in the normal course of business (2017: \$187,798).

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 \$17,814 (\$12,195 in 2017).

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 2018 \$	Grant amount 2017 \$
Alan Dennis	Invercargill City Council	Councillor	-	146,965
	Southland Indoor Leisure Centre Charitable Trust	Chairman	250,000	400,000
			250,000	546,965
Sean Bellew	Ascot Park Consortium	Chairman	12,000	5,879
	Southland Racing Club	President	10,000	20,000
			22,000	25,879
Mike Mika	Murihiku Maori and Pasifika Cultural Trust	Trustee	30,000	53,000
			30,000	53,000
Angela Newell	English Language Partners NZ Trust	Stihd Branc Tutor	3,000	-
	Shakespeare in the Park Charitable Trust	Trustee	7,500	2,400
	Venture Southland	Employee	59,325	100,500
			69,825	102,900
Paddy O'Brien	Calvary Hospital Southland Ltd	Board Member	30,000	-
			30,000	-
Suzanne Prentice	Hospice Southland	Employee	35,000	-
			35,000	-
Chris Ward	Southland Football Incorporated	Chairman (Judiciary Comm)	95,000	-
	Southland Indoor Leisure Centre Charitable Trust	Solicitor	250,000	400,000
			345,000	400,000
Jason McKenzie	Talent Development Southland	Employee	56,000	128,931
	Touch Southland	Service provider	40,000	42,000
	Rugby Southland	Service provider	340,000	340,000
	Netball South Zone	Service provider	150,000	150,000
	James Hargest College	Trustee	-	2,500
			586,000	663,431

ILT Foundation

Notes to the financial statements for the year ended 31 March 2018

(b) Trustees remuneration

Trustees have received remuneration for their services to the value of \$51,432 during the year (2017: \$46,418)

(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.

<i>Key management personnel compensation includes the following expenses:</i>	2018	2017
	\$	\$
Salaries and other short-term employee benefits	150,003	140,213
Termination benefits	-	-
Post-employment benefits	-	-
Other long-term benefits	-	-
Total remuneration	150,003	140,213
Number of persons recognised as key management personnel	9	9

13 Contingent assets and contingent liabilities

The Foundation has no contingent assets or contingent liabilities (2017: none).

14 Commitments

There are no commitments in place to purchase new gaming machines and game upgrades as at 31 March 2018 (2017: nil).

15 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 2018

16 Grants to the Community

	\$		\$
Alex Lithgow Statue Trust	7,000	Invercargill Film Society	40,000
All Saints Badminton Club	1,800	Invercargill Fire Brigade - scholarship	1,200
All Saints Church	6,000	Invercargill Garrison Band/Ascot Park Brass of Invercargill	45,000
Alzheimers Society Southland Inc	10,000	Invercargill Garrison Band/Ascot Park Brass of Invercargill - scholarship	1,200
Aqua Health Inc	2,000	Invercargill Golf Club Inc	2,700
Ascot Community School - 2018 ICT Facilitator Professional Development	114,308	Invercargill Gymnastic Club Inc	10,000
and Teaching Programme & equipment (on behalf of all Invercargill Primary Schools)		Invercargill Harness Racing Club Inc	10,000
Ascot Park Racing Consortium Inc	12,000	Invercargill Indoor Bowls Sub Centre	1,250
Athletics Southland	4,000	Invercargill Musical Theatre Inc	30,000
Athletics Southland - 2 scholarships	1,400	Invercargill Netball Centre	50,000
Badminton Southland	75,000	Invercargill Potters Inc	5,000
Badminton Southland - 2 scholarships	2,000	Invercargill Primary School Educational Initiatives Trust - enrich@ILT	342,693
Bainfield Organic Gardens Ltd	30,000	Invercargill Repertory Society Inc	10,000
Barnardos NZ - Invercargill Branch	27,000	Invercargill Rowing Club Inc	5,000
Blue Jay Marching Club	5,500	Invercargill Secondary Schools Network Trust	100,000
Blues Indoor Bowling Club	400	Invercargill Secondary Schools Network Trust - Tertiary scholarships	66,000
Bluff Oyster & Food Festival	5,000	Invercargill Summer Festival Charitable Trust	10,000
Bluff Promotions	800	Invercargill Toy & Puzzle Library	2,500
Bone Marrow Cancer Trust	25,000	Jet Boating NZ Inc - Southland Branch	1,000
Bowls Southland	45,000	Jubilee Budget Advisory Service Ltd	15,000
Bowls Southland Umpires Association	200	Kew Bowling Club Inc	11,400
Bush Haven Native Bird Rehabilitation Trust	1,000	Koha Kai Charitable Trust	60,000
C3 Church Invercargill	4,000	Kuki Airani Mapu	3,000
Calvary Hospital Southland Ltd	30,000	Loss and Grief Support Trust Southland	20,000
Cancer Society of NZ-Southland Division Inc	10,000	Love Local Charitable Trust	4,000
CanTeen Southland	6,000	LUG South	1,930
CCS Disability Action Southland	12,000	Makarewa Bowling Club	400
Choirs Aotearoa New Zealand Trust	3,000	Makarewa Netball Club	1,000
City of Invercargill Highland Pipe Band	45,000	Makarewa School	2,000
Collegiate Hockey Club	3,000	Marching Southland Association Inc	4,500
Collegiate Rugby Football Club Inc	10,000	Menz Shed Invercargill Inc	7,500
Community Colleges NZ Ltd - Invercargill	5,000	Murihiku Maori & Pasifika Cultural Trust - 2018 Polyfest	30,000
Conductive Education Southern Charitable Trust	12,000	Murihiku Swimming Club Inc	1,000
CS Arts Charitable Trust	5,000	Myross Bush Netball Club	892
Cycling Southland	159,700	National Heart Foundation of NZ - Southland Branch	5,500
Cycling Southland - 2017 Tour of Southland	20,000	Netball South Zone Inc	150,000
Cycling Southland - 2 scholarships	3,100	NZ Academy of Highland & National Dancing	1,660
Dance Opportunities Inc	3,850	NZ Council of Victim Support Groups Inc	2,500
Dance Opportunities Inc - scholarship	1,500	NZ Family and Fostercare Federation Inc	5,000
Deaf Aotearoa NZ Inc - Southland Branch	2,000	Orca Swimming Club Inc	3,000
Demons Softball Club	4,500	Order of St John - Invercargill Area	135,250
Diabetes Southland Inc	7,000	Oreti Surf Life Saving Club	6,275
Disabilities Resource Centre Southland Charitable Trust	12,500	Otago Southland Chinese Association - Invercargill Branch	200
Disc Golf South Inc	4,086	Panthers Softball Club	5,750
Dodgers Softball Club-Invercargill	5,000	Parent to Parent Southland	14,000
Donovan Primary School	2,500	Phoenix Synchro (Southland)	30,000
EDUK8 Charitable Trust - The Right Track programme	30,000	Phoenix Synchro (Southland) - 4 scholarships	4,000
English Language Partners NZ Trust - Southland	3,000	Piping & Dancing Association of NZ - Southland	5,750
Foveaux Harmony Chorus Inc	2,000	Pirates Old Boys' Rugby Club	30,000
Georgetown Bowling Club	2,567	Port Softball	3,500
Georgetown Indoor Bowls Club	500	Presbyterian Support Services - Family Works; Children's Day;	119,500
Georgetown Scout Group	690	Queens Park Association Football Club	5,000
Gladstone Scout Group	4,600	Queens Park Golf Club Inc	10,000
Glengarry Community Action Group	600	Queens Park Ladies' Golf Club	700
Golf Southland Inc	25,000	Rape & Abuse Support Centre Southland Inc	15,000
Greenacres Country Club Inc	4,200	Rata Netball Club	4,000
GymSports NZ - scholarship	1,200	Road Safety Education Ltd	1,787
Head Injury Society of Southland Inc	8,000	Road Safety Southland	5,000
HETTANZ Southland	600	Rockdale Park Kindergarten	3,000
Hockey Southland Inc	75,000	Rockquest Charitable Trust	6,000
Hospice Southland Charitable Trust	35,000	Ronald McDonald House	2,500
IHC New Zealand Inc	4,500	Rosedale Marching team	1,500
Institute of Registered Music Teachers NZ-Southland	500	Royal NZ Foundation for the Blind	2,500
Invercargill Army Cadet Unit	1,000	Royal NZ Plunket Society-Invercargill Branch Inc	12,400
Invercargill Bowling Club	3,000	Rugby Southland	340,000
Invercargill Central Friendship Club	400	Salford School	2,500
Invercargill Citizens Bowling Club	4,500	Shakespeare in the Park Charitable Trust	6,000
Invercargill City Charitable Trust - 2018 Southland Buskers' Festival	11,000	Shakespeare in the Park Charitable Trust - scholarship	1,500
Invercargill City Council - 2018 Schools Swimming Programme	133,723	South City Community Choir	1,000

ILT Foundation

Notes to the financial statements for the year ended 31 March 2018

16 Grants to the Community (continued)

	\$		\$
South Invercargill Urban Rejuvenation Charitable Trust - South Alive	15,000	Southland Social Sciences Fair	1,500
Southern Adult Literacy Inc	3,000	Southland Society of Model Engineers Inc	2,000
Southern Dragways	2,000	Southland Softball Association - redevelopment of softball clubrooms and playing facilities	200,000
Southern Institute of Technology - 2017 Trade scholarships	10,000	Southland Softball Association	40,000
Southern Miniature Horse Club 1994 Inc	500	Southland Softball Association - scholarship	700
Southern National Miniature Horse Club	500	Southland Sports Car Club	20,000
Southern Snooker & Billiards Association	3,250	Southland Stock Car Drivers' Association	5,500
Southern Sou'NZ Inc	1,500	Southland Table Tennis Association Inc	23,137
Southland A & P Association	4,000	Southland Tennis Association Inc	55,000
Southland ACC Advocacy Trust	5,000	Southland Triathlon & Multisport Club	11,000
Southland Art Society Inc	22,500	Southland Triathlon & Multisport Club - 2 scholarships	2,400
Southland Asthma Society	12,000	Southland Water Polo	699
Southland Basketball Association	92,000	Southland Women's Club Inc	5,416
Southland Basketball Association - 2 scholarships	1,700	Southland Woodworkers Guild	3,563
Southland Bee Society	500	Southland Youth One Stop Shop Trust	25,000
Southland Beneficiaries and Community Rights	25,000	Spirit of Southland Inc	6,000
Southland Boxing Association Inc	3,000	Sport Southland	171,000
Southland Canoe Club	3,840	Squash Southland	90,000
Southland Canoe Club - scholarship	500	Squash Southland - scholarship	700
Southland Christmas Parade Charitable Trust	11,000	St Patrick's Parish	543
Southland Clay Target Club	10,000	St Theresa's School	2,500
Southland Clay Target Club - 2 scholarships	1,400	Star Rugby Football Club	15,000
Southland Community Nursery Conservation Trust	5,000	Strings of Southland Charitable Trust	2,200
Southland Competitions Society Inc	3,500	Swim Southland	70,000
Southland Cricket Association	125,000	Takitimu Home Anglican Care Trust	22,245
Southland Darts Association	1,600	Talent Development Southland Charitable Trust	56,000
Southland Disability Enterprises Inc	40,000	Target Shooting Invercargill Inc	9,665
Southland District Rugby Football League Inc	40,000	Tay Music Trust - scholarship	500
Southland Education	15,000	The Parenting Place	2,500
Southland Equestrian Centre	1,500	Thistle AFC Inc	9,607
Southland Filipino Society	1,000	Tisbury Primary School	2,500
Southland Fire Service Museum Society	5,000	TOA Fighting Systems Southland Inc - 3 scholarships	3,600
Southland Foodbank Charitable Trust	20,000	Touch Southland	40,000
Southland Football Incorporated	95,000	Venture Southland - Invercargill Spring Festival; 2018 Kidzone Festival and Southland Festival of the Arts 2018	59,325
Southland Girls' High School	3,520	Verdon College	15,000
Southland Indoor Bowls Centre Inc	22,000	Vintage Car Club of NZ - Southland Branch Inc	6,750
Southland Indoor Bowls Centre Inc - 2 scholarships	1,200	Voice for Life	1,000
Southland Indoor Bowls Umpires' Association	500	Volleyball Southland Inc	32,000
Southland Indoor Leisure Centre Charitable Trust - ILT Stadium Southland	250,000	Waihopai Association Football Club	5,000
Southland Junior Dart League	500	Waihopai Bowling Club Inc	3,000
Southland Kennel Association	2,000	Waihopai School	2,256
Southland Kindergarten Association	7,600	Waikiwi Highland Piping and Dancing Society	1,000
Southland Life Education Community Trust	5,000	Waikiwi Rugby Club	15,000
Southland Literacy Association	7,906	Waverley Bowling Club	75,000
Southland Mangaia Club Inc	6,000	Waverley Scout Group	5,000
Southland Mature Employment Services	5,000	Wellsouth Primary Health Network	2,836
Southland Motorcycle Club Inc - Burt Munro Challenge	43,400	Western FC	1,500
Southland Multicultural Council Inc	12,000	Windsor North School	2,226
Southland Multiple Sclerosis Society Inc	17,500	YMCA Charitable Trust Southland	32,500
Southland Olympic Weightlifting Inc - scholarship	1,200	Young Spirit Indoor Bowls Club	200
Southland Piping & Drumming Development Trust	35,000	Youth Development Southland Regional Trust - 2018 "Kiwi Can" and Career Navigator programmes	25,000
Southland Pony Club Inc	1,380	Youthline Southland Inc	5,000
Southland Racing Club	10,000		
Southland Riding for the Disabled	12,000		
Southland Rodeo Association Inc	5,500		
Southland Science & Technology Fair	1,500		
Southland Secondary Schools Sport	12,000		
		Grants Refunded - Not Required	-99,078

TOTAL GRANTS

5,070,627

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 grant value has been allocated from the ILT Foundation surpluses in the 2017 and 2018 financial years and has been paid to a Stakeholder (a Solicitor's Trust Account) on behalf of the Association. The funds are payable to the Association subject to the following condition:

- The Association must demonstrate that it has obtained other funding in addition to the Grant to enable the project specified as the purpose of the Grant to be fully completed.

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 2018, 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 2018 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 2018, 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; and
- the Foundation's financial statements:
 - present fairly, in all material respects:
 - its financial position as at 31 March 2018; 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 17 May 2018. 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 our 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 is 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 is 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 is responsible, on behalf of the Foundation for assessing the Foundation's ability to continue as a going concern. The Board of Trustees is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Trustees intends 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.



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