



2014

FINANCIAL

STATEMENTS

The Trustees are pleased to present the Financial Statements of the ILT Foundation for the year ended 31st March 2014.

For and on behalf of the Board of Trustees:

A handwritten signature in black ink, appearing to read 'Alan Dennis'.

Alan Dennis
Chairman

A handwritten signature in purple ink, appearing to read 'Mike Mika'.

Mike Mika
Trustee

29 May 2014



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DIRECTORY

ILT FOUNDATION OFFICE

252 Dee Street
P.O. Box 1771
Invercargill 9840
Telephone (03) 2113 751

TRUSTEES

Alan Dennis (Chairman)
Sean Bellew
Raymond Harper
Mike Mika
Angela Newell
Suzanne Prentice (from October 2013)
Christopher Ward
John Young
Neville Cook (until October 2013)

MANAGER

Ann Eustace

BANKERS

Westpac, Invercargill

LEGAL ADVISORS

Ward Adams Bryan-Lamb
Invercargill

AUDITORS

Audit New Zealand
On behalf of the Controller and Auditor-General

STATEMENT OF ACCOUNTING POLICIES

For The Year Ended 31 March 2014

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.

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 applies 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 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.

The accounting policies that have been applied to these financial statements are based on the External Reporting Board Standard A1, Accounting Standards Framework (For-profit Entities Update). The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

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.

ACCOUNTING POLICIES

The following specific accounting policies are adopted in the preparation of the financial statements:

1. **Income**

Income is measured at the fair value of consideration received. Net income from the operation of gaming machines is recognised when funds have been transferred to the Foundation's bank account from the Site Operators. Deposits in transit from Site Operators are also included. Income comprises the net proceeds of gaming machines owned and operated by the Foundation after the deduction of prizes to the participants.

2. **Interest Income**

Interest income is recognised using the effective interest method.

3. **Venue Payments**

These costs are expensed on a monthly basis. They relate to the provision of Venue and Management 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 2015 and can be cancelled with one month's notice by either party.

4. **Cash and Cash Equivalents**

These include cash on hand, deposits in transit, cheque account funds, deposits held at call with banks, other short term highly liquid investments with maturities of three months or less from balance date.

5. **Short Term Bank Deposits**

These are bank term deposits with maturities less than six months. They are recorded at cost, which is considered to be their fair value.

6. **Trade and other Receivables**

Trade and other Receivables are recorded at cost which is taken to be their fair value. It has not been deemed necessary to provide for any impairment of this value.

7. 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.

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 Statement of Comprehensive Income.

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.

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% Diminishing Value
Motor Vehicles	21.6% Diminishing Value

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

8. Taxation

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.

9. 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.

10. Financial Instruments Risks

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.

Market Risk

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Foundation's exposure to fair value interest rate risk is limited to its short-term bank deposits.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates.

The Foundation currently has no variable interest rate debt or investments.

Currency risk

Currency risk is the risk that the value of financial instrument will fluctuate due to changes in foreign exchange rates. The Foundation is not exposed to currency risk, as it does not enter into foreign currency transactions.

Credit Risk

Credit risk is the risk that a third party will default on its obligation to the Foundation, causing the Foundation to incur a loss.

Due to the timing of its cash inflows and outflows, the Foundation invests surplus cash with registered banks. The Foundation's investment policy limits the amount of credit exposure to any one institution.

The Foundation's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash equivalents (Note 1) and trade receivables. There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

The Foundation has no significant concentrations of credit risk, as it essentially operates a cash business and only invests funds with registered banks.

Liquidity Risk

Liquidity risk is the risk that the Foundation will encounter difficulty raising liquid funds to meet commitments as they fall due.

In meeting its liquidity requirements, the Foundation maintains a level of investments that must mature within less than six months.

11. Grants

Grants expensed to the Statement of Comprehensive Income 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) 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 3).

STATEMENT OF COMPREHENSIVE INCOME

For The Year Ended 31 March 2014

	Notes	2014 \$	2013 \$
INCOME			
Gaming Proceeds		8,961,032	9,341,847
Interest Income		94,886	164,513
Gain on sale of Plant and Equipment		<u>9,684</u>	<u>47,704</u>
Total Income		9,065,602	9,554,064
EXPENDITURE			
Audit Fees		17,943	17,980
Depreciation		504,655	495,337
Loss on sale of Plant and Equipment		59,675	58,232
Gaming Duty		2,061,037	2,148,626
Problem Gambling Levy		139,606	158,998
Personnel Costs		139,132	136,495
Sundry Operating Expenses		516,810	531,084
Venue Payments		<u>1,344,798</u>	<u>1,359,411</u>
Total Expenditure		4,783,656	4,906,163
SURPLUS PRIOR TO DISTRIBUTION		4,281,946	4,647,901
Grants allocated during the current year		3,914,890	6,046,203
Less Grants returned to the Foundation during the year		<u>(62,478)</u>	<u>(32,171)</u>
Grants Expense for the year		3,852,412	6,014,032
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>429,534</u>	<u>(1,366,131)</u>

STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31 March 2014

		2014 \$	2013 \$
FOUNDATION EQUITY – OPENING BALANCE AT 1 APRIL		2,359,079	3,725,210
Total Comprehensive Income for the Year		<u>429,534</u>	<u>(1,366,131)</u>
FOUNDATION EQUITY - BALANCE AT 31 MARCH	(4)	<u>2,788,613</u>	<u>2,359,079</u>

The accompanying Statement of Accounting Policies and Notes form part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION

As At 31 March 2014

	Notes	2014 \$	2013 \$
CURRENT ASSETS			
Cash and Cash Equivalents	(1)	2,499,175	3,141,221
Trade and other Receivables		<u>36,781</u>	<u>40,290</u>
		2,535,956	3,181,511
NON CURRENT ASSETS			
Property, Plant and Equipment	(2)	1,062,420	<u>1,059,671</u>
TOTAL ASSETS		3,598,376	4,241,182
CURRENT LIABILITIES			
Trade and other Payables		443,052	457,747
Employee Entitlements		6,711	7,145
Grants Allocated But Unpaid	(3)	<u>360,000</u>	<u>1,417,211</u>
TOTAL LIABILITIES		809,763	1,882,103
NET ASSETS		<u>2,788,613</u>	<u>2,359,079</u>
EQUITY			
Foundation Equity	(4)	<u>2,788,613</u>	<u>2,359,079</u>
TOTAL EQUITY		<u>2,788,613</u>	<u>2,359,079</u>

The accompanying Statement of Accounting Policies and Notes form part of these Financial Statements.

STATEMENT OF CASH FLOWS

For The Year Ended 31 March 2014

	Notes	2014 \$	2013 \$
Cash Flows from Operating Activities			
Cash was provided from:			
Receipts from customers		8,961,032	9,341,847
Interest Received		94,518	191,399
Cash was applied to:			
Payments to suppliers and employees		(4,239,399)	(4,364,010)
Grants		(4,909,623)	(6,675,356)
GST (Net)		<u>8,821</u>	<u>(51,789)</u>
Net Cash Flows from Operating Activities	(6)	<u>(84,651)</u>	<u>(1,557,909)</u>
Cash Flows from Investing Activities			
Cash was provided from:			
Sale of Property, Plant and Equipment		41,320	76,450
Sale of Short Term Investments		-	2,560,000
Cash was applied to:			
Purchase of Property, Plant and Equipment		(598,715)	(557,921)
Purchase of Short Term Investments		-	-
Net Cash Flow from Investing Activities		<u>(557,395)</u>	<u>2,078,529</u>
Cash Flows from Financing Activities			
Net Cash Flow from Financing Activities		<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash Held		(642,046)	520,620
Add Opening Cash Brought Forward		<u>3,141,221</u>	<u>2,620,601</u>
Ending Cash Carried Forward	(1)	<u>2,499,175</u>	<u>3,141,221</u>

The accompanying Statement of Accounting Policies and Notes form part of these Financial Statements.

NOTES TO THE ACCOUNTS

	2014 \$	2013 \$	
(1) Cash and Cash Equivalents			
Cash and Bank Accounts	416,636	772,300	
Short Term Bank Deposits	<u>2,082,539</u>	<u>2,368,921</u>	
	<u>2,499,175</u>	<u>3,141,221</u>	
(2) Property, Plant and Equipment			
	Gaming Assets	Motor Vehicle	Total
Cost			
Balance at 1 April 2012	5,117,631	32,035	5,149,666
Additions	557,921	-	557,921
Disposals	(522,935)	-	(522,935)
Balance 31 March 2013	<u>5,152,617</u>	<u>32,035</u>	<u>5,184,652</u>
Balance at 1 April 2013	5,152,617	32,035	5,184,652
Additions	563,740	34,975	598,715
Disposals	(431,250)	(32,035)	(463,285)
Balance 31 March 2014	<u>5,285,107</u>	<u>34,975</u>	<u>5,320,082</u>
Accumulated Depreciation and Impairment losses			
Balance at 1 April 2012	4,053,709	11,892	4,065,601
Depreciation expense	490,986	4,351	495,337
Disposals	(435,957)	-	(435,957)
Balance 31 March 2013	<u>4,108,738</u>	<u>16,243</u>	<u>4,124,981</u>
Balance at 1 April 2013	4,108,738	16,243	4,124,981
Depreciation expense	498,989	5,666	504,655
Disposals	(355,731)	(16,243)	(371,974)
Balance 31 March 2014	<u>4,251,996</u>	<u>5,666</u>	<u>4,257,662</u>
Net Book Value 31 March 2013	<u>1,043,879</u>	<u>15,792</u>	<u>1,059,671</u>
Net Book Value 31 March 2014	<u>1,033,111</u>	<u>29,309</u>	<u>1,062,420</u>

	2014	2013
	\$	\$
(3) Grants Allocated but Unpaid		
Opening Balance	1,417,211	2,078,535
Allocated at Trustees' meetings during the year	3,914,890	6,046,203
Allocated grants paid during the year	(4,909,623)	(6,675,356)
Allocated grants returned	(62,478)	(32,171)
Closing Balance	<u>360,000</u>	<u>1,417,211</u>
(4) Foundation Equity		
<i>Made up of:</i>		
Undistributed Net Proceeds		
Opening balance at 1 April	177,039	1,543,170
Current year's surplus prior to Grants	4,281,946	4,647,901
Less Grants allocated during the year	(3,914,890)	(6,046,203)
Plus Grants returned during the year	62,478	32,171
Closing balance at 31 March	<u>606,573</u>	<u>177,039</u>
Capital Asset Reserve		
Opening balance at 1 April	1,059,671	1,084,065
Assets purchased during year	598,715	557,921
Assets sold during year	(41,320)	(76,450)
Depreciation, gains and losses for year	(554,646)	(505,865)
Closing balance at 31 March	<u>1,062,420</u>	<u>1,059,671</u>
Depreciation Reserve Funds		
Opening balance at 1 April	1,122,369	1,097,975
Depreciation, gains and losses for year	554,646	505,865
Assets sold during year	41,320	76,450
Assets purchased during year	(598,715)	(557,921)
Closing balance at 31 March	<u>1,119,620</u>	<u>1,122,369</u>
Foundation Equity at 31 March	<u>2,788,613</u>	<u>2,359,079</u>

(5) Transactions with Related Parties

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 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 \$1,410,375 (\$1,427,496 in 2013).

As at 31 March 2014, \$5,244 was owing by the ILT Foundation to the Invercargill Licensing Trust, which was later settled in the normal course of business (\$11,252 in 2013).

Other Related Parties (Trustees)

Monetary grants totalling \$70,650 (2013: \$214,715.70) were provided during the year to the Invercargill City Council, for whom Alan Dennis is a Councillor. The amount owing as at 31 March 2014 was Nil. (2013: \$155,000).

Monetary grants totalling \$2,500 (2013: \$37,766) were provided to the Southland Golf Club for whom Alan Dennis is a member.

A monetary grant totalling \$10,000 (2013: \$10,000) was provided to the Southland Racing Club for whom Sean Bellew is the President.

A monetary grant totalling \$10,000 (2013: \$10,000) was provided to the Head Injury Society of Southland Incorporated, for whom Ray Harper is a Patron and John Young is their Honorary Solicitor.

A monetary grant totalling \$21,000 (2013: \$21,000) was provided to the Murihiku Maori and Pasifika Cultural Trust, for whom Mike Mika is a Trustee.

A monetary grant totalling \$6,000 (2013: \$6,000) was provided to the Shakespeare in the Park Charitable Trust for whom Angela Newell is a Trustee.

Monetary grants totalling \$50,500 (2013: \$116,000) were provided to Venture Southland, for whom Angela Newell is an employee. The amount owing as at 31 March 2014 was Nil. (2013: \$48,000).

Monetary grants totalling \$2,750 (2013: \$18,250) were provided to the Invercargill Golf Club, for whom Chris Ward is a member.

A monetary grant totalling \$2,500 (2013: \$2,500) was provided to the NZ Jet Boat Association – Southland Branch, for whom Chris Ward is a member.

A monetary grant totalling \$2,000 (2013: \$5,500) was provided to the Southend United (2010) AFC Inc, for whom Chris Ward is a member.

Monetary grants totalling \$168,500 (2013: \$251,000) were provided to Cycling Southland, for whom John Young is a member. The amount owing as at 31 March 2014 was Nil. (2013: \$85,000).

A monetary grant totalling \$340,000 (2013: \$350,000) was provided to Rugby Southland during the year, for whom John Young is an Appeals Officer. The amount owing as at 31 March 2014 was Nil. (2013: \$175,000).

Legal services have been provided by Ward Adams Bryan-Lamb amounting to \$22,812, for whom Chris Ward is a Senior Partner (\$26,458 in 2013). The amount owing as at 31 March 2014 was \$820 (2013: \$12,770)

Transactions with these other related parties (Trustees) are made at arms length, without the involvement or influence of the above named Trustee members.

	2014	2013
	\$	\$

(6) Statement of Cash Flow

The Net Cash Flow generated from Operating Activities reconciles to the Net Surplus in the Statement of Comprehensive Income as follows:

Net Surplus (Deficit) for the Year	429,534	(1,366,131)
Add non-cash items		
- Depreciation	504,655	495,337
- Net Loss/ (Gain) on disposal	49,991	10,528
Movements in Working Capital Items:		
Decrease (Increase) in Accounts Receivable	3,509	22,971
Increase (Decrease) in Accounts Payable	(23,950)	(7,501)
Increase (Decrease) in Grants Payable	(1,057,211)	(661,324)
Increase (Decrease) in GST Payable	<u>8,821</u>	<u>(51,789)</u>
Net Cash Inflow from Operating Activities	<u>(84,651)</u>	<u>(1,557,909)</u>

(7) Financial Instruments

Financial instruments which potentially subject the ILT Foundation to a Credit Risk principally consist of bank balances, accounts receivable and investments.

- Cash balances are held with local banking institutions, in short term deposits being invested for terms of six months or less.
- Accounts Receivable are unsecured.
- All financial instruments are valued at their historic cost, which are considered to be their fair value at 31 March 2014.

(8) Future Capital Commitments

There are no agreements in place to purchase new gaming machines and game upgrades as at 31 March 2014. (\$475,469 in 2013).

(9) Trustees Remuneration

Trustees have received remuneration for their services to the value of \$47,112 during the year (\$47,451 in 2013).

(10) Contingent Assets and Liabilities

There are no contingent assets or liabilities as at 31 March 2014. (Nil in 2013)

(11) Events Subsequent to Balance Date

There have been no significant events that would materially affect these financial statements since balance date.

Grants to the Community - 1 April 2013 to 31 March 2014

	\$		\$
All Saints Anglican Church	3,000	Harvestfield Christian Centre	4,000
Anderson Park Art Gallery	15,000	Head Injury Society of Southland Inc	10,000
Aqua Health Inc	2,000	HETTANZ Southland	600
Ascot Community School	90,481	Hockey Southland Inc	75,000
- Invercargill Primary 2014 Interactive Whiteboard teaching programme		Hospice Southland Charitable Trust	35,000
Ascot Park Racing Consortium Inc	25,000	Institute of Registered Music Teachers NZ-Southland	2,950
Athletics Southland	4,000	Invercargill Chrysanthemum Club	300
Athletics Southland - 3 scholarships	3,000	Invercargill Citizens Bowling Club	4,500
Autism New Zealand Inc - Southland	5,000	Invercargill City Charitable Trust	16,000
Awarua Social & Health Services	250	- 2014 Southland Buskers' Festival	
Badminton Southland	62,000	Invercargill City Council	70,650
Badminton Southland - scholarship	1,500	- School patrols; Fresh-Start programmes; Pool hoist; 2014 Schools Swimming programme	
Barnardos NZ - Invercargill Branch	27,000	Invercargill Community Patrol Charitable Trust	5,000
Blue Jay Marching Club	11,200	Invercargill Environment Centre	2,697
Blues Indoor Bowling Club	400	Invercargill Garrison Band/Ascot Park Brass of Invercargill	51,000
Bluff Oyster & Food Festival	10,000	Invercargill Golf Club Inc	2,750
Bluff Rugby Club	3,000	Invercargill Harness Racing Club Inc	13,500
Bluff School	600	Invercargill Indoor Bowls Sub Centre	1,200
Bluff Yacht Club	450	Invercargill Irish Society	1,200
Bowls Southland	51,500	Invercargill Kart Club	4,000
Brigadiers Netball Club	2,000	Invercargill Musical Theatre Inc	20,000
Bush Haven Native Bird Rehabilitation Trust	1,000	Invercargill Musical Theatre Inc - scholarship	1,500
CCS Disability Action Southland	12,000	Invercargill Netball Centre	30,000
Central Hockey Club - Invercargill	2,500	Invercargill Parents' Centre Inc	2,000
Children's Art Experience! Trust	29,500	Invercargill Poultry & Pigeon Club	500
City of Invercargill Rugby League Club	1,500	Invercargill Primary School Educational Initiatives Trust - annual	180,000
City of Invercargill Highland Pipe Band	45,000	Invercargill Repertory Society Inc	10,000
City Sport Machinery Trust	7,500	Invercargill Rowing Club	30,000
Coastguard Bluff Inc	50,000	Invercargill Secondary Schools' Network Trust	120,000
CS Arts Charitable Trust	4,500	Jubilee Budget Advisory Service Ltd	15,000
Cycling Southland	160,000	Kai Tech Charitable Trust	10,000
Cycling Southland - 6 scholarships	8,500	Kew Bowling Club Inc	3,400
Dance Opportunities Inc	2,200	Latin Dance Invercargill Inc	2,200
Dance Opportunities Inc - scholarship	1,500	Makarewa Netball Club	1,800
Dance Southland Inc	10,000	Makarewa School	1,000
- "Dance Your Southern Sox Off" 2013		Makarewa Squash Racquets Club	1,000
Dance Southland Inc - scholarship	1,500	Misty River Country & Variety Music Club	1,000
Diabetes Southland Inc	7,000	Mountain Safety Southland	2,407
Disabilities Resource Centre Southland Charitable Trust	15,000	Murihika Maori & Pasifika Cultural Trust - 2013 Polyfest	21,000
Dive South	1,500	Murihika Swimming Club Inc	500
Dodgers Softball Club-Invercargill	5,000	Netball South Zone Inc	170,000
English Language Partners Southland Inc	2,000	Nga Kete Matauranga Pounamu Charitable Trust	1,000
Eventing Southland	5,000	Nga Putangitangi	2,000
Excellence in Sport South Island	18,000	NZ Jet Boat Association - Southland Branch	2,500
Foveaux Harmony Chorus Inc	3,000	Oraa Swimming Club Inc	3,000
Foveaux Pearls Marching Team	1,500	Otago Southland Chinese Association - Invercargill Branch	200
Friends of Cathedral Music - Southland Branch	1,500	Otatara Bowling Club	4,000
Georgetown Indoor Bowls Club	500	Otatara Netball Club	1,000
Georgetown Piping & Dancing Society	1,000	Panthers Softball Club	5,750
Georgetown Scout Group	4,516	Parent to Parent Southland	7,500
Girls' Brigade NZ - Southland Area - scholarship	1,500	Performing Arts Competitions Association of NZ Inc	12,500
Glengary Highland Piping & Dancing Society - scholarship	1,500	PhoenixSynchro (Southland)	30,000
Golf Southland Inc	30,000	PhoenixSynchro (Southland) - 9 scholarships	4,500
Gorge Road Clay Target Club - 2 scholarships	1,000	Pirates Old Boys' Rugby Club	18,000
Grasmere Indoor Bowls Club	350	Poppycock Trust - Internet Safety	20,000
Greenacres Country Club Inc	18,500	Pregnancy Counselling Services	1,000

	\$		\$
Presbyterian Support Services (Family Works)	67,000	Southland Mountain Bike Club - 2 scholarships	3,000
Proactive Drive Youth Driver Education Trust	2,000	Southland Multicultural Council Inc	8,000
Probus Club Invercargill Central	400	Southland Multiple Sclerosis Society Inc.	17,500
Queens Park Association Football Club	5,000	Southland Musicians' Club	2,000
Queens Park Golf Club Inc	15,000	Southland Natural History Field Club Inc	250
Queens Park Ladies' Golf Club	750	Southland Olympic Weightlifting Inc - 5 scholarships	4,400
Rape & Abuse Support Centre Southland Inc	15,000	Southland Otago Amateur Weightlifting Assn - 2 scholarships	3,000
Richmond Playcentre	1,000	Southland Piping & Drumming Development Trust	70,000
Royal Guards Leisure Marching Team	500	Southland Racing Club	10,000
Royal NZ Ballet - Invercargill performances	5,000	Southland Riding for the Disabled	11,700
Royal NZ Foundation for the Blind - Invercargill	3,000	Southland Rodeo Association Inc	5,000
Rugby Southland	340,000	Southland Rowing Association Inc	8,200
Samoan Methodist Church	500	Southland Rowing Association Inc - 4 scholarships	4,600
Shakespeare in the Park Charitable Trust	6,000	Southland Secondary Schools' Sports Association	12,500
Snow Sports NZ - scholarship	1,500	Southland Ski Club - scholarship	1,500
Southend United (2010) AFC Inc	2,000	Southland Society of Model Engineers Inc	2,000
Southern Adult Literacy Inc	3,000	Southland Softball Association	40,000
Southern City Church	4,000	Southland Sports Car Club	20,000
Southern District Health Board	5,000	Southland Stock Car Drivers Association	5,500
- Incubator Programme 2014 year		Southland Stroke Club	10,000
Southern Dragways	3,500	Southland Table Tennis Association (Inc)	22,000
Southern Miniature Horse Club	900	Southland Ten Pin Bowling Association Inc - scholarship	800
Southern Models & Modellers Club	500	Southland Tennis Association Inc	60,000
Southern Sou'NZ Inc	1,800	Southland Triathlon & Multisport Club	7,500
Southland A & P Association	4,000	Southland Triathlon & Multisport Club - scholarship	1,200
Southland ACC Advocacy Trust	5,000	Southland Youth One Stop Shop Trust	50,000
Southland Archery Club	3,000	Special Olympics Southland	2,000
Southland Art Society Inc	15,000	Sport Southland	183,500
Southland Asthma Society	18,000	Squash City Invercargill Inc	10,000
Southland Basketball Association	82,000	Squash Southland	45,000
Southland Basketball Association - 2 scholarships	1,600	Squash Southland - scholarship	500
Southland Beneficiaries and Community Rights	25,000	St Andrew's Indoor Bowling Club	500
Southland BMX Club	7,000	St John's Anglican Parish	351
Southland BMX Club - 11 scholarships	5,500	Strings of Southland Charitable Trust	2,200
Southland Boxing Association (Inc)	3,000	Supporting Families Southland for Mental Wellness	400
Southland Boys' High School	2,000	Surrey Park Early Learning Centre Inc	1,000
Southland Cricket Association	130,000	Swim Southland	70,000
Southland District Rugby Football League Inc	40,000	Target Shooting Invercargill Inc	315
Southland District Rugby Football League Inc - scholarship	1,359	Thistle AFC Inc	3,300
Southland Education	15,000	TOA Fighting Systems Southland Inc - 9 scholarships	13,500
Southland Equestrian Centre	1,000	Touch Southland	45,000
Southland Filipino Society	1,000	Touch Southland - 2 scholarships	1,600
Southland Fire Service Museum Society	5,000	Venture Southland	50,500
Southland Foodbank Charitable Trust	20,000	- 2014 Southland Festival of the Arts; I.T Kidzone Festival	
Southland Football Incorporated	75,000	Volleyball Southland Inc	25,000
Southland Golf Club Inc	2,500	Volunteer South Charitable Trust	4,000
Southland History Fair	1,100	Waihopai Association Football Club	5,000
Southland Indoor Bowls Centre Inc	22,000	Waihopai Primary School	2,000
Southland Indoor Bowls Centre Inc - scholarship	500	Waikavi Bowling Club	1,000
Southland Indoor Leisure Centre Charitable Trust	150,000	Waikavi Rugby Club	15,000
(ILT Stadium Southland)		Western FC	2,000
Southland Kindergarten Association	1,913	YMCA Charitable Trust Southland	35,000
Southland Life Education Community Trust	5,000	Young Spirit Indoor Bowls Club	200
Southland Masters Athletics	2,000	Youth Development Southland Region Trust	23,000
Southland Masters Badminton Club	4,000	- 'Kiwi Can' programme	
Southland Mature Employment Services	5,000	Youthline Southland Inc	2,000
Southland Motorcycle Club Inc	35,000		
- 2013 Burt Munro Challenge & South Island Road Race 2014		Grants Refunded - Not Required	-62,478
		Total	\$3,852,412

Independent auditor's report
To the readers of
ILT Foundation's
financial report
for the year ended 31 March 2014

The Auditor-General is the auditor of the ILT Foundation (the Foundation) pursuant to section 107 of the Gambling Act 2003. The Auditor-General has appointed me, Ian Lothian, using the staff and resources of Audit New Zealand, to carry out the audit of the financial report of the Foundation, on her behalf.

We have audited the financial report of the Foundation on pages 2 to 14, that comprise the statement of financial position as at 31 March 2014, 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.

Opinion on the financial report

In our opinion the financial report of the Foundation on pages 2 to 14:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Foundation's:
 - financial position as at 31 March 2014; and
 - financial performance and cash flows for the year ended on that date.

Opinion on other legal matters

In our opinion proper accounting records have been kept by the Foundation as far as appears from our examination of those records.

Our audit was completed on 29 May 2014. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board of Trustees and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporates the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial report. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments; we consider internal control relevant to the preparation of the Foundation's financial report that fairly reflect the matters to which they relate. We consider internal control 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.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board of Trustees;
- the adequacy of all disclosures in the financial report; and
- the overall presentation of the financial report.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial report. Also we did not evaluate the security and controls over the electronic publication of the financial statements.

We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Board of Trustees

The Board of Trustees is responsible for preparing the financial report that:

- complies with generally accepted accounting practice in New Zealand; and
- fairly reflects the Foundation's financial position, financial performance and cash flows.

The Board of Trustees is also responsible for such internal control as it determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. The Board of Trustees is also responsible for the publication of the financial statements, whether in printed or electronic form.

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

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial report and reporting that opinion to you based on our audit.

Our responsibility arises from section 15 of the Public Audit Act 2001 and the Gambling Act 2003.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

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

A handwritten signature in black ink, appearing to read "Ian Lothian". The signature is written in a cursive, flowing style.

Ian Lothian
Audit New Zealand
On behalf of the Auditor-General
Dunedin, New Zealand