



2023 FINANCIAL STATEMENTS

The Trustees are pleased to present the Financial Statements of the ILT Foundation for the year ended 31st March 2023.

For and on behalf of the Board of Trustees:

A blue ink signature of Patric O'Brien, written in a cursive style, positioned above a horizontal line.

Patric O'Brien
Chairman

A blue ink signature of Angela Newell, written in a cursive style, positioned above a horizontal line.

Angela Newell
Trustee

Date: 25 May 2023

ILT Foundation

Contents

	Page
Directory	1
Statement of Service Performance	2
Statement of Comprehensive Revenue and Expense	3
Statement of Financial Position	4
Statement of Changes in Net Assets/Equity	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 19
Audit Report	20 - 22

ILT Foundation

Directory

Trustees

Paddy O'Brien
Sean Bellew
Angela Newell
Suzanne Prentice
Sheree Carey
Graham Hawkes
Christopher Ward
Jason McKenzie

Manager Lisa-Maree Fleck

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Auditor KPMG
On behalf of the Controller and Auditor-General

Legal Advisors Ward Adams Bryan-Lamb
Invercargill

Bankers Westpac Banking Corporation
Invercargill

ILT Foundation

Statement of Service Performance For the year ended 31 March 2023

ILT FOUNDATION

ILT Foundation was incorporated under the Charitable Trusts Act 1957 on 9 August 2005. The Foundation was established primarily for charitable purposes. It distributes gaming machine profits back to community organisations that fall within the definition of authorised purposes.

Pursuant to the Gambling Act 2003, the ILT Foundation must distribute the net proceeds from its gaming machines only to or for an authorised purpose specified in its licence. It must also comply with the terms of its Trust Deed.

The ILT Foundation has the same six publicly elected Trustees as the Invercargill Licensing Trust, with the addition of two more Trustees.

Trustees meet monthly to consider and make grant decisions.

OBJECTS AND PURPOSES (from ILT Foundation Trust Deed)

The objects and purposes of the Foundation are:

1. To promote and provide for the relief of poverty, the advancement of religion, the advancement of education, and any other matters beneficial to the community (including facilities for recreation or other leisure-time occupation if those facilities are provided in the interests of social welfare);
2. To promote and provide for amateur games or sports which are conducted for the recreation or entertainment of the general public;
3. To promote and provide for any authorised purpose.

REVENUE

Gaming proceeds

GRANT

Grant expense

GRANT AS A PERCENTAGE OF GAMING PROCEEDS

Notes	2023 \$	2022 \$
	11,263,600	8,600,872
7	5,868,869	4,726,950
	52.1%	55.0%

For more information visit www.iltfoundation.org.nz

ILT Foundation

Statement of Comprehensive Revenue and Expense For the year ended 31 March 2023

	Notes	2023 \$	2022 \$
REVENUE			
Gaming proceeds		11,263,600	8,600,872
Interest income		64,342	18,334
TOTAL REVENUE		11,327,942	8,619,206
EXPENSES			
Gaming duty		2,590,628	1,978,201
Venue payments	4	1,802,176	1,379,655
Other expenses	5	1,365,388	1,189,567
TOTAL EXPENSES		5,758,192	4,547,423
SURPLUS/(DEFICIT) BEFORE GRANTS		5,569,750	4,071,783
Grant expense	7	5,868,869	4,726,950
SURPLUS/(DEFICIT)		(299,119)	(655,167)
OTHER COMPREHENSIVE INCOME AND EXPENSE			
<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 and expense		-	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR		(299,119)	(655,167)

ILT Foundation

Statement of Financial Position As at 31 March 2023

	Notes	2023 \$	2022 \$
ASSETS			
Current			
Cash and cash equivalents	6	1,121,778	1,506,416
Short Term Bank Deposits		1,500,000	1,500,000
Trade and Other Receivables		241,440	139,362
Total current assets		2,863,218	3,145,778
Non-current			
Property, plant and equipment	9	991,273	852,032
Work-in-Progress	18	193,675	-
Total non-current assets		1,184,948	852,032
TOTAL ASSETS		4,048,166	3,997,810
LIABILITIES			
Current			
Trade and Other Payables	10	962,254	481,829
Grants Allocated but Unpaid	7	525,200	665,419
Net Proceeds to be distributed as soon as practicable	8	346,767	645,886
Employee entitlements	12	31,905	22,636
Total current liabilities		1,866,126	1,815,770
TOTAL LIABILITIES		1,866,126	1,815,770
NET ASSETS		2,182,040	2,182,040
FOUNDATION EQUITY			
Capital asset reserve		985,835	852,032
Depreciation reserve funds		1,196,205	1,330,008
FOUNDATION EQUITY	11	2,182,040	2,182,040

ILT Foundation

Statement of Changes in Net Assets/Equity For the year ended 31 March 2023

	Notes	Undistributed Net Proceeds	Capital Asset reserve	Depreciation reserve	Total
		\$	\$	\$	\$
Balance 1 April 2022		-	852,032	1,330,008	2,182,040
Total comprehensive revenue and expense before grants		5,569,750	-	-	5,569,750
Grants Expense		(5,868,869)	-	-	(5,868,869)
Total comprehensive revenue and expense for the year		(299,119)	-	-	(299,119)
Net transfer to/ (from) equity reserves in the year		-	133,803	(133,803)	-
Transferred from Undistributed Surplus (Equity) Balance at year end		299,119			299,119
Balance 31 March 2023	11	-	985,835	1,196,205	2,182,040
Balance 1 April 2021		1,301,053	986,741	1,195,299	3,483,093
Total comprehensive revenue and expense before grants		4,071,783	-	-	4,071,783
Grants Expense		(4,726,950)	-	-	(4,726,950)
Total comprehensive revenue and expense for the year		(655,167)	-	-	(655,167)
Net transfer to/ (from) equity reserves in the year			(134,709)	134,709	-
Transferred from Undistributed Surplus (Equity) Balance at year end		(645,886)			(645,886)
Balance 31 March 2022		-	852,032	1,330,008	2,182,040

ILT Foundation

Statement of Cash Flows For the year ended 31 March 2023

	Notes	2023 \$	2022 \$
Cash flow from operating activities			
<i>Cash was provided from/(applied to):</i>			
Income received from gaming proceeds		11,176,661	8,827,028
Interest received		49,075	19,292
Payments to suppliers, employees and trustees		(4,983,867)	(4,185,014)
Grants paid	7	(6,009,088)	(5,012,842)
Add : Loss on disposal of fixed assets		17,741	
GST (net)		73,306	(99,838)
Net cash from/(used in) operating activities		323,828	(451,374)
Cash flow from investing activities			
<i>Cash was provided from:</i>			
Maturing/sale of Investments		3,000,000	3,005,757
Disposal of property, plant and equipment		15,652	174
<i>Cash was applied to:</i>			
Acquisition of property, plant and equipment		(724,118)	(269,236)
Purchase of investments		(3,000,000)	(3,000,000)
Net cash from/(used in) investing activities		(708,466)	(263,305)
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		(384,638)	(714,679)
Cash and cash equivalents, beginning of the year		1,506,416	2,221,095
Cash and cash equivalents at end of the year	6	1,121,778	1,506,416

ILT Foundation

Notes to the financial statements for the year ended 31 March 2023

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 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 25 May 2023.

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 the Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS). 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 public benefit entity and therefore applied Tier 2 Accounting Standards (PBE IPSAS Reduced Disclosure Regime) as applicable for Public Sector Entities.

The Foundation is deemed a Public Benefit Entity as its primary objective is to provide goods and services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for a financial return to equity holders.

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) Change in basis of preparation

During the current financial year, there has been a change in the basis of preparation. Previous financial statements have been presented in accordance with the Tier 2 Accounting Standards (NZIFRS Reduced Disclosure Regime) as a for profit entity. Based on the nature and purpose of the Foundation, the basis of preparation has been amended to be considered a Public Benefit entity and has applied the PBE IPSAS (Reduced Disclosure Regime) Tier 2 standards. This change has not had a material impact on the financial statements. There has been no change in the recognition or measurement of comparative information. There has been a change in the naming conventions, basis of preparation and the inclusion of a Statement of Service Performance.

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.

The Trustees have assumed the annual license will be granted and have therefore adopted the going concern assumption.

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) Revenue

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 into 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 commenced on 1 April 2018 for a 3 year term. It has subsequently been renewed for a further 3 years to expire on 31 March 2024. It can be terminated at any time by either party upon 1 months notice.

(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 and are measured at amortised cost using the effective interest method, less provision for impairment.

ILT Foundation

Notes to the financial statements for the year ended 31 March 2023

(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.

ILT Foundation

Notes to the financial statements for the year ended 31 March 2023

(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).

(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.

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.

ILT Foundation

Notes to the financial statements for the year ended 31 March 2023

4 Venue Payments

The Foundation has a services agreement / short term lease with the Invercargill Licensing Trust that provides for the installation and operation of the Foundation's gaming machines in 9 of the Licensing Trust's Hotel and Tavern properties. This Services Agreement is established pursuant to a licence granted under the Gambling Act 2003.

The Agreement commenced on 1 April 2018 for a 3 year term. It has subsequently been renewed for a further 3 years to expire on 31 March 2024. It can be terminated at any time by either party upon 1 months notice.

Monthly payments are variable and can be no greater than 16% of gaming machine income. Payments over the past two years have totalled \$1,802,176 (2023) and \$1,379,655 (2022).

5 Other expenses

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

	2023	2022
	\$	\$
Audit fees	25,187	23,821
Depreciation	357,809	388,111
Loss on disposal of property, plant and equipment	17,741	15,660
Problem gambling levy	130,935	77,150
Personnel costs	242,116	207,310
Less Government COVID-19 Wage Subsidy (April 2020)	-	(15,118)
Trustees remuneration	63,789	60,638
Sundry operating expenses	527,811	431,995
Total	1,365,388	1,189,567

6 Cash and cash equivalents

	2023	2022
	\$	\$
Bank balances	1,121,778	1,506,416
Short term bank deposits - less than 3 months	-	-
Total cash and cash equivalents	1,121,778	1,506,416

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

The effective interest rate on short term bank deposits in 2023 was 0.9% (2022: 0.5%).

7 Grants Allocated but Unpaid

	2023	2022
	\$	\$
Grants allocated but unpaid	525,200	665,419
Total payables - Allocated Grants	525,200	665,419
<i>Grants allocated but unpaid comprise:</i>		
Opening balance	665,419	951,311
Allocated at Trustees' meetings during the year	5,913,672	5,067,981
Allocated grants returned	(44,803)	(341,031)
Grants Expense	5,868,869	4,726,950
Allocated grants paid during the year	(6,009,088)	(5,012,842)
Total grants allocated but unpaid:	525,200	665,419

ILT Foundation

Notes to the financial statements for the year ended 31 March 2023

8 Net Proceeds to be distributed as soon as practicable

	2023	2022
Net Proceeds to be distributed as soon as practicable	346,767	645,886
<i>Net Proceeds to be distributed as soon as practicable:</i>		
Opening balance	645,886	-
Transferred from Undistributed Surplus (Equity) Balance at year end	(299,119)	645,886
Net Proceeds to be distributed as soon as practicable	346,767	645,886

Regulation 11 of the Gambling (Class 4 Net Proceeds) Regulations 2004 require Class 4 licence holders to distribute all or nearly all of their GST-exclusive gross proceeds to the community or for authorised purposes within three months. The Board has deemed it appropriate to transfer the Undistributed Surplus (Equity) Balance at year end of (\$299,119) in 2023 (2022: \$645,886) to "net proceeds to be distributed as soon as practicable" under current liabilities in the Statement of Financial Position. Subsequently, allocated grants were made of \$278,826 in April 2023 (April 2022: \$276,889) and grants applied for in May 2023 were \$313,506 (May 2022: \$124,084).

9 Property, plant and equipment

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

	Gaming Machines & Associated Equipment	Motor Vehicle	Total
	\$	\$	\$
2023			
Gross carrying amount			
Opening balance	4,851,103	41,149	4,892,252
Additions	495,329	35,114	530,443
Disposals	(423,870)	(41,149)	(465,019)
Closing balance	4,922,562	35,114	4,957,676
Accumulated depreciation and impairment			
Opening balance	4,009,285	30,935	4,040,220
Depreciation for the year	357,177	632	357,809
Depreciation written back on disposal	(400,691)	(30,935)	(431,626)
Closing balance	3,965,771	632	3,966,403
Carrying amount 31 March 2023	956,791	34,482	991,273
2022			
Gross carrying amount			
Opening balance	4,819,765	41,149	4,860,914
Additions	269,236	-	269,236
Disposals	(237,898)	-	(237,898)
Closing balance	4,851,103	41,149	4,892,252
Accumulated depreciation and impairment			
Opening balance	3,846,052	28,121	3,874,173
Depreciation for the year	385,297	2,814	388,111
Depreciation written back on disposal	(222,064)	-	(222,064)
Closing balance	4,009,285	30,935	4,040,220
Carrying amount 31 March 2022	841,818	10,214	852,032

ILT Foundation

Notes to the financial statements for the year ended 31 March 2023

10 Trade and Other Payables

	2023	2022
	\$	\$
Trade Creditors	501,325	174,760
Sundry Creditors	274,814	194,260
GST Payable	186,115	112,809
Total	962,254	481,829

11 Foundation equity

	Undistributed Net Proceeds	Capital Equity	Asset Renewal Fund	Total
	\$	\$	\$	\$
2023				
Balance at 1 April 2022	-	852,032	1,330,008	2,182,040
Total comprehensive revenue and expense before grants	5,569,750	-	-	5,569,750
Grants allocated during the year	(5,913,672)	-	-	(5,913,672)
Grants returned during the year	44,803	-	-	44,803
Transferred from Undistributed Surplus (Equity) Balance at year end	299,119	-	-	299,119
Assets purchased during the year	-	530,443	(530,443)	-
Assets sold during the year	-	(15,652)	15,652	-
Depreciation, gains and losses for the year	-	(380,988)	380,988	-
Balance at 31 March 2023	-	985,835	1,196,205	2,182,040

	Undistributed Net Proceeds	Capital Equity	Asset Renewal Fund	Total
	\$	\$	\$	\$
2022				
Balance at 1 April 2021	1,301,053	986,741	1,195,299	3,483,093
Total comprehensive revenue and expense before grants	4,071,783	-	-	4,071,783
Grants allocated during the year	(5,067,981)	-	-	(5,067,981)
Grants returned during the year	341,031	-	-	341,031
Transferred from Undistributed Surplus (Equity) Balance at year end	(645,886)	-	-	(645,886)
Assets purchased during the year	-	269,236	(269,236)	-
Depreciation, gains and losses for the year	-	(403,945)	403,945	-
Balance at 31 March 2022	-	852,032	1,330,008	2,182,040

Undistributed Net Proceeds

Regulation 11 of the Gambling (Class 4 Net Proceeds) Regulations 2004 require Class 4 licence holders to distribute all or nearly all of their GST-exclusive gross proceeds to the community or for authorised purposes within three months. The Board has deemed it appropriate to transfer the Undistributed Surplus (Equity) Balance at year end of (\$299,119) in 2023 (2022: \$645,886) to "net proceeds to be distributed as soon as practicable" under current liabilities in the Statement of Financial Position. Subsequently, allocated grants were made of \$278,826 in April 2023 (April 2022: \$276,889) and grants applied for in May 2023 were \$313,506 (May 2022: \$124,084).

Capital Equity

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

Asset Renewal Fund

The Asset Renewal 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.

ILT Foundation

Notes to the financial statements for the year ended 31 March 2023

12 Employee entitlements

	2023	2022
	\$	\$
Annual leave entitlements	31,905	22,636
Total	31,905	22,636

13 Financial Assets and Liabilities

(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.

2023	Financial assets at amortised cost	Financial liabilities at amortised cost	Total carrying amount	Fair value
Financial assets				
Trade and other receivables	241,440	-	241,440	241,440
Cash and cash equivalents	1,121,778	-	1,121,778	1,121,778
Short Term Bank Deposits	1,500,000	-	1,500,000	1,500,000
Total current assets	2,863,218	-	2,863,218	2,863,218
Total assets	2,863,218	-	2,863,218	2,863,218
Financial liabilities				
Trade and other payables	-	962,254	962,254	962,254
Grants allocated but not paid	-	525,200	525,200	525,200
Net Proceeds to be distributed as soon as practicable	-	346,767	346,767	346,767
Total current liabilities	-	1,834,221	1,834,221	1,834,221
Total liabilities	-	1,834,221	1,834,221	1,834,221

2022	Financial assets at amortised cost	Financial liabilities at amortised cost	Total carrying amount	Fair value
Financial assets				
Trade and other receivables	139,362	-	139,362	139,362
Cash and cash equivalents	1,506,416	-	1,506,416	1,506,416
Short Term Bank Deposits	1,500,000	-	1,500,000	1,500,000
Total current assets	3,145,778	-	3,145,778	3,145,778
Total assets	3,145,778	-	3,145,778	3,145,778
Financial liabilities				
Trade and other payables	-	481,829	481,829	481,829
Grants allocated but not paid	-	665,419	665,419	665,419
Net Proceeds to be distributed as soon as practicable	-	645,886	645,886	645,886
Total current liabilities	-	1,793,134	1,793,134	1,793,134
Total liabilities	-	1,793,134	1,793,134	1,793,134

Financial assets within the scope of PBE IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

The categorisation determines subsequent measurement and whether any resulting revenue and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses. The Foundation's financial assets are classified as loans and receivables. The Foundation's financial assets include cash and cash equivalents and receivables from exchange transactions.

ILT Foundation

Notes to the financial statements for the year ended 31 March 2023

14 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: Patric O'Brien (Chair), Sean Bellew, Angela Newell, Suzanne Prentice, Sheree Carey and Graham Hawkes (Sheree and Graham elected 8.10.22 elections). Former Chair, Alan Dennis retired at October elections and Trustee, Louise Evans was not re-elected. 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 \$1,856,157 (\$1,426,407 in 2022).

As at 31 March 2023 \$22,564 was owing by the ILT Foundation to the Invercargill Licensing Trust, which was later settled in the normal course of business (2022 \$121,793).

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 \$17,171 (\$8,080 in 2022).

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 2023 \$	Grant amount 2022 \$
Paddy O'Brien [Chair]			N.A.	N.A.
Sean Bellew	Rugby Southland Inc	Observer/Member of	255,000	N.A.
	Southland Racing Club Inc	Appointments Committee President	7,500	7,500
			262,500	7,500
Sheree Carey [Elected 8.10.2022]	Chamber of Commerce Southland Inc	CEO	1,125	N.A.
Graham Hawkes [Elected 8.10.2022]			1,125	N.A.
			N.A.	N.A.
Angela Newell	Invercargill Primary Schools Educational Initiatives Trust (enrich@ILT)	Trustee	427,040	440,426
	Shakespeare in the Park Charitable Trust	Trustee	6,000	4,500
	Arts Murihiku Charitable Trust	Trustee	11,700	4,400
	Southland Regional Development Agency (Great South)	Contract Role	N.A.	26,625
			444,740	475,951
Suzanne Prentice	Hospice Southland Charitable Trust	Employee	35,000	26,250
	Otago Southland Rescue Helicopter Trust	Trustee	120,500	N.A.
	Rape & Abuse Support Centre Southland Inc	Husband - Board Member	N.A.	11,250
			155,500	37,500
Chris Ward	Southland Indoor Leisure Centre Charitable Trust	Solicitor	400,000	400,000
			400,000	400,000
Jason McKenzie	Talent Development Southland Charitable Trust	Contractor	65,750	60,750
	Rugby Southland Inc	Contractor	255,000	255,000
			320,750	315,750
Alan Dennis [Retired 8.10.2022]	Rugby Southland Inc	Observer/Member of	N.A.	255,000
	Southland Indoor Leisure Centre Charitable Trust	Appointments Committee Chairman	N.A.	400,000
			N.A.	655,000
Louise Evans [Not re-elected 8.10.2022]	Graeme Dingle Foundation Southern	Trustee	N.A.	18,750
			N.A.	18,750

ILT Foundation

Notes to the financial statements for the year ended 31 March 2023

(a) Related party transactions (continued)

Management	Recipient organisation	Relationship to recipient organisation	Grant amount 2023 \$	Grant amount 2022 \$
Lisa-Maree Fleck			-	-
			-	-

(b) Key management compensation

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

Key management personnel compensation includes the following expenses:

	2022 \$	2021 \$
Salaries and other short-term employee benefits	183,408	159,262
Termination benefits	-	-
Post-employment benefits	-	-
Other long-term benefits	-	-
Total remuneration	183,408	159,262
Number of persons recognised as key management personnel	9	9

15 Contingent assets and contingent liabilities

The Foundation has no contingent assets or contingent liabilities (2022: none).

16 Commitments

There were no commitments made as of 31 March 2023. (In March 2022 the Foundation had ordered five new gaming machines at a cost of \$123,985. Supply was dependent on receiving Department of Internal Affairs licensing to operate the machines.)

17 Coronavirus pandemic - COVID-19

The Covid Protection Framework changed in December 2021 to the Traffic Light System. Invercargill remained at the Red Alert Level through to 14 April 2022. At the Red level, gaming machines were operated in a reduced capacity with only every second machine on. For the period 1 April 2022 to 13 April 2022, the ILT Foundation gaming venues operated at reduced capacity with alternate machines on. In line with the change in levels from 14 April 2022, operation returned to all machines on for the remainder of the 2022 year. Covid had a greater impact in the year prior with machines operating at reduced levels and / or closed during lockdowns etc.

ILT Foundation

Notes to the financial statements for the year ended 31 March 2023

18 Events after the reporting period

In May 2023, the Foundation is still to receive its gaming licences from the Department of Internal Affairs for eight gaming machines that it paid \$193,675 for in March 2023. Installation can only take place once the licences have been issued. (2022: The ILT Foundation received its amended gaming licences from the Department of Internal Affairs in April 2022 and installed five gaming machines in May 2022.)

(2022: The following two grants were approved prior to 31 March 2022 and paid on 20 May 2022:
ICC Splash Palace for \$149,219 and The Hawthorndale Care Village Charitable Trust for \$495,000.)

ILT Foundation

Notes to the financial statements for the year ended 31 March 2023

19 Itemised statement of the application or distribution of net proceeds from class 4 gambling

	\$		\$
Able Charitable Trust (Southern Family Support)	25,000	Kiwi Harvest Limited	10,000
Alzheimers Society Southland Inc	7,500	Koha Kai Charitable Trust	30,000
Aqua Health Inc	1,625	Learning Differences Aotearoa Trust	5,250
Arts Murihiku Charitable Trust	11,700	Lighthouse Southland Inc	16,250
Ascot Community School	106,000	Loss and Grief Support Trust Southland	15,000
Athletics Southland Inc	51,750	LUG South	4,600
Attic Arts Centre Charitable Trust	4,500	Makarewa School	7,633
Aurora College	3,000	Menz Shed Invercargill Inc	5,000
Autism New Zealand Inc	3,750	Miharo Murihiku Trust	30,000
Barnardos New Zealand Inc	21,750	Ministry of Inspiration	10,200
Blue Light Ventures Inc	1,540	Motorcycling New Zealand Inc	1,000
Bluff Rugby Football Club Inc	6,091	Myross Bush Rugby Club Inc	1,500
Bowls Southland Inc	41,996	Netball South Zone Inc	112,500
Bush Haven Native Bird Rehabilitation Trust	750	New Zealand Competitive Aerobics Federation Inc	8,480
Cancer Society of NZ-Otago&Southland Division Inc	7,500	Order of St John - Murihiku Area	25,113
CCS Disability Action Southland Inc	9,000	Otago Southland Rescue Helicopter Trust	120,500
Chamber of Commerce Southland Inc	1,125	Otatara Bowling Club Inc	5,000
Chatbus South Trust	20,000	Panthers Softball Club Inc	6,000
Citizens Advice Bureau Invercargill Inc	5,000	Parent to Parent NZ Inc	5,250
City of Invercargill Highland Pipe Band Inc	33,750	Phoenix Synchro Southland Inc	25,500
City Sports Machinery Inc	9,266	Pirates Old Boys Rugby Club (Invercargill) Inc	11,250
Collegiate Rugby Football Club Inc	11,250	Presbyterian Support Southland	120,000
Community Care Trust	10,000	Queens Park Association Football Club	5,750
Conductive Education Southern Charitable Trust	11,250	Rock Quest Charitable Trust	4,500
Cook Islands Christian Church - Southland	4,999	Ronald McDonald House Charities New Zealand Trust	5,770
CS Art Charitable Trust	7,000	Royal NZ Foundation of the Blind Inc	3,750
Cycling Southland Inc	176,750	Royal NZ Plunket Trust	7,500
Dance Southland Inc	3,000	Rugby Southland Inc	255,000
Diabetes New Zealand	6,000	Salford School	2,500
Disabilities Resource Centre Southland C/T	9,375	Shakespeare in the Park Charitable Trust	6,000
Disc Golf South Inc	12,500	Showquest Charitable Trust	7,000
Eduk8 Southland Charitable Trust	30,000	Sir John Kirwan Foundation	75,000
Gabbys Starlit Hope Charitable Trust	5,000	South Sea Spray Trust	40,000
Georgetown Bowling Club Inc	5,000	Southern Snooker and Billiards Association	3,500
Georgetown Piping & Dancing Society	1,500	Southern SouNZ Inc	900
G-Force Cycling Performance Hub Inc	1,000	Southland A & P Association	4,000
Golf Southland Inc	18,750	Southland Amateur Rowing Association Inc	6,375
Graeme Dingle Foundation Southern	23,750	Southland Art Society Inc	5,100
Grasmere Indoor Bowls Club	350	Southland Badminton Association Inc	75,000
Greenacres Country Club Inc	20,750	Southland Basketball Association Inc	71,250
Greenlight Innovations Ltd	2,220	Southland Beneficiaries & Comm Rights Centre Inc	25,000
Grey Power Southland Association Inc	5,000	Southland Blind Low Vision Bowling Club	1,204
Head Injury Society of Southland Inc	7,650	Southland BMX Club Inc	29,500
Hockey Southland Inc	56,250	Southland Boys High School	20,000
Hospice Southland Charitable Trust	35,000	Southland Christmas Parade Charitable Trust	8,250
Inclusive Activity Murihiku Charitable Trust	20,000	Southland Clay Target Club Inc	10,661
Indian Community Southland Inc	6,000	Southland Competitions Society Inc	2,625
Invercargill City Charitable Trust Board	7,992	Southland Cricket Association Inc	121,250
Invercargill City Council	659,548	Southland Darts Association Inc	2,400
Invercargill Community Connections C/Trust	250,000	Southland Deaf Community Inc	1,500
Invercargill Community Patrol Charitable Trust	1,200	Southland Disability Enterprises Ltd-Recycle South	18,750
Invercargill Dodgers Softball Club Inc	3,750	Southland District Rugby Football League Inc	41,099
Invercargill Garrison Band Inc	30,000	Southland Dog Training Club Inc	7,288
Invercargill Golf Club Inc	2,200	Southland Filipino Society Inc	5,000
Invercargill Gymnastic Club Inc	15,000	Southland Food Bank Trust	20,000
Invercargill Harness Racing Club Inc	7,500	Southland Football Inc	212,230
Invercargill Indoor Bowls Sub Centre	1,250	Southland Girls High School	2,500
Invercargill Musical Theatre Inc	22,500	Southland Indoor Bowls Centre Inc	22,250
Invercargill Netball Centre Inc	42,500	Southland Indoor Bowls Umpires Association	500
Invercargill Northend Bowling Club Inc	5,000	Southland Indoor Leisure Centre Charitable Trust	400,000
Invercargill Pistol Club Inc	5,000	Southland Kennel Association Inc	4,000
Invercargill Primary School Educ Initiatives Trust	427,040	Southland Literacy Association Inc	4,500
Invercargill Public Art Trail Charitable Trust	40,000	Southland Masters Badminton Club	1,875
Invercargill Repertory Society Inc	7,500	Southland Mens Netball	700
Invercargill Secondary Schools Network Trust	204,500	Southland Migrant Walking Together Organisation	8,125
Invercargill Sejong Taekwondo Inc	3,300	Southland Motorcycle Club Inc	30,000
Invercargill Symphonia Inc	3,500	Southland Multicultural Trust	11,250
Jubilee Budget Advisory Service Ltd	43,000	Southland Multiple Sclerosis Society Inc	13,125
Jubilee SuperGrans Ltd	9,000	Southland Otago Axemens Centre Inc	2,000
<9 Medical Detection New Zealand	75,000	Southland Power Boat Club Inc	3,750
kalapu Maile Ua Southland	5,000	Southland Racing Club Inc	7,500
Kenzie's Gift Charitable Trust	5,200	Southland Regional Development Agency (Great St)	26,625
kiwi Family Trust	1,300	Southland Rodeo Association Inc	5,210

ILT Foundation

Notes to the financial statements for the year ended 31 March 2023

19 Itemised statement of the application or distribution of net proceeds from class 4 gambling (continued)

\$

Southland Schools Pipe Band Programme Trust	50,700
Southland Science and Technology Fair Society Inc	1,500
Southland Secondary Schools Sport	11,250
Southland Social Sciences Fair Inc	1,125
Southland Society of Model Engineers Inc	1,500
Southland Softball Association Inc	30,000
Southland Sports Car Club Inc	39,905
Southland Stock Car Drivers Association Inc	39,125
Southland Tennis Association Inc	43,500
Southland Triathlon and Multisport Club Inc	9,450
Southland Workers Educational Assn Inc	11,250
Southland Youth One Stop Shop Trust	18,750
Special Olympics Southland Inc	19,450
Spirit Army	3,750
Sport Southland (T/A Active Southland)	152,750
Squash City Invercargill Inc	10,000
Squash Southland Inc	35,250
Stadium Southland Ltd	4,000
Star Rugby Football Club Invercargill Inc	11,250
Strings of Southland Charitable Trust	1,650
Student Volunteer Army Foundation	5,000
Swimming Southland Inc	52,500
Table Tennis Southland Inc	33,682
Talent Development Southland Charitable Trust	65,750
Tautawhi Whanau Rangatopu Charitable Trust	10,000
Te Oriori Trust	10,000
Te Piritahi A Rua Waka Ama Association Inc	3,000
Te Pukenga-NZ Inst of Skills & Technology-T/A SIT	65,000
Te Rourou Vodafone Aotearoa Foundation	25,000
Te Wharekura O Arowhenua	2,500
The Stroke Foundation of NZ Ltd	3,622
The YMCA of Invercargill Inc	63,750
Touch Southland Inc	32,000
Tuturu Charitable Trust	5,000
Tuurama Trust	5,000
Volley South Inc	36,250
Waihopai Association Football Club Inc	5,750
Waihopai City Lions Club Inc	5,000
Waihopai School	2,500
Waikwi Highland Piping and Dancing Society	750
Waimatua Netball Club	1,159
Wellington Museums Trust Inc	3,000
Youthline Southland Charitable Trust	15,000
Grants returned	-44,803
TOTAL	\$5,868,869