



# 2021

# FINANCIAL

# STATEMENTS

The Trustees are pleased to present the Financial Statements of the ILT Foundation for the year ended 31<sup>st</sup> March 2021.

For and on behalf of the Board of Trustees:

A handwritten signature in blue ink, appearing to read 'Alan Dennis', written over a horizontal line.

**Alan Dennis**  
Chairman

A handwritten signature in blue ink, appearing to read 'Angela Newell', written over a horizontal line.

**Angela Newell**  
Trustee

Date: 27 May 2021

# ILT Foundation

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# ILT Foundation

## Directory

<b>Trustees</b>	Alan Dennis (Chairman) Sean Bellew Mike Mika (resigned February 2021) Angela Newell Suzanne Prentice Paddy O'Brien Christopher Ward Jason McKenzie
<b>Manager</b>	Lisa-Maree Fleck
<b>Registered Office</b>	252 Dee Street PO Box 1771 INVERCARGILL 9840
<b>Auditor</b>	Audit New Zealand On behalf of the Controller and Auditor-General
<b>Legal Advisors</b>	Ward Adams Bryan-Lamb Invercargill
<b>Bankers</b>	Westpac Banking Corporation Invercargill

# ILT Foundation

## Statement of Comprehensive Income For the year ended 31 March 2021

	Notes	2021 \$	2020 \$
<b>REVENUE</b>			
Gaming proceeds		8,588,960	10,011,534
Interest income		24,477	63,781
Gain on sale of Plant and Equipment		-	-
<b>TOTAL REVENUE</b>		<b>8,613,437</b>	<b>10,075,315</b>
<b>EXPENSES</b>			
Gaming duty		1,975,461	2,302,653
Venue payments	4	1,161,436	1,318,137
Other expenses	5	1,220,195	1,420,394
<b>TOTAL EXPENSES</b>		<b>4,357,092</b>	<b>5,041,184</b>
<b>OPERATING PROFIT/(LOSS) BEFORE GRANTS</b>		<b>4,256,345</b>	<b>5,034,131</b>
Grant expense	7	4,030,475	5,024,162
<b>OPERATING PROFIT/(LOSS)</b>		<b>225,870</b>	<b>9,969</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<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>		-	-
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME / (EXPENSE)</b>		<b>225,870</b>	<b>9,969</b>

# ILT Foundation

## Statement of Financial Position As at 31 March 2021

	Notes	2021 \$	2020 \$
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents	6	2,221,095	2,233,510
Short Term Bank Deposits		1,505,757	500,000
Trade and Other Receivables		355,357	38,422
<b>Total current assets</b>		<b>4,082,209</b>	<b>2,771,932</b>
<b>Non-current</b>			
Property, plant and equipment	8	986,741	1,209,448
<b>Total non-current assets</b>		<b>986,741</b>	<b>1,209,448</b>
<b>TOTAL ASSETS</b>		<b>5,068,950</b>	<b>3,981,380</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Trade and Other Payables		615,191	501,094
Grants Allocated but Unpaid	7	951,311	209,000
Employee entitlements	10	19,355	14,063
<b>Total current liabilities</b>		<b>1,585,857</b>	<b>724,157</b>
<b>TOTAL LIABILITIES</b>		<b>1,585,857</b>	<b>724,157</b>
<b>NET ASSETS</b>		<b>3,483,093</b>	<b>3,257,223</b>
<b>FOUNDATION EQUITY</b>			
Undistributed Net Proceeds		1,301,053	1,075,183
Capital asset reserve		986,741	1,209,448
Depreciation reserve funds		1,195,299	972,592
<b>FOUNDATION EQUITY</b>	9	<b>3,483,093</b>	<b>3,257,223</b>

# ILT Foundation

## Statement of Changes in Equity For the year ended 31 March 2021

	Notes	Undistributed Net Proceeds	Capital Asset reserve	Depreciation reserve	Total
		\$	\$	\$	\$
Balance 1 April 2020		1,075,183	1,209,448	972,592	3,257,223
Profit / (Loss) for the year before grants		4,256,345	-	-	4,256,345
Grants Expense		(4,030,475)	-	-	(4,030,475)
<b>Total comprehensive income / (expense)</b>		225,870	-	-	225,870
Net transfer to/ (from) equity reserves in the year		-	(222,707)	222,707	-
<b>Balance 31 March 2021</b>	<b>9</b>	<b>1,301,053</b>	<b>986,741</b>	<b>1,195,299</b>	<b>3,483,093</b>
Balance 1 April 2019		1,065,214	1,376,078	805,962	3,247,254
Profit / (Loss) for the year before grants		5,034,131	-	-	5,034,131
Grants Expense		(5,024,162)	-	-	(5,024,162)
<b>Total comprehensive income / (expense)</b>		9,969	-	-	9,969
Transfer to/ (from) equity reserves in the year		-	(166,630)	166,630	-
<b>Balance 31 March 2020</b>		<b>1,075,183</b>	<b>1,209,448</b>	<b>972,592</b>	<b>3,257,223</b>

# ILT Foundation

## Statement of Cash Flows For the year ended 31 March 2021

	Notes	2021 \$	2020 \$
<b>Cash flow from operating activities</b>			
<i>Cash was provided from/(applied to):</i>			
Income received from gaming proceeds		8,265,115	10,011,534
Interest received		18,373	64,851
Payments to suppliers, employees and trustees		(3,810,538)	(4,626,859)
Grants paid	7	(3,288,164)	(5,030,985)
GST (net)		65,717	16,484
<b>Net cash from/(used in) operating activities</b>		<b>1,250,503</b>	<b>435,025</b>
<b>Cash flow from investing activities</b>			
<i>Cash was provided from:</i>			
Maturing/sale of Investments		3,000,000	2,560,000
Disposal of property, plant and equipment		-	-
<i>Cash was applied to:</i>			
Acquisition of property, plant and equipment		(257,161)	(327,683)
Purchase of investments		(4,005,757)	(1,780,000)
<b>Net cash from/(used in) investing activities</b>		<b>(1,262,918)</b>	<b>452,317</b>
<b>Cash flow from financing activities</b>			
<i>Cash was provided from/(applied to):</i>			
<b>Net cash from/(used in) financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(12,415)</b>	<b>887,342</b>
Cash and cash equivalents, beginning of the year		2,233,510	1,346,168
<b>Cash and cash equivalents at end of the year</b>	6	<b>2,221,095</b>	<b>2,233,510</b>

# ILT Foundation

## Notes to the financial statements for the year ended 31 March 2021

### 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 27 May 2021.

### 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) New and amended standards and interpretations

There have been no new or amended accounting standards and interpretations that effect the ILT Foundation reporting for this financial year.

### 3 Underlying Fundamental Assumptions

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



### Summary of significant accounting policies

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

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

#### (a) Income

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 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.

#### (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.

### (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 2021

### (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.

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.

# ILT Foundation

## Notes to the financial statements for the year ended 31 March 2021

### 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 \$1,318,137 (2020) and \$1,161,436 (2021).

### 5 Other expenses

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

	2021	2020
	\$	\$
Audit fees	22,192	20,695
Depreciation	413,992	494,313
Loss on disposal of property, plant and equipment	65,876	6,009
Problem gambling levy	77,043	104,735
Personnel costs	159,901	157,179
Less Government COVID-19 Wage Subsidy (April 2020)	(14,059)	-
Sundry operating expenses	495,250	637,463
<b>Total</b>	<b>1,220,195</b>	<b>1,420,394</b>

### 6 Cash and cash equivalents

	2021	2020
	\$	\$
Bank balances	2,221,095	1,233,510
Short term bank deposits - less than 3 months	-	1,000,000
<b>Total cash and cash equivalents</b>	<b>2,221,095</b>	<b>2,233,510</b>

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

The effective interest rate on short term bank deposits in 2021 was 0.7% (2020: 1.9%).

### 7 Grants Allocated but Unpaid

	2021	2020
	\$	\$
Grants allocated but unpaid	951,311	209,000
<b>Total payables - Allocated Grants</b>	<b>951,311</b>	<b>209,000</b>
<i>Grants allocated but unpaid comprise:</i>		
Opening balance	209,000	215,823
Allocated at Trustees' meetings during the year	4,051,701	5,068,804
Allocated grants returned	(21,226)	(44,642)
<b>Grants Expense</b>	<b>4,030,475</b>	<b>5,024,162</b>
Allocated grants paid during the year	(3,288,164)	(5,030,985)
<b>Total grants allocated but unpaid:</b>	<b>951,311</b>	<b>209,000</b>

### 8 Property, plant and equipment

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

	Gaming assets	Motor vehicle	Total
	\$	\$	\$
<b>2021</b>			
<b>Gross carrying amount</b>			
Opening balance	5,251,710	41,149	5,292,859
Additions	257,161	-	257,161
Disposals	(689,106)	-	(689,106)
Closing balance	<b>4,819,765</b>	<b>41,149</b>	<b>4,860,914</b>
<b>Accumulated depreciation and impairment</b>			
Opening balance	4,058,879	24,532	4,083,411
Depreciation for the year	410,403	3,589	413,992
Depreciation written back on disposal	(623,230)	-	(623,230)
Closing balance	<b>3,846,052</b>	<b>28,121</b>	<b>3,874,173</b>
<b>Carrying amount 31 March 2021</b>	<b>973,713</b>	<b>13,028</b>	<b>986,741</b>

	Gaming assets	Motor vehicle	Total
	\$	\$	\$
<b>2020</b>			
<b>Gross carrying amount</b>			
Opening balance	4,970,380	41,149	5,011,529
Additions	333,692	-	333,692
Disposals	(52,362)	-	(52,362)
Closing balance	<b>5,251,710</b>	<b>41,149</b>	<b>5,292,859</b>
<b>Accumulated depreciation and impairment</b>			
Opening balance	3,615,497	19,954	3,635,451
Depreciation for the year	489,735	4,578	494,313
Depreciation written back on disposal	(46,353)	-	(46,353)
Closing balance	<b>4,058,879</b>	<b>24,532</b>	<b>4,083,411</b>
<b>Carrying amount 31 March 2020</b>	<b>1,192,831</b>	<b>16,617</b>	<b>1,209,448</b>

# ILT Foundation

## Notes to the financial statements for the year ended 31 March 2021

### 9 Foundation equity

	Undistributed Net Proceeds	Capital Asset Reserve	Depreciation Reserve	Total
	\$	\$	\$	\$
<b>2021</b>				
Balance at 1 April 2020	1,075,183	1,209,448	972,592	3,257,223
Total operating profit before grants	4,256,345	-	-	4,256,345
Grants allocated during the year	(4,051,701)	-	-	(4,051,701)
Grants returned during the year	21,226	-	-	21,226
Assets purchased during the year	-	257,161	(257,161)	-
Assets sold during the year	-	-	-	-
Depreciation, gains and losses for the year	-	(479,868)	479,868	-
<b>Balance at 31 March 2021</b>	<b>1,301,053</b>	<b>986,741</b>	<b>1,195,299</b>	<b>3,483,093</b>

### 2020

Balance at 1 April 2019	1,065,214	1,376,078	805,962	3,247,254
Total operating profit before grants	5,034,131	-	-	5,034,131
Grants allocated during the year	(5,068,804)	-	-	(5,068,804)
Grants returned during the year	44,642	-	-	44,642
Assets purchased during the year	-	333,692	(333,692)	-
Assets sold during the year	-	-	-	-
Depreciation, gains and losses for the year	-	(500,322)	500,322	-
<b>Balance at 31 March 2020</b>	<b>1,075,183</b>	<b>1,209,448</b>	<b>972,592</b>	<b>3,257,223</b>

#### *Undistributed Net Proceeds*

This represents Undistributed Net Proceeds from the ILT Foundation's gaming activities at year end, 31 March 2021. 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

	2021 \$	2020 \$
<b>Current</b>		
Annual leave entitlements	19,355	14,063
<b>Total</b>	<b>19,355</b>	<b>14,063</b>

11 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.

2021	Financial assets at amortised cost	Financial liabilities at amortised cost	Total carrying amount	Fair value
<b>Financial assets</b>				
Trade and other receivables	355,357	-	355,357	355,357
Cash and cash equivalents	2,221,095	-	2,221,095	2,221,095
Short Term Bank Deposits	1,505,757	-	1,505,757	1,505,757
<b>Total current assets</b>	<b>4,082,209</b>	<b>-</b>	<b>4,082,209</b>	<b>4,082,209</b>
<b>Total assets</b>	<b>4,082,209</b>	<b>-</b>	<b>4,082,209</b>	<b>4,082,209</b>
<b>Financial liabilities</b>				
Trade and other payables	-	615,191	615,191	615,191
Grants allocated but not paid	-	951,311	951,311	951,311
<b>Total current liabilities</b>	<b>-</b>	<b>1,566,502</b>	<b>1,566,502</b>	<b>1,566,502</b>
<b>Total liabilities</b>	<b>-</b>	<b>1,566,502</b>	<b>1,566,502</b>	<b>1,566,502</b>

2020	Financial assets at amortised cost	Financial liabilities at amortised cost	Total carrying amount	Fair value
<b>Financial assets</b>				
Trade and other receivables	38,422	-	38,422	38,422
Cash and cash equivalents	2,233,510	-	2,233,510	2,233,510
Short Term Bank Deposits	500,000	-	500,000	500,000
<b>Total current assets</b>	<b>2,771,932</b>	<b>-</b>	<b>2,771,932</b>	<b>2,771,932</b>
<b>Total assets</b>	<b>2,771,932</b>	<b>-</b>	<b>2,771,932</b>	<b>2,771,932</b>
<b>Financial liabilities</b>				
Trade and other payables	-	501,094	501,094	501,094
Grants allocated but not paid	-	209,000	209,000	209,000
<b>Total current liabilities</b>	<b>-</b>	<b>710,094</b>	<b>710,094</b>	<b>710,094</b>
<b>Total liabilities</b>	<b>-</b>	<b>710,094</b>	<b>710,094</b>	<b>710,094</b>

# ILT Foundation

## Notes to the financial statements for the year ended 31 March 2021

### 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, Patrick 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 \$1,214,691 (\$1,388,302 in 2020).

As at 31 March 2021 \$136,727 was owing by the ILT Foundation to the Invercargill Licensing Trust, which was later settled in the normal course of business (2020: \$139,285).

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 \$2,579 (\$9,785 in 2020).

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 2021 \$	Grant amount 2020 \$
Alan Dennis	Rugby Southland	Observer/Member of Appointments Committee	255,000	340,000
	Southland Indoor Leisure Centre Charitable Trust	Chairman	300,000	400,000
			<b>555,000</b>	<b>740,000</b>
Sean Bellew	Southland Racing Club	President	5,000	10,000
	Racing Southland	Director	-	-
			<b>5,000</b>	<b>10,000</b>
Mike Mika	Murihiku Maori and Pasifika Cultural Trust	Trustee	60,000	-
			<b>60,000</b>	<b>-</b>
Angela Newell	English Language Partners NZ Trust Sthld Branc	Tutor		3,000
	Invercargill Primary Schools Educational Initiatives Trust (enrich@ILT)	Trustee	378,000	378,000
	Shakespeare in the Park Charitable Trust	Trustee	2,000	6,000
	Arts Murihiku Charitable Trust	Trustee	10,000	-
	Great South (was Venture Southland)	Contract Role	17,750	7,000
			<b>407,750</b>	<b>394,000</b>
Paddy O'Brien	Calvary Hospital Southland Limited	Board Member/Director	-	150,000
	The Hawthorndale Care Village Charitable Trust	Trustee	495,000	-
			<b>495,000</b>	<b>150,000</b>
Suzanne Prentice	Hospice Southland	Employee	-	20,000
	Rape & Abuse Support Centre Southland Inc	Husband - Board Member	7,500	15,000
			<b>7,500</b>	<b>35,000</b>
Chris Ward	Southland Indoor Leisure Centre Charitable Trust	Solicitor	300,000	400,000
	Marching Southland Association Inc	Wife - NZ Judge/Treasurer	-	3,500
			<b>300,000</b>	<b>403,500</b>
Jason McKenzie	Talent Development Southland	Contractor	30,500	61,000
	Rugby Southland	Contractor	255,000	340,000
	Netball South Zone	Service provider	-	150,000
			<b>285,500</b>	<b>551,000</b>



# ILT Foundation

## Notes to the financial statements for the year ended 31 March 2021

### (a) Related party transactions (continued)

Management	Recipient organisation	Relationship to recipient organisation	Grant amount 2021 \$	Grant amount 2020 \$
Lisa-Maree Fleck			-	-
			-	-

### (b) Trustees remuneration

Trustees have received remuneration for their services to the value of \$57,697 during the year (2020: \$62,475)

### (c) Key management compensation

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

*Key management personnel compensation includes the following expenses:*

	2021 \$	2020 \$
Salaries and other short-term employee benefits	154,740	150,573
Termination benefits	-	-
Post-employment benefits	-	-
Other long-term benefits	-	-
<b>Total remuneration</b>	<b>154,740</b>	<b>150,573</b>
<b>Number of persons recognised as key management personnel</b>	<b>9</b>	<b>9</b>

## 13 Contingent assets and contingent liabilities

The Foundation has no contingent assets or contingent liabilities (2020: none).

## 14 Commitments

In March 2021 the Foundation had ordered 10 new gaming machines at a cost of \$243,860. Supply was dependent on receiving Department of Internal Affairs licensing to operate the machines (there were no commitments at the end of the 2020 year).

## 15 Coronavirus pandemic - COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) pandemic and two weeks later the New Zealand Government declared a State of National Emergency. As a result, economic uncertainties have arisen which will negatively affect our operations and services.

We describe below the effects that we have identified on ILT Foundations as a result of the COVID-19 pandemic.:

1. Our gaming venues were in lockdown from Monday 23 March 2020 and didn't recommence until 21 May 2020 on a limited basis. Full operations were underway when COVID-19 Level 1 restrictions came into place from 10 June 2020 but there were some subsequent periods of Level 2 restrictions during the year. The net effect on revenue for the 2021 financial year was a reduction in revenue by \$1,422,574 or 14.2%. Gaming machine revenue has returned to near the same levels as pre COVID-19 over the 3 month period to 31 March 2021. We are expecting this level of revenue to continue during the coming year, providing that we do not return to any higher Level restrictions because of any further coronavirus outbreaks in New Zealand.

### 15 Coronavirus pandemic - COVID-19 (continued)

2. Some of the Foundation's operating expenses were reduced in 2021 because of the reduction to income. Variable costs did reduce such as gaming duty, problem gambling revenue, venue rental and expenses and maintenance costs on machines. Most fixed costs, including salaries and wages, continued at similar levels to the pre COVID-19 months. The ILT Foundation's operating expenses are now back to normal pre COVID-19 levels.

3. The ILT Foundation's operations and activities have continued and are forecast to remain profitable. Net profit available for distribution for the 31 March 2022 financial year is forecast to rise to \$4.4m from the \$4.2m recorded in 2021, providing there are no long periods of trading restrictions because of any further outbreaks of COVID-19.

4. Grants to the community were reduced during the 2020/2021 year simply due to the decrease in profit. These will increase again in the 2021/2022 year due to the forecast increase in available profit. All profits from gaming need to be distributed within three months of profit being generated.

5. We have assessed whether the decrease in cash flows during the 2021 year has resulted in impairment of the Foundation's assets. We conclude that the forecast cash flows for the 2022 year continue to support the carrying value of the gaming machines and no impairment is required.

### 16 Events after the reporting period

In April 2021 the Foundation paid in advance for 10 new gaming machines at a cost of \$243,860. Possession and ownership of the machines remains with the suppliers until the Foundation have obtained an amended gaming licence from the Department of Internal Affairs to operate them. The licences are expected to be received in late May 2021.

# ILT Foundation

## Notes to the financial statements for the year ended 31 March 2021

17 Grants to the community	\$		\$
Alzheimers Society Southland Inc	5,000	Pacific Island Advisory Charitable Trust	6,922
Aqua Health Inc	1,050	Panthers Softball Club Inc	3,000
Arts Murihiku Charitable Trust	10,000	Paralympics New Zealand Inc	600
Ascot Community School -		Parent to Parent Southland	3,500
2021 ICT Facilitator, Professional Development &		Phoenix Synchro Southland Inc	15,000
Teaching Programme (on behalf of all Invercargill		Piping and Dancing Association NZ Inc	650
Primary Schools) and purchase of chromebooks	50,710	Pirates Old Boys Rugby Club (Invercargill) Inc	7,500
Athletics Southland Inc	2,000	Presbyterian Support Southland -	116,000
Autism New Zealand Inc	2,500	Family Works; Children's Day	
Awarua Whanau Services	10,000	Queens Park Association Football Club	2,500
Barnardos New Zealand Inc (Invercargill branch)	14,500	Queens Park Golf Club Inc	350
Blue Light Ventures Inc	955	Rape and Abuse Support Centre Southland Inc	7,500
Bowls Southland Inc	22,500	RMH South Island Trust	2,500
Bush Haven Native Bird Rehabilitation Trust	500	Road Safety Southland	2,500
Cancer Society of NZ - Otago & Southland Division Inc	10,000	Royal NZ Foundation of the Blind	2,500
CCS Disability Action Southland Inc	6,000	Royal NZ Plunket Trust (Invercargill branch)	5,000
Chamber of Commerce Southland Inc	750	Rugby Southland	255,000
City of Invercargill Highland Pipe Band Inc	22,500	SCIP Limited	750
Collegiate Rugby Football Club Inc	5,000	Shakespeare in the Park Charitable Trust	2,000
Conductive Education Southern Charitable Trust	7,500	Southern Cross Greyhound Adoptions	500
CS Art Charitable Trust	2,500	Southern Institute of Technology - 2020 Trade scholarships	55,000
Cycling Southland Inc	111,250	Southern Institute of Technology - 2021 Trade scholarships	32,500
Demons Softball Club	2,250	Southern Sou'NZ Inc	600
Diabetes New Zealand (Southland)	4,000	Southland A & P Association	2,000
Disabilities Resource Centre Southland Charitable Trust	6,250	Southland ACC Advocacy Trust	2,500
Disc Golf South Inc	1,330	Southland Amateur Rowing Association Inc	4,250
Eduk8 Southland Charitable Trust	7,500	Southland Art Society Inc	3,400
Epilepsy Association of NZ - Southland Branch	3,750	Southland Asthma Society Inc	6,000
Golf Southland Inc	12,500	Southland Badminton Association	30,000
Graeme Dingle Foundation Southland	12,500	Southland Basketball Association Inc	47,500
Great South (Southland Regional Development Agency Ltd)	17,750	Southland Beneficiaries and Community Rights	12,500
Greenacres Country Club Inc	2,100	Southland BMX Club Inc	65,000
Greenlight Innovations Ltd	250	Southland Chevrolet Club Inc	1,147
Head Injury Society of Southland Inc	5,100	Southland Christmas Parade Charitable Trust	5,500
Heritage South Trust	1,100	Southland Clay Target Club Inc	12,000
Hockey Southland Inc	37,500	Southland Community Nursery Conservation Trust	2,500
Invercargill City Charitable Trust Board -	5,000	Southland Cricket Association Inc	101,250
2020 Christmas in the Park		Southland Darts Association Inc	800
Invercargill City Council -	148,811	Southland Disability Enterprises Ltd	87,500
2021 Schools Swimming Programme		Southland District Rugby Football League Inc	22,500
Invercargill Dodgers Softball Club Inc	2,500	Southland Fire Service Museum Society Inc	2,500
Invercargill Garrison Band Inc	20,000	Southland Foodbank Charitable Trust	10,000
Invercargill Golf Club Inc	1,000	Southland Football Inc	78,750
Invercargill Harness Racing Club Inc	5,000	Southland Group NZ Riding for the Disabled Inc	7,500
Invercargill Indoor Bowls Sub Centre	625	Southland Hindi School Charitable Trust Board	3,750
Invercargill Netball Centre Inc	25,000	Southland Indoor Bowls Centre Inc	11,000
Invercargill Primary School Educational	378,000	Southland Indoor Leisure Centre Charitable Trust	300,000
Initiatives Trust - enrich@ILT		Southland Kennel Association Inc	1,000
Invercargill Repertory Society Inc	5,000	Southland Kidney Society Inc	1,500
Invercargill Secondary Schools Network Trust -	70,300	Southland Literacy Association Inc	3,000
Tertiary scholarships		Southland Motorcycle Club Inc	20,000
Invercargill Secondary Schools Network Trust	100,000	Southland Multicultural Council Inc	7,500
Invercargill Toy and Puzzle Library Inc	1,250	Southland Multiple Sclerosis Society Inc	8,750
James Hargest College - scholarship	500	Southland Power Boat Club	2,250
Jubilee Budget Advisory Service Ltd	21,940	Southland Racing Club Inc	5,000
Jubilee SuperGrans Ltd	6,000	Southland Rodeo Association Inc	5,210
Kew Bowling Club Inc	700	Southland Schools Pipe Band Programme Trust	25,350
Kiwi Family Trust	650	Southland Secondary Schools Sport	7,500
Learning Differences Aotearoa Trust	3,500	Southland Society of Model Engineers Inc	1,000
Lighthouse Southland Inc	6,250	Southland Softball Association Inc	20,000
Loss and Grief Support Trust Southland	20,000	Southland Sports Car Club Inc	10,000
Love Local Charitable Trust	2,000	Southland Stock Car Drivers Association Inc	2,750
LUG South	1,350	Southland Table Tennis Association Inc	16,000
Marklin Club Southland	1,000	Southland Tennis Association Inc	29,000
Menz Shed Invercargill Inc	5,000	Southland Triathlon and Multisport Club Inc	5,500
Motorcycling New Zealand - scholarship	3,000	Southland Workers Educational Association Inc	7,500
Murihiku Maori and Pasifika Cultural Trust	60,000	Southland Youth One Stop Shop Trust	12,500
Netball South Zone Inc	112,500	SPCA New Zealand	4,385
NZ Council of Victim Support Groups Inc	2,000	Speech Communication Association Southland Branch	1,361
NZ Family and Fostercare Federation Inc	2,500	Spirit Army	2,500
Omaui Landcare Charitable Trust	15,000	Sport Southland	158,401
Order of St John - Invercargill Area	17,539	Squash Southland Inc	22,500
Otatara Bowling Club	5,000	Stadium Southland Ltd	4,000

# ILT Foundation

Notes to the financial statements for the year ended 31 March 2021

## 17 Grants to the community (continued)

\$

Star Rugby Football Club Invercargill Inc	7,500
Storytime Foundation Trust Board	3,000
Strings of Southland Charitable Trust	1,100
Swimming Southland Inc	35,000
Talent Development Southland Charitable Trust	30,500
The Hawthorndale Care Village Charitable Trust	495,000
The Scout Association of New Zealand	3,000
The Stroke Foundation of NZ Ltd	2,415
The YMCA of Invercargill Charitable Trust	17,500
Thistle FC Inc	5,750
Touch Southland Inc	30,000
Tuurama Trust - 2021/2020 Matariki Festivals	15,000
Volleyball Southland Inc	17,500
Waihopai Association Football Club Inc	2,500
Waihopai City Lions Club Inc	2,500
Waihopai Runaka Inc	200,000
Waikiwi Rugby Football Club Inc	7,500
Windsor North School	1,250
Grants returned	-21,226
<b>TOTAL</b>	<b><u>\$4,030,475</u></b>