

2023



TRUST HOUSE
FOUNDATION

2024



**Trust House Foundation
Financial statements
for the year ended 31 March 2024**

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Trust House Foundation
Statement of profit or loss
For the year ended 31 March 2024

Statement of comprehensive revenue and expenses
For the year ended 31 March 2024

	Note	2024 \$	2023 \$
Revenue from exchange transactions			
Revenue from contracts with customers	4	10,466,635	11,138,571
Gain on sale of fixed assets		140,487	511
Gain on sale of intangible assets		4,083	-
Total Income		<u>10,611,205</u>	<u>11,139,082</u>
Operating expenses			
Finance costs	5	(3,917)	(30,874)
Finance income		57,774	30,785
Net finance (expense)		53,857	(89)
Net surplus before charitable distributions		<u>4,589,190</u>	<u>4,962,889</u>
Charitable distributions	6	<u>(4,862,461)</u>	<u>(4,717,319)</u>
Net (deficit)/surplus		<u>(273,271)</u>	<u>245,570</u>

Statement of comprehensive income
For the year ended 31 March 2024

	Note	2024 \$	2023 \$
Net (deficit)/surplus for the year		(273,271)	245,570
Other comprehensive revenue and expenses		-	-
Total comprehensive revenue and expenses for the year		<u>(273,271)</u>	<u>245,570</u>

The accompanying notes and accounting policies form part of, and should be read in conjunction with, these financial statements



Trust House Foundation
Statement of changes in equity
For the year ended 31 March 2024

Statement of changes in Net assets/equity

For the year ended 31 March 2024

	2024 \$	2023 \$
Net assets at start of year	2,000,023	1,754,453
Total comprehensive income	<u>(273,271)</u>	<u>245,570</u>
Net assets at end of year	<u>1,726,752</u>	<u>2,000,023</u>

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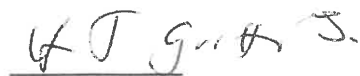


Trust House Foundation
Statement of financial position
As at 31 March 2024

Statement of financial position
As at 31 March 2024

	Notes	2024 \$	2023 \$
Current assets			
Cash and cash equivalents	9	1,974,209	2,690,995
Prepayments		<u>109,135</u>	<u>104,646</u>
Total current assets		<u>2,083,344</u>	<u>2,795,641</u>
Non-current assets			
Plant and equipment	7	925,721	1,137,153
Intangible assets	8	<u>99,413</u>	<u>106,015</u>
Total non-current assets		<u>1,025,134</u>	<u>1,243,168</u>
Total assets		<u>3,108,478</u>	<u>4,038,809</u>
Current liabilities			
Trade and other payables	12	544,500	1,044,078
Borrowings	10	-	150,000
Charitable distribution allocated		<u>837,226</u>	<u>844,708</u>
Total current liabilities		<u>1,381,726</u>	<u>2,038,786</u>
Equity			
Retained earnings	18	<u>1,726,752</u>	<u>2,000,023</u>
Total equity		<u>1,726,752</u>	<u>2,000,023</u>
Total liabilities and equity		<u>3,108,478</u>	<u>4,038,809</u>

For and on behalf of the Board



Lucy Griffiths
Deputy Chair



Leanne Southey
Trustee

The accompanying notes and accounting policies form part of, and should be read in conjunction with, these financial statements



Trust House Foundation
Statement of cash flows
For the year ended 31 March 2024

Statement of cash flows
For the year ended 31 March 2024

	Notes	2024 \$	2023 \$
Cash flows from operating activities			
Cash was provided from:			
Gaming machine revenue		10,466,635	11,138,571
Interest received		<u>57,774</u>	<u>30,785</u>
		<u>10,524,409</u>	<u>11,169,356</u>
Cash was applied to:			
Payments to suppliers		5,581,648	5,552,392
Charitable distributions		4,869,944	4,802,770
Interest paid		3,917	30,874
GST (net)		<u>(32,696)</u>	<u>10,589</u>
		<u>(10,422,813)</u>	<u>(10,396,625)</u>
Net cash inflows from operating activities	13	<u>101,596</u>	<u>772,731</u>
Cash flows from investing activities			
Cash was provided from:			
Sale of fixed assets		267,828	511
Sale of Intangible assets		<u>18,180</u>	<u>-</u>
		286,008	511
Cash was applied to:			
Purchase of fixed assets		835,528	75,941
Purchase of intangible assets		<u>118,862</u>	<u>19,014</u>
		<u>(954,390)</u>	<u>(94,955)</u>
Net cash (outflow) from investing activities		<u>(668,382)</u>	<u>(94,444)</u>
Cash flows from financing activities			
Cash was provided from:			
Cash was applied to:			
Repayments of borrowings		<u>(150,000)</u>	<u>(300,000)</u>
		<u>(150,000)</u>	<u>(300,000)</u>
Net cash inflow / (outflow) from financing activities		<u>(150,000)</u>	<u>(300,000)</u>
Net increase/(decrease) in cash held		(716,786)	378,287
Opening cash balance		<u>2,690,995</u>	<u>2,312,708</u>
Closing cash balance		<u>1,974,209</u>	<u>2,690,995</u>
Closing cash is made up of:			
Cash and cash equivalents	9	<u>1,974,209</u>	<u>2,690,995</u>

The accompanying notes and accounting policies form part of, and should be read in conjunction with, these financial statements



Trust House Foundation

Statement of service performance

Who we are

Trust House Foundation was incorporated on 22 September 2010. 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 as defined in the Gambling Act 2003.

It must comply with the terms of the Trust Deed.

The Foundation has 7 trustees that meet 6 times a year to consider and make grant decisions.

Objects and Purposes – Why we exist

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; and
- (3) to promote and provide for any authorised purpose.

Performance Targets

The following performance targets are aligned to the regulatory environment in which the Foundation operates. Meeting these targets are important to maintain registration as a Class IV gaming operator. To meet our objectives we target to make charitable distribution to all sectors (achieving target is reliant on compliant applications and priority as determined by Trustees).

Measures	2024 Target	2024 Actual	2023 Target	2023 Actual
Percentage of net profit before donations distributed	Greater than 40%	46.4%	Greater than 40%	45.2%
Ratio of Current Assets to Current Liabilities	Less than 1.5:1	1.51:1	Less than 1.5:1	1.37:1
Funding is provided to all categories:				
Arts	>5% of grants	9% (\$0.5m)	>5% of grants	8% (\$0.4m)
Community	>5% of grants	22% (\$1.1m)	>5% of grants	22% (\$1.1m)
Education	>5% of grants	14% (\$0.7m)	>5% of grants	16% (\$0.8m)
Health	>5% of grants	25% (\$1.2m)	>5% of grants	24% (\$1.2m)
Recreation and Sport	>5% of grants	30% (\$1.5m)	>5% of grants	30% (\$1.5m)

While the 2024 target of current assets to current liabilities has been exceeded, the current assets included \$243k from the sale of assets to Pelorus Trust. DIA confirm this amount is not included when assessing the ratio meaning an adjusted ratio is 1.33:1.



Statement of service performance (continued)

Disclosure of Judgements

We have made several judgements on what to include in our Statement of Service Performance. This statement summarises these judgements.

Our Statement of Service Performance reports our non-financial performance against our Mission Statement/Purpose & Objectives. Our statement uses indicators that measure our grant funding and that illustrates the impact our services have for the communities we provide grant funding. These outcomes are what enable us to achieve our purpose and objectives.

As this is our first year of preparing a Statement of Service Performance, we have focused on ensuring we have some baseline measures to compare against past years.



Statement of Accounting Policies

1 REPORTING ENTITY

The Foundation is a Charitable Trust incorporated and domiciled in New Zealand. The address of its registered office is 4 Queen Street, Masterton.

These financial statements have been prepared in accordance with the Trust Deed of the Trust House Foundation and the Gambling Act 2003.

Trust House Foundation runs a number of class IV gaming venues and distributes profits by way of charitable donations.

2 BASIS OF PREPARATION

(a) Statement of Compliance

Effective from 1 April 2023, the entity has transitioned from preparing its financial statements under New Zealand International Financial Reporting Standards (NZ IFRS) to Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) regime. The change has occurred with the focus on the charitable reporting of the Foundation and the IPSAS standards better align with the objectives of the organisation. The entity believes that PBE IPSAS provides more relevant and reliable information to its users, reflecting the entity's public benefit objectives more accurately.

Under the Accounting Standards Framework, the Foundation has determined that it is a 'tier two' entity, as the Foundation has expenses less than \$30 million.

Management has assessed the impact of the transition to PBE IPSAS and determined that the change has not resulted in any material adjustments to the amounts previously reported under NZ IFRS. As a result of the transition from NZ IFRS to PBE IPSAS, no material adjustments were required to the previously reported amounts for equity and surplus/deficit. Therefore, a reconciliation of equity and surplus/deficit for the comparative period has not been presented.

The financial statements of Trust House Foundation for the year ended 31 March 2024 were approved by the Trustees on 26 June 2024.

(b) Measurement base

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in New Zealand dollars, which is the Foundation's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest dollar.

(d) Measurement uncertainty

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. The Foundation does not believe there are significant risks in relation to these estimates or assumptions.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods in these financial statements.

Financial instruments

Financial assets and financial liabilities are recognised when the Foundation becomes a party to the contractual provisions of the financial instrument.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

The Foundation derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or Trust House Foundation has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party and Trust House Foundation has either:

- transferred substantially all the risks and rewards of the asset, or
- neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Non-derivative financial instruments

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

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through surplus or deficit, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below for receivables and trade and other payables. A financial instrument is recognised if the Foundation becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Foundation's contractual rights to the cash flows from the financial assets expire or if the Foundation transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Foundation commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Foundation's obligations specified in the contract expire or are discharged or cancelled.

Financial Assets

Financial assets within the scope of the PBE IPSAS 41 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, fair value through other comprehensive revenue and expenses or amortised costs. The classification of the financial assets is determined at initial recognition.

Trust House Foundation's financial assets are classified as financial assets at amortised costs.

Financial assets at amortised costs

Financial assets at amortised costs are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when Trust House Foundation provides money, goods or services directly to a debtor with no intention of selling the receivable. Financial assets at amortised costs are initially measured at fair value plus directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Financial assets under this category include: cash and cash equivalents and prepayments.

Impairment of financial assets

At the end of each reporting date Trust House Foundation assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset ("loss event") and the loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Trust House Foundation first assesses whether there is objective evidence of an impairment of individually significant financial assets. If it is determined that there is no objective evidence of impairment of an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and assesses them collectively for impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Foundation's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.



3 SIGNIFICANT ACCOUNTING POLICIES (continued)

Receivables

Trade and other receivables are stated at their cost less impairment losses.

Trade and other payables

Trade and other payables are initially measured at fair value.

Charitable distributions allocated

Charitable distributions allocated are recognised when grants are approved.

Charitable distributions allocated are initially measured at fair value.

Plant and equipment

Recognition and measurement

Plant and equipment consists of gaming machines and other related equipment. Plant and equipment is shown at cost, less accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated on a straight-line basis on all plant and equipment assets at a rate which will write off the cost of the assets to their estimated residual value over their useful lives. The depreciation rates for plant and equipment is 25% per annum as recommended by the Department for Internal Affairs that regulates Class IV Gaming.

Intangible assets

Intangible assets comprise of software acquired by the Foundation. Intangible assets acquired by the Foundation which have finite lives are measured at cost less accumulated amortisation and accumulated impairment losses. The amortisation rate for intangible assets is 25%, calculated on a straight-line basis, as recommended by the Department of Internal Affairs that regulates Class IV gaming.

Impairment

The carrying amounts of the Foundation's assets are reviewed at each balance sheet date to determine whether there is any objective evidence 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 Statement of comprehensive revenue and expenses.

Leases

The Foundation has leases with variable payments in relation to payments to the venue operators where Class IV gaming is conducted. As the leases have variable payments, no right of use asset nor lease liability is recognised in the Statement of Financial Position. The lease is expensed as incurred and shown as site rentals in the operating expenses. The site rental payments are for leasing the gaming room area and for services provided by the venue operator. The Foundation has elected to classify all of the site rental payments as a lease under the practical expedient available in PBE IPSAS 13.

Revenue

Gaming machine income

Revenue from gaming operations is measured at the fair value of the consideration received or receivable. Revenue is recognised when recovery of the consideration is probable.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

Tax

The Trust House Foundation is exempt from Income Tax.

Goods and services tax

These accounts are prepared on a GST exclusive basis with the exception of Trade Creditors and Capital Payables, which are stated on a GST inclusive basis. Where GST is irrecoverable as an input tax, then it is recognised as part of the related asset or expense.

The amount of GST owing to or from the Inland Revenue Department at balance date, being the difference between Output GST and Input GST, is included in Receivable or Trade and other payables (as appropriate). The net GST paid or received from the IRD including the GST relating to investing and financial activities, is classified as an operating cash flow in the Cash Flow Statement.

Charitable donations

Charitable donations are recognised when approval is given.

Borrowings

Long term debt is recognized initially at fair value, net of transaction costs incurred.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred. Interest on qualifying assets is capitalised to the asset.

4 REVENUE FROM EXCHANGE TRANSACTIONS

	2024	2023
	\$	\$
Revenue from contracts with customers	10,466,635	11,138,571
Revenue from other sources	<u>144,570</u>	<u>511</u>
Total revenue	<u>10,611,205</u>	<u>11,139,082</u>

Disaggregation of revenue from contracts with customers

The group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines in the lower North Island:

	Revenue recognised at a point in time	Revenue recognised over time	Total
	\$	\$	\$
2024			
Gaming operations:			
Gross machine profits	10,466,635	-	10,466,635
Total	<u>10,466,635</u>	<u>-</u>	<u>10,466,635</u>
	Revenue recognised at a point in time	Revenue recognised over time	Total
	\$	\$	\$
2023			
Gaming operations:			
Gross machine profits	11,138,571	-	11,138,571
Total	<u>11,138,571</u>	<u>-</u>	<u>11,138,571</u>

The performance obligation for gaming operations is satisfied at a point in time as payment is made at the time the service is rendered. There are no variable considerations, right of return, refunds, warranties or other related obligations.

There are no services provided where revenue is recognised over time.

5 OPERATING EXPENSES

	2024	2023
	\$	\$
Details of operating expenses are:		
Administration and financial	680,326	521,691
Audit Fees	18,350	17,000
Other services provided by auditor		
-Prospective financial statements review	5,200	4,734
Gaming machine licenses	137,539	139,321
Depreciation	500,443	496,476
Amortisation of intangible assets	45,214	57,625
EMS Monitoring	112,517	114,538
Loss on disposal of assets	5,031	17,771
Loss on disposal of intangible assets	12,286	3,448
Service maintenance & insurance expenses	231,873	207,968
Gaming machine duty	2,407,326	2,561,871
Problem gambling levy	129,996	129,111
Site rentals	1,674,661	1,780,249
Trustees fees and expenses	115,110	124,301
	<u>6,075,872</u>	<u>6,176,104</u>

6 CHARITABLE DISTRIBUTIONS

	2024	2023
	\$	\$
Charitable distributions approved	4,950,812	5,046,550
Add back - distributions not uplifted	(39,777)	(267,899)
- distributions refunded	(48,574)	(61,332)
	<u>4,862,461</u>	<u>4,717,319</u>

Refer to Note 19 for a full list of grants approved.

Net grants approved of \$4,950,812 represents 46.40% of total revenue.



7 PLANT AND EQUIPMENT

	Furniture and plant \$
Cost	
Balance at 1 April 2022	4,623,555
Additions	465,223
Disposals	<u>(397,263)</u>
Balance as at 31 March 2023	<u>4,691,515</u>
Balance at 1 April 2023	4,691,515
Additions	421,383
Disposals	<u>(970,196)</u>
Balance as at 31 March 2024	<u>4,142,702</u>
Depreciation and impairment losses	
Balance as at 1 April 2022	3,437,377
Depreciation for the year	496,476
Disposals	<u>(379,491)</u>
Balance as at 31 March 2023	<u>3,554,362</u>
Balance as at 1 April 2023	3,554,362
Depreciation for the year	500,443
Disposals	<u>(837,824)</u>
Balance as at 31 March 2024	<u>3,216,981</u>
Carrying amounts	
As at 31 March 2023	<u>1,137,153</u>
As at 31 March 2024	<u>925,721</u>

8 INTANGIBLE ASSETS

	Gaming software \$
Cost	
Balance as at 1 April 2022	399,845
Additions	72,880
Disposals	<u>(32,495)</u>
Balance at 31 March 2023	<u>440,230</u>
Balance as at 1 April 2023	440,230
Additions	64,995
Disposals	<u>(171,415)</u>
Balance at 31 March 2024	<u>333,810</u>
Amortisation and impairment losses	
Balance as at 1 April 2022	305,637
Amortisation charge for the year	57,625
Disposals	<u>(29,047)</u>
Balance at 31 March 2023	<u>334,215</u>
Balance as at 1 April 2023	334,215
Amortisation for the year	45,214
Disposals	<u>(145,032)</u>
Balance at 31 March 2024	<u>234,397</u>
Carrying amounts	
As at 31 March 2023	<u>106,015</u>
As at 31 March 2024	<u>99,413</u>



9 CASH AND CASH EQUIVALENTS

These comprise of deposits held on call at banks.

10 BORROWINGS

	2024 \$	2023 \$
Current liabilities		
Loan from related parties	-	150,000
	-	150,000

The loan from Trust House Limited as at 31 March 2024 has been repaid.



11 FINANCIAL INSTRUMENTS

Classification and fair value

The carrying amount of financial instruments approximates their fair value.

Liquidity risk

Exposure to liquidity risk arises in the normal course of the Foundation's business.

Liquidity risk represents the Foundation's ability to meet its contractual obligations. The Foundation evaluates its liquidity requirements on an ongoing basis. In general, the Foundation generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has credit lines in place to cover potential shortfalls.

The following table sets out the contractual cash flows for all financial liabilities.

Other risks

The Foundation is not exposed to other substantial risk in relation to credit risk, market risk or interest rate risk.

2024	12 months or less	1 - 2 years	2 - 5 years	More than 5 years	Contractual cash flows	Carrying amount liabilities
Trade and other payables	119,340	-	-	-	119,340	119,340
Charitable distributions payable	837,226	-	-	-	837,226	837,226
Borrowings	-	-	-	-	-	-
Total	<u>956,566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>956,566</u>	<u>956,566</u>
2023	12 months or less	1 - 2 years	2 - 5 years	More than 5 years	Contractual cash flows	Carrying amount liabilities
Trade and other payables	568,496	-	-	-	568,496	568,496
Charitable distributions payable	844,708	-	-	-	844,708	844,708
Borrowings	156,613	-	-	-	156,613	156,613
Total	<u>1,569,817</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,569,817</u>	<u>1,569,817</u>



12 TRADE AND OTHER PAYABLES

	2024	2023
	\$	\$
Gaming machine duty payable	209,338	287,596
Problem gambling levy	13,000	17,860
Goods and services tax payable	202,822	170,126
Audit fees payable	17,108	17,000
Trade creditors	102,232	83,486
Capital payables	-	414,144
Intangible payables	-	53,866
	<u>544,500</u>	<u>1,044,078</u>

13 RECONCILIATION OF NET SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024	2023
	\$	\$
Net (deficit)/surplus for the year	(273,271)	245,570
Add non-cash items		
Depreciation	500,443	496,476
Amortisation	45,214	57,625
	<u>545,657</u>	<u>554,101</u>
Add/(less) movement in working capital items		
(Increase) in debtors and prepayments	(4,486)	(17,204)
(decrease)/Increase in charitable distribution payable	(7,482)	(85,451)
Increase/(decrease) in payables and accruals	(31,568)	55,007
	<u>(43,536)</u>	<u>(47,648)</u>
Add/(less) investing activities		
Loss on sale of intangible assets	8,203	3,448
Loss/(Profit) on sale of plant and equipment	(135,456)	17,260
	<u>(127,253)</u>	<u>20,708</u>
Net cash inflow from operating activities	<u>101,597</u>	<u>772,731</u>

14 LEASES

The Foundation does not have any term commitment in relation to leases. It did however pay, in a manner prescribed by the Department of Internal Affairs, site rentals for the gaming in the Trust House Limited, Rimutaka Licensing Trust and other independent venue operators premises where its gaming machines are located. Details of these payments are in Notes 5 and 16.

The payments for site rentals are entirely variable and the maximum payment is the lessor of 1.28% of Gaming Turnover (before payouts) or 16% of Gross Machine Profits (revenue) for each venue. Lease payments will therefore vary in direct proportion to revenue. These payments are the maximum allowed under the Class IV gaming regulations. These lease payments are presented in operating activities in the statement of cash flows.

15 CONTINGENT LIABILITIES AND COMMITMENTS

The Trust House Foundation has no contingent liabilities or commitments as at 31 March 2024 (2023: Nil).



16 RELATED PARTY TRANSACTIONS

Parent and ultimate controlling party

The Foundation is considered to be a controlled entity of Trust House Limited. The ultimate controlling party is the Masterton Community Trust.

(a) Trust House Limited

- (i) The Trust House Foundation is an independent Charitable Trust. Three Trustees of the Trust House Foundation are also Directors of Trust House Limited.
- (ii) Trust House Limited is also responsible for administering the Foundation. Site rental payments between this Foundation and Trust House Limited are carried out on a commercial and arms-length basis.
- (iii) The Trust House Foundation paid \$500,000 for management fees to Trust House Limited in 2023/24 (2022/23: \$400,000).
- (iv) In 2023/24 the Trust House Foundation paid site rentals of \$1,309,422 to Trust House Limited (2022/23: \$1,373,641).
- (v) In March 2021 Trust House Foundation borrowed \$600,000 from Trust House Limited. The funds were primarily used to purchase gaming machines and equipment for a new venue that the Foundation gained. For detailed terms and conditions of the loan please refer to Note 10.
- (vi) As at 31 March 2024, Trust House Foundation owed Trust House Limited \$25,478 (2022/23: \$179,456).

(b) Rimutaka Licensing Trust / Rimutaka Trust

- (i) One Trustee from the Rimutaka Licensing Trust is also a Trustee of the Trust House Foundation.
- (ii) In 2023/24 the Trust House Foundation paid site rentals of \$96,461 to the Rimutaka Licensing Trust (2022/23: \$99,267).
- (iii) As at 31 March 2024, the Trust House Foundation owed the Rimutaka Licensing Trust \$1,296 (2022/23: \$2,452).

(c) Masterton Community Trust

- (i) Four Trustees from the Masterton Community Trust are also Trustees of the Trust House Foundation.

(d) Transactions with key management personnel

The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

Lucy Griffiths, a Trustee of Trust House Foundation, is the spouse of a major shareholder in Technology Solutions which provides technology services and hardware to Trust House Foundation. During the year Trust House Foundation paid Technology Solutions \$41,115 (2022/23: \$30,138). The amount outstanding at year end was \$207 (2023: \$0).



16 RELATED PARTY TRANSACTIONS (continued)

Key management personnel compensation

The Trustees of the Foundation are not remunerated for their work on the Trust House Foundation board, they are remunerated for their work on regional net proceeds committees and the amount of fees paid for this are shown below.

	2024	2023
	\$	\$
Mena Antonio	6,000	6,790
Litea Ah-Hoi	-	13,400
Tom Jones	8,000	8,000
Jaistone Finau	15,480	10,740
Karl Taucher	8,000	8,000
Lucy Griffiths	15,480	14,690
Jock Kershaw	-	3,500
Bert Lincoln	8,000	8,000
Rebecca Johnson	-	6,000
Leanne Southey	6,000	-
	<u>66,960</u>	<u>79,120</u>

Fees paid to members of the regional net proceeds and advisory committees who are not Foundation board members in 2023/24 \$48,150 (2022/23 \$45,181). Comparative information may differ from previously audited financial statements due to the appointment of Trustees during the financial year and the inclusion of their prior year related party transactions in comparative costs

17 CAPITAL MANAGEMENT

The Foundation's capital includes retained earnings. Equity is represented by net assets. The Foundation manages its revenues, expenses, assets, liabilities and general financial dealings prudently. The Foundation equity is largely managed as a by-product of managing revenue, expenses, assets and liabilities.

18 RETAINED EARNINGS

Gaming machine proceeds are generated in the premises of Trust House Limited, Rimutaka Licensing Trust and other independent operators. Trust House Foundation has established regional net proceeds committees in Masterton, Rimutaka, Flaxmere and Porirua. Regional net proceeds committees consider grant applications from their area and make recommendations to the Trust House Foundation board. The Trust House Foundation board considers these recommendations and may or may not approve them.

19 GRANTS APPROVED

Grants approved Masterton

Access Radio Wairarapa	8,000
Air Training Corps Assn Masterton Branch 21 Squadron	2,600
All Kiwi Sports Club Inc	20,000
Alzheimers Society Manawatu	8,000
Aratoi Regional Trust	55,000
Athletics Masterton Inc	1,000
Autism New Zealand - Wellington and Wairarapa	4,000
Bowls Wairarapa Inc	5,000
Bush Sports Club Inc	10,000
Camp Quality New Zealand	5,400
Cancer Society of New Zealand Manawatu Centre Inc	10,000
Carterton Baptist Church	4,000
Carterton District Business Inc (Go Carterton)	2,600
Carterton District Council	4,000
Carterton Golf Club Inc	7,000
Carterton Playcentre	3,000
Carterton School	7,500
Carterton Village Charitable Trust	10,300
Castlepoint 4 Beach Wheels Charitable Trust	8,000
Castlepoint Golf Club Inc	18,000
CCS Disability Action Wairarapa Inc	5,000
Celtic Marist Netball Club	2,700
ChangeAbility Inc	30,000
Child Cancer Foundation Incorporated	6,000
Choirs Aotearoa New Zealand Trust	2,500
Cobblestones Museum	10,000
Country Village Heaven	25,000
Dalefield Hockey Club	15,000
Destination Wairarapa Inc	75,000
Divine River Ltd	5,000
Douglas Villa Association Football Club Inc	30,000
Dressage Wellington	7,520
East Coast RFC, Wairarapa	2,500
Eastside Community Group	3,000
Eketahuna Home and School Association	20,000
Eketahuna Tui's Womens Hockey Team	2,000
Elevate Wairarapa Community Trust	18,000
Epilepsy Association of New Zealand Incorporated	2,500
Eventing Wairarapa	2,500
Featherston Amateur Wrestling Club Inc	5,000
Featherston Booktown Trust	40,000
Featherston Hockey Club Inc	3,300
Featherston Memorial RSA Inc	8,664
Film Talks	13,000
Friends of the Queen Elizabeth Park Inc	15,000
Giants Softball Club	5,000
Gladstone & Districts Sports & Social Club Inc	12,000
Gladstone School Board of Trustees	5,000
Gladstone Womens Hockey Club	1,250
Good Lives Wairarapa Charitable Trust	2,500
Greater Wellington Backcountry Trust Inc	3,500
Greater Wellington Neighbourhood Support Trust	5,000
Greytown Early Years Inc	3,000
Greytown Football Club Inc	1,955
Greytown Junior Football Club Incorporated	4,000
Greytown Junior Soccer Club	3,000
Greytown Little Theatre Society	90,000
Greytown Menz Shed	5,566

19 GRANTS APPROVED (continued)

Greytown School Board of Trustees	10,000
Heart of Arts Inc	1,200
Hinetearorangi Te Kohanga Reo	1,200
Hokai Tahī Charitable Trust	8,000
House of Science Wairarapa Charitable Trust	10,000
Huntingtons Disease Association Wellington Inc	2,000
IDFNZ Kids Foundation	1,500
Kahungunu Ki Wairarapa	7,000
Kidz Need Dadz Charitable Trust NZ Inc	2,500
King Street Artworks Inc	30,000
Ko te Aroha Trust	10,890
Kuranui College Board of Trustees	10,000
Lakeview School Board of Trustees	12,000
Lansdowne Cricket Club Inc	4,000
Learn and Live Ministries Charitable Trust Inc	44,000
Leaving The Ladder Down Charitable Trust	10,000
Leukaemia and Blood Cancer New Zealand	4,500
Lions Club of Martinborough Charitable Trust	1,000
Little Dog Barking Theatre Charitable Trust	3,500
Live Like The River Flows Charitable Trust	2,488
Mahunga Golf Club Inc	10,000
Makoura College Board of Trustees	42,000
Marist Old Boys	4,500
Marist Rugby Football Club Masterton Inc	6,000
Martinborough Golf Club Inc	20,000
Martinborough Music Festival Trust	8,000
Martinborough Toy Library	4,100
Martinborough Waiwaste and Food Bank Charitable Limited	9,000
Masterton Agricultural & Pastoral Association	65,000
Masterton Bridge Club Inc	3,000
Masterton Christian Fellowship Trust	5,000
Masterton Community Church	18,000
Masterton Community Toy Library Inc	5,000
Masterton District Council	64,280
Masterton Loved 4 Life Chapter 11	2,250
Masterton Morehu Komiti Whaiti	6,500
Masterton Racing Club Inc	5,000
Masterton Red Star Rugby Club	15,000
Masterton Squash Rackets Club Inc	10,000
Maungaraki Junior Youth Darts	5,000
Montfort Trimble Foundation	20,000
Motuoru Trust	600
Netball Wairarapa Inc	40,000
New Zealand Equestrian Federation Inc - Wairarapa	14,000
New Zealand Riding for the Disabled Association Incorporated	5,000
New Zealand Young Farmers East Coast Region)	5,000
Ngai Tumapuhia a rangi Hapu Incorporated	5,400
NZ Council of Victim Support Groups Inc.	5,653
Opaki Netball Club	900
Pahiatua Railcar Society Inc	33,000
Pahiatua School Board of Trustees	12,500
Pahiatua Senior Football Club	2,500
Parents of Vision Impaired NZ	4,000
People First New Zealand Inc	4,500
Pioneer Sports Club Inc	15,000
Presbyterian Support Central	20,000
Pukaha National Wildlife Centre	75,000
Queen Elizabeth Park Sports Centre Inc	2,500
Rangitane o Wairarapa Inc Iwi Development	40,000
Red Star Hockey	3,000
Red Star Sports Association Inc	6,000



19 GRANTS APPROVED (continued)

Regenpreneur Ltd	4,000
Riversdale Beach Golf Club	10,000
Riversdale Surf and Lifesaving Club Inc	8,748
Road Safety Education Ltd	4,000
Ronald McDonald House Charities New Zealand Trust	4,000
Royal New Zealand Plunket Trust Wairarapa	7,530
Royal New Zealand Returned and Services Association Incorporated	6,000
Ruamahanga Restoration Trust	12,000
Shear History Trust	5,000
Shelter Masterton Inc.	5,000
South Wairarapa Pipe Band	3,135
St John Wairarapa District	10,000
Supporting Families In Mental Illness NZ (SFNZ) Ltd	22,000
Sustainable Wairarapa	5,000
Te Awhina Cameron Community House Inc	57,000
Te Kura Kaupapa Maori o Wairarapa	5,000
Te Kura o Papatuanuku Wairarapa Earth School Charitable Trust	10,000
Te Omanga Hospice Trust	1,958
The Carter Society Inc	60,000
The Carterton District Historical Society Inc	7,000
The Catwalk Spinal Cord Injury Trust	3,000
The Duke of Edinburgh's Hillary Award	5,000
The Girl Guides Association New Zealand Incorporated	3,000
The New Zealand Film Festival Trust	2,000
The Pahiatua Marae Inc	3,000
The Rare Disorders New Zealand Trust	3,600
The Scout Association of New Zealand	4,000
The Songbirds	2,200
The Stroke Foundation of New Zealand Ltd	12,000
Wainuioru Play Group	4,000
Wairarapa Balloon Society Inc	13,000
Wairarapa Bush Rugby Football Union Inc	75,000
Wairarapa Citizens Advice Bureau	1,251
Wairarapa Community Centre Trust	20,000
Wairarapa Cricket Association Inc	55,000
Wairarapa Dragon Boat Club Inc	5,000
Wairarapa Endurance & CTR Club	7,000
Wairarapa Fern & Thistle Pipe Band	3,978
Wairarapa Harness Racing Club Inc	4,500
Wairarapa Hockey Association Inc	28,000
Wairarapa Mathematics Association	2,000
Wairarapa Parents Centre Inc	5,000
Wairarapa Quilters Inc	6,000
Wairarapa Racing Club Inc	30,000
Wairarapa REAP	3,500
Wairarapa Region Darts (Region 11)	2,500
Wairarapa Secondary School Sport	6,500
Wairarapa Sports Artificial Surface Trust	120,000
Wairarapa Tennis Assn Inc	8,000
Wairarapa Track and Field Inc	8,000
Wairarapa United Football Club Inc	30,000
Wairarapa Women's Centre	7,713
Wairarapa Womens Rugby	5,300
Wairarapa Youth Charitable Trust	33,000
Waiwaste Inc	20,000
Wellington Free Ambulance Service Inc	100,000
Wellington Museums Trust Inc	5,000
Wellington Swimming Association	11,300
Whaiora Whanui GP Services	4,500
Whakaoriori Scout	10,000
Whanau Manaaki Kindergartens - Carterton	2,500



19 GRANTS APPROVED (continued)

Y M C A Central Inc Masterton	9,250
Youthline Central North Island Inc	<u>30,000</u>
Total grants approved Masterton	<u>2,444,279</u>

Grants approved Porirua

Adventure School	5,000
Age Concern Wellington	18,237
Aphasia New Zealand (Aphasianz) Charitable Trust	5,000
Aser-Tatou Development Trust	25,000
Asthma NZ	25,000
Barnardos NZ	10,000
Big Brother Big Sister of New Zealand	15,000
Big Buddy Mentoring Trust	8,000
Bishop Viard College	25,000
Cancer Society of NZ Wgtn Division Inc	10,000
Central Sports Club Incorporated	5,000
College Sport Wellington	7,500
Dementia Wellington Charitable Trust	10,000
Diabetes New Zealand	10,000
Dress for Success Wellington	5,000
Endo Warriors Aotearoa	5,033
English Language Partners New Zealand	15,600
Environmental Education for Resource Sustainability Trust	4,561
First Titahi Bay Scout Group	4,199
Glenview School	4,319
Glenview School, on behalf of Porirua Community Navigator	22,000
Graeme Dingle Foundation Wellington	10,000
Growing Places Charitable Trust	52,000
Holy Family School	20,000
Kapi-Mana Music Festival Charitable Trust	2,284
Kidscan Charitable Trust	15,000
Kiwi Community Assistance Charitable Trust	41,666
Life Education Trust North Wellington	25,000
Mahinawa Specialist School and Resource	5,000
Mana Cycle Group Inc	25,000
Mana Kayak Racing Club Inc	3,000
Mana Squash Rackets Club Inc	6,000
Mana Volunteer Coastguard Inc	20,000
Mary Potter Hospice	30,000
National Heart Foundation of New Zealand	5,000
New Zealand Riding for the Disabled Association Incorporated	5,000
Nga Uri o Whiti Te Ra Mai Le Moana	50,000
Ngatitoo Tennis Club Inc	30,000
Northern United Netball Club	7,188
Northern United Rugby Football Club Inc	30,000
NZ Barbarians U15s Boys Porirua Tag Team	1,000
NZ Council of Victim Support Groups Inc.	9,328
Orange Sky New Zealand	22,458
Pacific Heat Sports Club	2,400
Papakowhai School	6,000
Paremata Plimmerton RFC	20,000
Parkinson's New Zealand	10,000
Partners Porirua Charitable Trust	75,000
Pataka Foundation	15,000
Plimmerton Croquet Club Inc	3,000
Porirua Basketball Association	45,000



19 GRANTS APPROVED (continued)

Porirua Canoe Kayak Club Inc	2,800
Porirua City Council	80,618
Porirua City Tag NZTFI Module Inc	8,000
Porirua City United Softball Club Inc	979
Porirua College Board of Trustees	20,000
Porirua Grand Traverse Trust	20,000
Porirua Living Without Violence	28,749
Porirua Panthers Sportszone	3,030
Porirua Primary Schools Sports Association	1,052
Porirua Rowing Club	12,000
Porirua Whanau Centre Trust	30,000
Porirua Women & Family Centre	20,000
Postgate School Board	20,000
Rangikura School	20,000
Royal New Zealand Plunket Trust	6,000
Sailability Wellington Trust	2,927
Shoebox Christmas Trust	22,000
Special Olympics Mana	30,000
Sri Lanka Association of New Zealand (SLANZ) Inc	1,474
St George Rugby League Football Club	8,000
St Theresa's School Board of Trustees	2,510
Tawa Hockey Club Inc	3,679
Tawa Intermediate School	10,000
Tawa Progressive and Ratepayers Assn Inc	10,224
Tawa Rugby Football Club Inc	10,000
Tawa Services Bowling Club Inc	6,514
Tawa Swimming Club	10,000
Tawa Tennis Club Inc	5,590
Te Ao Marama Montessori Trust	10,000
Te Awarua-o-Porirua Harbour & Catchments Community Trust	1,000
The Gift Trust	10,000
The Girl Guides Association New Zealand Incorporated	5,000
The House OF Grace Trust Inc	10,000
The Plimmerton Boating Club	3,400
The Rare Disorders New Zealand Trust	10,000
The Scout Association of New Zealand	10,000
Titahi Bay Surf Life Saving Club Inc	15,580
Titahi Bay Tennis Club Inc	4,000
Titahi Golf Club Inc	16,428
Victoria University of Wellington Cook Island Students Assn	10,000
Wellfed NZ Trust	92,382
Wellington Hockey Association	6,000
Wellington Northern Region Polyfest Trust	30,000
Wellington Regional Orchestra Foundation	3,665
Wellington Rugby Football Union Inc	10,000
Wellington Rugby League	10,000
Wellington Samoa Seventh Day Adventist Church	4,000
Wellington Volunteer Centre	12,000
Wesley Wellington Mission Inc	9,000
Western Suburbs Football Club	30,000
Whanau Manaaki Kindergartens - Titahi Bay	4,500
Whare Manaaki Inc	7,070
Whitby Bowling Club Inc	3,250
Whitby Tennis Club Incorporated	6,000
YMCA Central Inc	12,950
Zonta Club Of Mana	1,389
Total grants approved Porirua	<u>1,574,533</u>



19 GRANTS APPROVED (continued)

Grants approved Rimutaka

Akatarawa Scout Group	6,000
Big Brothers Big Sisters Wellington	5,400
Big Buddy Mentoring Trust	10,000
Birchville Community Gardens Inc	2,573
Heretaunga Players Inc	2,000
Hutt Valley Canoe Club	4,714
Hutt Valley Women's Refuge	3,000
Moonshine Rod and Custom Club Inc	7,457
New Zealand Riding for the Disabled Association Incorporated	5,000
Nourish Trust	5,250
Rimutaka Gymsports Inc	46,036
Rimutaka Inline Hockey Club Inc	3,000
Te Marua Golf Club Inc	20,000
The Girl Guides Association New Zealand Incorporated	4,000
The Scout Association of New Zealand	8,000
Top Schools Cluster	43,824
Trentham United Harrier Club Inc	4,852
Upper Hutt Community Youth Trust	6,000
Upper Hutt Darts Association Incorporated	6,050
Upper Hutt Foodbank Inc	10,000
Upper Hutt Rams Rugby Football Club	7,141
Upper Hutt Toy Library Inc	4,237
Upper Hutt Women's Centre Inc	43,000
Wellington Kart Club Inc	9,600
Wellington Vintage Machinery Inc	13,025
Whirinaki Whare Taonga	20,000
Total grants approved Rimutaka	<u>300,159</u>

Grants approved Flaxmere

Adaptive Whakauru Trust	11,000
Age Concern (Flaxmere) Inc	8,700
Arts Inc Heretaunga Inc	1,200
Big Brothers Big Sisters of Hawke's Bay	3,000
Birchleigh Polo	6,000
Birthright (HB) Child and Family Care Trust	10,000
Cancer Society of New Zealand Hawkes Bay Centre Inc	15,000
Christian Lovelink Napier Hastings inc.	5,000
Citizens Advice Bureau Hastings Inc	20,000
Diocese of Palmerston North - CPOH	5,000
Family Violence Intervention and Prevention Charitable Trust	30,000
Family Works Hawkes Bay (Presbyterian Support East Coast)	25,000
Flaxmere Baptist Community Fund	8,000
Flaxmere College	40,000
Flaxmere Community Patrol	32,500
Flaxmere Mana Wahine Softball	6,000
Flaxmere Planning Committee	34,000
Flaxmere Softball Club	4,884
Got Drive Community Trust	12,000
Hastings Boy's High School	3,859
Hastings District Council	61,500
Hastings Group Riding for the Disabled Assn Inc	5,000
Hawkes Bay Community Fitness Centre Trust	16,000
Hawkes Bay Rugby Football Union Inc	15,000
Heretaunga Kindergarten Association Inc Peterhead Kindergarten	7,153
Heretaunga Women's Centre	6,049
Hibernian AFC Inc	3,500



19 GRANTS APPROVED (continued)

It Takes Time	6,000
Kimi Ora Community School	10,000
Ko Wai Tou Ingoa Hauora Charitable Trust	3,500
Maca Sports Leadership Charitable Trust	1,000
Napier Civic Choir Inc	2,900
New Zealand Riding for the Disabled Association Incorporated	5,000
Ngati Kahungunu Iwi Inc	10,000
NZ Council of Victim Support Groups Hawkes Bay	4,000
NZ Council of Victim Support Groups Inc.	11,744
One Voice Community Services Trust	10,000
Prima Volta Charitable Trust	22,643
Re-Source	20,000
Royal New Zealand Plunket Trust	11,000
Sustaining Hawke's Bay Trust	5,000
Taiao Combat Academy	15,000
Tamatea Rugby League Club Inc	4,000
Te Aho O Te Kura Pounamu	4,513
Te Ha Ora The Asthma and Respiratory Foundation Charitable Trust	3,834
The Cranford Hospice Trust	54,862
The Girl Guides Association New Zealand Incorporated	1,500
The Hawkes Bay Golf Club Inc	10,000
Wharariki (Flax) Trust	<u>20,000</u>
Total grants approved Flaxmere	<u>631,841</u>
Total grants approved	4,950,812
Reversed / reduced	<u>(39,777)</u>
	<u>4,911,035</u>

20 SUBSEQUENT EVENTS

There have been no subsequent events between the date of the financial statements and the date of the auditors report.



Independent Auditor's Report

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To the Board of Trustees of Trust House Foundation

The Auditor-General is the auditor of Trust House Foundation (the Foundation). The Auditor-General has appointed me, Brent Kennerley, using the staff and resources of Grant Thornton, to carry out the audit of the Foundation's annual report on the conduct of class 4 gambling for the year ended 31 March 2024, on his behalf.

Opinion

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

- the itemised statement of the application or distribution of net proceeds from class 4 gambling for authorised purposes for the year ended 31 March 2024 of the Foundation on pages 2 to 5 and 8 to 27: and
- the statement of financial position as at 31 March 2024, statement of comprehensive income; statement of changes in net assets/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.
- the performance information which report against the Foundation's statement of performance expectations for the year ended 31 March 2024 on pages 6 to 7.

In our opinion the Foundation's:

- itemised statement of the application or distribution of net proceeds from class 4 gambling for authorised purposes is prepared, in all material respects in accordance with the requirements of the Gambling Act 2003; and
- financial statements:
 - present fairly, in all material respects:
 - its financial position as at 31 March 2023; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with New Zealand International Public Sector Accounting Standards
- the Foundation's performance information for the year then ended 31 March 2024:
 - present fairly, in all material respects;
 - its standards of delivery performance achieved as compared with forecasts included in the statement of service performance expectations for the financial year; and
 - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year;
 - complies with generally accepted accounting practice in New Zealand

Our audit was completed on **27 June 2024**. This is the date at which our opinion is expressed.

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

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor for the audit of the annual report on the conduct of class 4 gambling section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

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

The Trustees' responsibilities arise from the Gambling Act 2003.

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

Our objectives are to obtain reasonable assurance about whether the annual report on the conduct of class 4 gambling, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of this annual report on the conduct of class 4 gambling.

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

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

- We identify and assess the risks of material misstatement of the annual report on the conduct of class 4 gambling, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual report on the conduct of class 4 gambling or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- We evaluate the overall presentation, structure, and content of the annual report on the conduct of class 4 gambling, including the disclosures, and whether the annual report on the conduct of class 4 gambling represent the underlying transactions and events in a manner that achieves fair presentation.

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

Our responsibilities arise from the Public Audit Act 2001.

Independence

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

In addition to the audit, we have carried out an agreed upon procedures engagement in respect of the Foundation's forecast financial statements, which are compatible with those independence requirements. Other than the audit and this engagement, we have no relationship with or interests in the Foundation.



Brent Kennerley
Grant Thornton New Zealand Audit Limited
On behalf of the Auditor-General
Wellington, New Zealand