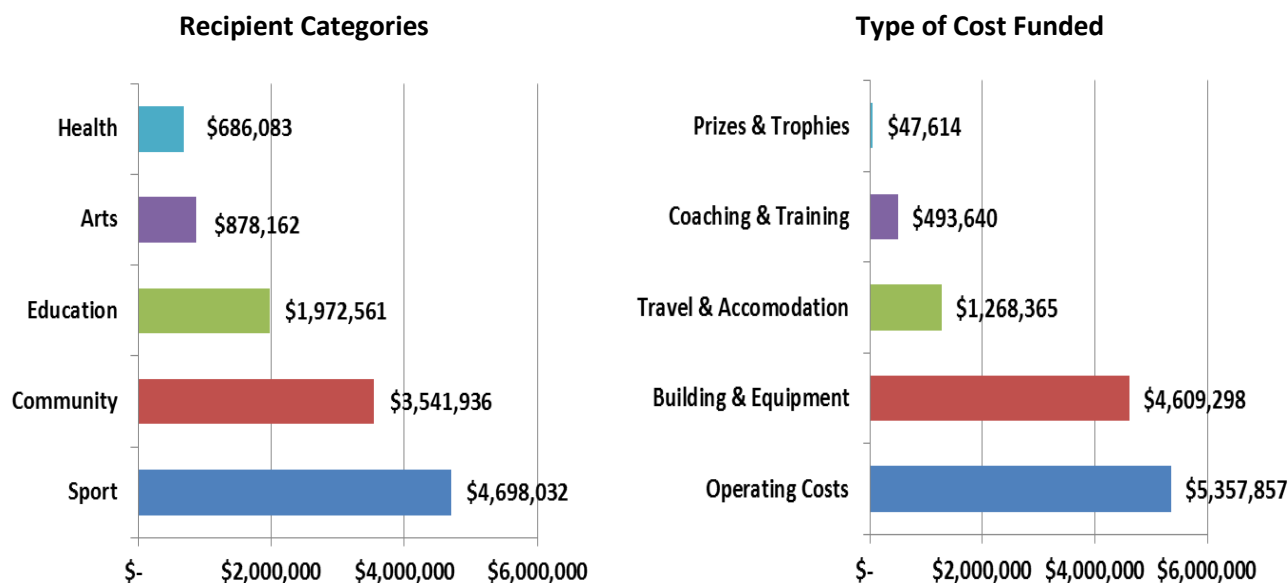


## THE SOUTHERN TRUST 2014 FUNDING SUMMARY



For the year ended 31 December 2014 The Southern Trust granted \$11.777 million in funding to 1,391 community groups and organisation around New Zealand, which represents a return of 43.1% on total revenue. In addition, \$8.997 million was contributed directly into the Government's consolidated fund in the form of gaming duty and GST, and \$409,000 was paid in problem gambling levies.

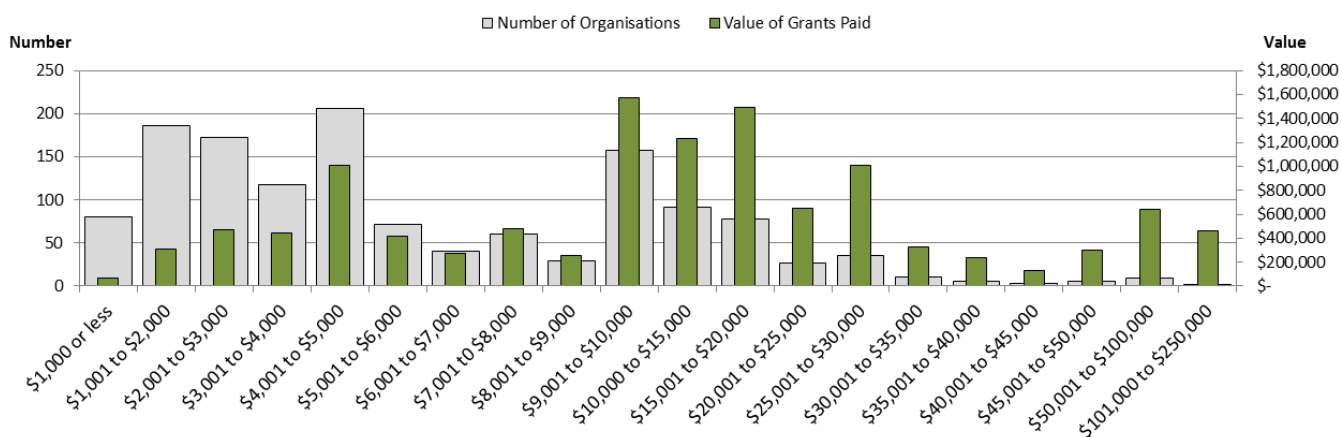
### What sort of activities and items were funded?



### How many and how big were the grants?

The Trust funded a wide variety of organisations with grants ranging in size from \$280 to \$250,000. In volume terms 81% of grants were for \$10,000 or less and in dollar terms 82% of grants paid were \$30,000 or less. The largest contributions were \$215,000 to the Foundation for Youth Development and \$250,000 to the Halberg Disability Sport Foundation. While large in dollar terms the grants to these organisations represent 3.9% of the total grants paid and the Trust continues to return 95% of net proceeds back into the communities in which they were raised.

### Value, Number and Size of Grants



## THE SOUTHERN TRUST 2014 FUNDING SUMMARY

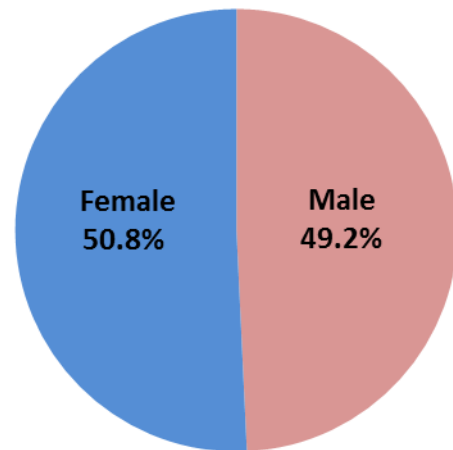


A robust and rigorous grants application process ensures that funds are only distributed for authorised purposes and a follow-up audit checks that the funding was applied appropriately and unspent funding returned.

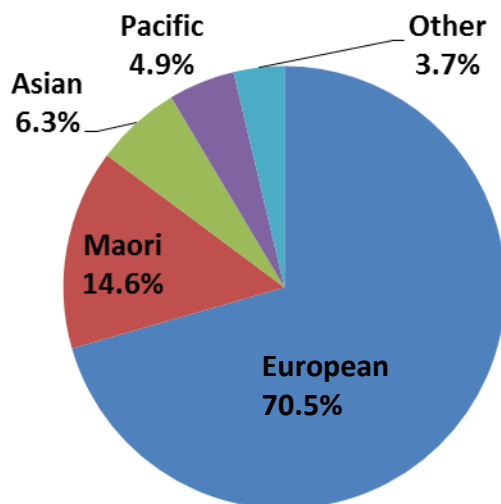
### How diverse were the organisations and communities funded?

Based on membership and population data supplied by grant applicants it is estimated that the benefits provided through the funding reached or were available to the equivalent of 7.868 million people.

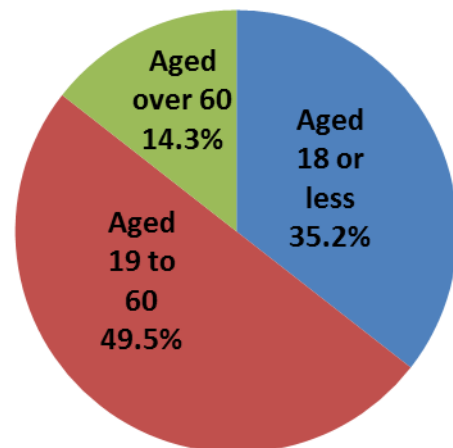
Analysis shows the gender and ethnic mix of the organisations and communities funded by the Trust broadly mirror the figures from the 2013 census, but with a greater emphasis on those aged 18 or less.



Gender



Ethnicity



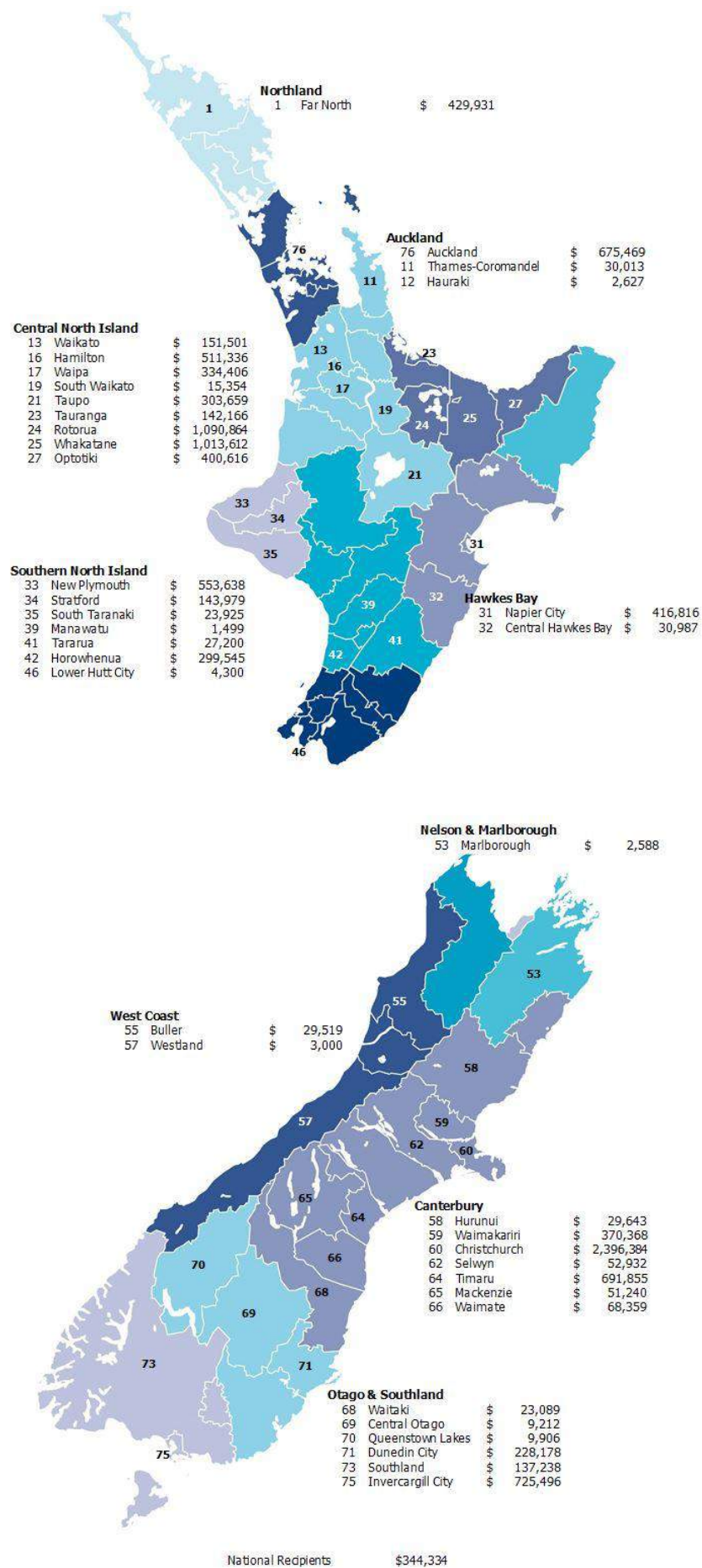
Age

### Which communities received funding?

While started and still based in Dunedin, the Trust has venues located the full length of New Zealand from Taipa in Northland to Invercargill in Southland, with 95% of the net proceeds raised in each of the areas returned back to the areas. The other 5% is used to fund organisations such as the Spinal Cord Society, Foundation for Youth Development and Breast Cancer Aotearoa which have a national benefit.

The map on the following page shows the total value of grants made in each region.

# THE SOUTHERN TRUST 2014 FUNDING SUMMARY





**THE SOUTHERN TRUST  
SUMMARY FINANCIAL STATEMENTS  
2014**

# THE SOUTHERN TRUST

## SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014



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Summary financial position	4
Summary statement of cash flow	4
Notes to the summary financial statements	5 - 6
Independent Auditor's report	7 - 8

# THE SOUTHERN TRUST

## SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014



2014	2013
\$	\$

### SUMMARY STATEMENT OF COMPREHENSIVE INCOME

Gaming revenue	27,017,431	28,423,975
Share of associates net (loss)	(8,617)	(103)
Other revenue	337,197	196,855
<b>Total Revenue</b>	<b>27,346,011</b>	<b>28,620,727</b>
<i>Less Operating Expenses</i>		
Gaming machine duty	(6,238,798)	(6,540,021)
Venue costs	(4,285,973)	(4,466,399)
Depreciation costs	(1,859,672)	(2,391,126)
Electronic monitoring and gaming fees and levies	(1,119,316)	(1,184,783)
Other direct gaming costs	(1,039,683)	(1,102,725)
Administration costs	(2,052,689)	(2,159,129)
<b>Net Surplus Available for Distribution</b>	<b>10,749,880</b>	<b>10,776,544</b>
Authorised purpose distributions	(11,776,774)	(14,126,622)
Refunds received	322,509	261,187
Undistributed funds - use of provision	-	3,003,370
<b>(Deficit) for Year</b>	<b>(704,385)</b>	<b>(85,521)</b>
Other comprehensive Income	-	-
<b>Total Comprehensive Income for Year</b>	<b>(704,385)</b>	<b>(85,521)</b>

### SUMMARY STATEMENT OF CHANGES IN TRUSTEES' CAPITAL

Income Account Opening Balance	3,186,852	3,272,373
Total comprehensive income after duty and distributed funds	(704,385)	(85,521)
<b>Income Account Closing Balance</b>	<b>2,482,467</b>	<b>3,186,852</b>

# THE SOUTHERN TRUST

## SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014



		2014 \$	2013 \$
<b>SUMMARY OF FINANCIAL POSITION</b>			
	<b>Note</b>		
Current assets		2,277,970	3,483,550
Non-current assets	5	2,024,491	2,215,185
<b>Total Assets</b>		<b>4,302,461</b>	<b>5,698,735</b>
Current liabilities		(1,807,857)	(2,120,420)
Non-current liabilities		(12,137)	(391,463)
<b>Net Assets</b>		<b>2,482,467</b>	<b>3,186,852</b>
Represented by:			
<b>Community Equity</b>		<b>2,482,467</b>	<b>3,186,852</b>

### SUMMARY STATEMENT OF CASH FLOW

Net cash inflow / (out flow) from operating activities	398,568	(251,132)
Net cash outflow from investing activities	(1,521,105)	(1,108,353)
Net cash inflow from financing activities	-	-
<b>Net Decrease in Cash Held</b>	<b>(1,122,537)</b>	<b>(1,359,485)</b>
Cash at beginning of financial year	2,683,772	4,043,257
<b>Cash at End of Financial Year</b>	<b>1,561,235</b>	<b>2,683,772</b>

# THE SOUTHERN TRUST

## SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014



### NOTES TO THE SUMMARY FINANCIAL STATEMENTS

#### 1. Basis of Preparation

These Summary Financial Statements are extracts from the Financial Statements of The Southern Trust for the year ended 31 December 2014 authorised for issue on 17 March 2015.

These Summary Financial Statements have been prepared using the principles of New Zealand Financial Reporting Standard 43 Summary Financial Statements. The full Financial Statements have been prepared in accordance with Generally Accepted Accounting Practices in New Zealand and comply with New Zealand equivalents to International Financial Reporting Standards (NZIFRS) as applicable to Public Benefit Entities.

Because of their summarised nature, these Summary Financial Statements cannot provide a full understanding of the financial performance, financial position and cash flows of this entity. This understanding can only be obtained by reference to full Financial Statements of The Southern Trust. The Summary Financial Statements have been prepared solely for The Southern Trust Board of Trustees. A copy of the full Financial Statements of the entity is available by making a request to The Board Chair, The Southern Trust, P O Box 858, Dunedin, New Zealand.

The presentation and functional currency is New Zealand Dollars.

The Financial statements have been prepared on a going concern basis.

#### 2. Comparatives

The prior year comparatives are for a full 12 month trading period.

#### 3. Nature of Audit Opinion

The Annual Financial Statements of The Southern Trust for the year ended 31 December 2014 have been audited with an unmodified audit opinion issued on 17 March 2015.

#### 4. Trustees Capital

The Trust, as a result of discussions with the Department of Internal Affairs (DIA), will describe Trust Capital: Trustees Income Account, in the statement of financial position as Community Equity. This Community Equity will represent undistributed community funds.

The Trust and the DIA have agreed on a maximum equity level (the Community Equity balance expressed as a percentage of Total Revenue) of 9.2% for years ending 31 December 2014 and 2015.

#### 5. Non-current Assets

Non-current assets are made up of the following:

Gaming machines and ancillary equipment  
Other property, plant and equipment  
Investment in associate

	2014	2013
	\$	\$
Gaming machines and ancillary equipment	1,978,702	2,094,702
Other property, plant and equipment	39,889	105,966
Investment in associate	5,900	14,517
	<b>2,024,491</b>	<b>2,215,185</b>

## THE SOUTHERN TRUST

### SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014



All items of property, plant and equipment are recorded on the historical cost basis less accumulated depreciation and impairment.

Depreciation is charged to the income statement on a straight line basis over the estimated useful lives as follows:

Gaming machines and ancillary equipment	100% - 24%
Other property, plant and equipment	12% - 48%

The BNZ has a registered first and only general security agreement over the assets and undertakings of the Trust.

#### 6. Borrowings

The Trust has an overdraft facility in place with the BNZ which was not utilised in 2014.

#### 7. Transactions with Related Parties

The Southern Trust maintains a register of Trustees and key management personnel interests. The amount of grant distributions to organisations listed on the register were \$nil (2013 \$nil). During the year the Southern Trust paid Grants Monitoring Limited \$6,584 (2013 \$10,434) for the provision of a centralised grants monitoring service. Karen Shea is a Director of this Company. At 31st December 2014 there were no amounts outstanding.

Salaries and other short term employee benefits of \$495,300 (2013 \$504,730) were paid to key management personnel during the year. No amounts were expensed for termination, post employment or other long term benefits.

8. Capital Commitments	2014	2013
	\$	\$
Gaming machines and ancillary equipment	Nil	Nil
Other property, plant and equipment	Nil	Nil

#### 9. Contingencies

There were no contingent assets or liabilities as 31 December 2014 (2013 Nil).

#### 10. Events Occurring after the Reporting Period

No events occurring after the reporting period (2013 nil).



## ***Report of the Independent Auditors' on the Summary Financial Statements***

to the Trustees of The Southern Trust

The accompanying summary financial statements, on pages 3 to 6 which comprise the summary statement of financial position as at 31 December 2014, the summary statement of comprehensive income, and the summary statement of changes in trustees' capital and the summary cash flow statement for the year then ended, and related notes, are derived from the audited financial statements of The Southern Trust for the year ended 31 December 2014.

The summary financial statements do not contain all the disclosures required for full financial statements under generally accepted accounting practice in New Zealand. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of The Southern Trust.

Our audit of the financial statements for the year ended 31 December 2014 was completed on 17 March 2015 and our unmodified opinion was issued on that date. We have not undertaken any additional audit procedures in relation to those financial statements from the date of the completion of our audit and those financial statements and the summary financial statements do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements. This report is made solely to the Trustees, as a body. Our work has been undertaken so that we might state those matters we are required to state to them in a report from the auditor and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trustees, as a body, for this report, or for the opinions we have formed. In addition, we take no responsibility for, nor do we report on, any part of the annual report not specifically mentioned in our report.

### ***Trustees' Responsibility for the Summary Financial Statements***

The Trustees are responsible for the preparation of the summary financial statements in accordance with FRS-43: *Summary Financial Statements* (FRS 43).

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) 810: *Engagements to Report on Summary Financial Statements*.

We are independent of the Trust. Other than in our capacity as auditors and providers of other related assurance services we have no relationship with, or interests in, the Trust.



***Opinion***

In our opinion, the summary financial statements on pages 3 to 6 derived from the audited financial statements of The Southern Trust for the year ended 31 December 2014 are consistent, in all material respects, with those audited financial statements, in accordance with FRS-43.

***Restriction on Use of our Report***

This report has been prepared for inclusion in the annual report. We disclaim any responsibility for reliance on this report or the amounts included in the summary financial statements, for any purpose other than that for which they were prepared.

*PricewaterhouseCoopers*

Chartered Accountants  
17 March 2015

Dunedin