



**MILESTONE**  
Foundation

**Milestone Foundation**  
**Annual Report**  
**1 July 2019 – 30 June 2020**

# Milestone Foundation Annual Report

1 July 2019 – 30 June 2020

## Board of Directors

Milestone Foundation is governed by a Board of Directors. The Members of the Board are:

Yuan (Leon) Li | Chairman Yuan Li (also known as Leon Li) moved to New Zealand from China in 2004 with his wife and son. Leon had been a school teacher for 10 years prior to relocating to New Zealand. He has worked across a number of industries in a management capacity and developed his interest in consulting. Leon is now a licensed immigration adviser and registered financial adviser. Being a migrant himself, Leon has a keen interest in supporting the Asian community in need of funding for education and health care purposes.

Frank Wu | Director Frank moved to New Zealand in 2002 with his family. His working background is grocery retail management in Auckland and Northland Regions. Frank and his wife now operate a rest home in Auckland. Frank enjoys participating in community services. He joined the Lions Club and is now a member of the Lions Eden-Epsom Club.

Colin Cao | Director Colin moved to New Zealand in 1992 and started his working career in the health sector. Since 1993, Colin has worked within the printing industry and is today the Managing Director of a large printing company in Auckland. Colin has a keen interest in supporting the Asian community and is the Chairman of the New Zealand Jiangmen Chinese Association and Vice Chairman of Jiangmen City Returnee Overseas Chinese Association.

## Our Venues

Milestone Foundation for this financial year has six gaming venues operating in Auckland, Thames and Te Awamutu. The Board of Directors would like to thank our venues for their efforts in making our contribution to the community possible:

- Kopu Staton- corner State Highway 25 & 26, Kopu, RD 1, Thames
- Mr Wang's Bar- 244-256 Dominion Road, Mt Eden, Auckland 1024
- The Longkeeper- 249 King St, Pukekohe, Auckland
- Mt Richmond Hotel- 676 Mt Wellington Highway, Otahuhu, Auckland
- Peach & Porker- Corner Alexandra and Roche Streets, Te Awamutu
- Mad Dogs & Englishmen- 8/20 Link Drive, Wairau Valley, Auckland 0629

## Authorised Purpose

Milestone Foundation Limited may make grants for any charitable purpose and any non-commercial purpose that is beneficial to the whole or a section of the community. Priority funding will be given to education, health and matters that promote and support the Asian culture.

The above authorised purpose includes (but is not limited to) providing grants for:

- a.** Increasing access to technology resources to educate and skill people at a primary and secondary level (e.g. the provision of computers and tablets in classrooms, electronic whiteboards, and Wi-Fi access at schools);
- b.** Scholarships and prizes for academic achievement (provided the students are selected in a fair and open manner, and are overseen by a recognised educational authority or school board, and provided that they are limited to primary and secondary level);
- c.** The provision of non-profit childcare and educational services for children;
- d.** Public health services including education, counselling and rehabilitation services;
- e.** Providing healthcare equipment to public hospitals and non-profit health clinics;
- f.** Relieving poverty through access to advice, support and assistance to recent immigrants to New Zealand including, without limitation:
  - i.** Counselling services;
  - ii.** Health information;
  - iii.** Mediations for family conflicts;
  - iv.** Visitation;
  - v.** Creating social networks; and
  - vi.** Providing assistance and support for other family members who provide care for such persons.
- g.** Guidance services aimed at enabling Asian immigrants to settle faster and take up their responsibilities as part of the New Zealand society and so eliminate the possibility of Asian immigrant families being dependant on government social assistance;
- h.** The provision of advice and training to Asian immigrants on access to job training and work experience;
- i.** The provision of training to assist unemployed Asian immigrants in gaining the confidence and initiative to handle themselves in all aspects of communication and job seeking;
- j.** The provision of education and training for the improvement of road safety, with a particular focus on recent Asian immigrants to New Zealand;
- k.** The promotion, planning, organising and running of non-profit events that celebrate or concern Asian culture;
- l.** Classes that teach Asian languages and culture;

- m.** Classes that teach the English language to new immigrants;
- n.** The provision of advice, assistance and information about Asian cultures;
- o.** Providing milk and breakfasts to decile one schools;
- p.** The promotion of health via encouraging participation in amateur sport, including participation in table tennis, badminton and soccer; and
- q.** The promotion of public amenities such as parks or museums.

## Grants

### GRANTS 1st July 2019 – 30th June 2020

Milestone Foundation granted \$1,688,689.16 to local communities in the 12 months ending 30th June 2020.

<b>Recipient</b>	<b>Amount</b>
Age Concern Auckland Incorporated	\$4,910.00
Albany Badminton Club Incorporated	\$8,486.40
Ambury Park Centre Incorporated	\$5,976.25
Anxiety New Zealand Trust	\$3,500.00
Anxiety New Zealand Trust	\$3,000.00
Aotea Sport and Recreation Association Incorporated	\$5,500.00
Aotea Sport and Recreation Association Incorporated	\$6,380.20
Aphasia NZ Charitable Trust	\$3,600.00
Arthritis New Zealand (Kaiponapona Aotearoa)	\$3,000.00
Assistance Dogs New Zealand	\$9,112.48
Asthma New Zealand Incorporated	\$16,000.00
Athletics New Zealand Incorporated	\$7,500.00
Athletics New Zealand Incorporated	\$7,500.00
Attainable Trust	\$5,954.31
Auckland and District Pipe Band Incorporated	\$3,130.00
Auckland and District Pipe Band Incorporated	\$1,942.00
Auckland Badminton Association Incorporated	\$5,739.00
Auckland Badminton Association Incorporated	\$20,000.00
Auckland Central Chinese Community Coalition Association	\$11,178.00
Auckland Community Service Centre	\$11,936.92
Auckland Community Service Centre	\$17,524.41
Auckland District Kidney Society Incorporated	\$5,000.00
Auckland Festival of Photography Trust	\$4,500.00
Auckland Festival of Photography Trust	\$4,383.75
Auckland Golf Incorporated	\$9,782.61
Auckland Grammar School	\$2,000.00
Auckland Indian Sports Club Incorporated	\$6,000.00
Auckland Indian Sports Club Incorporated	\$4,000.00
Auckland Kids Achievement Trust T/A Graeme Dingle Foundation Auckland	\$8,520.00
Auckland Observatory and Planetarium Trust	\$3,000.00
Auckland Observatory and Planetarium Trust	\$3,000.00
Auckland Rugby League Incorporated	\$4,346.15
Auckland Sexual Abuse Help Foundation Charitable Trust (HELP Auckland)	\$5,000.00
Auckland Si Hai Badminton Club Ltd	\$3,350.00
Auckland Table Tennis Association Incorporated	\$8,000.00
Auckland Table Tennis Association Incorporated	\$10,000.00
Auckland Womens Centre Incorporated	\$4,793.60
Badminton Makes Friends Incorporated	\$4,878.26
Barnardos New Zealand Incorporated	\$10,855.00

Big Buddy Mentoring Trust	\$2,993.00
Cerebral Palsy Society of New Zealand	\$7,272.00
Child Cancer Foundation Incorporated	\$19,900.00
Children's Autism Foundation	\$4,500.00
Chinese Mental Health Consultation Services Trust	\$4,423.08
Chinese Positive Ageing Charitable Trust	\$8,190.00
Chinese Women Association of New Zealand Incorporated	\$9,670.10
Chinese Women Association of New Zealand Incorporated	\$8,956.00
Chinese Women Association of New Zealand Incorporated	\$12,000.00
Chinese Women Association of NZ Incorporated	\$12,000.00
Christians Against Poverty New Zealand	\$3,000.00
CNSST Foundation (Formerly Chinese New Settlers Services Trust)	\$5,000.00
Cochlear Implant Foundation of New Zealand	\$5,000.00
Community Approach Trust	\$4,000.00
Counselling Services Centre	\$5,000.00
Counties Manukau Cricket Association Incorporated	\$7,000.00
Cure Kids	\$6,700.00
Cystic Fibrosis Association of New Zealand	\$7,812.48
Dance Therapy NZ	\$1,652.00
Duolan Ethnic Dancing Training Centre Incorporated	\$1,956.00
Enrich+ Spectrum Energy Trust	\$5,000.00
Epilepsy Association of New Zealand Incorporated	\$6,500.00
Federation of New Zealand Cheongsam Association Incorporated	\$9,965.03
Fencibles United Association Football Club Incorporated	\$1,441.23
Franklin Arts Festival Society Incorporated	\$3,770.00
Great Families Charitable Trust	\$4,125.00
Great Families Charitable Trust	\$2,000.00
Great Families Charitable Trust	\$3,807.69
Great Families Charitable Trust	\$4,125.00
Grief Support and Education Charitable Trust	\$2,000.00
Guangdong Universities Alumni Alliance of New Zealand Incorporated	\$8,280.00
Harbour Hospice Trust (Formerly North Shore Hospice Trust)	\$5,000.00
Hautapu Sports and Recreation Club Incorporated	\$10,046.91
Heart Kids New Zealand Incorporated	\$6,000.00
Home and Family Counselling Incorporated	\$6,760.00
Howick Pakuranga Cricket Club Incorporated	\$5,000.00
Howick Pakuranga Cricket Club Incorporated	\$6,000.00
Howick Pakuranga Cricket Club Incorporated	\$7,500.00
Immune Deficiencies Foundation of New Zealand (IDFNZ) Incorporated	\$5,550.00
Independent Living Service Trust	\$5,348.61
John Walker Find Your Field of Dreams Foundation	\$15,000.00
Life Education Trust Counties Manukau	\$11,166.66
Life Education Trust Counties Manukau	\$11,153.84
Life Education Trust Waipa King Country	\$5,000.00
Louise Perkins Foundation T/A Sweet Louise	\$5,000.00
Make-A-Wish Foundation of New Zealand Trust	\$8,000.00

Maungatautari Ecological Island Trust	\$5,000.00
Mercy Hospice Auckland Limited	\$10,307.69
Mobility Assistance Dogs Trust	\$10,000.00
Mt Albert Tennis Club Incorporated	\$6,000.00
National Heart Foundation of New Zealand	\$25,273.79
New Asian Community Services Charitable Trust	\$5,683.00
New Life Charitable Trust	\$2,346.00
New Life Charitable Trust	\$5,776.47
New Zealand Asia Trust	\$4,514.78
New Zealand Asian Sports Incorporated	\$7,882.61
New Zealand Blue Light Ventures Incorporated	\$7,658.00
New Zealand Culture and Arts Foundation	\$24,960.00
New Zealand Hot Mama Society Incorporated	\$4,680.00
New Zealand Jiangmen Wuyi Youth Association Incorporated	\$6,469.50
New Zealand Overseas Chinese Culture and Arts Centre	\$1,000.00
New Zealand Punjabi Multimedia Trust Board	\$22,756.94
New Zealand Punjabi Multimedia Trust Board	\$35,100.00
New Zealand Punjabi Multimedia Trust Board	\$26,325.00
New Zealand Wu Style Tai Chi Association Incorporated	\$3,160.00
NZ 2020 Stamp Exhibition Incorporated	\$10,000.00
NZ AIDS Foundation	\$10,000.00
NZ Council of Victim Support Groups Incorporated (Victim Support)	\$4,923.08
NZ Council of Victim Support Groups Incorporated (Victim Support)	\$2,600.00
NZ Guangxi Association Incorporated	\$4,529.00
NZ Future Community Trust	\$2,191.61
One Tree Hill College	\$5,000.00
One Tree Hill College	\$5,000.00
One Tree Hill College	\$5,000.00
Onewhero Pukekohe Hockey Club Incorporated	\$1,740.00
Otahuhu Business Association Incorporated	\$10,000.00
Otahuhu Softball Sports Club Incorporated	\$7,590.00
Panmure Chinese Association Incorporated	\$4,347.82
Papatoetoe Adolescent Christian Trust	\$1,750.00
Parenting Place Charitable Trust	\$5,000.00
Parenting Place Charitable Trust	\$10,000.00
Parkinsons New Zealand	\$7,904.00
Proact Badminton Association Incorporated	\$7,297.50
Pukeatua Playcentre	\$1,500.00
Pukekohe Association Football Club Incorporated	\$13,673.91
Pukekohe Association Football Club Incorporated	\$6,950.00
Pukekohe High School Childcare Centre	\$10,000.00
Pukekohe High School Childcare Centre	\$10,000.00
Pukekohe Intermediate School	\$1,500.00
Pukekohe Lawn Tennis Club	\$2,625.00
Pukekohe Metro Cricket Club Incorporated	\$5,614.97
Pukekohe Rugby Football Club Incorporated	\$7,000.00

Rape Prevention Education Whakatu Mauri Trust	\$5,000.00
Recreate NZ	\$3,982.96
Recreate NZ	\$2,340.00
Roman Catholic Bishop of the Diocese of Hamilton	\$3,240.00
Ronald McDonald House Charities New Zealand Trust	\$13,720.00
Roto-O-Rangi School	\$13,164.86
Royal New Zealand Foundation of the Blind (T/A Blind & Low Vision NZ)	\$6,149.26
Royal New Zealand Plunket Trust	\$336.00
St Andrews Presbyterian Church Te Awamutu	\$3,000.00
St Mary's College Board of Trustees	\$3,332.04
Stanhope Road School	\$10,000.00
Stuttering Treatment and Research Trust	\$6,423.51
Stuttering Treatment and Research Trust (START)	\$6,000.00
Supreme Sikh Society of New Zealand	\$65,600.34
Supreme Sikh Society of New Zealand	\$200,000.00
Surf Life Saving Kariaotahi Incorporated	\$4,900.00
Surf Life Saving Kariaotahi Incorporated	\$12,990.00
Surf Life Saving Northern Region Incorporated	\$10,307.00
Surf Life Saving Northern Region Incorporated	\$12,884.50
Surf Life Saving Northern Region Incorporated	\$10,307.68
Surf Life Saving Northern Region Incorporated	\$10,308.00
Takapuna Association Football Club Incorporated	\$7,481.60
Tangaroa College	\$3,313.05
Tangaroa College	\$5,025.00
Te Awamutu Community Health Transport Trust	\$63,299.14
Te Awamutu Primary School	\$35,600.00
Te Awamutu Rugby Sports and Recreation Club (Incorporated)	\$8,000.00
Te Awamutu Rugby Sports and Recreation Club (Incorporated)	\$6,840.00
Te Puru Primary School	\$4,582.98
Thames Coast Community Kindergarten	\$3,801.47
Thames South School	\$6,333.00
Thames Squash Rackets Club Incorporated	\$5,356.00
The Auckland Children's Christmas Parade Trust	\$19,998.00
The Auckland Women's Centre Incorporated	\$4,841.60
The Colourful Art Group Incorporated	\$927.20
The Friendship House Trust	\$3,500.00
The Howick Returned and Services Association Community Club Incorporated	\$15,579.38
The Hubei Association of New Zealand	\$7,800.00
The National Foundation for the Deaf Incorporated	\$10,253.00
The Pukekohe High School Childcare Centre Society Incorporated	\$6,070.00
The Stroke Foundation of New Zealand	\$8,834.40
The Stroke Foundation of New Zealand	\$2,000.00
The TYLA Trust	\$1,519.97
The Uxbridge Community Projects Incorporated T/A Uxbridge Arts and Culture	\$2,700.00
The Yes and Trust	\$6,171.50
Titirangi Badminton Club Incorporated	\$5,000.00



Titirangi Golf Club (Incorporated)	\$6,000.00
Waiata Tennis Club	\$5,000.00
Waipa Mountain Bike Club Incorporated	\$14,300.00
Waitakere United Incorporated	\$5,000.00
Wanderers Sport Club (Hamilton) Incorporated	\$16,248.00
Wanderers Sports Club (Hamilton) Incorporated	\$15,438.00
Wanderers Sports Club (Hamilton) Incorporated	\$5,416.66
Western Springs Association Football Club Incorporated	\$3,150.00
Westlake Boys High School	\$10,000.00
YMCA North Incorporated	\$5,925.35
Zeal Education Trust	\$4,000.00
Zeal Education Trust	\$6,923.07

## **Milestone Foundation Declined Applications: 1 July 2019 – 30 June 2020**

Auckland Baseball Association Incorporated  
Mt Albert Ramblers Softball Club Incorporated  
New Zealand Chinese Blossom Arts Association Incorporated  
New Zealand Chinese Tennis Association Incorporated  
Otahuhu Softball Sports Club Incorporated  
Auckland Basketball Services Limited  
St Pauls College  
Surf Life Saving Northern Region Incorporated  
Galaxy Waikato Touch Club Incorporated  
Central North Island kindergarten Trust T/A Central Kids Ngatea Kindergarten  
Thames Squash Rackets Club Incorporated  
Auckland Baseball Association Incorporated  
NorthSport Academy Limited  
Indo Kiwi United Trust  
Indo Kiwi United Trust  
Onehunga Sports Football Club Incorporated  
Aphasia NZ Charitable Trust  
New Zealand Overseas Chinese Leaders Union Incorporated  
The Jewish Museum of New Zealand Charitable Trust  
The Jewish Museum of New Zealand Charitable Trust  
The Auckland Childrens Christmas Parade Trust  
Roman Catholic Bishop of the Diocese of Hamilton  
Great Families Charitable Trust  
Pacific Culture and Arts Exchange Centre Limited  
Shanghai Fellowship Association of New Zealand Incorporated  
Te Roopu Taurima O Manukau Trust  
The Inner City Womens Group  
Remuera Chinese Association Incorporated  
Lifesavers Foundation  
New Zealand Chinese Veterans General Federation Incorporated  
Howick Pakuranga Cricket Club Incorporated  
Indo Kiwi United Trust  
Remuera Chinese Association Incorporated  
Surf Life Saving Northern Region Incorporated  
Parent to Parent Waikato  
The Grandstand Community Trust  
Auckland Basketball Services Limited  
The Epsom Girls Grammar School Foundation  
Aotea Sport and Recreation Association Incorporated  
NZ 2020 Stamp Exhibition Incorporated  
Remuera Chinese Association Incorporated  
Parent to Parent NZ Incorporated  
Waikato Indian Charitable Trust  
Water Safety New Zealand Incorporated  
Auckland Community Service Centre  
Indo Kiwi United Trust  
Barnardos New Zealand Incorporated  
New Zealand Hot Mama Society Incorporated  
Mathematics for a Lifetime Charitable Trust  
Whangamata Community Services Trust  
Parent to Parent Waikato  
Great Families Charitable Trust

Parent to Parent Auckland  
Mt Albert Ramblers Softball Club Incorporated  
Otaua Aka Aka Playcentre  
NZFuture Community Trust  
Indo Kiwi United Trust  
Touch Compass Dance Trust  
Bridge of Love Association Incorporated  
The Colourful Arts Group Incorporated  
EVolocity Limited  
Parent to Parent NZ Incorporated  
Parent to Parent Waikato  
Te Tamawai Trust (T/A The Waterboy)  
Water Safety New Zealand Incorporated  
Te Awamutu Playcentre  
NZFuture Community Trust  
New Zealand Chinese Photography Association (NZCP)  
Bowls New Zealand Incorporated  
Cambridge Racquets Club Incorporated  
Aotea Sport and Recreation Association Incorporated  
Indo Kiwi United Trust  
Anxiety New Zealand Trust  
The Uxbridge Community Projects Incorporated  
Chinese Women Association of New Zealand  
Auckland Observatory And Planetarium Trust Board  
Amitabha Hospice Service Trust  
Howick Pakuranga Cricket Club Incorporated  
The Metro Mt.Albert Sport Club Incorporated  
Albany Badminton Club Incorporated  
Wanderers Sports Club (Hamilton) Incorporated  
NZ Chinese Photography Association Incorporated  
Albany Badminton Club Incorporated  
Royal New Zealand Plunket Trust  
Surf Life Saving Northern Region Incorporated  
NZ Overseas Chinese Union Inc  
Indo Kiwi United Trust



**MILESTONE FOUNDATION LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2020**

**MILESTONE FOUNDATION LIMITED**

**CONTENTS OF FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2020**



Title Page	
Table of Contents	
Directory	Page 1
Directors' Report and Statement of Responsibility for Financial Statements	Page 2
Independent Auditor's Report	Page 3 - 4
Statement of Comprehensive Revenue and Expense	Page 5 - 6
Statement of Changes in Net Assets / Equity	Page 7
Statement of Financial Position	Page 8 - 9
Statement of Cash Flows	Page 10
Notes to the Financial Statements	Page 11 - 18

# MILESTONE FOUNDATION LIMITED

**DIRECTORY**  
**AS AT 30 JUNE 2020**



<b>Nature of Business</b>	Charity Gaming Sector
<b>Incorporation Number</b>	5229541
<b>Directors</b>	Yuan (Leon) Li (Chairperson) Quanie (Frank) Wu Colin Cao
<b>Bankers</b>	BNZ Hamilton Branch Hamilton
<b>Solicitor</b>	True Legal Limited Specialist Legal Advisor Hamilton
<b>Auditor</b>	RSM Hayes Audit Level 1 1, Broadway, Newmarket Auckland 1023

MILESTONE FOUNDATION LIMITED



DIRECTORS' REPORT AND STATEMENT OF RESPONSIBILITY  
FOR THE YEAR ENDED 30 JUNE 2020

Directors' Report

The Directors of Milestone Foundation Limited ("the Company") present this Annual Report, being the financial statements of the Company for the financial year ended 30 June 2020, and the independent auditor's report thereon.

The shareholders of the Company have exercised their right under section 211(3) of the Companies Act 1993, whereby pursuant to a decision of the shareholders of the Company who together hold at least 95% of the voting shares, they have agreed not to comply with the paragraphs (a) and (c) to (j) of section 211(1) of the Act.

Statement of Responsibility

The Directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information.

The independent external auditors, RSM Hayes Audit, have audited the financial statements and their report appears on pages 3 to 4.

The Directors are also responsible for the systems of internal control. These are designed to provide a reasonable but not absolute assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability for assets, and to prevent and detect material misstatements.

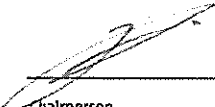
Appropriate systems of internal control have been employed to ensure that all transactions have been executed in accordance with authority and correctly processed and accounted for in the financial records. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements are prepared on a going concern basis. Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern in the foreseeable future. Please see Note 2(e) for further information.


In the opinion of the Directors:

- the statement of comprehensive revenue and expense is drawn up so as to present fairly, in all material respects, the financial result of the Company for the financial year ended 30 June 2020;
- the statement of financial position is drawn up so as to present fairly, in all material respects, the state of affairs of the Company as at 30 June 2020;
- the statement of cash flows is drawn up so as to present fairly, in all material respects, the cash flows of the Company for the financial year ended 30 June 2020;
- other than as disclosed in note 2(e), there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

For and on behalf of the Directors:

  
\_\_\_\_\_  
Chairperson

24-09-2020  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Director

24/09/2020  
\_\_\_\_\_  
Date

**RSM Hayes Audit**

PO Box 9588  
Newmarket, Auckland 1149  
Level 1, 1 Broadway  
Newmarket, Auckland 1023

T +64 (9) 367 1656  
www.rsmnz.co.nz

## Independent Auditor's Report

### To the Directors of Milestone Foundation Limited

#### Opinion

We have audited the financial statements of Milestone Foundation Limited (the "Company"), which comprise:

- the statement of financial position as at 30 June 2020;
- the statement of comprehensive revenue and expenses for the year then ended;
- the statement of changes in net assets/equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies.

In our opinion, the accompanying financial statements on pages 5 to 18 present fairly, in all material respects, the financial position of Milestone Foundation Limited as at 30 June 2020, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the company in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests, in Milestone Foundation Limited.

#### Other Matters

The financial statements of the Company for the year ended 30 June 2019 were audited by another auditor who expressed an unmodified opinion on those statements on 19 September 2019.



## Other information

The directors are responsible for the other information. The other information comprises the Company directory and Directors' report and statement of responsibility on page 1 and 2 (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the directors for the financial statements

The directors are responsible, on behalf of the Company, for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, and for such internal control as those charged with governance determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible, on behalf of the Company, for assessing Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements. A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at:

[https://xrb.govt.nz/Site/Auditing\\_Assurance\\_Standards/Current\\_Standards/Page8.aspx](https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page8.aspx)

## Who we report to

This report is made solely to the directors, as a body. Our audit has been undertaken so that we might state to the shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the shareholders as a body, for our work, for this report, or for the opinions we have formed.

A stylized, handwritten-style signature of the letters 'RSM' in blue ink.

**RSM Hayes Audit**  
Auckland

25 September 2020

**MILESTONE FOUNDATION LIMITED**

**STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE  
FOR THE YEAR ENDED 30 JUNE 2020**



	Note	June 2020	June 2019
<b>Revenue</b>			
Gaming Machine Proceeds (Exchange transaction)		4,441,121	2,788,489
<b>Total Revenue</b>		<u>4,441,121</u>	<u>2,788,489</u>
Interest Received		37	53
<b>Total Income</b>		<u>4,441,158</u>	<u>2,788,542</u>
<b>Expenses</b>			
Accounting Fees		33,850	22,200
Advertising & Promotion		12,618	9,782
Audit Fees		7,800	6,000
Bank Fees & Charges		1,698	875
CITO Consumables and Fees		5,774	3,561
Computer Expenses		10,607	4,675
Depreciation	2, 7	396,498	169,916
Directors Fees	11	68,500	26,750
EMS Expenses		44,453	27,668
Gaming Machine Duty		1,013,955	641,350
General Expenses		36	1,049
Insurance		15,338	6,227
Interest Expense		57,057	24,150
Legal expenses		1,770	630
Licencing Expenses		74,417	49,305
Loss on Disposal of Fixed Assets	7	29,730	7,656
Management Fees		128,958	62,124
Printing & Stationery		331	639
Problem Gambling Levy		39,544	41,688
Repairs & Maintenance - General		35,616	15,315
Repairs and Maintenance - Service Contract		58,223	32,289
Storage of Equipment		455	-
Subscriptions		3,240	2,877
Telephone & Tolls		5,060	3,610
Travel and Accommodation		3,100	2,400
Venue Payment		<u>707,365</u>	<u>442,944</u>
<b>Total Expenses</b>		<u>2,755,990</u>	<u>1,605,679</u>
<b>Surplus for the period before grant distributions</b>		<u>1,685,168</u>	<u>1,182,863</u>

*The attached notes to the financial statements form part of and should be read in conjunction with the financial statements.*



**MILESTONE FOUNDATION LIMITED**

**STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE  
FOR THE YEAR ENDED 30 JUNE 2020**



	Note	June 2020	June 2019
<b>Grant Distributions</b>			
Grant Distributions		1,685,699	1,171,157
Less Grants Returned - Current Year		(51,199)	(8,988)
Less Grants Returned - Previous Year		(51,010)	(8,025)
<b>Total Grants For The Year</b>		<b>1,583,491</b>	<b>1,154,143</b>
<b>Net Surplus for the Year</b>		<b>101,678</b>	<b>28,720</b>
<b>Other Comprehensive Income</b>		-	-
<b>Total Comprehensive Income for the Year</b>		<b>101,678</b>	<b>28,720</b>



*The attached notes to the financial statements form part of and should be read in conjunction with the financial statements.*

**MILESTONE FOUNDATION LIMITED**

**STATEMENT OF CHANGES IN NET ASSETS / EQUITY  
FOR THE YEAR ENDED 30 JUNE 2020**



	Note	June 2020	June 2019
Balances as at 1 July 2019		76,726	48,006
Total comprehensive revenue and expense for the year		101,678	28,720
Balances as at 30 June 2020	8	<u>178,403</u>	<u>76,726</u>



*The attached notes to the financial statements form part of and should be read in conjunction with the financial statements.*

# MILESTONE FOUNDATION LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020



	Note	June 2020	June 2019
<b>Current assets</b>			
Cash and cash equivalents	3	218,886	88,720
Trade and other receivables (exchange transaction)	4	160,853	94,492
Prepayments		26,057	17,624
<b>Total current assets</b>		<b>405,796</b>	<b>200,835</b>
<b>Non-current assets</b>			
Plant and equipment	7	1,270,483	808,551
<b>Total non-current assets</b>		<b>1,270,483</b>	<b>808,551</b>
<b>Total Assets</b>		<b>1,676,279</b>	<b>1,009,386</b>
<b>Current liabilities</b>			
Trade and other payables (exchange transaction)	5	465,586	169,941
GST payable		49,559	80,357
Borrowings	6	476,835	255,472
<b>Total current liabilities</b>		<b>991,980</b>	<b>505,770</b>
<b>Non-current liabilities</b>			
Borrowings	6	505,896	426,890
<b>Total non-current liabilities</b>		<b>505,896</b>	<b>426,890</b>
<b>Total Liabilities</b>		<b>1,497,875</b>	<b>932,660</b>

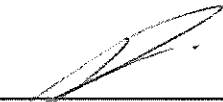
MILESTONE FOUNDATION LIMITED

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2020




	Note	June 2020	June 2019
Net Assets			
Accumulated comprehensive revenue and expense		178,403	76,726
Total net assets / equity	8	<u>178,403</u>	<u>76,726</u>
Total net assets attribution		<u>1,676,279</u>	<u>1,009,386</u>

For and on behalf of the Company:

  
\_\_\_\_\_  
Director

24-09-2020  
Date

  
\_\_\_\_\_  
Director

24/09/2020  
Date



*The attached notes to the financial statements form part of and should be read in conjunction with the financial statements.*

**MILESTONE FOUNDATION LIMITED**



**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	June 2020 \$	June 2019 \$
<b>Cash flows from operating activities</b>			
<i>Cash was received from:</i>			
Gaming machine proceeds		4,375,158	2,725,854
Interest Received		37	53
Grants returned		102,208	17,014
		<u>4,477,404</u>	<u>2,742,921</u>
<i>Cash was applied to:</i>			
Payments to suppliers		(2,042,834)	(1,273,758)
Grants to the community		(1,685,699)	(1,171,157)
Interest paid		(57,057)	(24,150)
		<u>(3,785,590)</u>	<u>(2,469,065)</u>
<b>Net cash flows from operating activities</b>		<u><b>691,814</b></u>	<u><b>273,856</b></u>
<b>Cash flows from investing activities</b>			
<i>Cash was received from:</i>			
Proceeds from sale of property plant and equipment		2,446	409
		<u>2,446</u>	<u>409</u>
<i>Cash was applied to:</i>			
Purchase of property, plant and equipment		(864,462)	(782,045)
		<u>(864,462)</u>	<u>(782,045)</u>
<b>Net cash flow from investing activities</b>		<u><b>(862,016)</b></u>	<u><b>(781,636)</b></u>
<b>Cash flows from financing activities</b>			
<i>Cash was received from:</i>			
Proceeds from draw down of loans		535,533	706,035
		<u>535,533</u>	<u>706,035</u>
<i>Cash was applied to:</i>			
Repayment of Borrowings		(235,165)	(150,414)
		<u>(235,165)</u>	<u>(150,414)</u>
<b>Net cash flow from financing activities</b>		<u><b>300,368</b></u>	<u><b>555,621</b></u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u><b>130,166</b></u>	<u><b>47,841</b></u>
Cash and cash equivalents at the beginning of the period		88,720	40,879
<b>Cash and cash equivalents at the end of the period</b>	<b>3</b>	<u><u><b>218,886</b></u></u>	<u><u><b>88,720</b></u></u>

The attached notes to the financial statements form part of and should be read in conjunction with the financial statements.



# MILESTONE FOUNDATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020



### 1. Statement of accounting policies

#### Reporting entity

Milestone Foundation Limited is a registered Company incorporated under the Companies Act 1993. The Company is licensed to operate gaming machines by the Department of Internal Affairs, licence number 80003896. The Company raises funds through the operation of gaming machines to distribute to the community groups with priority funding given to education, health and matters that promote and support Asian culture.

Milestone Foundation Limited is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act (2013).

#### Basis of preparation

#### Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with Public Benefit Entity Accounting Standards Reduced Disclosure Regime (PBE Standards RDR) and other applicable Financial Reporting Standards, as appropriate for Tier 2 not-for-profit public benefit entities, for which all reduced disclosure regime exemptions have been adopted. The Company is eligible to report in accordance with PBE Standards RDR because it does not have public accountability and is not large. The Company has elected to report as a Tier 2 reporting entity.

These financial statements are for the year ended 30 June 2020.

The comparative figures are for a 12 month period.

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

The financial statements are presented in New Zealand dollars (NZ\$) rounded to the nearest dollar.

#### Significant accounting policies

The following specific accounting policies have been adopted in the preparation and presentation of the

#### Significant judgements and assumptions

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of the estimates. Actual results in the future could differ from these estimates. Estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

#### a) Judgments

In the process of applying the Company's accounting policies, management has made the following judgments,

#### Classification of non-financial assets as cash generating assets or non-cash-generating assets

For the purpose of assessing impairment indicators and impairment testing, the Company classifies non-financial assets as either cash-generating or non-cash-generating assets. The Company classifies a non-financial asset as a cash-generating asset if the primary objective of the asset is to generate commercial return. All other assets are classified as non-cash-generating assets.



## MILESTONE FOUNDATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020



#### b) Assumptions and estimation uncertainties

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of Directors of The Company
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset

#### Revenue from exchange transactions

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognised.

#### Revenue from exchange transactions

##### Interest revenue

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as available-for-sale, interest income is recorded using the effective interest rate. Effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Interest revenue is included in finance income in the statement of comprehensive revenue and expense.

##### Gaming machine revenue

Revenue shown in the Statement of Comprehensive Income and Expense comprise the amounts received and receivable for gaming services supplied to customers in the ordinary course of business. Revenue recognised in relation to the gaming proceeds is recognised on a daily basis.

Gaming profits represent the net win to the Company from gaming activities, being the difference between the amounts wagered and amounts won by gaming patrons.

#### Finance expenses

Interest payable on borrowings is recognised on the accrual basis and calculated using the effective interest rate

## MILESTONE FOUNDATION LIMITED



### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

#### Grant distribution

Grants are accounted for at the time the Board has approved them.

#### Income tax

The Company is exempt from income tax in accordance with section CW48 of the (New Zealand) Income Tax Act 2007. The Act provides an exemption for gaming machine income of licensed operators provided all distributions are made in accordance with the Gambling Act 2003. Accordingly, all surpluses are distributed as grants in accordance with the Company's Authorised Purpose statement as approved by Department of Internal Affairs.

#### Plant and equipment

Items of plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where material parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment. Subsequent costs are added to the carrying amount of an item of plant and equipment when the cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced component is derecognised. All other costs are recognised in profit or loss as an expense when incurred.

#### Depreciation

Depreciation is calculated so as to write off the cost of plant and equipment, less any assigned residual value, over the expected useful economic lives of the assets concerned.

The depreciation rates applied to each class of the assets for the current and prior year are as follows:

Gaming machines	SL	24.0%
Gaming machines - conversions	DV	40.0%
Ancillary gaming equipment	SL	6.0% to 40.0%
Ancillary gaming equipment	DV	13.0% to 67.0%
Furniture & fittings	SL	33.0%

The useful lives, depreciation methods and residual values of assets is reassessed annually.

#### Financial instruments

Financial instruments are recognised in the Statement of Financial Position initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition financial instruments are measured as described below. A financial instrument is recognised when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

### **Non-derivative financial instruments**

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents (including bank overdrafts), interest-bearing loans and borrowings, related party receivables and payables and trade and other

#### *Loans and receivables*

Loans and receivables, which consist of trade and other receivables and related party receivables, are subsequently measured at amortised cost, using the effective interest method, less impairment losses. Trade receivables of a short-term nature are not discounted.

#### *Cash and cash equivalents*

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and bank overdrafts.

#### *Liabilities at amortised cost*

Liabilities at amortised cost, which consist of trade and other payables, related party payables and interest-bearing loans and borrowings, are measured at amortised cost, using the effective interest method. Trade payables of a short-term nature are not discounted.

### **Impairment of assets**

#### *Financial assets*

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar characteristics. In assessing collective impairment the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Receivables with a short duration are not discounted. For trade receivables, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default in payments are considered indicators that the receivable is impaired.

All impairment losses are recognised in surplus or deficit and reflected in an allowance account against receivables.

Bad debts are written off in the period in which they are identified and authorised by the Directors as non recoverable.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in surplus or deficit.

#### *Non-financial assets*

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any objective evidence of impairment. If any such indication exists, the asset's recoverable amount is estimated.

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 surplus or deficit.

## MILESTONE FOUNDATION LIMITED



### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

#### Impairment of assets

##### *Non-financial assets (Contd)*

The estimated recoverable amount of non-financial assets is the greater of their fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting these to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

A cash-generating unit is the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of the other assets or groups of assets.

Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of assets in the unit on a pro rata basis.

Impairment losses are reversed when there is a change in the estimates used to determine the recoverable amount and there is an indication that the impairment loss has decreased or no longer exists. 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, if no impairment loss had been recognised. All impairment losses are reversed through surplus or deficit.

#### Equity

Equity is the community's interest in the Company measured as the difference between total assets and total liabilities. Equity is made up of the following component:

##### *Accumulated comprehensive revenue and expense*

Accumulated comprehensive revenue and expense is the Company's accumulated surplus or deficit since the formation of the Company adjusted for transfers to/from specific reserves.

#### Distributions to the Community

Distributions to the Community are recorded as an appropriation of the surplus for the year.

Net surplus generated by the Company is to be paid out in accordance with the Gambling (Class 4 Net Proceeds) Regulations 2004. The regulation stipulates that all or nearly all net surplus must be distributed during the financial year and any remainder of net surplus within 3 months after the end of each of its financial years. In addition, the Company is expected to generate net surplus equal to 40% of its GST exclusive gross receipts in each financial year.

For the current financial year the Company has generated net surplus equal to 37.94% of its GST exclusive gross receipts (2019: 42.42%). All net surplus generated from last financial year has been distributed in the current year.

On 1 July 2020 the Government introduced a number of regulatory amendments to mitigate the impact of COVID-19 on the gambling sector, one of which suspends the obligation to return a minimum of 40% of gross proceeds to the community for 2020 and 2021 financial years.

Payment requires approval by the Board of Directors that the recipient has requested the donation for an "authorised purpose" as defined by the Gambling Act 2003.



## MILESTONE FOUNDATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020



#### Goods and services tax (GST)

The financial statements have been prepared on a GST exclusive basis with the exception of receivables and payables which are stated inclusive of GST.

#### Statement of cash flows

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand and in banks and investments, 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 Company and other activities that are not financing or investing; and
- investing activities are the acquisition and disposal of long term assets and other investments not included in cash equivalents;
- financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

#### Changes in Accounting Policies

There have been no changes in Accounting Policies. All policies have been applied on a basis consistent with those applied in previous years.

#### 2. Depreciation

	June 2020	June 2019
Gaming Machines	260,314	125,399
Ancillary equipment	104,516	39,979
Furniture and fittings	31,668	4,538
<b>Total</b>	<b>396,498</b>	<b>169,916</b>

#### 3. Cash and cash equivalents

	June 2020	June 2019
BNZ bank accounts	218,886	88,720
<b>Total</b>	<b>218,886</b>	<b>88,720</b>

There is no overdraft facility on the bank account. Bank balances are on call and the interest received on bank

#### 4. Trade and other receivables

	June 2020	June 2019
Trade receivables	160,853	94,491
<b>Total</b>	<b>160,853</b>	<b>94,491</b>

Trade receivables generally have terms of 5 days and are interest free. Trade receivables of a short-term duration are not discounted. There are no impairment losses relating to trade receivables (2019: Nil). Impairment losses are recognised in surplus or deficit.

## MILESTONE FOUNDATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020



#### 5. Trade and other payables

	June 2020	June 2019
Trade payables	199,986	169,941
Grants approved but not paid	265,600	-
<b>Total</b>	<b>465,586</b>	<b>169,941</b>

Trade payables generally have terms of 30 days and are interest free. Trade payable of a short-term duration are not

#### 6. Borrowings

	June 2020	June 2019
Current portion of borrowing	476,835	255,472
Term portion of borrowing	505,896	426,890
<b>Total</b>	<b>982,730</b>	<b>682,362</b>
<b>Lender information</b>		
BNZ	982,730	682,362
<b>Total</b>	<b>982,730</b>	<b>682,362</b>

The borrowing consists of 7 separate loans financed for 36 months with maturity dates Nov 2020 to March 2023. The interest rates are 5.96% to 6.99% (2019: 6 loans, 7.52% to 7.76%). Finance is secured over all present and after acquired property of Milestone Foundation Limited. Covenants for these loans are: provide annual audited accounts within 180 days of the financial year end, cannot obtain finance from another financier to fund PPE without prior approval from BNZ and retaining operator's license.

#### 7. Plant and equipment

For year ended 30 June 2020

	Gaming Machines	Ancillary Equipment	Furniture and Fittings	Total
<b>Cost</b>				
Balance as at 1 July 2019	848,255	308,678	27,980	1,184,914
Additions	535,925	251,092	103,589	890,605
Disposals	(45,250)	(4,059)	(500)	(49,809)
Balance as at 30 June 2020	<b>1,338,930</b>	<b>555,711</b>	<b>131,069</b>	<b>2,025,710</b>
<b>Accumulated depreciation and impairment</b>				
Balance as at 1 July 2019	287,605	82,512	6,246	376,363
Depreciation	260,314	104,516	31,668	396,498
Disposals	(13,863)	(3,702)	(69)	(17,634)
Balance as at 30 June 2020	<b>534,056</b>	<b>183,326</b>	<b>37,845</b>	<b>755,227</b>
<b>Net book value</b>				
As at 30 June 2018	<b>152,034</b>	<b>46,131</b>	<b>4,172</b>	<b>202,337</b>
As at June 2019	<b>560,650</b>	<b>226,167</b>	<b>21,734</b>	<b>808,551</b>
As at June 2020	<b>804,874</b>	<b>372,385</b>	<b>93,224</b>	<b>1,270,483</b>

#### 8. Equity

	Retained earnings	Share Capital	Total Equity
Balance at 30 June 2018	48,006	-	48,006
Surplus for the year	28,720	-	28,720
Balance at 30 June 2019	<b>76,726</b>	-	<b>76,726</b>
Surplus for the year	101,678	-	101,678
Balance at 30 June 2020	<b>178,404</b>	-	<b>178,404</b>

## MILESTONE FOUNDATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020



#### 9. Commitments

As at reporting date there were no grants approved by the Directors but not disbursed. (2019: Nil)  
There are no other commitments at balance date.

#### 10. Contingent liabilities

At reporting date there are no known contingent liabilities for which the Company may be liable. (2019: Nil)

#### 11. Related party transactions

Key management personnel are the members of the governing body.

The Members of the governing body are paid an annual honoraria. The honoraria paid to the Chairperson was \$32,000 and the remaining members received \$36,500 during the year totalling \$68,500. (2019: \$26,750)

Grants are provided to community groups during the normal course of business. At times Directors may be a related party of the group that is applying for a grant (i.e. a Trustee, committee member etc.). During the grant allocation process the Director will disclose his interest and abstain from the discussion. In that way the Director remains independent of the grant process.

Quanle Wu is a Director of Promising Ltd. In 2020 Milestone sold an old laptop for \$161 (Nil owing 30 June 2020) to Promising Limited. (2019: Promising Limited provided translation services for \$1,656, Nil owing).

There have been no other material transactions with related parties.

The Directors are covered by Directors Liability Insurance.

#### 12. Events subsequent to reporting date

Auckland went into level 3 lockdown from 12 Aug 2020 to 30 Aug 2020 resulting in no GMP for almost 3 weeks for 4 Auckland venues. The estimated loss in GMP is \$277,726. (2019: Nil)

Milestone purchased Hillcrest Haven Bar & Eatery venue on 17 August 2020 and Kopui Station Hotel venue was sold by Milestone Foundation on 31 August 2020.

#### 13. Capital risk management

The Company manages its capital to ensure that the Company is able to continue as a going concern while maximising the return to the community through the optimisation of the debt and equity balance.

The capital structure of the Company consists of debt, which includes borrowings disclosed in note 6, cash and cash equivalents, and equity, comprising of retained earnings disclosed in the statement of changes in net assets / equity.

The secured bank loans are subject to interest cover covenant, providing quarterly management accounts with 45 days, and provide annual audited financials within 180 days. In addition the annual grants may only exceed the minimum statutory requirement after allowance has been made for debt servicing. The Company complied with these covenants.

The Directors review the capital structure on a semi annual basis. As part of the review the Directors consider the cost of capital and the risks associated with each class of capital. The Directors balance the overall capital structure through the acquisition of new debt or the redemption of existing debt.

# MILESTONE FOUNDATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020



### 14. Categories of financial assets and financial liabilities

At reporting date, the Company had the following financial instruments by class of financial instrument:

	Note	Loans and receivables	Liabilities at amortised	Total
<b>30 June 2020</b>				
Trade and other receivables	4	160,853	-	160,853
Cash and cash equivalents	3	218,886	-	218,886
		<b>379,739</b>	<b>-</b>	<b>379,739</b>
Interest bearing loans and borrowings	6	-	982,730	982,730
Trade and other payables	5	-	465,586	465,586
		<b>-</b>	<b>1,448,316</b>	<b>1,448,316</b>
<b>30 June 2019</b>				
Trade and other receivables	4	94,491	-	94,491
Cash and cash equivalents	3	88,720	-	88,720
		<b>183,211</b>	<b>-</b>	<b>183,211</b>
Interest bearing loans and borrowings	6	-	682,362	682,362
Trade and other payables	5	-	169,941	169,941
		<b>-</b>	<b>852,303</b>	<b>852,303</b>

### 15. Going Concern

The financial statements have been prepared using the going concern assumption. To the best of the knowledge of the Directors, the Company has, or will have, adequate resources to continue operations for the foreseeable future.