



NZCT
 NZ COMMUNITY TRUST



NZCT, publicans and locals -
 together we're building stronger communities



ANNUAL REPORT

2011/2012

WHO WE ARE

NZCT is one of the largest gaming societies in New Zealand. We exist primarily to raise funds for amateur sport. Everyone at NZCT, from our trustees to our employees, is passionate about the work we do. We are proud of the positive contribution we make to local communities throughout the country. The funds we raise and distribute help thousands of Kiwis take part in activities they love – whether they are playing, coaching, supporting or volunteering. In the 12 months to 30 September 2012, thanks to your local publicans who operate well controlled gaming rooms, NZCT was able to generate \$36.5m (40.1% profit) in grants to sporting, local government and community groups in your region.

Vision

Be the first choice gaming society in New Zealand

Mission

Maximise funds returned to amateur sport and the community

Values

Respect

Treat others as you expect to be treated

Integrity

Demonstrate integrity of purpose

Customer Focus

Continually improve customer service and solutions

Excellence

Lead the industry in both compliance and best practice

Contact us

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Wellington 6143

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info@nzct.org.nz
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Thank you to everyone who contributed photos for this report

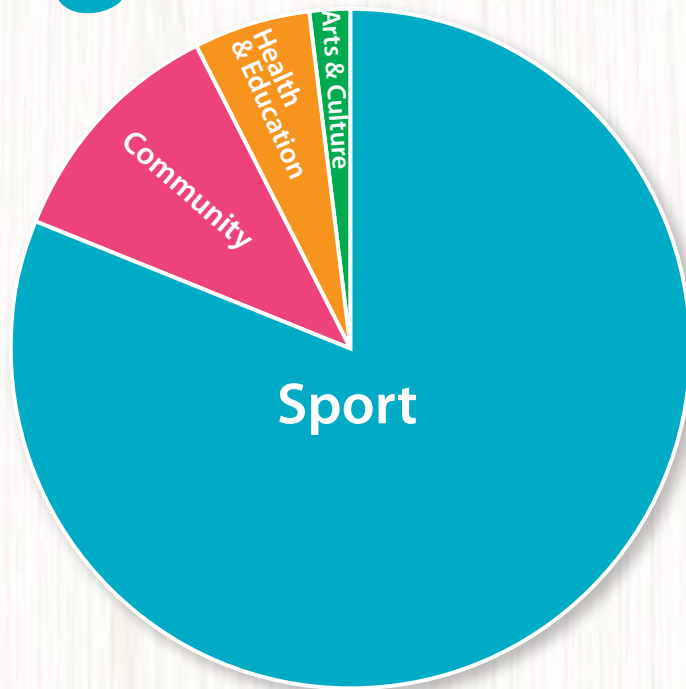
\$36.5 million

generated

40.1% profit

year ended 30 September 2012

Thanks Publicans,
A great result!



Sport

\$30,386,355 81.3%

Health & Education

\$2,065,041 5.5%

Community

\$4,228,915 11.3%

Arts & Culture

\$698,809 1.9%

Grants distributed \$37,379,120

OUR TEAM

The Trustees



Peter Dale
(Chairman)



Alan Isaac
(Chairman,
Audit & Risk Committee)



David Pilkington
(Chairman,
Net Proceeds Committee)



Lesley Murdoch



Kerry Prendergast

Senior Management



Mike Knell
(Chief Executive)



Mark Donaldson
(Chief Financial Officer)



Rae Mazengarb
(Compliance and
Regulatory Manager)



Rob Holden
(General Manager
Operations)



Sally Ann Hughes
(Marketing Manager)



Tony Gill
(National Grants Manager)



Angela Paul
(Communications
Manager)

Regional Managers



David Stones
(Northern)



Darren Kerslake
(Central)



Gary Lawry
(Central)



Sheldon Bell
(Southern)

CHAIRMAN'S REPORT



Peter Dale

“The Trust's grants focus continues to be on activities that will lead to more people particularly children, playing sport, and supporting the effort of volunteers.”

NZCT continues to work against the tide in difficult economic times. The Trust has ended the year in better shape than a year before, with a higher level of return to the community from its efforts. This has been achieved by attention to service and a focus on our publicans and their venues. As a result, during this financial year more publicans have joined the NZCT family and the Trust has made decisions on funding worth \$37.4 million to sport, the arts and wider community.

In the 2011 Annual Report the Trust expressed support for Hospitality NZ developing a gaming division within its organisation. Despite the many issues we have in common, not the least of which is advocating for the venue owners and operators who raise the funds for our Trust, we have made little or no progress in this area. This has been disappointing. We simply must find a way to get a better deal for our publicans, to reduce the enormous costs of Government compliance and to build the case for sensible gaming. Working together with the various sectors of the hospitality industry remains high on the Trust's agenda.

This year has seen Parliament consider the Gambling (Gambling Harm Reduction) Amendment Bill at Select Committee level. There are many parts of this Bill that the Trust supports - we have always supported the concept of at least 80% of funds raised in an area being returned back to the same area. However there are some parts of the Bill that the Trust does not support, in particular the proposal to hand the authority to make grants to local authorities. Nonetheless it has been a privilege to take part in the democratic process of Parliament, and we look forward to learning of the shape of the Bill as it returns to Parliament in the New Year.

Our Regional Advisory Committees (RACs) continue to provide sterling service to their communities by making grants of a bewildering range in both size and nature. This committee grants process has now been in operation for several years and has proven time and time again that the best decisions are made close to the action by people who are respected by their communities for their knowledge and even-handedness. I take this opportunity to thank all our RAC members, who are ably led by our Chairs: Stephen Boock (Canterbury), Gary Cookson (Bay of Plenty), Colin Dale (Northern), Guy Sargent (Horizons), Neil Wolfe (Taranaki), Paul Elenio (Wellington), Paul Matheson (Top of the South) and Owen Pickles (Chatham Islands).

The Trust's grants focus continues to be on activities that will lead to more people particularly children, playing sport, and supporting the effort of volunteers. This focus is aimed at local and regional communities rather than national sports bodies. However there are some national organisations that perform a major regional service for their clubs in which case we are supportive of this strategy.

Trustees continue to favour applications where a substantial proportion of costs are being met by the organisation itself. Conversely, few applications will succeed where contribution from the organisation is not proposed. It is also expected that the administration and other basic costs of running a club will be met primarily by the members themselves, particularly where adults are concerned.

The Trust also discourages organisations from taking the view that they will receive funds every year amounting approximately to the sum received in previous years. This has led to disappointment for some clubs who may have placed expected NZCT contributions into their budgets for the coming year. Trustees are always looking for the outcomes achieved as a result of NZCT funding, therefore expecting a grant for the same purpose each year, no matter the stated need for the support, is unwise. Each application must stand on its merits and in competition with other organisations both within their sport and from others. Therefore a wise club committee will not bank on funds simply being available. Rather it will place a red flag on funds being sourced via grants, until the Trust has made a decision.

Under the capable leadership of Mike Knell, Chief Executive, the Trust continues to make inroads into its administration costs, largely by more efficient handling of grants. Mike has an able team that live the Four Fs. They are fast, flexible, focussed and friendly. Our publicans reaffirm this, as do our recipients and our partners in local government and the wider sporting world.

Finally it is again my great honour to lead such a talented and diverse group of Trustees. I thank David Pilkington who handles the difficult and sometimes contentious role of Net Proceeds Committee Chairman with aplomb; Alan Isaac, Chairman of the Audit and Risk Committee; and fellow Trustees Leslie Murdoch and Kerry Prendergast.

Peter Dale
Chairman

CHIEF EXECUTIVE'S REPORT



Mike Knell

This past year NZCT has achieved some very solid results amidst a backdrop of a continually tightening economy and a level of uncertainty within the gaming sector. Our twin goals of serving our publicans and community are always to the fore in our strategies.

Throughout the year, NZCT's management and staff have remained committed to achieving our mission of 'maximising funds returned to amateur sport and the community'. We've also remained dedicated to continual improvement and achieving best practice in all that we do. To this end, I can report that we've had a successful year in terms of fundraising and we've achieved a number of operational efficiencies too.

All of our prescribed regulatory financial metrics were exceeded and it was pleasing to close the year with another clean audit from past regulatory review. Our bottom line result of \$36.5 million (40.1%) was achieved by paying close attention to cost lines and growing our top line with some new quality venue operators coming on board.

The team has continued to invest wisely in new primary assets (gaming machines) to lift the overall return to a new level. NZCT continues with its investment policy to ensure that opportunities for increased return are to the fore with new technologies and games that support the principle of maximising returns.

As part of our commitment to corporate social responsibility, we are currently

investigating some new initiatives and technology in respect to harm minimisation which, on the surface, appear ground breaking.

From a business efficiency and enhanced transparency point of view, this year we have implemented two new crucial systems that will help us achieve our objective of continual improvement. Thank you to all involved for your patience and effort.

The graphs opposite illustrate where our money has gone this past year. NZCT will continue to invest heavily in our assurance and risk mitigation work to ensure all our stakeholders' investments are maintained and protected as much as possible.

In 2012 we witnessed the sporting spectacle of the Olympic Games in London. One of our publicans, who is a past Olympian, reminded us how our strategic funding has developed grass roots sport in such a way that it has benefited and helped create many of today's champions. This proves what we have always believed, which is, if support is given at the grass roots, Kiwi kids can succeed on the world stage.

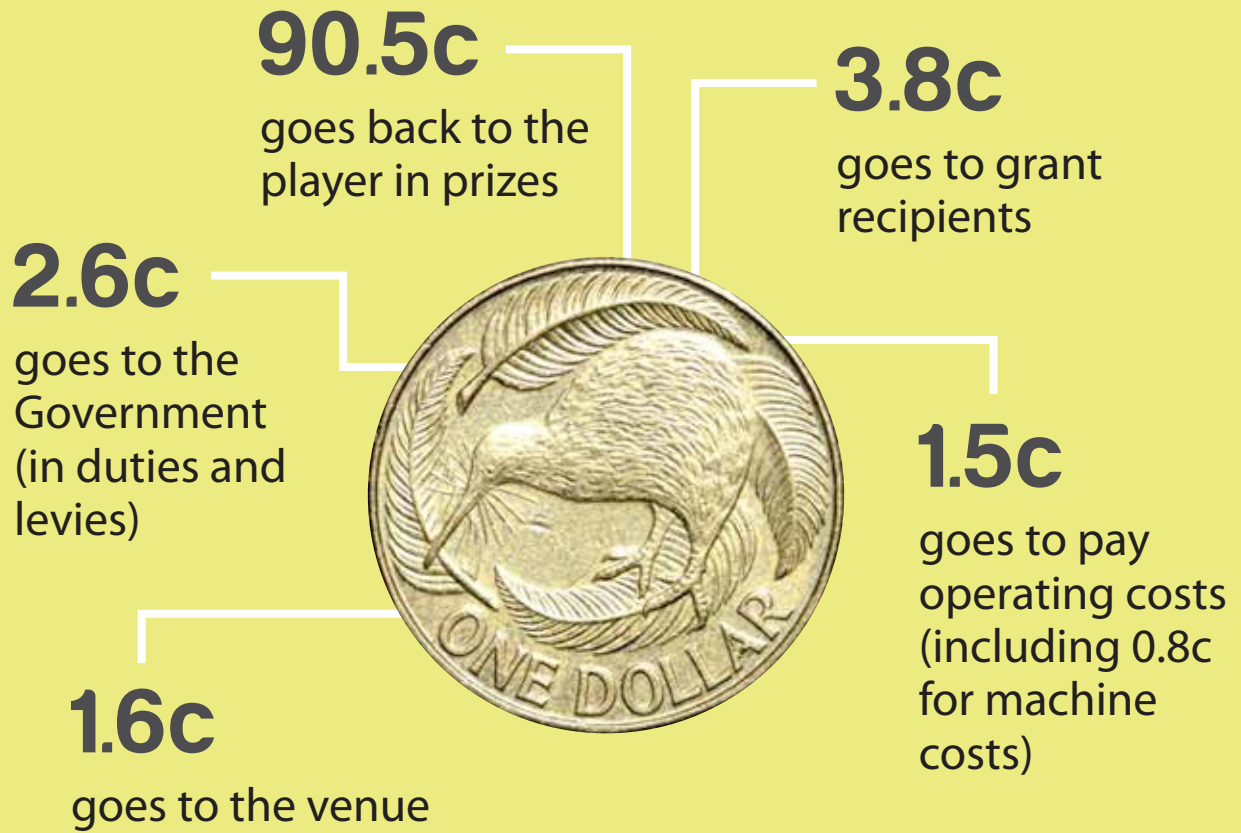
In closing I would like to acknowledge our operators, staff and governance for their efforts and independence in objectively challenging all that we do to provide better outcomes for all.

Mike Knell
Chief Executive

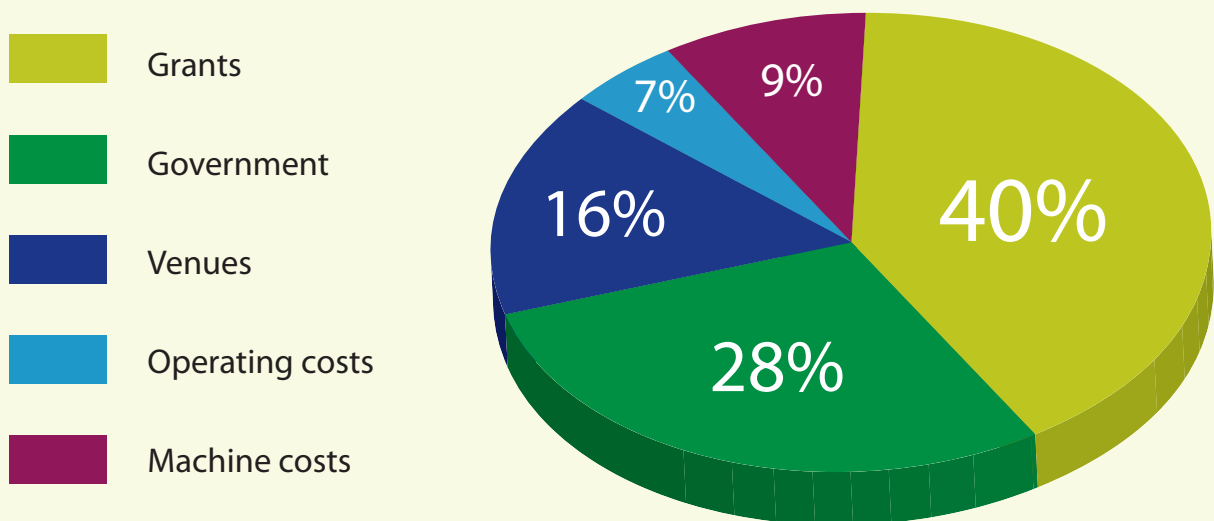
“All of our prescribed regulatory financial metrics were exceeded and it was pleasing to close the year with another clean audit from past regulatory review.”

Here's where the money raised goes

For every dollar a player wagers at an NZCT gaming room, on average:



Percentage allocation of gaming machine profits



HOW WE RAISE OUR FUNDS



Rob Holden

In the past year NZCT's gaming operations have fared well, despite the uncertainty generated by the Flavell Bill and challenges imposed by the tight economy. We would like to thank all our operators for their hard work and loyalty, and we are pleased to welcome several new operators to the NZCT family during the 2011-12 year.

Our operations team includes our regional and area managers, field staff and gaming machine technicians. Everyone on the team is committed to helping our gaming operators run a successful business, so that NZCT can continue to fund amateur sport.

To run a gaming room, operators must meet a raft of compliance and regulatory obligations. This can be time-consuming and complicated, so our goal is to help our operators meet these requirements in the simplest, most efficient way possible. In doing so, we help minimise any risk to their business and keep their gaming operations running smoothly.

NZCT continues to monitor, measure and review its servicing on all its gaming and jackpot equipment, assisting venues to increase turnover and reduce machine downtime. Our in-house call centre provides operators with 24/7 access to our service team and our COMS tracking technology enables us to log service calls, monitor each job's progress and ensure fast response times. Our in-house service team is also an advantage, as our team can respond quickly to call outs in our area, and we get a clear understanding of

any irregular breakdown issues or trends. The in-house service model has produced efficiencies for NZCT, which translates to more community funding being available, and a better customer experience for our operators.

NZCT continually invests in its machine fleet to ensure our gaming rooms offer players a good mix of their favourite games and those recently introduced to the market. We work with our operators to ensure they have the best combination of games and machines for their venue. Our good working relationship with suppliers, and our size, means we can keep up-to-date with the latest games. This year we were pleased to have introduced several new games which meant our operators were able to offer these to their patrons.

The DIA has set an October 2015 deadline by which time all gaming machines must have downloadable jackpots installed. There has been a considerable investment made in this area. As a result, we can report that we are well underway implementing this technology, with nearly 80% of our fleet already upgraded to meet these new regulatory requirements.

I would like to take this opportunity to thank the NZCT operations team members for their efforts, and look forward to a successful year ahead.

Rob Holden

General Manager Operations

“Everyone on the team is committed to helping our gaming operators run a successful business.”



JACKPOT

WIN THESE PRIZES

WIN INSTANT CASH

JACKPOT

1000000

1000000

1000000

1000000

\$293.83

\$37.98

\$245.73

\$120.81

75 FREE GAMES

\$500.00

\$172.87

\$74.92

NZCT

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HOW WE DISTRIBUTE OUR FUNDS



Tony Gill

“From June 2012, applicants have had an opportunity to submit their funding applications on our new online grants management system.”

The 2011/12 year was another busy one for NZCT's grants team, with the demand for community funding remaining as strong as ever.

This year our focus continued to be on providing strategic funding and supporting initiatives that deliver the best possible outcomes for local communities. As always, we are committed to funding grass roots, amateur sport. The ability to demonstrate the results of agreed funding outcomes will increasingly have an influence on NZCT's future funding decisions.

Our Net Proceeds Committee, which is responsible for approving and declining grants, relies on the input of our Regional Advisory Committees to ensure its funding decisions include local knowledge. With the formation of a Horizons committee based in Palmerston North at the start of the year, our tally of Regional Advisory Committees now stands at eight (including one on the Chatham Islands).

NZCT maintains a strong stance on compliance, to ensure the legal obligations around our grants process are achieved. Additional measures were introduced this year to further ensure probity in our decision making process.

In August 2011 legislation was changed to allow gaming societies the opportunity

to provide greater certainty for applicant groups through the provision of funding over multiple years. As a result, multi-year funding arrangements have been entered into with the New Zealand Olympic Committee for its Olympic Ambassador programme, and with Special Olympics NZ for its sport development programme. Additional multi-year arrangements will be considered on their merits by our Net Proceeds Committee during the coming year.

From June 2012, applicants have had an opportunity to submit their funding applications on our new online grants management system. One of the major advances of this new system is that all supporting documents are able to be uploaded directly into the system as the applicant completes their request. By year end, 40% of applicants were already choosing to use this channel. Our target is to double this figure by September 2013.

In March 2012, our longest serving grants officer, Heather Kinsey, retired after more than 10 years making funding recommendations. I'd like to acknowledge the contribution Heather made to local sport, particularly to groups from Taranaki and the South Island.

Tony Gill
National Grants Manager

FUNDS AT A GLANCE

Number of Grant Applications (by category)

	Paid 2011-2012		Declined 2011-2012	
	Number	%	Number	%
Sport	2,165	76.7%	695	47.3%
Health & Education	288	10.2%	253	17.2%
Arts & Culture	80	2.8%	111	7.5%
Community	290	10.3%	411	28.0%
	2,823	100%	1,470	100%

Recipients (percentage)

	2011-2012	2010-2011
\$1 - \$10,000	71.9%	73.3%
\$10,001 - \$50,000	21.2%	19.5%
\$50,001 - \$100,000	4.7%	4.8%
\$100,001 - \$500,000	2.1%	2.3%
\$500,001 +	0.1%	0.1%

Recipients (number)

	2011-2012	2010-2011
\$1 - \$10,000	1,633	1,616
\$10,001 - \$20,000	281	260
\$20,001 - \$30,000	100	90
\$30,001 - \$40,000	46	41
\$40,001 - \$50,000	54	39
\$50,001 - \$75,000	65	62
\$75,001 - \$100,000	42	44
\$100,001 - \$150,000	22	23
\$150,001 - \$200,000	15	13
\$200,001 - \$300,000	8	13
\$300,001 - \$400,000	1	2
\$400,001 - \$500,000	2	0
\$500,001 - \$750,000	1	2
\$750,001 - \$1,000,000	0	0
\$1,000,001 +	1*	1
	2,271	2,206

*Christchurch Earthquake Appeal Trust for the rebuild of sporting infrastructure

WHAT MAKES NZCT UNIQUE?

Sport is our priority

Unlike other gaming societies, the majority of our funding is distributed to sports organisations. We're proud of the contribution we make to amateur sport in New Zealand because we know how important sport is to New Zealanders. According to Sport New Zealand, almost all young Kiwis (92%) take part in some sport and active leisure each year – and around 83% of adults take part in a sporting activity too. As well as improving an individual's health and social experiences, sport is believed to enhance the wellbeing of society as a whole. We feel that our work contributes positively to society in this regard.



We focus on outcomes

Unfortunately we are not able to fund every grant application we receive. This means we need to assess each application on its merits, and use our grant policy guidelines to ensure successful applications meet our funding criteria. Our system is very robust and all applications are fairly and independently reviewed. Throughout this process, one of our key considerations is the outcomes that are to be achieved with the grant funds. We look favourably on applications that provide long-term benefits to a large group of people. We check that applicants have good financial and management structures in place, and that they are affiliated to recognised regional or national bodies.

We are committed to best practice

NZCT works hard to ensure our organisation operates efficiently and effectively. We have implemented robust systems, business processes and quality checks to help achieve this. We set ourselves high standards and we work hard to achieve and constantly improve on these. Whether we're delivering customer service to our publicans via our in-house customer call centre and service team, or providing quick, transparent decisions to our grant applicants via our state-of-the-art online grants system – we remain committed to continual improvement and quality.

NZCT's Board of Trustees established an internal Audit & Risk Committee many years ago. This committee receives quarterly updates from the trust's internal Risk Management Committee (RMC) comprised of senior managers and external advisors. RMC identifies and monitors risks that may impact on NZCT's financial management or compliance with the Gambling Act. RMC recommends controls to mitigate any loss or damage that may result from such risks. This reporting structure provides a rigorous level of monitoring and assurance.

In 2007 NZCT became the first gaming society in Australasia to become AS/NZS ISO 9001:2008 accredited - and we have been recertified every year since. This qualification means NZCT is operating to internationally recognised standards, using best practice systems and procedures. NZCT also implemented specialised compliance software *ComplyWith* to provide audit trails and other checks which help ensure our compliance practices are complete and thorough.



We fund locally

In 2005, NZCT became the first gaming society to establish Regional Advisory Committees (RACs). We now have eight committees across the country (Northern, Bay of Plenty, Taranaki, Horizons, Wellington, Top of the South, Canterbury and Chatham Islands) who review grant applications from their region. The committees are made up of highly regarded, local people who have a background in sports and a strong interest in their community.

"In my role with the Northern RAC we meet monthly to discuss community grant applications from the wider Auckland region and Northland. Our priority is to fund applications that provide more opportunities for participation in sport. The funds allocated are always well needed and benefit greater community use. I think the RAC is making a difference to affordability, total numbers participating as well as enhancing sport and organised activity in our region."

Bernice Mene, former Silver Fern and member of NZCT's Northern Regional Advisory Committee



"Helping grassroots sports clubs and community groups is a priority for the Bay of Plenty RAC. NZCT has a strong presence in the region, which means we have funding available to support many worthwhile causes. We've achieved some great results for locals this year."

Trevor Maxwell, Deputy Mayor of Rotorua and member of NZCT's Bay of Plenty Regional Advisory Committee



"My job is to provide a friendly local face to connect to NZCT community grants. It is essential that the funds we allocate provide maximum value to the widest possible number of people and organisations."

Gerald Hope, former Mayor of Marlborough and member of NZCT's Top of the South Regional Advisory Committee



"Due to the Canterbury earthquakes, the Southern RAC has had some major challenges over the past 12 months. The RAC members have taken great care and pleasure in providing for the rebirth of some clubs while maintaining the regular support for which NZCT is known."

Stephen Boock, former New Zealand cricketer and chairman of NZCT's Canterbury Regional Advisory Committee

WHERE YOU'LL FIND US

(NZCT venues/licences as at 30 September 2012)

Northland

Malbas
Paparoa Hotel

Auckland

Arthurs Bar & Grill
Cock & Bull
Counties Inn
Coutta's
Crows Nest
Fat Camel
Gemini Bar
Havana Club
Joy's Cafe & Bar
Malt 'n' Steak
The Muddy Farmer
PINS Lincoln
Right Track Sports Cafe
Roundabout Bar & Brasserie
SuWan Thai Restaurant and Tavern
Tuakau Hotel
The Upper Lounge Bar
Xtreme Botany

Bay of Plenty

The Boohai
Cayman Sports Bar
Cheers Tavern
Cobb & Co
Flannagan's Irish Pub
Forta Leza
Judea Tavern
Kaspers Sports Bar
Lava East Tauranga
Macs Bar
Malfroy Tavern
Mo's Bar
The Pub
Rehab
Settlers Tavern
The Sidepocket Bar
Valentines
Westbrook Tavern

Waikato

Admirals Arms
Bayview Hotel
Cock & Bull
Coromandel Hotel
Eastside Tavern
Fathers Tavern
Punters Sports Bar
Royal Oak Hotel
Still Working
Trac Bar

Taranaki

Barries Restaurant & Sports Bar
Butlers Bar and Cafe
Cobb & Co Restaurant & Bar
Crowded House Bar & Cafe
The Hairy Dog

Icon's Stadium Bar
The Mayfair
Nag 'N' Noggin
Opunake Surf Inn
The Salty Dog Cafe & Bar
Shifty's Sports Bar & TAB
Stumble Inn & Cafe
Treehouse Sports Bar & Cafe
The Ugly Duck
West Bar
White Hart Hotel

Poverty Bay

Bollywood Tavern
Brezza 'n' Sports Bar
Session Bar and Music
TAB Turf Bar

Hawke's Bay

Clive Hotel
Turks Bar
Bollywood Stars Bar

Manawatu-Wanganui

Albert Sports Bar
The Ave Bar
The Birdcage Bar
Bunnythorpe Tavern
Caroline's Celtic
Castlecliff Hotel
Club Hotel
Criterion Hotel
The Drivers Return Bar & Café
The Empire Hotel
The Empty Vessel
High Flyers
Malbas
Murphy's Law
The Railway
Red Lion Inn
Shooters
Station Hotel
Stellar Bar
Tandoori Bite
Tandoori Spice Bar
Terrace Tavern

Wellington

Backbencher Pub & Café
Corner Bar 169
The Corner
The Cutting Sports Café
The Exchange Hotel
Featherston Bar & Grill
Four Kings
The Grand
The Green Man
JJ Murphys
Jolly Sandbar
Lovelocks Sports Bar
Margins
Public
Railway Hotel
Stadium Bar
Trax Bar & Cafe

The Occidental
The Waikanae Hotel

Top of the South

The Dukes Bar
Globe Tavern
Malbas
Mapua Tavern
Ocean Lodge
Rob Roy's Public House
Shark Bar
Star & Garter
Tapawera Hotel

Canterbury

Adelphi Hotel
Amberley Hotel
Avonhead Tavern
Bills Bar and Bistro
Black Horse
Blue Pub
The Brook Hotel
Brougham Tavern
The Brown Pub
Caspers
The Celtic Arms Inn
The Craic
Golden Mile Tavern
The Marine Bar & Backpacker
Miller Bar
Prebbleton Hotel
The Quarry Bar and Bistro
Redwood Hotel
Rob Roy's Public House
The Rockpool
Rose and Thistle Tavern
Tavern Harewood
Trevinos Restaurant & Bar

Otago

Ettrick Tavern
Golden Gate Hotel
Grand Tavern
The Last Post
Law Courts
New Orleans Hotel
Normanby Tavern
Omarama Hotel
Pub on Wharf
Stadium Sports Bar
Stadium Tavern
Water Bar
Waterloo Hotel

Southland

Golden Age Tavern
Woodlands Tavern

West Coast

Recreation Hotel
Reefton Autolodge

Chatham Islands

Hotel Chatham

FUNDS APPROVED FOR DISTRIBUTION 2011-2012



LEGACY FUNDING

Enduring community benefits

We take our responsibility of distributing community funding very seriously. When assessing grant applications, we seek local advice and carefully consider the community's needs before making decisions. We aim to strike a balance between long term requirements and short term priorities. So, although we're committed to, and will always fund, things like equipment and coaching which help clubs achieve their annual goals, we also fund strategically important projects that provide on-going benefits to a community. Here are a couple of recent examples of our legacy funding:



Our funding contributed to the development of the Paekakariki Escarpment Walking Track on the Kapiti Coast. This is part of the New Zealand-long Te Araroa Trail.



Credit: Lani Hepi

In consultation with Kawerau District Council, NZCT agreed to fund a specialist timing system for the local whitewater course on the Tarawera River. This year we also funded an upgrade at Mangahao's National White Water Centre enabling both courses to host major events in 2013 and 2014.

Multi-year funding

In August 2011, the Government amended New Zealand's gambling regulations to allow gaming societies to establish multi-year funding arrangements in certain circumstances. Multi-year funding provides a level of security for organisations wishing to implement long term plans and programmes. The tenure enables the recipient to make employment and resourcing commitments, knowing that, as long as certain criteria are met, their funding is secure.

NZCT has worked with two exceptional organisations to make use of this opportunity. Our first two multi-year funding arrangements were made in 2012 with Special Olympics New Zealand and the New Zealand Olympic Committee's Schools Ambassadors' programme. We are very proud to be in a position to help these organisations. Our communities tell us they admire the work they do, the outcomes they achieve and we're delighted to help them achieve such wonderful results.

Special Olympics New Zealand

NZCT has been a long-time supporter of Special Olympics New Zealand, which provides a year-round programme of sports training and competition for children and adults with intellectual disabilities. More than 6000 athletes throughout the country train and compete in 13 different Olympic-type summer and winter sports across 48 Special Olympics clubs.



"New Zealand Community Trust directly supports our Special Olympics sports programmes at community level for our athletes with an intellectual disability. Our organisation has grown significantly over the last 4 years. As demand increases for our services across New Zealand, we appreciate the valuable input provided by NZCT to help us make a difference so that all our athletes can participate actively in sport. This investment creates scope to build awareness and understanding for people with disabilities. Sport is a powerful catalyst for bringing about life changing experiences for our athletes and their families."

**Kathy Gibson, Chief Executive,
Special Olympics New Zealand**

New Zealand Olympic Committee Schools Ambassadors' programme

This programme sees Olympic athletes visit primary schools to raise awareness of the Olympic movement, inspire school children to achieve sporting goals and follow Olympic values. With NZCT's assistance, the programme began in 2008 and saw Danyon Loader visit and inspire hundreds of school children. There are now 20 ambassadors in the programme, including Mahe Drysdale, Joseph Sullivan and Rebecca Scown. Again, with NZCT's support, two of our most recent Olympians, Sarah Walker and Lisa Carrington (pictured below), were able to join the programme and begin work inspiring another generation of young athletes.



"With the support of NZCT, we are linking our expanded Ambassadors programme with values-based Olympic Education units. Over the next four years we are excited to see primary students and communities inspired and impacted by Olympic role models, motivated to set goals and increase their participation in sport."

**Kereyn Smith, Secretary General,
New Zealand Olympic Committee**

FROM SMALL BEGINNINGS...

NZCT is committed to funding amateur sport. Our financial support makes sport accessible and affordable for thousands of Kiwis, of all ages, across the country. We are particularly keen to help young people get involved with sport – and we love seeing them achieve their goals and dreams.



Credit: Photosport

We enabled NZ Hockey to roll out its junior hockey programme 'Small Sticks' by funding equipment and gear for primary schools across the country.

"The support from NZCT has meant we can introduce more children to hockey through our ActivePost Small Sticks Programme and develop the next generation of Black Sticks."

Hilary Poole, Chief Executive, Hockey New Zealand



Lisa Carrington began paddling surf skis as a member of Whakatane Surf Lifesaving Club. This photo is of her winning Gold at the 2012 London Olympics.

"The programmes we have in place and the success we have had would not have been possible without the funding provided by NZCT and we are very, very grateful for the support we have received."

Gary Stevens, Club Manager, Waikanae Surf Lifesaving Club



Credit: Canoe Racing

hockey
generation



Working with Kawerau District Council, we were able to help upgrade a number of local sports facilities this year, including the town's popular BMX track.

"Kawerau Gravity Sports extends our thanks and appreciation to NZCT for funding the lime on this much used BMX facility. The young riders were excited to have a more challenging and resurfaced limed track which allows them to go faster and jump higher."

**Sue Walker, President,
Kawerau Gravity Sports**

Credit: Photosport



Kawerau is home to Olympic BMX silver medal winner, Sarah Walker, seen here competing at the London Olympics.



COACHING AND DEVELOPMENT

Having a coach who can offer technical expertise, motivation and guidance can make a huge difference to an athlete's performance. Coaching is a skill. A great coach can have a huge influence on a team and the results it achieves. We're proud to help provide coaching for hundreds of players, across a variety of sports, all over the country. Here's a sample of the coaching we've helped fund during the past year:

"Taranaki Rugby values the support we get from NZCT. It enables us to reach more schools and clubs in Taranaki and keep more kids active and involved with rugby. Thanks NZCT for making a difference in Taranaki."

**Geoff Hitchcock,
Commercial Manager,
Taranaki Rugby
Football Union**



Credit: Bruce Lim Photography

"Through the funding from NZCT Northern Districts Cricket was able to improve the quality of school age coaching; increase the quality of school 1st XI, representative and senior club coaches through certification and we were able to provide specialist coaching support to school aged players. On top of this, we continued to see growth in the number of secondary school students playing midweek modified cricket."

**David Cooper, Chief Executive,
Northern Districts Cricket**



We were pleased to fund Tennis New Zealand's Grasshopper Tennis programme. In February 2012 more than 11,000 children in South Auckland, West Auckland and Northland were introduced to the sport and given tennis coaching.



Credit: Andy Brown

“NZCT’s support of Sport Canterbury’s Young Person’s Advisors enables them to develop and implement new primary school sports cluster competitions in low socio-economic communities. Clusters of schools, all within walking distance, come together weekly to compete. These programmes remove traditional barriers facing primary school sport such as entry fees and transportation costs. The cluster programmes allow children of all abilities to take part and involve skill development as well as competition.”

**Jonny Kirkpatrick, Business Manager,
Sport Canterbury**

NZCT enabled Softball New Zealand to provide pitching coaching and regional game development officers throughout the country.



With NZCT support Pukekura Park Tennis Club in New Plymouth was able to provide a junior tennis programme to 88 young players.



Credit: Clinton Tudor

“NZCT’s support of the BikeNZ development network has given BikeNZ Development Coordinators the opportunity to engage with a range of stakeholders including schools, clubs and community groups. This has resulted in thousands of children participating in the BikeNZ Learn to Ride programme, youth and adults engaging in the Introduction to Ride and Ride Leaders Programmes and tens of Clubs receiving support with capability and development.”

**Kieran Turner,
Chief Executive, BikeNZ**

SPORTS EVENTS

After all the hard work training and practising, it's at events and competitions where athletes and teams are able to test themselves and hopefully achieve the goals they've been working towards. Sports events are full of adrenalin, thrills and excitement. We love being able to help fund events. Here are just a few we've been involved with this past year:



The high profile, popular 'King of the Mountain' running event hosted by the Kawerau Harrier Club.

The Porirua Action Sport Association's Waitangi Day Skate Competition - where 200 young people showed off their skateboarding, roller blading and scooter skills.



Credit: David Read

The 2012 NZCT Women's Cycle Tour is the only international road cycling tour for women in Oceania. The tour allows local Kiwi riders to compete against some of the world's best cyclists on their home turf.



We helped Kapiti BMX Club upgrade its track so members could train for national BMX competitions.



With our support Gisborne Board Riders hosted surfing events, which allowed young surfers to gain experience and compete against the best.



Credit: Cory Scott

We funded the Winter Games which is an incredible winter sports festival providing sport, social and economic benefits for Canterbury and Otago.



Credit: Oliver Kraus



NZCT enabled Eventing Auckland to upgrade its cross country course so it would be suitable for the Puhinui International 3 Day Event.



We assisted Auckland Powerlifting Association purchase weight plates for athletes to use during competition warm ups.

NZCT AIMS GAMES

The ninth annual NZCT AIMS Games were held in Tauranga during September 2012 and they were the most successful yet. More than 6000 intermediate aged children from around the country (and some from Australia) participated in 16 different sports during this week-long sporting competition. Olympians Mahe Drysdale and Sarah Walker opened the Games with inspirational speeches about working hard to achieve sporting dreams. No doubt their success and encouragement will have made a lasting impression on these young athletes.



"It is apparent that competitors of this age respond well to competition in an environment that encourages high performance expectations and dignified sportsmanship. The NZCT AIMS Games organising committee is delighted to see the high numbers of former competitors now making national representative teams and to see the numbers engaged in competitive sport increasing annually."

Brian Driver, Chairperson, AIMS Games Trust

RIPPA RUGBY

In 2012 more than 10,000 children from 705 primary schools participated in the National Rippa Rugby Tournament. The 20 qualifying teams travelled to Wellington to compete for top honours at Wakefield Park (whose artificial turf was also funded by NZCT). Congratulations to the winners - Counties Manukau – represented by Roscommon School.



"Rippa Rugby has been an undoubted success of the NZRU's SmallBlacks programme, providing a fun, safe and easy way for girls and boys to be introduced to and play rugby. All 26 provincial unions now run Rippa festival type days and tournaments and it is a key activity in Rugby Development Officers tool kits for school visits. The Rippa programme has helped increase registered junior playing numbers by 10,000 participants or 14% over the last four seasons. The National Tournament has been the icing on the cake and we thank NZCT for their fantastic support that allows this to happen."

Brent Anderson, General Manager Community and Provincial Union Rugby, NZRFU

COMMUNITY

NZCT is part of your community. Whether it's working with local business owners to host gaming venues, liaising with community leaders about funding priorities, or distributing funds to worthwhile causes, everything we do is for the benefit of communities across the country. The community events and services we fund are unique, exciting and irreplaceable. We're delighted to be able to help keep them operating. Here's a small sample of community activities we've funded in the past year:



"LandSAR's mission of providing search and rescue support to the lost, missing and injured has received hugely valuable support from NZCT over recent years. As a volunteer organisation with limited funding sources, we are very appreciative of NZCT's investment in LandSAR, particularly the support they have given us towards directly training and supporting volunteer groups and providing them with the right search and rescue equipment. We look forward to a productive and valuable future partnership with NZCT."

Harry Maher, Chief Executive, New Zealand Land Search & Rescue Inc.



Our support meant Wellington City Council could run its popular Summer City programme. This includes a wide variety of cultural, arts and sporting events, including family friendly activities like the annual teddy bears' picnic.

"We really appreciate NZCT's support! It is difficult for charitable organisations to receive funding for wages. We can't possibly do what we do unless we receive that support. We're 100% committed; my wife, myself and my children and the staff we've got are the best, who work over and above the call of duty. Because of our vision here in Naenae; to change peoples' lives and keep children off the street, we are in for the long-term. We're extremely passionate about what we do. Thank you so much NZCT for your on-going assistance!"

Billy Graham, Naenae Boxing Academy/Naenae Youth CT



HEALTH AND EDUCATION

"NZCT is the single most significant funder of Life Flight's air ambulances and has helped keep our emergency teams flying for more than ten years. This long-standing and generous support has made thousands of life-saving missions possible."

David Irving, Chief Executive, Life Flight Trust



NZCT is a major supporter of Life Flight Trust's air ambulance which provides a 24/7 service transporting critically ill patients around the country. In June 2012 Prime Minister John Key unveiled the Trust's new J32 Jetstream aircraft (complete with a 'bandaged' look courtesy of Weta Workshop).



NZCT funding has helped the Child Cancer Foundation look after some of the most vulnerable members of society.



We assist many Riding for the Disabled clubs provide therapeutic interaction with horses for those with disabilities.



ARTS AND CULTURE

While sport is our main focus, we appreciate the positive experience that can be achieved by an uplifting, exciting performance. Whether it's celebrating our Maori culture or listening to classical music, the emotion and joy that results is priceless. We're pleased we're able to help some of New Zealand's talented young performers showcase their skills and thrill audiences.



"The purpose of the Chamber Music Contest is to encourage young musicians regardless of standard or experience to perform together as a team and strive towards excellence. We are very proud and grateful for the support we receive from NZCT, without it this unique event simply wouldn't happen."

Euan Murdoch, Chief Executive, Chamber Music New Zealand Trust



Credit: Peter De Graaf

"WOMAD is the only international world music festival in NZ and presents a wide range of artists in a spirit of building understanding through music. Since 2003 more than 130,000 people have experienced WOMAD in Taranaki. NZCT's support allows us to keep ticket prices affordable, which means even more people can enjoy this magical experience."

Chris Herlihy, Business Manager, WOMAD

An NZCT grant helped the Wellington Repertory Theatre produce a performance of 'Blackadder III', enabling amateur actors to showcase their talents to local audiences.



FINANCIAL SUMMARY



NEW ZEALAND COMMUNITY TRUST

Summary financial statements

For the year ended 30 September 2012

SUMMARY STATEMENT OF COMPREHENSIVE INCOME

	2012 \$000	2011 \$000
REVENUE		
Gaming machine profit	90,167	86,373
Interest received	128	221
Net gain on disposal of property, plant and equipment	647	535
Other revenue	22	4
Operating revenue	90,964	87,133
EXPENDITURE		
Administration expenses	6,256	5,847
Depreciation and amortisation	7,712	7,749
Gaming machine duty	20,738	19,866
Gaming operation expenses	5,524	5,148
Venue payments	14,195	13,318
Operating expenditure	54,425	51,928
SURPLUS FOR THE YEAR	36,539	35,205
DISTRIBUTION TO THE COMMUNITY	36,539	35,205
COMMUNITY EQUITY ADJUSTMENT	(352)	987
CHANGE IN COMMUNITY EQUITY	352	(987)
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME	352	(987)

SUMMARY STATEMENT OF CHANGES IN COMMUNITY EQUITY

Community equity at the beginning of the year	8,015	9,002
Change in community equity	352	(987)
Community equity at the end of the year	8,367	8,015

SUMMARY STATEMENT OF FINANCIAL POSITION

COMMUNITY EQUITY	8,367	8,015
Current assets	5,115	7,713
Non current assets	16,958	14,426
Total assets	22,073	22,139
Current liabilities	13,706	14,124
Non current liabilities	-	-
Total liabilities	13,706	14,124
NET ASSETS	8,367	8,015

NEW ZEALAND COMMUNITY TRUST

Summary financial statements

For the year ended 30 September 2012

	2012 \$000	2011 \$000
SUMMARY CASH FLOW STATEMENT		
Net Cashflow from operating activities	6,040	5,407
Net Cashflow from investing activities	(9,516)	(5,753)
Net Cashflow from financing activities	-	-
Net (decrease)/increase in cash and cash equivalents	(3,476)	(346)
Cash and cash equivalents at start of year	5,795	6,141
CASH AND CASH EQUIVALENTS AT END OF YEAR	2,319	5,795

SUMMARY NOTES TO THE FINANCIAL STATEMENTS

- 1 The New Zealand Community Trust (the "Trust") is a charitable trust domiciled in New Zealand and registered under the Charitable Trusts Act 1957. The Trust raises funds through the operation of gaming machines primarily for the promotion of amateur sport in New Zealand.
- 2 The financial statements of the Trust for the year ended 30 September 2012 have been prepared in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS). The financial statements have been prepared in accordance with NZ GAAP and other applicable Financial Reporting Standards, as appropriate for Public Benefit Entities. The functional and presentation currency for the Trust is in New Zealand Dollars, rounded to the nearest thousand.
- 3 The summary financial statements have been extracted from the full financial statements. The financial statements of the New Zealand Community Trust including Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Cash Flow Statement cannot provide a full understanding due to their summary nature. This understanding can be obtained only by reference to the annual financial statements of the Trust.
- 4 A copy of the financial statements may be obtained on request from the Trust's office (Telephone 0800 446 928), P O Box 10857, Wellington.
- 5 The Trust has an agreement with the Department of Internal Affairs (DIA) to reduce Community Equity (a complete breakdown of this disclosure can be seen in Note 6 of the full financial statements). The Trust estimates the level of grants that will be payable over the next four years to 30 September 2015 by using the current (30th September 2012) Gross Machine Proceeds (GMP) as a proxy for GMP in 2015 due to the uncertainty of future years GMP. During the financial year, the Trust has approved grant applications such that by 30 September 2012 community equity will have reduced to a maximum of 9.28% of annual GMP as agreed with the DIA.

NEW ZEALAND COMMUNITY TRUST

Summary financial statements

For the year ended 30 September 2012

- 6 The Trust maintains an interest register in which the Trustees record all parties and transactions which they have an interest. At the time of discussion and approval of the grants the relevant trustee noted their involvement and excluded themselves from the decision making process. During the year the Trust made grant distributions to and purchased goods and services from the following organisations that were on the Trustee's register of interests:

	2012	2011
	\$000	\$000
Grant Distributions		
a. Nelson Cricket Association	40	25
b. Katherine Mansfield Birthplace Society Inc	3	-
c. NZ Rugby Union	225	363
d. Christchurch Football Club	20	-
e. Waikanae Golf Club Inc	-	7
f. First Foundation	100	100
g. Johnsonville Cricket Club	19	23
h. Canterbury Hockey Assn Inc	90	85
i. Marist Hockey Club	4	2
j. Riccarton Cricket Club	6	7
k. N Z Cricket Inc	75	20
l. Netball Wellington Region Inc	153	80
m. NZ International Festival of Arts	320	220
n. Skylight	20	20
o. Queen Margaret College	6	5
p. Ronald McDonald House Auckland Trust	20	-
q. Boulcott's Farm Heritage Golf Club Inc	25	-
r. Metro Mt Albert Football Club	2	-
Goods or Services Purchased		
a. Peter Dale Management Services	3	9

The complete breakdown of this disclosure can be found in Note 21 of the full financial statements.

- 7 Capital Commitments at balance date are:

	2012	2011
	\$000	\$000
Capital Purchase commitments	1,151	6,461

The nature of the commitments relate to orders in place for the purchase of Plant and Equipment.

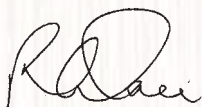
NEW ZEALAND COMMUNITY TRUST

Summary financial statements

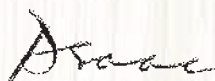
For the year ended 30 September 2012

- 8 The annual full financial statements of New Zealand Community Trust have been audited by PricewaterhouseCoopers who have issued an unmodified audit opinion in respect to the financial statements on 27 November 2012. PricewaterhouseCoopers have audited these summary financial statements and found them to be consistent with the Annual Financial Statements.
- 9 The Trustees authorised the publication of these Summary Financial Statements on 27 November 2012.
- 10 These Summary Financial Statements are in compliance with FRS-43: Summary Financial Statements.

Approved on behalf of the Board:



Peter Dale
Chairman



Alan Isaac
Trustee



Independent Auditors' Report on Summary Financial Statements to the Trustees of New Zealand Community Trust

We have audited the accompanying summary financial statements, which comprise the summary statement of financial position as at 30 September 2012, the summary statement of comprehensive income, summary statement of changes in community equity and summary cash flow statement for the year then ended, and related notes, which are extracted from the audited financial statements of New Zealand Community Trust (the 'Trust') for the year ended 30 September 2012.

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 Trust.

Trustee's Responsibility for the Summary Financial Statements

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

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 have no relationship with or interests in the Trust other than in our capacities as auditors and provider of other assurance services. These services have not impaired our independence as auditors of the Trust.

Opinion on the Financial Statements

Our audit of the financial statements for the year ended 30 September 2012 was completed on 27 November 2012 and our unmodified opinion was issued on that date. We have not undertaken any additional audit procedures from the date of the completion of our audit.

Opinion on the Summary Financial Statements

In our opinion, the summary financial statements have been correctly derived from the audited financial statements of the Trust for the year ended 30 September 2012 and are consistent, in all material respects, with those financial statements, in accordance with FRS-43.

Restriction on Distribution or Use

This report is made solely to the Trustees of the Trust, as a body. Our audit work has been undertaken so that we might state to the Trustees those matters which we are required to state to them in an auditors' 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 Trust and the Trustees, as a body, for our audit work, for this report or for the opinions we have formed.

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This audit report relates to the summary financial statements of the Trust for the year ended 30 September 2012 included on the Trust's website. The Trustees are responsible for the maintenance and integrity of the Trust's website. We have not been engaged to report on the integrity of the Trust's website. We accept no responsibility for any changes that may have occurred to the summary financial statements since they were initially presented on the website.

The audit report refers only to the summary financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the summary financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the hard copy of the audited financial statements and related audit report dated 27 November 2012 to confirm the information included in the audited summary financial statements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Chartered Accountants
27 November 2012

Wellington



Certificate of Registration

This is to certify that

New Zealand Community Trust

having been assessed by Telarc SAI Limited and having been found to operate a management system conforming to

AS/NZS ISO 9001:2008

is hereby designated

TELARC REGISTERED

for the systems, goods or services specified in the schedule to this certificate

Registration number: **QEC23178**

Certificate Issued: 3 July 2012

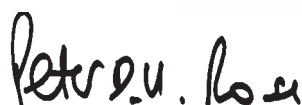
Original Registration: 30 June 2006

Current Registration: 30 June 2012

Expiry Date: 30 June 2015

Chairperson

Chief Executive



This certificate and its associated schedules remain the property of Telarc SAI Limited and must be returned if registration is withdrawn



Registered by Telarc SAI Limited 626 Great South Road, Elerslie, Auckland 1051, Private Bag 28901, Remuera, Auckland 1541, Telephone: 64 9 525 0100 Facsimile: 64 9 525 1900 and subject to the Telarc SAI Limited Terms and Conditions for Certification. While all due care and skill was exercised in carrying out this assessment, Telarc SAI Limited accepts responsibility only for proven negligence. To verify that this certificate is current please refer to the JAS-ANZ register at www.jas-anz.org/register.



