



Rippa World Cup 2011

**NZCT**  
NZ COMMUNITY TRUST

**ANNUAL REPORT  
2010/2011**

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



## Who we are

NZCT is one of the largest gaming societies in New Zealand and, from governance to management to staff, everyone at NZCT is passionate about making a positive contribution to amateur sport. In the 12 months to 30 September 2011, thanks to your local publicans, who help us raise money through responsible gaming, NZCT was able to distribute \$38.5 million in grants to worthwhile sporting, local government and community groups nationwide.

## 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

P O Box 10 857  
Thorndon  
Wellington 6143

0800 44 69 28  
info@nzct.org.nz  
www.nzct.org.nz

Facebook



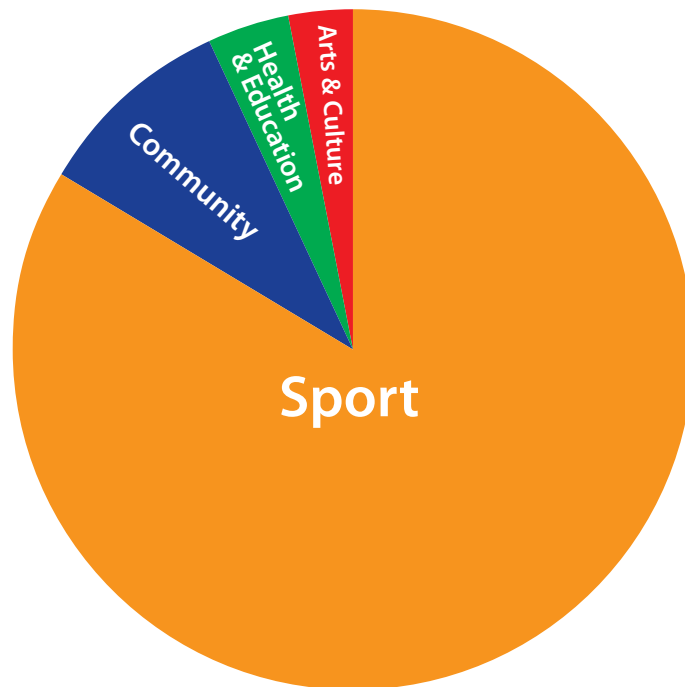
*Thank you to everyone who contributed photos for this report*

# \$38.5 million

## distributed

year ended 30 September 2011

## Thanks Publicans, fantastic stuff!



**Sport**  
\$32,301,585

83.8%

**Health & Education**  
\$1,473,263

3.8%

**Community**  
\$3,658,103

9.5%

**Arts & Culture**  
\$1,120,423

2.9%

**Grand Total \$38,553,374**

# Our team

## The Trustees



**Peter Dale**  
(Chairman)



**Alan Isaac**



**Lesley Murdoch**



**David Pilkington**



**Ian Wells**  
(retired February 2011)



**Kerry Prendergast**  
(appointed March 2011)

## Senior Management



**Mike Knell**  
(CEO)



**Mark Donaldson**  
(Financial Controller)



**Tony Gill**  
(National Grants Manager)



**Rob Holden**  
(General Manager  
Operations)



**Sally Ann Hughes**  
(Marketing Manager)



**Rae Mazengarb**  
(Compliance and  
Regulatory Manager)



**Angela Paul**  
(Communications  
Manager)

## Regional Managers



**David Stones**  
(Northern)



**Darren Kerslake**  
(Central)



**Gary Lawry**  
(Central)



**Sheldon Bell**  
(Southern)

# Chairman's Report



Peter Dale

“ Trustees continue to focus on support for children's sport at a local level. ”

The year has been marked by a significant improvement in options for funding organisations. Thanks to Minister of Internal Affairs Nathan Guy and his officials, gaming societies now have an option to provide multi-year commitments to organisations. This is essential for those contemplating large projects, such as the construction of swimming pools, synthetic playing surfaces and the like. It will also be a boon to organisations anxious to provide job security to coaches and top officials in their sports. Knowing in advance that funds will be available over the next two or three years, provided that targets and conditions are met and NZCT has the funds available, will allow many a chairman of sports bodies to rest a little easier at night.

The Canterbury earthquake disaster brought devastation to the infrastructure of Christchurch, much of which was uninsured. NZCT promptly offered \$5 million from its Community Equity Fund to support the Prime Minister's Appeal, with the proviso that the funds be spent on repairing the sporting facilities of the city, particularly sports fields so that children could play. It was very pleasing to see so many other gaming societies make significant contributions to this fund.

The people of the West Coast, too, have been supported by a significant contribution to the Greymouth Miners' Memorial Centre. So many of the miners who died at Pike River played sport, that Trustees at NZCT felt that this grant was a fitting tribute.

Trustees continue to focus on support for children's sport at a local level. Fewer grants have been made to national sporting bodies, and even those have been restricted to organisations that have a strong regional infrastructure. This reflects NZCT's resolve to fund locally where the funds were raised. Applications which have a strong legacy component, such as sports facilities and 'sportsville' mergers of a number of local sports sharing facilities have also been supported. This will continue.

NZCT supported two major Rugby World Cup projects. Both were 'firsts'. The Forsyth Barr Stadium's reinforced grass pitch was sewn-in in time for the World Cup deadline. The whole venture is a major step forward in playing field technology, with a transparent roof and an ultra-strong playing surface available year-round in trying climatic conditions. The grant of \$905,000 enabled the pitch to be developed to original specifications and it bore up well under the pressure of many tons of scrums.

The second event was the inaugural Rippa World Cup held for primary schools around the

country with the final two day competition held in Auckland. The winning team was New Zealand (represented by Whau Valley Primary School in Northland) who beat Wales (represented by Arrowtown Primary School in Otago) with a final score of 50 – 20 points. The New Zealand Rugby Union organised this event brilliantly and enabled school children throughout the nation to become involved in their own 'international' event.

NZCT Trustees are very supportive of Hospitality NZ's moves to develop a gaming division within their organisation. There are 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 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. This partnership approach is to be applauded and NZCT looks forward to playing its role in getting the project off the ground.

NZCT Regional Advisory Committees (RACs) continue to make great decisions on grants in their regional communities. I take this opportunity to thank the Chairs of the RACs, Colin Dale (Auckland), Gary Cookson (BOP/Waikato), Neil Wolfe (Taranaki), Paul Elenio (Wellington), Paul Matheson (Top of the South), Stephen Boock (Canterbury/West Coast/ Otago) and Owen Pickles (Chatham Islands) for their sterling efforts with their committees on the Trustees' behalf.

This year saw the retirement of Ian Wells as Trustee after six years as NZCT Net Proceeds Committee Chairman. Ian has been a lifelong supporter of sport in all its versions, serving for many years on national sporting bodies and becoming life member of many of them. Kerry Prendergast has graciously accepted the offer to join the Trust, bringing her immense local government knowledge to the Board table along with her comprehensive business and governance experience, not to mention her passion for all matters Wellington. David Pilkington has taken on the role of Net Proceeds Committee Chair. Trustees Leslie Murdoch and Alan Isaac continue to make major contributions to the success of the Trust.

Finally, CEO Mike Knell and his team have performed at a high level in trying conditions to raise earnings, reduce costs and increase grants available to the community. In the face of a general downturn in gaming profits this is an outstanding achievement.

**Peter Dale**  
Chairman

# Chief Executive's Report



Mike Knell

The year in review will be remembered for many things, but none more so than the two tragedies (Canterbury earthquakes and Pike River explosion) that struck the nation with such a force that they scarred our minds for eternity. Thankfully New Zealand's pub gaming sector was able to respond by providing much needed financial assistance.

New Zealand is one of only a few countries in the world with a 'community owned' model for pub gaming, where a minimum of 37.12% of net proceeds are returned to the community. This year NZCT achieved a 40.3% return – a pleasing result given the testing economic climate.

We entered the year in a storm of economic uncertainty, with the realisation our revenues were falling. This was a situation shared by many - including our publicans. Despite the fiscal challenges facing us, we were adamant that we would continue to maximise returns to New Zealand communities (a major objective of the Gambling Act). As a result, we undertook a massive cost efficiency project, re-negotiated contracts, capped spending, reviewed resources and brought essential services in-house where possible.

## Overview of results

For NZCT, the year in review can be described as a good one. All of our prescribed (by statute) financial metrics have been exceeded. Our bottom line result of \$35.1m profit (40.3%) profit against a budget of \$33.8m (39.4%) is pleasing. This result has been delivered during a tight economic climate and includes a negative

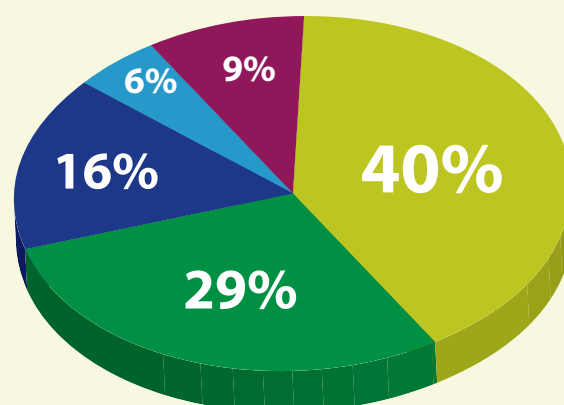
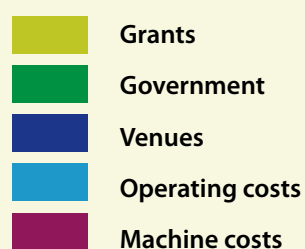
impact (estimated at 1.3%) following the rise in GST. The cost saving measures we implemented resulted in actual annualised savings across all divisions of our organisation of \$720k (against a forecast of \$650k). The quality of our business has again improved with yields on gaming machines increasing to \$982 per machine per week, up 6.4% on last year. The pie graph at the bottom of this page illustrates where the money we raise is spent.

Our goal of 100% compliance with gambling legislation, rules and regulations remains a focus. This is fundamental for mitigating our publicans' business risk and ensuring their business' survival. Our corporate social responsibility is also front of mind. This year Rae Mazengarb and her compliance team reviewed and refreshed all our harm minimisation resources. This year alone they delivered face-to-face training about gaming harm minimisation to more than 270 of our venues' staff members. This has resulted in many positive outcomes. The professional approach by NZCT publicans and their employees (and our on-going commitment and investment) in this domain will continue to be strong in the future.

We operate in a highly controlled and managed environment, but we are committed to serving the publicans who raise funds for their community, and fostering a co-operative and effective relationship with our regulator (the Department of Internal Affairs). We have continued to invest further in our assurance work, and we strive towards continual improvement and best practice. We obtain our assurance from our external

“New Zealand is one of only a few countries in the world with a 'community owned' model for pub gaming.”

## NZCT revenue distribution 2011 (\$38.5 million)



auditor (PWC), internal audits and regular management reporting. Further work to mitigate risk has been successfully undertaken during the year and will continue to be a focus.

A major part of this year's work has been to reposition ourselves and to further invest in being more customer centric. In February 2011, to help achieve this, we launched our publicans' extranet – a secure area of our website where our customers can view up-to-date information about their gaming room. From compliance information and forms, to newsletters and revenue graphs – the extranet is a central repository of the essential information required to run a gaming operation. We believe it will become a very useful tool for our publicans. This year we also committed to implementing a new grants management system, which will enable more grant applications to be submitted online. This will provide efficiencies in our applications' storage, retrieval and authentication processes.

We have long considered it both sensible and valuable to invest in our

people through training and personal development. In the past 12 months, several staff members have completed post graduate qualifications – with one achieving his Chartered Accountant qualification. A number of others are continuing their study, and we are proud of their efforts.

As observed in the following illustration, for every dollar a player wages at one of our gaming venues, the benefits in prizes and community well-being is 94.3 cents. This would have to be one of the best examples of how effective the Gambling Act has been that I can think of.

I would like to express my sincere thanks to NZCT publicans, their staff members, the entire NZCT team, the Board and our suppliers for their continued support and commitment to NZCT. Without them, we would not have been able to assist the many worthwhile causes across the country that we did. Long may it continue.

**Mike Knell**  
Chief Executive

## For every dollar waged at an NZCT venue, on average:

**90.5c**

goes back to the player in prizes

**3.8c**

goes to grant recipients

**2.6c**

goes to the Government (in duties and levies)

**1.6c**

goes to the venue



**1.5c**

goes to pay operating costs (including 0.8c for machine costs)



Rob Holden

# How we raise our funds

This past year has been a tough one for many businesses – and many of our publicans have faced financial pressure. We've seen a natural attrition of gaming operations ceasing to operate, but those that remain are stable and performing well. Our machine yields have remained high, which is a credit to our publicans and our in-house business analyst who manages our gaming machine purchases and upgrades.

No more than 16 percent of net proceeds can be paid to the local businesses (typically pubs or hotels) that host gaming machines. This means there is a maximum amount publicans can be paid to host gaming machines. Given the extensive amount of compliance work involved with operating gaming machines, we really do appreciate our publicans' commitment to this business. I would like to take this opportunity to thank each of them for helping us continue to generate funds for their community. Without the loyalty and hard work of our publicans, NZCT would not be able to fund worthwhile projects and help build healthy communities.

Our regional managers are also a key part of our gaming business. They are the first point of contact for our publicans, and it is their job to assist and advise them how to keep their gaming operation running smoothly. This typically involves discussions around compliance obligations, machine performance and gaming room optimisation. For most publicans, gaming is a second string to their main business – that of 'hospitality'. Our regional managers are conscious of our publicans' priorities and they strive to make the gaming operation as easy to run as possible.

The results of our recent customer satisfaction survey suggest we are doing well in this area. We were pleased to see

that our customer satisfaction levels have increased from a fairly decent 75% last year – to an impressive 81% satisfaction rate this year. The survey also showed that our publicans value the way we communicate with them, the help we give them when dealing with the Department of Internal Affairs (DIA) over compliance matters, and the way we provide and maintain good gaming machines.

We have made a big effort to ensure our fleet of gaming machines is popular with players and easy to maintain. We keep a close eye on our machines' performance by monitoring all service calls so we know which faults are causing issues. We were pleased to see the survey results reflect this effort.

Supporting our regional managers is an experienced team of field staff (area managers, auditors and service technicians). They provide harm minimisation training to bar staff when required, do compliance checks on machines, provide advice on the DIA's centralised Electronic Monitoring System (EMS) and Ezibalance (the two systems which monitor the funds raised via gaming machines) and fix machine faults. The team is often at the coalface working alongside bar staff and managers. They have first-hand experience of our gaming rooms and are often the people our publicans see the most. Their commitment to customer service and solutions is part of the reason NZCT is so well regarded by its publicans. I would like to express my thanks to the NZCT regional managers and field staff who help our publicans run successful gaming operations.

**Rob Holden**  
General Manager Operations

“Our publicans value the way we communicate with them.”





“ NZCT service and communication is outstanding. ”

Venue operator, 2011 customer satisfaction survey

# How we distribute our funds



Tony Gill

One of NZCT's goals is that every grant we distribute helps achieve the best possible outcome for the local community. To this end, one of our main focuses in the past year has been to encourage grant recipients to report back to us about the outcomes achieved with NZCT funding.

Another of our goals is to ensure all funds are returned to the communities in which they were raised. Even grants that have been made to national bodies must be able to demonstrate a clear benefit for local communities.

This year, to ensure the grants team operates as efficiently and effectively as possible we made several changes to our staffing levels, technology and processes. We also improved our communication with grant applicants.

We encouraged applicants to plan ahead and, wherever possible, submit a single grant application. We believe the 10 percent reduction in total applications received in 2010/11 compared to the previous 12 months can be attributed to applicants' responding positively to this encouragement.

The resulting time savings have enabled our grants assessment staff to invest more time developing grant recommendations for our Regional Advisory Committees (RACs). These committees (based in Auckland, Bay of Plenty, Taranaki, Wellington, Top of the South, Canterbury and the Chatham Islands) do a great job adding a local perspective to our grant decisions. Committee members are spending an increasing amount of time looking for ways NZCT can make a positive difference in their community.

During the past year more than 85% of all grant applications received were sourced via the NZCT website, with nearly half of these being submitted online. In early 2012 we will be launching a new grants management system that will offer a significant range of benefits for users including: the ability to save draft applications; online submission of supporting documentation; and advanced tracking of applications through the grants process. Our goal for the next two years is to double the number of applications received online.

In June 2011, to improve our communications, we introduced a new newsletter dedicated to grant recipients' needs - Connections. So far this quarterly newsletter, distributed via email, has received positive feedback. We have also encouraged grant recipients to send us digital images of their grant funds being implemented – and we are using Facebook as a way of sharing these positive stories and images with all our stakeholders.

We thank all grant recipients for the contribution you are making in your communities. While NZCT and the publicans who help us raise funds have a role to play, the actual delivery of benefits and outcomes is down to you. We appreciate your dedication and commitment – and we are pleased to have helped you make a positive difference.

**Tony Gill**  
National Grants Manager

“Our goal for the next two years is to double the number of applications we receive online.”

# Funds at a glance

## Number of Grant Applications (by category)

	Paid 2010-2011		Declined 2010-2011	
	Value	%	Value	%
Sport	2,223	80.0%	818	49.3%
Health & Education	246	8.9%	323	19.5%
Arts & Culture	72	2.6%	119	7.2%
Community	238	8.6%	398	24.0%
	<b>2,779</b>	<b>100%</b>	<b>1,658</b>	<b>100%</b>

## Paid Recipients (percentage)

	2010-2011	2009-2010
\$1 - \$10,000	73.3%	74.9%
\$10,001 - \$50,000	19.5%	17.9%
\$50,001 - \$100,000	4.8%	4.4%
\$100,001 - \$500,000	2.3%	2.6%
\$500,001 +	0.1%	0.2%

## Paid Recipients Total (value)

	2010-2011	2009-2010
\$1 - \$10,000	1,616	1,730
\$10,001 - \$20,000	260	258
\$20,001 - \$30,000	90	85
\$30,001 - \$40,000	41	37
\$40,001 - \$50,000	39	33
\$50,001 - \$75,000	62	58
\$75,001 - \$100,000	44	44
\$100,001 - \$150,000	23	31
\$150,001 - \$200,000	13	13
\$200,001 - \$300,000	13	12
\$300,001 - \$400,000	2	4
\$400,001 - \$500,000	0	1
\$500,001 - \$750,000	2	5
\$750,001 - \$1,000,000	0	0
\$1,000,001 +	1	0
	<b>2,206</b>	<b>2,311</b>

# What makes NZCT special?

NZCT is committed to quality and compliance. We continuously strive to deliver excellent solutions, customer service and community outcomes. Here are just some of the things that make us special:

## Sport is our focus

NZCT plays a significant role within the New Zealand amateur sporting fraternity. Around 80 percent of the funds we distribute go towards supporting amateur sport. And while sport is our main focus, we are also strong supporters of worthy community activities, including local government projects and essential rescue services such as Life Flight Trust.

## Regional advisory committees

NZCT was the first gaming society to introduce Regional Advisory Committees (RACs) whose members make recommendations on grants in their local area.

We now have seven committees: Northland, Bay of Plenty, Taranaki, Wellington, Top of the South, Canterbury and Chatham Islands.

Our committee members are upstanding members of their respective communities and most have a strong interest or background in sports. Committees generally meet monthly to review grant applications and consider which ones have the potential to provide maximum benefit to locals. It can be a difficult choice, because we generally have more grant applications than we have funds available. However we appreciate our committee members' opinions and insights. We are lucky to have such a great bunch of people working with us.

In-house service team



## Local funding

NZCT has a policy of returning funds to the communities in which they were raised. Our by-line is 'Local Gaming, Local Funding', which means local councils, publicans and communities can be assured that funds generated in their area, will be returned to them.

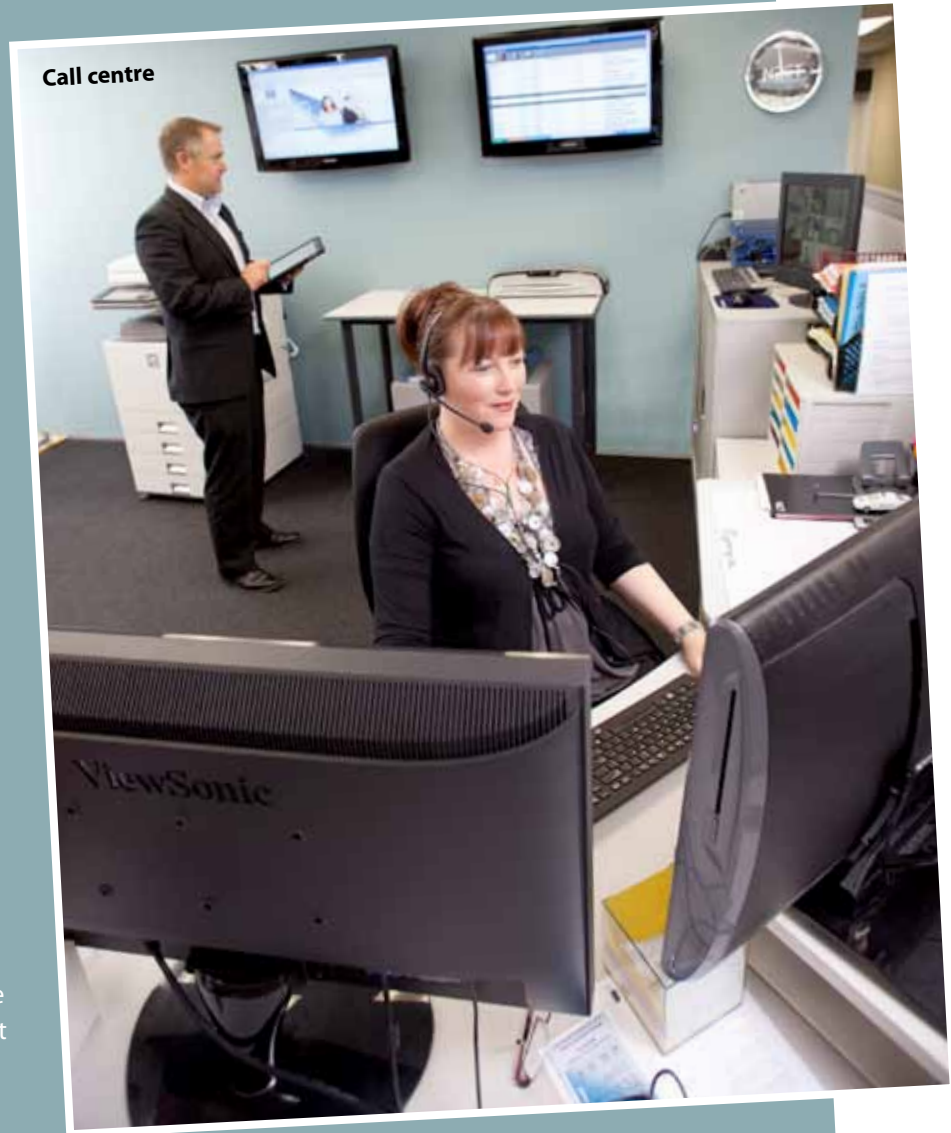
## In-house gaming machine service

Where practical, NZCT operates an in-house service rather than using third party machine service providers. We have a team of three technicians in our Wellington office, who each bring a different skill set to the job. As well as doing monthly preventative maintenance checks at all venues, the team responds to service calls in the Wellington region and can fix most problems within one or two hours.

Having our own service team means we have a thorough understanding of what is required to keep our fleet of gaming machines operating smoothly. And although we work with third parties in other parts of the country, our expertise and knowledge means we have realistic, accurate expectations when it comes to service jobs, timeframes and outcomes.

## NZCT call centre

NZCT has its own call centre, where we monitor the faults and function of our gaming machines. This allows us to keep a close eye on the performance of our machines and the response times of our service technicians. The call centre is staffed 24/7 to ensure our publicans can arrange assistance whenever they need it. As our computer based service system can detect gaming machine faults remotely, we are often alerted to problems, and have arranged a fix, before gaming venue staff are even aware there is an issue. We are currently working towards extending this service nationwide.



## Extranet

To ensure our operators have instant access to up-to-date information about the performance of their gaming room, NZCT has added a secure section to our website. We call this MyNZCT. This area can only be accessed using a secure password. MyNZCT gives operators instant access to a range of information, including how their gaming venue is performing, what machine changes are scheduled and a range of compliance guidelines. MyNZCT is updated regularly so the information it contains is always current.

## ISO accreditation

NZCT sets the standard for professional and ethical performance. We are committed to quality and we consistently strive to exceed best practice. We were the first gaming society in Australasia to become AS/NZS ISO 9001 accredited. We have been recertified every year since 2007.

# Where you'll find us

NZCT venues as at 30 September 2011

“NZCT ensures we comply with DIA regulations.”

Venue operator, 2011 customer satisfaction survey

“Couldn't be happier with the level of professional support we have received.”

Venue operator, 2011 customer satisfaction survey

## Northland

Malbas, Whangarei  
Paparoa Hotel

## Auckland

Arthurs Bar & Grill  
Cock & Bull  
Coutta's  
Crows Nest  
Fat Camel  
Flo Bar and Café  
The Gym  
Havana Club  
Ibiza  
Joy's Cafe & Bar  
The Muddy Farmer  
Pass N Punt Sports Bar  
Ramarama Country Inn  
Right Track Sports Cafe  
Roundabout Bar & Brasserie  
SuWan Thai Restaurant and Tavern  
The Upper Lounge Bar  
Xtreme Botany

## Bay of Plenty

The Boohai  
Cayman Sports Bar  
Cobb & Co  
The Crate Bar  
Forta Leza  
Kaspers Sports Bar  
Lava East Tauranga  
Macs Bar  
Malfroy Tavern  
Mo's Bar  
The Pub  
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  
Whitianga Hotel

## Taranaki

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

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

## Poverty Bay

Bollywood Tavern  
TAB Turf Bar  
Tomo's Sports Bar  
Session Bar and Music

## Hawke's Bay

Bollywood Stars Bar

## Manawatu-Wanganui

The Ave Bar  
The Birdcage Bar  
Bunnythorpe Tavern  
Caroline's Celtic  
Castlecliff Hotel  
Club Hotel  
Criterion Hotel  
The Drovers Return Bar & Café  
The Empty Vessel  
High Flyers  
Malbas  
The Railway  
Red Lion Inn  
Shooters  
Station Hotel  
Tandoori Bite  
Terrace Tavern

## Wellington

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

## Top of the South

Charlies Tavern  
Malbas  
Mapua Tavern  
Ocean Lodge  
The Podium  
Shark Bar  
Star & Garter Tavern  
Tapawera Hotel

## West Coast

Recreation Hotel  
Reefton Autolodge

## 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  
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  
The Stadium Sports Bar  
Stadium Tavern

## Southland

Golden Age Tavern  
Woodlands Tavern

## Chatham Islands

Hotel Chatham



**Positive community outcomes**

# Legacy projects

NZCT is committed to delivering long term, positive outcomes to New Zealand communities – particularly in the sporting arena. Often players and coaches are ready and keen to participate, but access to suitable facilities is a challenge. Whenever we see opportunities to help solve this problem, we can't help but get involved. We have worked with some dedicated and forward thinking organisations (typically councils, sports clubs and schools) to help deliver better playing surfaces and structures, which not only benefit the sports people of today, but those of the future as well.

## Positive outcomes

In the past year, funds raised in NZCT gaming rooms have helped build many new sports and community facilities including: flood lights for Waikato's Gower Park, Westlake Girls High School and Counties Manukau Hockey Association, a clock tower for Lake Karapiro's rowing community, a pool roof in Taranaki's Bell Block, a starting ramp for Sunset Coast BMX track, a new sports court for Ahuroa School in Warkworth and a multi-sport centre in Auckland's Meadowland.

We made significant contributions to Wellington's new Indoor Community Sports Centre which opened in early August. Our funds contributed towards the centre's fit out and helped provide soccer and futsal goals, netball and basketball hoops, badminton and volleyball nets and electronic scoreboards.

We see artificial playing surfaces as the way of the future – their consistency and hard wearing nature puts them ahead of grass surfaces – and we have contributed to a number of artificial turfs in the past year including Christchurch's Nunweek Park and Auckland's Bill McKinlay Park.

We are particularly proud to help fund Otago's new Forsyth Barr Stadium, whose reinforced turf dramatically increases the pitch's usage from a typical 30 adult sports matches per season - to an impressive 80-90 matches per season.

In Wellington, we helped fund two full sized all weather sports fields at Wakefield Park in Island Bay. The fields' artificial surface means they can be used up to 60 hours a week for training and competition games (in comparison, grassed sports fields are often only usable for 6 to 12 hours a week).







Wakefield Park,  
Wellington  
\$500,000 contribution  
from NZCT



ASB Indoor Community Sports Centre, Wellington  
\$350,000 contribution from NZCT so far



Forsyth Barr Stadium, Dunedin  
\$905,556 total contribution from NZCT

# Christchurch response

# \$5 million pledge

The major Canterbury earthquakes which struck on 4 September 2010, 22 February and 13 June 2011 have created havoc and uncertainty for thousands of New Zealanders. Thankfully, no one in the NZCT team was significantly injured, but many suffered damage to their homes and workplaces. As a result of the earthquakes, five NZCT gaming venues were damaged.

## Immediate response

NZCT reacted swiftly to the February earthquake and, after ensuring the safety of our team, we immediately looked for ways we could help those affected. Initially, this involved fast-tracking grants for organisations responding to the quakes (eg: the Neo-natal Trust earthquake survival kits, Belfast Community's children's activity days and Marist Harewood Cricket Club's sports programme), redirecting funds to high priority projects (eg: lighting for Nunweek Park which was prioritised after Porritt Park suffered significant liquefaction) and updating grants for events which had to be transferred (eg: the Surf Lifesaving National Championships).

## \$5 million pledge

In the days following the February earthquake, NZCT's trustees pledged \$5 million to help the Christchurch community. This money was gifted to the Christchurch Earthquake Appeal Trust (CEAT) which has seven specific areas of funding support. As per our Trust deed, we chose the rebuilding of sporting infrastructure, for the benefit of grassroots sport and the development of our young people, as the primary fund to support.

We can report that some of these grant funds have been used to help repair and rebuild damage at Groynes Regional Park, English Park, Bexley Park, Hagley Park North and Edmonds Park. There are many other sports grounds and facilities which are still to be repaired. CEAT has awarded contracts for most of this work and is awaiting start date confirmations.

The \$5 million NZCT contributed to CEAT is over and above the funds raised by NZCT for distribution locally. This grant was made available by accelerating our redistribution of community equity.



The Neo-natal Trust emergency supplies funded by NZCT



Rob Roys Tavern, damaged in the quakes and demolished in April



Marist Harewood Cricket Club sports programme continues despite the quakes



Porritt Park was severely damaged in the earthquakes



NZCT contributed \$250,000 towards the lighting at Nunweek Park



## Coaching and development

A good coach can mean the difference between sporting success and failure. Coaches motivate, inspire, encourage and develop their protégés. Without their commitment and skill, young children may never learn to participate in a sport and others may never realise their full potential. Coaching can improve one individual immensely and a group exponentially. Good coaches are the foundation of our great sporting nation, and we're pleased we can help provide this essential service.





## Positive outcomes

Funds raised in NZCT pubs pay for hundreds of coaching hours for all kinds of sports including: rugby, softball, gymsports, sailing, netball, rugby league, cricket, football, tennis and basketball. There are too many success stories to mention individually, but we'd like to share two outstanding results:

Thanks to the KiwiSport rugby league coaching programme this sport has grown significantly in the Thames/Coromandel area. In the past year, four new clubs have set up and each has three teams. This means league players can now participate in competitions in their local area, instead of travelling two hours each way just to play a game. At just one New Zealand Rugby League Community Roots camp, more than 170 children were introduced to rugby league and 20 parents and teachers were qualified as junior coaches. This programme is helping cement grassroots support for league in the region.

The Netball New Zealand CoachForce team provides training and development for netball coaches throughout the country. The goal of CoachForce is to increase players' access to quality coaching, by developing and retaining quality coaches who pass on best practice and coaching philosophy. In the past year, the CoachForce team has held 223 sessions and trained nearly 5,000 netball coaches. As a result, around 46,000 netballers have benefitted from coaching in the past year.



# Sports events

During the past year, NZCT has helped fund hundreds of sports events all around New Zealand. The benefits of holding sports events are numerous: they allow athletes to compete against contemporaries and test their skills; they provide opportunities to gain new experiences and develop mental toughness in a competitive environment; they create a sense of pride and team spirit; they allow host towns to showcase their facilities and region; they provide social occasions and lasting memories for those involved.

Naturally a lot of background work and planning goes into hosting an event. Even the simplest events have health and safety requirements, logistical and transportation needs, equipment hire, and extra personnel. Without our help, many organisations simply could not afford to host events – and their communities and athletes would miss out on so many positive experiences.

## Positive outcomes

On the following pages we feature two major events we've helped fund; the NZCT AIMS Games in Tauranga which involved 4600 intermediate aged children; and the Rippa World Cup which involved 600 primary schools. And here is a selection of smaller events held using funds raised in NZCT gaming rooms:

- The Hawera BMX Club was able to host the 2011 Indoor BMX Champs, where around 200 riders of all ages competed.
- Te Tohu Taakaro o Aotearoa ran a Rugby World Cup themed Tamariki Sports and Cultural Day in Mangere, where 1200 children played rippa rugby.
- The Kawerau Harrier Club held the 'King of the Mountain' race – an iconic, annual run across Mt Edgecombe.
- Around 3500 children took place in Kids Bike Jams held in Auckland, Hamilton, Napier, Palmerston North, Rotorua, Wellington and Christchurch.

“The [Tasman] region and the games organisers owe a debt [of gratitude] to the New Zealand Community Trust for funding Saxton Field and the Masters Games. They have helped create a unique asset and one that is going to reap an awful lot of benefit to the region for years to come.”

Bruce Fraser  
Tasman Regional Sports Event Trust



# Rippa World Cup

“Special thanks to Brent (Buck) Anderson - a great idea and a great outcome!”

This event deserves a special mention, as we're immensely proud to be part of this once-in-a-lifetime sports event which was held for the first time during Rugby World Cup year. The competition was conceived by the New Zealand Rugby Union as a way of encouraging young children to have a go at rippa rugby, raise awareness of the sport and help build up support for the RWC.

Around 600 primary schools across the country entered teams in the qualifying stages, with the top 20 teams selected to participate in the Rippa World Cup. Each team (consisting of five boys and five girls around 10 years of age), was randomly allocated a country from the RWC nations. The event was held at North Harbour Stadium during August. Following the RWC format, teams played in pool competitions to qualify for a place in the quarter finals, semis and final. Ironically, the school representing New Zealand (Whau Valley Primary School from Northland) won the title – how is that for prophetic?

In addition to the excitement of the tournament, the children experienced many other special moments – such as receiving their team uniforms from Graham Henry and their medals from rugby legend Waka Nathan and NZRU CEO Steve Tew. They met several All Blacks, were part of an ITM Cup match and visited two iconic tourist destinations; Kelly Tarlton's Underwater World and the Sky Tower.

The feedback from everyone involved has been incredibly positive – in fact the International Rugby Board has agreed to repeat this winning formula in England before the next RWC. Now that's what we call a success story.





# NZCT AIMS Games

NZCT was proud to support the 8th annual NZCT AIMS Games held in Tauranga during August. The Games involved 4600 intermediate-aged children from 121 schools, participating in 15 different sports during one action packed week. Every year the Games' popularity and support increases. To recognise the growing importance the Games have on the local economy, the local council has recently given them 'flagship' status. Next year, the Games will accept international entries for the first time.

The Games' opening ceremony was the first event held in Tauranga's new indoor sport and exhibition centre - TECT Arena at Baypark. By all accounts, the Games were an outstanding success. As well as individual and team personal bests, schools were competing for two top awards:

## Team Mates Cup

This is the NZCT AIMS Games premiere award and it was presented to Matamata Intermediate School for overall excellence.

## Fair Play Award

The NZCT AIMS Games promotes and rewards fair play. Good sport is about a positive attitude from competitors, coaches, managers and supporters. Ilminster Intermediate demonstrated the best overall fair play and took home this prestigious award.

As well as the sports, the Games offer a number of well organised social activities for both adults and children. These enhance the Games experience and help participants develop friendships and celebrate their successes.



# Arts and culture

“With the generous support of NZCT thousands of young musicians in communities from Whangarei to Invercargill experience the challenges, opportunities and joy of performing onstage as part of a small team through the annual NZCT Chamber Music Contest. These are essential life skills.”

Euan Murdoch, CEO,  
Chamber Music  
New Zealand

There's nothing more exciting than a group of people gathering to celebrate success or share a positive experience. We appreciate the sense of belonging people feel when they participate in a community event or watch an uplifting, emotional performance. Although sport is our main focus, we distribute around three percent of our funds to arts and cultural projects that we think make a significant contribution to a group or community.

## Positive outcomes

Here are just some of the experiences made possible with funds raised in NZCT gaming rooms:

- WOMAD is recognised as one of New Zealand's finest outdoor festivals. Held in Taranaki, the festival appeals to people of all generations because it involves international acts, local artists and tangata whenua.
- The NZ Aria is the only singing competition in Australasia in which finalists are able to sing with an orchestra, for this reason it attracts top singers and treats audiences to inspiring performances. This Rotorua based event provides great opportunities for young Kiwi singers to compete with top level acts.
- Nelson Bays Harmony has a talented group of female singers who took place in the Women's Barbershop Competition, where they performed well and did their region proud.
- The Chatham Islands Wild Food and Music Festival is a highly anticipated and popular event for the people of the remote Chatham Islands. As well as providing education, social and fundraising opportunities, the festival also creates a sense of unity and celebration for the locals – as seen by these young boys (left) performing their first ever haka.



# Community help



**In the year to 30 September 2011 Life Flight flew 1388 missions.**

**Life Flight needs to raise approximately \$2,500 from the community for every mission flown.**

Many rescue services rely on grants and fundraising to ensure their survival - and the survival of the people they are rescuing. NZCT is a proud supporter of many community based rescue services. We know that most of these organisations are manned by tireless, compassionate volunteers – people who give up their free time so they can help their community. We're pleased to be able to provide support where it is needed most.

## Positive outcomes

Here are just some of the rescue services which operate using funds raised in NZCT gaming rooms:

- Life Flight Trust's air ambulance service flies emergency missions all over the country. Every day, an average of three people are transported on the trust's NZCT funded fixed wing air ambulance. The day it snowed at Wellington Airport,

the team transferred a sick baby from Blenheim to Wellington Hospital for urgent care.

- Taranaki Rescue Helicopter operates 250 air ambulance and search and rescue missions in Taranaki each year. It is a vital and prized community service, and NZCT is proud to help keep it operating.
- Coastguard NZ is our primary maritime search and rescue service. It has 69 coastguard units located across the country and is manned by around 2000 dedicated volunteers. NZCT helps fund the hulls and engines that keep the coastguard in action.
- New Zealand Land Search and Rescue has more than 3500 willing volunteers providing search and rescue services across New Zealand. NZCT helps fund the field training needed to ensure they have the skills to do this important work.

“We are immensely grateful for the long-standing support from NZCT. Over the last decade they have made thousands of life-saving flights possible with their generous funding”

David Irving,  
Life Flight CEO.



# Raising and distributing funds across the country 2010/11



# Financial Summary





## ***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 2011, summary statement of comprehensive income, summary statement of changes in 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 2011.

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 2011 was completed on 12 December 2011 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 2011 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 members 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 2011 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 12 December 2011 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.

A handwritten signature in black ink, appearing to read 'Priyanka Haselopoulos', written in a cursive style.

Chartered Accountants  
12 December 2011

Wellington

# NEW ZEALAND COMMUNITY TRUST

## Summary financial statements

For the year ended 30 September 2011

<b>SUMMARY STATEMENT OF COMPREHENSIVE INCOME</b>	<b>2011</b>	<b>2010</b>
	<b>\$000</b>	<b>\$000</b>
<b>REVENUE</b>		
Gaming machine profit	86,373	92,021
Interest received	221	204
Net gain on disposal of property, plant and equipment	535	2,053
Other revenue	4	9
Operating revenue	<b>87,133</b>	<b>94,287</b>
<b>EXPENDITURE</b>		
Administration expenses	5,847	6,443
Depreciation and amortisation	7,749	8,064
Gaming machine duty	19,866	20,705
Gaming operation expenses	5,148	6,085
Venue Payments	13,318	14,656
Operating Expenditure	<b>51,928</b>	<b>55,953</b>
<b>SURPLUS FOR THE YEAR</b>	<b>35,205</b>	<b>38,334</b>
<b>DISTRIBUTIONS TO THE COMMUNITY</b>	<b>35,205</b>	<b>38,334</b>
<b>COMMUNITY EQUITY DISTRIBUTION</b>	<b>987</b>	<b>7,189</b>
<b>EXCESS DISTRIBUTIONS TO THE COMMUNITY</b>	<b>(987)</b>	<b>(7,189)</b>
<b>OTHER COMPREHENSIVE INCOME</b>	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(987)</b>	<b>(7,189)</b>

### SUMMARY STATEMENT OF CHANGES IN EQUITY

Community equity at the beginning of the year	9,002	16,191
Excess distributions to the community	(987)	(7,189)
<b>Community equity at the end of the year</b>	<b>8,015</b>	<b>9,002</b>

### SUMMARY STATEMENT OF FINANCIAL POSITION

<b>COMMUNITY EQUITY</b>	<b>8,015</b>	<b>9,002</b>
Current assets	7,713	8,664
Non current assets	14,426	16,446
<b>Total assets</b>	<b>22,139</b>	<b>25,110</b>
Current liabilities	14,124	11,469
Non current liabilities	-	4,639
<b>Total liabilities</b>	<b>14,124</b>	<b>16,108</b>
<b>NET ASSETS</b>	<b>8,015</b>	<b>9,002</b>

### SUMMARY CASH FLOW STATEMENT

Net Cashflow from operating activities	5,407	7,829
Net Cashflow from investing activities	(5,753)	(4,498)
Net Cashflow from financing activities	-	-
Net (decrease)/increase in cash and cash equivalents	(346)	3,331
Cash and cash equivalents at start of year	6,141	2,810
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>5,795</b>	<b>6,141</b>

The accompanying notes are to be read in conjunction with these Financial Statements



# NEW ZEALAND COMMUNITY TRUST

## Summary notes to the financial statements

### For the year ended 30 September 2011

- 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 2011 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), PO 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 six years to 30 September 2015 by using the current (30th September 2011) 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.
- 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:

	<b>2011</b>	<b>2010</b>
	\$000	\$000
a. Nelson Cricket Association	25	-
b. NZ Golf Association Inc	-	175
c. NZ Rugby Union	363	185
d. Waikanae Boating Club	-	5
e. Waikanae Golf Club Inc	7	7
f. First Foundation	100	145
g. Johnsonville Cricket Club	23	21
h. Canterbury Hockey Association Inc	85	58
i. Marist Hockey Club	2	6
j. Riccarton Cricket Club	7	10
k. NZ Cricket Inc	20	-
l. Netball Wellington Region Inc	80	-
m. NZ International Festival of Arts	220	-
n. Skylight	20	-
o. Cricket Wellington	200	320
p. Miramar Rangers Assn. Football	30	55
q. NZ Tennis Inc	170	175
r. Queen Margaret College	5	9
s. Peter Dale Management Services	9	7
t. Apex Print Limited	9	12

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

# NEW ZEALAND COMMUNITY TRUST

## Summary financial statements

### For the year ended 30 September 2011

8 Capital Commitments at balance date are:

	2011	2010
	\$000	\$000
Capital Purchase commitments	6,461	2,450

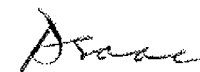
The nature of the commitments relate to orders in place for the purchase of Plant and Equipment.

- 9 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 12 December 2011. PricewaterhouseCoopers have audited these summary financial statements and found them to be consistent with the Annual Financial Statements.
- 10 The Trustees authorised the publication of these summary Financial Statements on 09 December 2011.
- 11 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

# 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

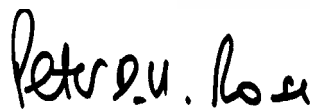
Registration number: **QEC23178**

Certificate Issued:	21 October 2011	Original Registration:	30 June 2006
Current Registration:	21 May 2009	Expiry Date:	30 June 2012

Chairperson



Chief Executive



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

---



# Spirit of Adventure

For the past five years NZCT has helped fund the Spirit of Adventure's annual refit. Every year more than

**1600 young New Zealanders**

grow and learn from their experiences aboard the Spirit of Adventure.

**What a great outcome!**





Front and back cover images of Rippa World Cup 2011