



nzct
COMMUNITY TRUST

ANNUAL REPORT 2022/23

Whanganui locals get on their bikes



Wanganui Cycling Club Inc.

Grant # 99502 - \$5,534.60 toward the costs associated with hosting the Cyclocross event

"We're still fizzing after seeing so many kids, youth and adults embrace Cyclocross through Awa Cross and the North Island Schools Cyclocross Champs."

"We wanted to say a massive THANK YOU NZCT as without your incredible support it would not have been possible."

- Cath Cheatley, Wanganui Cycling Club Inc

Annual Report 2022/23

NZCT is one of the largest gaming societies and one of the largest funders of amateur sports participation in New Zealand. Everyone at NZCT is passionate about the work we do, and we're proud of the positive contribution we make to local communities throughout the country.

\$39.979 million

surplus generated in 2022/23

\$39.863 million

distributed to the community in 2022/23

For every dollar put in a gaming machine:

90.9%

is returned to players in prize money



3.2%

goes to grant recipients

2.9%

is contributed to government duties and levies

1.5%

is used for operating and machine costs

1.5%

is allocated to venue payments

Chairman's & Chief Executive's Report 2023

In 2023, the country was finally free of the worst of the COVID-19 pandemic and we were able to return to something resembling pre-COVID-19 operations. The economy remains tight, and we acknowledge the ongoing effects the lockdowns have had on business confidence, especially within the hospitality sector.

Harm-minimisation

From 1 September 2023 amended harm minimisation regulations, placed new obligations on societies and our venue partners and additional regulations came into force on 1 December 2023. There is currently a judicial review before the courts focusing on the DIA's consultation process during the drafting of the new regulations, as well as the practicalities of recording ATM (EFTPOS) withdrawals, the increased sweep requirements (three every hour) and increased onboarding requirements for staff. We await the outcomes to see what the final landscape will look like moving forward.

NZCT fully supports initiatives that minimise harm from gambling, but it is clear that some aspects of the new regulations are unworkable and represent an additional risk to the sustainability of the Class 4 sector. NZCT has commenced a major new training programme to prepare our venues and staff for the changes.

We will continue to invest in proven harm minimisation tools such as Facial Recognition Technology (FRT) which is now in almost half our venues. We encourage the Ministry of Health to get behind this effective approach. With the significant increase in the Class 4 sector's contribution to the Problem Gambling Levy, we believe the Ministry of Health has the means to apply funding to proven harm minimisation technology like FRT. Harm minimisation requires a stakeholder-wide approach, and we will continue to push hard in this space.

Reinvestment in our venues

Through prudent investment in machines and other associated assets, NZCT continues to offer the most up-to-date gaming products in the market. We work hard to ensure our venue operators are able to provide venues that are entertaining and profitable whilst being safe and compliant with gambling regulations. NZCT has dedicated staff who are fully conversant with the regulations and statutory obligations and provide high standards of training to venue staff as and when required.

We also continued to invest in and develop our unique in-house call centre. The agility and speed by which our dedicated call centre staff can activate a response to venue issues significantly reduces machine downtime and is greatly valued by our venue operators.



Alan Isaac
Chair



Mike Knell
Chief Executive

Grants for the community

To respond to grant requests with more agility, we initiated a separate under \$15K Net Proceeds Committee to speed up the process for smaller and urgent applications. This committee generally meets on a two-week cycle and has been well received.

In 2022/23, we are pleased to report that under reasonably tough conditions we generated a 40.6% return to the community (profit). This amounted to \$44.6m being approved within the financial year, with some 1,674 organisations benefitting from that process. All (100%) of our profits are legislatively required to be distributed to community causes. This model of community funding should not be underestimated as a significant model for improving social good across our communities.

Our grants this year ranged from small operational grants such as for uniforms and equipment to major capital grants. One such legacy grant was a \$500,000 contribution to the Taranaki Foundation's visionary 'Destination Play' - a huge and inclusive playground facility in New Plymouth's Kāwaroa Park that will delight and activate children for generations to come. In total, NZCT has awarded \$1m for this project. Similarly, a \$300,000 grant (in addition to \$705,000 previously awarded by NZCT) to Netsal Sports Centre was a major boost for the development of its impressive 10-court indoor sport facility in Christchurch. The centre will be the home of Christchurch's netball community. It will also be used for futsal, volleyball, korfbal, gymnastics and many other community groups.

This year, our largest grant totaled \$1.125m and was awarded to Life Flight to help them deliver their invaluable, life-saving air ambulance service throughout New Zealand. Hundreds of families' loved ones are still alive thanks to Life Flight. We're delighted to have contributed to their mission. Of course, none of this would have been possible without the support of our venue operators.

Special acknowledgements

In December 2022, long-serving trustee and former Chair, Peter Dale retired. Peter's contribution to NZCT and to New Zealand sport over the past two plus decades has been immense and is difficult to overstate. Enjoy your retirement, Pete. Everyone who loves sport is in your debt.

We also thank our trustees, especially David Pilkington who chairs our Net Proceeds Committee, and Dame Kerry Prendergast, Chair of our Audit and Risk Committee. Thank you to the dedicated members of our regional advisory network who provide insights that enhance the quality and outcomes of the local grants we award.

Finally, we extend our thanks to our dedicated NZCT staff and our venue operators for their ongoing efforts and support – you are what makes NZCT great.

NZCT helps communities throughout New Zealand



Massey University Foundation

Grant #98218 - \$11,998 towards NZ Secondary School Cross Country Championships hosting costs

"Massey University is committed to sport and recreation. We are extremely grateful for this support from NZCT."

- Jacob Oram, Massey University



Wellington Softball Association Inc

Grant #96858 - \$65,820 towards new lighting towers at Hataitai Park, and fencing at Hataitai Park and Ngati Toa Domain

"Softball in Wellington has a strong tradition. NZCT continues to help our sport thrive. Thanks NZCT."

- Hannah Rodriguez, Wellington Softball Association



Waitakere City BMX Club Inc

Grant #100338 - \$50,000 towards the North Island Titles hosting costs

"Massive thanks go out to NZCT. This amazing sports event would not have been possible without the support of our major funders."

- Gareth Lauchlan, Waitakere BMX Club



Tauranga City Basketball Association Inc

Grant #97146 - \$79,745 towards the purchase and installation of new basketball hoops

"This grant from NZCT will enable us to install 24 new hoops in schools and parks across our region. These new hoops will have an immediate and significant impact on the community."

- Mark Rogers, Tauranga City Basketball Association



Eastland Sports Foundation Education Trust

Grant #97955 - \$250,000 towards Pay Half Play Hard initiative

"Play Half, Play Hard is a sport subsidy initiative to help reactivate the Gisborne community following the devastating Cyclone Gabrielle. This grant from NZCT has been critical to the initiative and its objectives."

- Stefan Pishief, Sport Gisborne Tairāwhiti



Canterbury Basketball Association Inc

Grant #96070 - \$160,000 towards community basketball in Canterbury

"This grant allowed us to meet increased demand with most of the growth being in the youth aged groups. Thanks NZCT for supporting our youth across the region."

- Clive Beaumont, General Manager Canterbury Basketball Association



Mary Potter Hospice Foundation

Grant #100487 - \$40,000 towards a key community facing role

"Receiving such a significant grant from NZCT will have an immediate positive impact to the provision of care in the Waikato."

- Craig Tamblyn, CEO Hospice Waikato

Report of the Independent Auditor on the summary performance report

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To the Trustees of New Zealand Community Trust

Opinion

The summary performance report, which comprise the summary statement of financial position as at 30 September 2023, the summary statement of comprehensive revenue and expense, summary statement of changes in equity, summary cash flow statement for the 30 September 2023 then ended, and related notes, are derived from the audited performance report of New Zealand Community Trust for the year ended 30 September 2023.

In our opinion, the accompanying summary performance report is consistent, in all material respects, with the audited performance report, in accordance with PBE FRS-43: *Summary Financial Statements* issued by the New Zealand Accounting Standards Board.

Summary performance report

The summary performance report does not contain all the disclosures required by Public Benefit Entity International Public Sector Accounting Standard (PBE IPSAS). Reading the summary performance report and the auditor's report thereon, therefore, is not a substitute for reading the audited performance report and the auditor's report thereon.

The Audited Performance report and Our Report Thereon

We expressed an unmodified audit opinion on the audited performance report in our report dated 22 November 2023.

Other information than the Summary Performance report and Auditor's Report Thereon

The Trustees are responsible for the other information. The other information comprises the annual report (but does not include the summary performance report and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the summary performance report does not cover the other information and we do not and will not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the summary performance report, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the summary performance report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and will request that such matters are addressed.

Trustees Responsibility for the Summary Performance report

The Trustees are responsible for the preparation of a summary of the audited performance report of New Zealand Community Trust in accordance with PBE FRS-43: *Summary Financial Statements*.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary performance report is consistent, in all material respects, with the audited performance report based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) (ISA (NZ)) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

Our firm carries out other assignments for Trust in the area of agreed upon procedures in respect of the Trust's application for a gambling license under the gambling license under the Gambling Act 2003. The firm has no other interest in the New Zealand Community Trust.

Restricted Use

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

Grant Thornton New Zealand Audit Limited



B Kennerley

Partner

Wellington

22 November 2023

Financial Statements

For the year ended 30 September 2023

Summary Statement of Comprehensive Revenue and Expense	2023 \$000	2022 \$000
Revenue		
Gaming machine profit	97,783	95,647
Interest received	336	72
Net gain on disposal of property, plant and equipment	243	823
Other revenue	79	12
Operating revenue	98,441	96,554
Expenditure		
Administration expenses	6,398	6,387
Depreciation and amortisation	7,693	9,248
Gaming machine duty	22,490	21,999
Gaming operation expenses	6,354	6,096
Venue payments	15,527	15,130
Operating expenditure	58,462	58,860
Surplus for the year	39,979	37,694
Distribution to the Community	39,863	39,219
Increase/(Decrease) in Community Equity	116	(1,525)
Other Comprehensive Income		
Loss on property revaluation	(192)	-
Total Comprehensive Income	(76)	(1,525)
Summary Statement of Changes in Equity	2023 \$000	2022 \$000
Equity at the beginning of the year	25,729	27,254
Change in equity	(76)	(1,525)
Equity at the end of the year	25,653	25,729

Summary Statement of Financial Position	2023 \$000	2022 \$000
Community equity	23,645	23,529
Property revaluation reserve	2,208	2,200
Equity	25,653	25,729
Current assets	11,869	13,033
Non current assets	25,133	23,311
Total Assets	37,002	36,344
Current liabilities	10,600	10,615
Non current liabilities	749	-
Total Liabilities	11,349	10,615
Net Assets	25,653	25,729

Summary Cash Flow Statement	2023 \$000	2022 \$000
Net Cashflow from operating activities	6,707	8,103
Net Cashflow from investing activities	(9,447)	(7,311)
Net Cashflow from financing activities	1,136	-
Net (decrease) / increase in cash and cash equivalents	(1,604)	792
Cash and cash equivalents at start of year	11,145	10,353
Cash and Cash Equivalents at end of year	9,541	11,145

Summary Financial Statements

For the year ended 30 September 2023

- 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 and community purposes in New Zealand.
- 2.** The financial statements of the Trust for the year ended 30 September 2023 have been prepared in accordance with NZ GAAP, Tier 1 PBE Standards and other applicable Financial Reporting Standards, as appropriate for Public Benefit Entities. The functional and presentation currency for the Trust is 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 Revenue and Expenses, Statement of Financial Position, Statement of Changes in Equity and Cash Flow Statement. The summary financial statements do not include all the disclosures contained in the full financial statements and cannot be expected to provide as complete an understanding as provided by the full financial statements.
- 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 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:

Grant Distributions	2023 \$000	2022 \$000
Alex Moore Park Sport & Community Inc	18	-
Auckland Cricket Association Inc	162	157
Auckland Hockey Association	40	225
Auckland Rugby League	12	28
Boulcott's Farm Heritage Golf Club	-	15
Christchurch Football Club	30	30
Christchurch Football Club Netball Club	-	4
Christchurch Metropolitan Cricket Assn	50	50
Cricket Wellington Inc	125	125
Hockey NZ	150	162
Hutt United Hockey Club	2	-
Johnsonville Cricket Club	10	10
Mary Potter Hospice	40	40
Nelson Cricket Association Inc	77	8
Netball NZ Inc	-	885
NZ Rugby League	164	170
Riccarton Cricket Club	-	19
Royal NZ Ballet	50	390
Tai Uru Haupoi Maori Inc	19	-
Wellington Free Ambulance Board	100	-
Wellington Hockey Association	100	135
Wellington Opera Trust	15	20
Women in Sport Aotearoa Inc	25	50
Goods or Services Purchased		
Peter Dale - reimbursement of travel expenses incurred on NZCT business	-	2

The complete breakdown of this disclosure can be found in Note 18 of the full financial statements.

Summary Financial Statements

For the year ended 30 September 2023

6. Capital Commitments at balance date are:	2023 \$000	2022 \$000
Capital Purchase commitments	3,901	4,081

The nature of the commitments relate to orders in place for the purchase of Plant and Equipment for both existing and planned new venues to NZCT.

7. Multi Year Grant Commitments at balance date are:	2023 \$000	2022 \$000
Multi Year Grant commitments	470	625

In special circumstances the Trust may approve a multi-year grant, enabling an organisation to implement a specific project that provides long-term benefits to its local community. A multi-year commitment can be for up to four years, though the Trust generally will not commit beyond a three year period. Each instalment beyond year one must be reconfirmed before payment and will be conditional on the availability of funds, assurance that the funds will continue to be used as intended and desired outcomes are being achieved.

- 8.** The annual full financial statements of New Zealand Community Trust have been audited by Grant Thornton who have issued an unmodified audit opinion in respect to the financial statements on 22 November 2023.
- 9.** The Trustees authorised the publication of these Summary Financial Statements on 22 November 2023.
- 10.** These Summary Financial Statements are in compliance with PBE FRS-43: Summary Financial Statements.
- 11.** There are no events subsequent to reporting date that require disclosure in the full financial statements.

Approved on behalf of the Board:



Alan Isaac
Chair



Kerry Prendergast
Trustee

A facility to help get Christchurch active



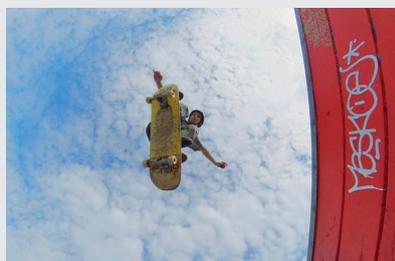
Netsal Sports Centre Limited

Grant #98565 - \$300,000 towards the construction and fit-out costs

"Whilst netball will be the main sport in our brand new facility, futsal, volleyball, korfbal, gymnastics and many other community sports and groups can call our centre home. We wholeheartedly thank NZCT for their support in helping get this facility built."

- Anna Galvan, Chair Christchurch Netball Centre

More happy NZCT grant recipients



Tasman District Council

Grant #95305 - \$60,000 towards Motueka Skatepark upgrade

"There's been an extremely positive reaction to the news about Motueka skatepark thanks to NZCT."

- Darryn Palmer, Communications Officer Tasman District Council



Tauranga Moana Hui Aranga Management Committee Inc

Grant #97677 - \$25,000 towards Hui Aranga hosting costs

"This funding from NZCT made our work a whole lot easier. It enabled us to bring over a thousand kids and parents together to celebrate something joyful after three years of Covid lockdown and cancellations"

- Sarah Tangitu, Venue Co-ordinator and Organising Committee Member Tauranga Moana Hui Aranga



Photo Credit: Ben Fraser

Rotorua Touch Association Inc

Grant #100903 - \$15,000 towards National Māori Touch Tournament

"Without the continued support of NZCT and Motion Entertainment, we would not be able to create such an awesome environment for our members and community."

- Kim Watson-Tanga Spokesperson Rotorua Touch Association



WORD Christchurch

Grant #98237 - \$3,000 towards WORD Christchurch community programmes

WORD delivers introductory mountain biking programmes for young people, especially girls.

"This amazing funding from NZCT will literally change the lives of many young people in Ōtautahi through our organisation."

- Katie Adams, Christchurch Programme Manager WORD

Thank You!

The following is a list of partner venues who helped NZCT raise funds in 2022/23. Thanks to those who continue to partner with NZCT for fantastic community outcomes throughout New Zealand.

Auckland

1 Up Sports Bar
Albion Hotel
Barrel Inn
Club Royalz
Coutta's Bar & Grill
Le Tausala Club
PINS Lincoln
Pitt St Pub
Rib House
Salty Dog Inn
The Crown Orewa Beach
The Crown Sports Bar
The Right Track Sports Cafe
The Wade

Waikato

Paeroa Hotel
Pitch Sports Bar
Royal Oak Hotel
Star & Garter
The Lucky Lizard

Bay of Plenty

Cheers Tavern
Cobb and Co
Forta Leza
Judea Tavern
Kasper's Sports Bar
Kawerau Hotel
Mo's Bar
The Point Alehouse
West End Tavern

Gisborne

Bar 59
Bollywood Stars

Taranaki

Ate Fortyone
Butlers Reef
Cobb & Co
Coronation Hotel Eltham (The Corrie)
Crowded House Bar & Cafe
Empire Hotel
Nag 'n' Noggin
Opunake Surf Inn
Salty Dog Cafe & Bar
Shifty's Sports Bar & TAB
The Fitz
Treehouse Bar & Bistro

Manawatu/Whanganui

Albert Sports Bar
Birdcage Bar
Bunnythorpe Tavern
Caroline's Boatshed
Castlecliff Hotel
Drovers Bar & Kitchen
Empire Hotel
Feilding Hotel
Shotz
Stellar Bar
Tandoori Bite

Hawke's Bay

Clive Hotel

Wellington

Backbencher Gastropub
Bay 66 Bar and Gaming Room
Cutlers
JJ Murphy
Jolly Pub and Kitchen
The Bond Sports Bar (Lovelocks)
The Corner Bar & Café
The Cutting Sports Cafe
The Family Hotel
The Featherston Bar and Grill
The Hardware Bar and Restaurant
The Mariner
The Pickle Jar
The Sandbar
Wellington Sports Cafe

Top of the South

Hotel Motueka
Ocean Lodge Hotel
Tapawera Hotel

West Coast

Dawson's Hotel (Reefton
Autolodge)
Recreation Hotel

Canterbury

Ascot Sportshouse and Eatery
Blue Pub
Brown Pub
Celtic Arms
Churchill's Tavern
Elmwood Trading Co.
Embankment Tavern
Finnegans Prebbleton Village
Tavern
Golden Mile Tavern
Oak n Ferry
Southbridge Hotel
Tavern Harewood Bar and Grill
The Craic
The Famous Grouse
The Fitz 2 Sports Bar
The Jolly Poacher
The Miller

Otago

Boots & Jandals Hotel
Grand Tavern
New Orleans Hotel
Takeichi New Zealand
The Gate
The Last Post
The Rope and Twine Dunedin

Chatham Islands

Hotel Chatham



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