



AOTEAROA  
GAMING  
TRUST

# Annual Report 2022



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## Whakataukī

# Tē tōia, tē haumatia

**Nothing can be achieved without a plan, a workforce, and a way of doing things.**

This whakataukī speaks to the way AGT goes about the business of operating a Class 4 society. We plan, we value our staff, and we operate with a social conscience.

## Introduction

**Aotearoa Gaming Trust (AGT) is a New Zealand wide gaming machine operation that that generates and distributes funding for community organisations.**

Our gaming operation is predicated on strong venue partnerships, up-to-date gaming rooms, and exemplary compliance practises.

Since AGTs inception in 1998 approximately \$349.7 million has been distributed to communities around New Zealand.

At AGT we are rightfully proud of the contribution we have made and continue to make to communities cross New Zealand.

The Board of Trustees are careful stewards of community funding and alongside the grants committee take great care to distribute to a wide variety of organisations with a strong community focus.



**AOTEAROA  
GAMING  
TRUST**

# Directory

As at 25 December, 2022

## Principal business:

Administration of gaming machines

Distribution of funds to charitable organisations

## Date of establishment:

16 January 1998

## Incorporation number:

880363

## Head office:

98 Glasgow St.

PO Box 858

Dunedin

Telephone: 03 471 8850

Email: [info@agt.nz](mailto:info@agt.nz)

Website: [www.agt.nz](http://www.agt.nz)

## Trustees:

Evan Moore (Chair)

Doug McCaulay (Deputy Chair)

Karen Shea

Peter Haslemore

## Chief Executive:

Karen Shea

## Solicitors:

Wilkinson Rodgers

## Bankers:

Bank of New Zealand

## Auditors:

Audit Professionals Limited



# Board of Trustees



**Evan More** LLB, B Divinity  
Chair

Evan was born and raised in the Maniototo and completed his law degree at the University of Otago. He worked as a general lawyer with his primary areas of expertise being residential conveyancing, general family law, wills, trusts and estate administration. He is now retired and living in Central Otago.

Evan is currently a member of the national Class4 (C4) Governance Group. The group is focused on improving strategic perspectives and governance for the C4 sector.



**Doug McCaulay** CMIInstD  
Deputy Chair

Doug brings a wealth of experience to the board. His areas of expertise include security, training, and the hospitality sector. He has a particular interest in, and experience of, risk management at governance level. Doug's knowledge and understanding of the financial management of C4 societies brings valuable input to the Board of AGT.

Doug holds a number of board positions in the not-for-profit sector.



**Karen Shea** CMIInstD  
Chief Executive

Karen was one of the founders of AGT. She has over 20 years' experience working for the Trust in the C4 sector as well as having a previous role with the regulator. Karen is on the Executive of the Gaming Machine Association of New Zealand (GMANZ). As a result, Karen is one of the most experienced Chief Executives in the C4 sector and has a wide-ranging knowledge of the charity sector.



**Peter Haslemore**  
Trustee

Peter has had a lengthy career as a public servant working for a variety of different organisations including the Department of Internal Affairs. More recently he worked in the public health sector. Peter has significant not-for-profit experience and is active in the community organisations, with a focus on sport and surf lifesaving in particular.



## Case Study

# Halberg Foundation

The Halberg Foundation is a charitable organisation founded in 1963 by Olympic legend, Sir Murray Halberg ONZ, MBE. The organisation is based on the belief that all people, regardless of their ability, should have equal opportunity to enhance their lives through sport and recreation.

Since 1963, the Foundation has worked tirelessly to make Sir Murray's vision a reality for New Zealand's physically disabled people.

AGT has been supporting the Halberg Foundation, and their philosophy that no child gets left on the side-line, for over 23 years.

The support AGT provides helps to fund the team of nine advisors, based around New Zealand, who work to connect with young people and their whānau by changing

perceptions and driving inclusion, by facilitating involvement in sport and recreation.

Bonnie Smail, Partnerships, Marketing and Communications Manager said *"For organisations like us, security of funding is now more important than ever. Without the security we have from organisations like AGT we would be unable to continue to develop and improve our long-term programmes which are critical to our success. We are particularly interested in helping schools and*

*teachers to change attitudes by raising awareness and helping them to provide inclusive opportunities for all tamariki. We aim to foster a sense of wellbeing, leadership, and confidence."*

Karen Shea, AGT CEO said, *"We've been proud to support the Halberg Foundation and the Halberg Games for over 23 years. The longevity of relationships like these mean we can really get to know the organisation, providing support when and where it's needed to make a real difference in young New Zealanders' lives."*





## Case Study

# K9 Medical Detection New Zealand

**K9 Medical Detection New Zealand (K9MD) mission is to improve the health of all New Zealanders by using specially trained dogs, working in a controlled clinical environment, to assist in the detection of cancer and other diseases.**

Aotearoa Gaming Trust (AGT) has been supporting K9 Medical Detection NZ for the past four years. The Trust funds a salary for a specialised trainer and staff can often be found visiting the dogs to witness their skills first-hand.

Pauline Blomfield CEO of K9MD says, *"It's thanks to support like this that we can keep moving forward with our research and expansion. AGT are crucial to the development of our organisation"*.

In September K9MD was gifted a Labrador pup from the NZ Police. Hogan is a very special addition to the organisation; he joins six other highly trained dogs, and the team are excited to begin his specialised training to detect early signs of prostate cancer in urine samples.

K9MD is also looking forward to the introduction of another German Shepherd dog. Hunter will be dedicated to the detection of ovarian cancer. In New Zealand one woman

dies from this disease every 48 hours, so K9MD are determined to get underway with this research as soon as possible.

Steve Bennett, AGT National Grants Manager, is keen to see what the dogs will achieve next. *"We are so proud to be involved with organisations like K9MD, they are changing the way we think about early detection and screening, and we walk alongside them to make sure they have what they need to succeed"*.





## Case Study

# Royal New Zealand Returned and Services' Association

We are very proud to work with the RNZRSA to support, those who have served in the armed forces and their whānau. There are currently 140,000 veterans in New Zealand, more than any time since World War II.

Aotearoa Gaming Trust (AGT) has been supporting RSA's across the country for many years, most recently this support has moved into funding RNZRSA National Office for new initiatives that provide a more targeted wrap around support service to New Zealand's veterans.

It is widely acknowledged that military service, and difficulties

with transitioning to civilian life outside the military, may have a significant impact on the mental health and wellbeing of veterans and their families.

AGT Chief Executive Karen Shea says "It is important that the service provided by our veterans is acknowledged and they are supported as they transition to civilian life. We think that

*providing financial support to assist the delivery of services and programmes that provide solutions tailored to an individual veteran's needs is the least we can do to show our appreciation of the service and sacrifices made on our behalf."*





## CHAIR AND CHIEF EXECUTIVE'S REPORT

Tena koutou

On reflection, 2022 has been a year of uncertainty with proposed regulatory changes but little detail available about what those changes entail or the timeframes involved to implement them. In this time of uncertainty, we are pleased to report that Aotearoa Gaming Trust (AGT) has performed well. We have exceeded budget and improved our average gaming machine income per week. At the same time, we have improved our harm minimisation efforts and continued to work on community relationships, so our distributions have the best possible impacts on the communities we fund.

In November, the Minister of Internal Affairs, Jan Tinetti, announced a raft of areas for regulatory change designed to improve harm minimisation outcomes within the Class 4 sector (C4). Some of the planned measures address ATM withdrawals, visibility of machines from outside the venue, and more host responsibility requirements for venue operators and their staff.

The Trustees and Staff of AGT are strongly supportive of constructive measures that will improve harm minimisation and make our gaming rooms safer for players.

As with any regulatory change the “devil is in the detail”. AGT along with the C4 sector would like to be afforded the opportunity to discuss any unintended consequences of the proposed regulations before the Department of Internal Affairs implement changes. What we do know is that there will be a staggered approach to the implementation of the various changes, and we expect them to come into play from the second quarter of 2023.

Whatever the outcome of this regulatory development process AGT will continue to provide support, education, and tools to our venue operators, to ensure they have all the information and assistance necessary to run compliant venues and socially responsible gaming operations.

The C4 sector in New Zealand is already heavily





regulated and transparent. There is rightfully a strong emphasis on minimising harm for vulnerable people in our communities. It is an anomaly that the online gambling sector is completely unregulated. Internationally we are one of the few countries without restrictions on the providers of online gambling. New Zealand is, therefore an extremely attractive proposition for online gambling products. It is estimated that in the next two years, New Zealanders will gamble approximately one billion dollars on online gambling platforms.

None of this money benefits New Zealand by way of tax paid or support to the community.

AGT and other responsible operators within C4 continue to urge the government to implement regulatory control over the online market.

The Board of Trustees would like to express their gratitude to our venue operators for the work they do at the venue and within their local communities to ensure a safe entertainment experience for customers.

In 2022 we launched a new online grants system and the feedback from users has in the main been positive. AGT wanted a system that was, developed and supported by a New Zealand based

company, and easy to navigate. The grants system will undergo a continuous improvement process to ensure that it remains fit for purpose.

It is pleasing to report that grant recipient numbers returned to pre-Covid levels. Community groups across New Zealand received \$12 million in grant funding in 2022.

AGT, as a socially responsible operator, will continue to fund a broad base of organisations supporting local communities. We fund community groups, amateur sport, welfare organisations, education, health, and the arts.

Nāku noa, nā

**Evan More**  
Chairperson

**Karen Shea**  
Chief Executive/Trustee



## ***Report of the Independent Auditor on the Summary Financial Statements***

to the Trustees of Aotearoa Gaming Trust

### ***Our Opinion***

The summary financial statements, which comprise the summary statement of financial position as at 25 December 2022, the summary statement of financial performance and summary statement of cash flows for the 52 weeks then ended, and related notes, are derived from the audited financial statements of Aotearoa Gaming Trust for the 52 weeks ended 25 December 2022. In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, on the basis described in the notes to the summary financial statements.

### ***Summary Financial Statements***

The summary financial statements do not contain all the disclosures required for the full financial statements. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

### ***The Audited Financial Statements and Our Report Thereon***

We expressed an unmodified audit opinion on the audited financial statements in our report dated 21 February 2023.

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

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

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

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements 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 performs agreed upon procedures for the Trust in connection with prospective financial information. This work has not impaired our independence as auditors of the Trust.

### ***Restriction on Distribution or Use***

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

*Audit Professionals Limited*

Chartered Accountants  
21 February 2023

Dunedin



# AOTEAROA GAMING TRUST

Summary Statement of Financial Position  
for period ended  
**25 December 2022**



## AOTEAROA GAMING TRUST

### SUMMARY STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE 52 WEEKS ENDED 25 DECEMBER 2022

	25-Dec 2022 \$	26-Dec 2021 \$
<b>REVENUE</b>		
Gaming Revenue	29,642,698	25,925,098
Other income	324	42,663
Net gain on disposal of property, plant and equipment	16,160	34,306
<b>OPERATING REVENUE</b>	<b>29,659,182</b>	<b>26,002,067</b>
<b>EXPENDITURE</b>		
Administrative Expenses	2,054,134	2,229,856
Depreciation and Amortisation Costs	2,334,463	2,172,643
Direct Operational Costs	8,907,336	8,126,929
Venue Payments	4,690,642	4,109,462
<b>OPERATING EXPENDITURE</b>	<b>17,986,575</b>	<b>16,638,890</b>
<b>SURPLUS AVAILABLE FOR DISTRIBUTION</b>	<b>11,672,607</b>	<b>9,363,177</b>
<b>DISTRIBUTIONS TO THE COMMUNITY</b>	<b>11,465,203</b>	<b>9,173,742</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>207,404</b>	<b>189,435</b>

## SUMMARY STATEMENT OF CHANGES IN NET ASSETS / EQUITY FOR THE 52 WEEKS ENDED 25 DECEMBER 2022

	25-Dec 2022 \$	26-Dec 2021 \$
<b>EQUITY AT THE BEGINNING OF THE YEAR</b>	<b>5,551,110</b>	<b>5,361,675</b>
<b>CHANGE IN EQUITY</b>	<b>207,404</b>	<b>189,435</b>
<b>EQUITY AT THE END OF THE YEAR</b>	<b>5,758,514</b>	<b>5,551,110</b>

The above statement should be read in conjunction with the accompanying notes.

# AOTEAROA GAMING TRUST

## SUMMARY STATEMENT OF FINANCIAL POSITION

### AS AT 25 DECEMBER 2022

	25-Dec 2022 \$	26-Dec 2021 \$
<b>ASSETS</b>		
Current Assets	1,987,150	1,823,246
Non-Current Assets	5,407,005	5,236,169
<b>TOTAL ASSETS</b>	<b>7,394,155</b>	<b>7,059,415</b>
<b>LIABILITIES</b>		
Current liabilities	1,635,641	1,508,305
Non current liabilities	-	-
<b>TOTAL LIABILITIES</b>	<b>1,635,641</b>	<b>1,508,305</b>
<b>NET ASSETS</b>	<b>5,758,514</b>	<b>5,551,110</b>
<b>EQUITY</b>		
Accumulated Funds	5,758,514	5,551,110
<b>TOTAL EQUITY</b>	<b>5,758,514</b>	<b>5,551,110</b>

## SUMMARY CASH FLOW STATEMENT

### FOR THE 52 WEEKS ENDED 25 DECEMBER 2022

	25-Dec 2022 \$	26-Dec 2021 \$
<b>NET CASHFLOW FROM OPERATING ACTIVITIES</b>	<b>2,596,512</b>	<b>2,701,769</b>
<b>NET CASHFLOW TO INVESTING ACTIVITIES</b>	<b>(2,489,245)</b>	<b>(2,395,567)</b>
<b>NET CASHFLOW FROM FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>107,267</b>	<b>306,202</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>1,140,158</b>	<b>1,032,891</b>

Approved on behalf of the Board.



\_\_\_\_\_  
Evan Moore



\_\_\_\_\_  
Karen Shea

21 February 2023

The above statement should be read in conjunction with the accompanying notes.



# AOTEAROA GAMING TRUST

## SUMMARY NOTES TO THE FINANCIAL STATEMENTS

**1.** Aotearoa Gaming Trust (the "Trust") is a charitable trust registered in New Zealand under the Charitable Trusts Act 1957. The Trust is involved in the gaming industry, and its principal trading activities are the ownership and operation of gaming machines, and the distribution of surpluses arising from these activities to community groups either within the region from which the surpluses originated, or to organisations which provide services nationally in accordance with the standards and practices set out by the Gambling Act 2003 and the associated regulations.

**2.** The full financial statements of the Trust have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ('NZ GAAP'). They comply with PBE Standards as appropriate for Tier 2 not-for-profit public benefit entities. The functional and presentation currency for the Trust is New Zealand Dollars.

**3.** The summary financial statements have been extracted from the full financial statements. The financial statements of Aotearoa Gaming Trust include the Statement of Comprehensive Revenue and Expenses, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows. 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 424 274), PO Box 858, Dunedin.

**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:

Related Party	Nature of Relationship	Date of Grants	2022	2021
Belfast Bowling Club	Staff member is a member	16/06/2022	4,024	10,000
Burnside Rugby Club	Staff member is a member		-	16,000
Chisholm Park Golf Club	Staff member is a member		-	11,000
Fire in Ice Outrigger Canoe Club Inc.	Peter Haslemore is a member of the club	26/05/2022	15,000	-
Island Park Golf Club	Steve Bennet is a member	7/07/2022	5,500	9,000
Kavanagh College	Karen Shea and other staff have family attending	15/09/2022	13,523	6,577
Otago Boys High School	Staff have family attending	27/10/22 & 22/9/22	15,644	4,000
Golf Otago Inc.	Staff member is a member	9/09/2022	12,300	10,000
Parafed Otago Inc.	Cam Wilson is treasurer		-	6,500
Royal NZ Returned and Services Inc.	Jocelyn Faul is on the board of directors		-	50,693
St Clair Surf Life Saving Club Inc.	Peter Haslemore is a member of the club		-	10,000
St Clair Golf Club	Staff member is a member	27/1/22 & 25/8/22	6,937	-
City Choir Dunedin	Steve Bennett has a family member attending	7/07/2022	3,000	-
Ida Valley Poll Trust	Associated to Fiona Jakobs	15/09/2022	9,937	-
Volley Ball Otago	Staff member is a member	23/06/2022	4,288	-

**Total**

**\$90,153**

**\$133,770**

During the period Aotearoa Gaming Trust paid Wilkinson Rodgers lawyers \$9,717 (2021: \$8,626) for professional services. Evan Moore (Trustee) was a consultant to this firm.

Salaries and other short term employee benefits of \$517,021 for 4 full-time equivalent employees (2021: \$492,781, 4 FTE) were paid to key management personnel during the period.

There were no amounts paid in 2022 for termination, post-employment or other long term benefits. Trustees fees of \$65,205 (2021: \$63,000) were paid to four trustees during the year

- 6.** The Trust has no capital commitments (Dec 2021: \$16,880) relating to equipment purchases.
- 7.** The annual full financial statements of Aotearoa Gaming Trust have been audited by Audit Professionals Limited who have issued an unmodified audit opinion in respect to the financial statements on 21 February 2023.
- 8.** The Trustees authorised the publication of these Summary Financial Statements on 21 February 2023
- 9.** These Summary Financial Statements are in compliance with PBE FRS-43 Summary Financial Statements.
- 10.** There are no events subsequent to the reporting date that require disclosure in the full financial statements.
- 11.** Over the last 3 years, several events occurred in New Zealand related to the Covid-19 virus pandemic which had a material impact on the operations of the Trust. The Trust experienced a material loss of gaming machine proceeds during the 2021 alert level changes. This meant that distributions to authorised purpose fell from an expected 39.6% to 37.4% for 2021. With reduced Covid restrictions in 2022, gaming machine proceeds improved, although the requirements for mask wearing and social distancing still had an impact on gaming revenue.

The financial statements have been prepared on a going concern basis, consistent with the prior period.

The Board of Directors believe the going concern basis is appropriate as, having reviewed the financial forecasts and considered the ongoing demand for hospitality services after the impact of COVID-19, they have a reasonable expectation that the Trust will continue to operate on a financially sustainable basis for the next 12 months.

For the 2023 financial year Rules 10 and 11 and 11a of the Gambling Act of 2003 are once again being enforced. This requires the Trust to distribute 40% of GMP to authorised purpose distributions within the reporting year and maintain a working capital ratio no higher than 1.5:1 reviewed at least every quarter by the Department of Internal Affairs. All budgeting and forecasting for 2023 has been prepared to comply with the working capital and distribution rules and the Trust is currently budgeting to distribute 40% and maintain compliance with the working capital ratio rules.





# AOTEAROA GAMING TRUST

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AGT.nz

Aotearoa Gaming Trust Annual Report 2022

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