

YOUTHTOWN
youthtown.org.nz



YOUTHTOWN

2011 ANNUAL REPORT

KEY NUMBERS

YOUTHTOWN IS A
LEADING NEW ZEALAND
YOUTH ORGANISATION
SUCCESSFULLY WORKING
WITH YOUNG PEOPLE TO
HELP THEM RAISE THEIR
ASPIRATIONS, REALISE
THEIR POTENTIAL AND
HAVE THEIR ACHIEVEMENTS
RECOGNISED.

WE HAVE

193862

Participants involved in
Youthtown programmes and
activities nationwide

21585

Visitors to Community
events involving
Youthtown nationwide

12454

Volunteer hours donated

137

Staff and volunteers
nationwide

79

Years Operating

2

New Branches opened in 2011





PRESIDENT'S REPORT



It is with great pleasure that I present this President's report to the members of Youthtown.

The tragic events of February 2011 in Christchurch produced a major initiative to help that city's youth and this culminated in the 'Break from the Quake' programme, which saw Youthtown involvement at local level and brought some 500 young people to Auckland.

This was a compassionate response to those dreadful early days. Sincere thanks are due to staff who agreed to go to Christchurch to implement the programme and to those who managed the activity in Auckland.

A major restructure resulted in a new senior management team and several new appointments. Great credit is due to the staff and their commitment during what the Board accepts was a most difficult period.

Two new branches have opened at Papakura and Christchurch, with good local support.

Change has also taken place in the youth development programmes as a result of changes in funding from the Ministry of Social Development. There has also been a change in the marketing of the Youthtown brand.

Youthtown receives a significant portion of its funding from gaming machines, and the Board spends a considerable amount of time ensuring that this source of revenue continues at a level which enables Youthtown to be competitive.

Youthtown is required by law to distribute gaming funds according to our authorised purpose. This is administered by the Grants Committee, with advice and expertise from Premier Gaming Limited.

Total funds from gaming in 2011 were down some \$1.017 million from 2010, which resulted in less monies being available to Youthtown and other organisations. This was due to the closure of some venues in Christchurch and an overall national decline due to economic conditions.

The gaming industry is very competitive, subject to strict supervision by the Department of Internal Affairs and prone to legislative change.

To supplement the gaming income, the Board actively supports an increase in fundraising, the development of additional income streams and the promotion of Youthtown to all levels of the community. I am very grateful to both local and central Government for their support.

Youthtown is also very fortunate to have a number of business partners, supporters, donors and volunteers, who give either their time and or funds. I sincerely thank them for their loyalty and support.

I take this opportunity to thank my fellow Board members for their ongoing time, support and dedication.

I also thank Keith Thorpe the CEO, the management team and the staff for their loyalty and commitment during what has been a challenging year.

Thanks are also due to Neil Prentice and Ross George, respective Chairs of Youthtown Property Trust and Youthtown Foundation, for their wise counsel in the management of those organisations, and to Guardian Trust as Trustees for management of the investment portfolios.

And finally, thank you to the Auditors, for the audit of the Financial Statements.

2012 will bring a fresh set of challenges, but with a capable Board and a committed staff and management, Youthtown will be well positioned.

Michael White
President



CEO REPORT

Looking back on all that happened in 2011, the year can best be described as both one of significant change as well as some noteworthy achievements.

In April a restructure of the management roles led to the implementation of a plan to ensure Youthtown had a robust structure for further growth and development, to effectively deliver youth programmes nationwide.

The restructure unfortunately resulted in the displacement of a number of staff who had served Youthtown very well over a number of years. In particular I would like to acknowledge the contribution that Alan (Joe) Reid had made over the previous 27 years and while he would have preferred to remain at Youthtown, to his credit he was the first to admit that the interests of Youthtown had to come before his own.

Youthtown also rebranded in 2011, with a fresh new look that better represents what our organisation is today and where we are going in the future.

The Christchurch earthquakes affected all of us like no other national event in our history and we were among the first organisations to provide support. The 'Break from the Quake' project gave us the opportunity to provide a unique Auckland experience for over 500 Christchurch young people. The resulting positive feedback certainly made us all appreciate that the brief respite from the stressful conditions of the ongoing earthquakes was really valued by all Christchurch family members and the Canterbury region at large.

Break from the Quake also had an indirect benefit in creating an awareness in Christchurch of the Youthtown programmes available. Within a short time we were able to establish a local branch with staff working collaboratively alongside other organisations in engaging youth in a range of developmental and fun activities.

Christchurch was one of two new branches which were opened during 2011, the other being in Papakura. This was again due to the collaborative strategy that Youthtown has taken, this time with the Redhill Community Centre who had built a fantastic centre for youth and were looking for a partner to assist in delivering programmes to meet the needs of young people in the area.

As we progress into our 80th year as a not-for-profit organisation, a historic milestone for any organisation, it is timely to not only pause and reflect on our significant achievements over the years, but to also make certain that we have the structure in place that will ensure our longevity for a similar period going forward. A temporary halt has been put on our national expansion programme while Youthtown's systems and processes are reviewed and strategies are put in place to ensure that we have a sustainable model for the future.

To this end, I am indebted to the Youthtown Board for their support and particularly to Youthtown's President, Michael White, for his leadership and direction.

The Youthtown staff remain the heart and soul of the organisation and I acknowledge their enthusiasm for wanting to make a difference in the lives of young people throughout New Zealand. It is this energy that keeps me 'youthful' and passionate about continuing to provide leadership to the organisation as we face the challenges of the coming year.

Keith Thorpe
Chief Executive



WHAT WE BELIEVE

YOUTHTOWN VISION

Inspiring young New Zealanders to reach their potential

YOUTHTOWN MISSION

To be at the forefront of engaging and developing young New Zealanders through community collaboration, strong youth development activity and a sense of fun in everything we do

YOUTHTOWN VALUES

Responsibility: Being accountable and working as a team

Innovation: Continually striving to improve

Leadership: Creating environments to inspire growth

Enjoyment: Passionate about who we are and what we do

Caring: Caring about the people we work with and for



WHO WE ARE

HELPING YOUNG NEW ZEALANDERS REALISE THEIR POTENTIAL THROUGH PHYSICAL, CREATIVE AND SOCIAL ACTIVITIES.

Youthtown is a non-profit organisation set up to enrich the lives of young New Zealanders by providing them with opportunities for fulfilling physical, social and creative experiences.

Youthtown's purpose is simple – to engage and develop young New Zealanders through community collaboration. Helping the country's youth realise their potential is what drives our organisation and motivates our team.

Since first opening our doors in 1932, we've grown and evolved into one of New Zealand's leading youth organisations. We're highly regarded for the quality of our committed and passionate staff, our services and the programmes and events we offer.

Youthtown also distributes funding to support other youth-focused projects and programmes throughout the country.

Whether out on the water, in an art studio or on the basketball court, each of our programmes is designed to build self-esteem and confidence through participation.

At Youthtown we believe young people are the future of New Zealand and there's no more important task than developing the next generation. That's why we're committed to helping all young Kiwis feel a sense of pride, respect and success.

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Kia ora
Youthtown for
all the time
you have put
in to my kids
teaching them
the skills and
knowledge
that you have.

Larissa, Christchurch



HOW WE DO IT

- 👍 **Creating** opportunities for young New Zealanders to realise their potential and become confident young people through physical, social and creative activities
- 👍 **Improving** the quality of the lives of children and teenagers through contact with our committed and passionate staff, and interaction with each other
- 👍 **Inspiring** creativity, love of the outdoors, a sense of pride and respect for each other
- 👍 **Encouraging** young people to participate in group activities, while providing avenues to develop individual skills, and celebrating success in both
- 👍 **Developing** sporting talent in children and teenagers and, along with it, their confidence, self-esteem and wider social and personal skills
- 👍 **Maximising** the opportunities presented by Youthtown's decades of experience in working with youth, along with its safe supportive environment, in young people from all walks of life

WHO BENEFITS

Youth

All young New Zealanders aged between 5 and 18, whoever they are and wherever in the country they live

Communities

The wider communities where Youthtown operates dedicated centres, with most recent additions in Papakura and Christchurch

Other Youth Organisations

Worthwhile non-Youthtown projects and programmes with a youth focus throughout New Zealand, which we support by distributing local funding derived from gaming

Our Partners

Corporates seeking a partner who understands their world and can deliver a youth audience with mutual benefits



OUR PEOPLE

THE PEOPLE AT YOUTHTOWN MAKE OUR ORGANISATION TICK! WHEREVER THEY'RE FROM AND WHATEVER THEY DO, EVERYONE WHO WORKS AT YOUTHTOWN IS COMMITTED TO DELIVERING THE HIGHEST QUALITY PROGRAMMES POSSIBLE. OUR TEAM OF SKILLED, PASSIONATE AND FRIENDLY STAFF WORK TO INSTRUCT AND INSPIRE YOUNG KIWIS TO REACH THEIR GOALS.

Board Members

President

Michael White

Vice President

Alan Rowland

Immediate Past President

Ted Van Arkel

Board Members

John Douglas
Joy Tongue
Don Simmons
Butch Riechelmann
David Clark
Vikki Lee Goode

Current Management 2011/2012

Chief Executive Officer

Keith Thorpe

General Manager Operations

Dion Brown

General Manager Marketing and Commercial

Ginny Travers

Chief Financial Officer

Angela Krenek/
Mike Wilson

Honorary Officers

Patron

Maurice Chatfield

Auditors

BDO Auckland

Honorary Life Members

Mr M Chatfield
MNZM JP*
John Barker*
Mrs E Blakely
Mr B N Middleton JP*
Mr W Finn*
Mrs A Weir

Mr R Niven*

Mr P Grayburn CBE*

Mrs T Gibson

Mr K Newlands

Mr T K Hill

NATIONAL OFFICE

Michelle Berghan
Cath Copley
Sonya Cullen
Stefanie Roswell
Trish Young

AUCKLAND CENTRAL

Julie Radford-
Poupard (Branch
Manager)
Tui Tait

Dionne Afutoto
Corrina Bowen
Sue Clark
Emma De Hogg
Siddhartha Dey
Rochelle Ebery
Fiona Schuler
Suzy Eggleton
Adel Gashi
Kelsie Hilder-Wyllie
Tote Hemehe
Mathew Kennedy
Matalena
McClutchie
Ben Nanasca
Magdalena
O'Connor
Dylan Perfect-Tait
Fiona Ryder
Jaime Tairi
Theo Tait
Jessicah Thompson
Brian Walsh
Vei Vea
Natalie Vincent

PANMURE

Mat Osooso-Naseri
(Branch Manager)
Steph Chaney
Tafa Matafeo
Pina Taulua
Harmony Te Tauri

NORTH SHORE

Sarah Guy/Lisa
Hampe (Branch
Manager)
Sarah White
Cate Bell
Kirsty Adair

UPPERHUTT

Penny Jones
(Branch Manager)
Jade Eru
Janelle Pollock
Antonia Wellington
Daniel Henderson

TAUPO

Dion Brown/
Rebecca Harvey
(Branch Manager)
Jaime Fitzgerald
Nicole Flaws

PAPAKURA

Graeme Thorpe
(Branch Manager)
Mark Ama
Melissa Taylor
Melissa Phillips
Craig Wyllie
Jamie Clark
Waka Setitaia

OAMARU

Mike Mullins
(Branch Manager)
Alice Hore

CHRISTCHURCH

Amanda Murray
(Branch Manager)
Jade Manyweathers

*Past Presidents





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HUGE thanks goes out to Youthtown North Shore for running yet another fantastic Holiday Programme.

Megan, North Shore

THANK YOU

FOR 80 YEARS YOUTHTOWN HAS BEEN A CHARITABLE ORGANISATION. OUR FUTURE IS ONLY MADE POSSIBLE THROUGH THE ONGOING COMMITMENT OF OUR GENEROUS SUPPORTERS. WE ARE NOT A PROFIT-MAKING ORGANISATION AND WE NEED, AND VERY MUCH APPRECIATE, YOUR HELP.

We are proud to have a number of strong working relationships with organisations throughout New Zealand who complement and strengthen the invaluable work that we do. We are a stronger organisation because of these relationships and we say thank you to:

Auckland Council
Canterbury Youth Workers Collective
Child Health Research Foundation
Christchurch City Council
Counties Manukau Sport
Friedlander Foundation
Grey District Council
Hockey New Zealand
Ministry of Social Development
Ministry of Youth Development
New Zealand Bluelight
New Zealand Cricket
New Zealand Football
New Zealand Golf
New Zealand Police
Outward Bound
Philips Search and Rescue Trust
Spirit of Adventure Trust
Taupo District Council
The Sir Edmund Hillary Outdoor Pursuits Centre
Triathlon New Zealand
Upper Hutt City Council
Youth Worker Training Scheme
Youthline

We are especially grateful to all of our supporters who have made a financial contribution towards our work; whether large or small we say a heartfelt thank you for the difference you have made.

Special thanks to those supporters who have made significant financial contributions in 2011.

Friedlander Foundation
Helen Phibbs
J A Tanner
David Levene Charitable Trust
Malcom Flowers Insurances Ltd
Joyce Fisher Charitable Trust
The T Clark Trust
Water New Zealand
Kumfs New Zealand
ARA Lodge No.348 I C
Charitable Trust
Menzies Charitable Trust
Murray & Sue Lee
Guardian Trust Financial Services
Kristen George
Ian M Shroff
Maurice L Chatfield MNZM JP
Community Organisation Grants Scheme (COGS)
Creative Communities Arts Funding Scheme
Canterbury Softball
Joan Mayes



2011 REVIEW

LOOKING AT THE YEAR IN REVIEW, WE HAVE ACHIEVED A GREAT DEAL. HERE ARE JUST A FEW OF THE HIGHLIGHTS FROM 2011.

OSCAR PROGRAMMES FLOURISH

An amazing total of 97,268 student days were delivered in 2011, up 14% on 2010. This is testament to the quality of the OSCAR team and their ability to develop innovative and contemporary programmes for our young people.

BREAK-AWAY

In 2011 Youthtown delivered 1,420 free week long holiday programmes for young people ages 11 to 14 and 15 to 18. The ability to provide such a huge volume of free programming is to the credit of the Ministry of Social Development and its continued support of Youthtown. Programmes were delivered across Panmure, South Auckland, Auckland Central, Avondale and Taupo.

The success of this programme has secured the Ministry's support to Youthtown for the next 3 years and the inclusion of the Christchurch branch with 160 placements for the 2011/2012 period.

CHRISTCHURCH

After the February 2011 earthquakes it became apparent that there was a need in the Christchurch area for the sorts of programmes Youthtown delivers on an ongoing basis, so the team worked hard to establish a branch in the garden city. During this time Youthtown worked alongside the police and schools to deliver extracurricular activities where and to whom they were needed most.

During the year the original Youthtown office was red stickered following the earthquake so the team had to move to new, safer premises in Aranui.

During much of the year a pilot-based programme ran in Christchurch, and based on its success the Youthtown management team decided to establish a permanent branch. Quarter four of 2011 was spent setting up Youthtown Christchurch to start delivering ongoing programmes from Term 1, 2012.

FIVE NEW BRANCH MANAGERS

2011 saw a fresh new change at the helm of many branches.

North Shore – Lisa Hampe
Nelson St – Julie Radford-Poupard
Papakura – Graeme Thorpe
Taupo – Rebecca Harvey
Christchurch – Amanda Murray

There is a substantial increase in momentum with the expertise, enthusiasm and drive of the new management team.

PAPAKURA IN-SCHOOLS SPORTS PROGRAMME

Youthtown Papakura is piloting a new initiative in schools which has proven to be a huge success. A very competent team of five Youthtown coaches deliver sports in school time to over 1,400 students every fortnight across 20 schools in South Auckland. The programme is well aligned with Sport New Zealand's strategy of encouraging more primary and intermediate students into sport. The initiative has been very successful and has been recognised by Kiwi Sport who supported the programme in 2011.

NEW FITNESS TRAILS

Youthtown's fitness trails have been specifically designed to suit the fitness requirements of school aged children. Comprising eight stationary workout stations, Youthtown's fitness trail initiative aims to encourage school children to engage in physical activity and become more active.

In 2010 Youthtown launched its first fitness trail at Tamaki Intermediate (Auckland). In 2011 fitness trails were launched at Maidstone Intermediate School (Upper Hutt), Taupo nui-a-Tia College (Taupo), Takanini School (Auckland), Glenfield Intermediate School (Auckland) and Balmoral School (Auckland).

Youthtown has rolled out six fitness trails across the country to date with plans to launch an additional four in Christchurch and Oamaru in the first quarter of 2012.





LOOKING FORWARD

2012 IS ALREADY PACKED WITH YOUTHTOWN PROGRAMMES, CAMPAIGNS AND ACTIVITIES. HERE IS A SNAPSHOT OF WHAT WE HAVE TO LOOK FORWARD TO.

80 YEARS YOUNG

Our 80th celebrations will be a significant milestone in 2012 and a chance to reflect on where we've been and where we are heading. We have some exciting plans which will be announced in Youth Week with the aim of engaging the views of young people around the country. Each of our branches will celebrate this major milestone for Youthtown with a special focus on Nelson Street as the oldest branch.

CALLING OUR ALUMNI

We'll also take the opportunity in our 80th year to reconnect with our Youthtown and Boystown alumni. We'll be seeking those from our past that want to be part of our future. Our first task will be finding those young boys and girls that attended Youthtown (or Boystown) over the decades. Please get in touch with us if you can help us locate our former friends and colleagues.

A VISION FOR NELSON ST

Our oldest and flagship branch at Nelson Street has served us well for many decades. In 2012 we will kick off a formal refurbishment process to ensure the building design functions effectively for the programmes and services we want to offer young people moving forward. The first step on this major project will be identifying what we need and creating a funding model to make it happen.

STREAMLINING OUR PRODUCTS & SERVICES

As an organisation that prides itself on delivering world-class youth development programmes in New Zealand, Youthtown is constantly reviewing its products and services. This will continue to be a key focus in 2012 as we move to streamline what we do nationally. Our goal will be to apply sound modelling, visionary thinking and efficient programming that truly engage youth and delivers on the principles of youth development.



Team Building
was such a
blast. Thankyou
Youthtown
Taupo.

Danyelle, Taupo



QUAKE BREAK

AFTER THE DEVASTATION OF THE FEBRUARY 2011, CHRISTCHURCH EARTHQUAKES, YOUTHTOWN WORKED WITH SEVERAL ORGANISATIONS, INCLUDING LOCAL YOUTH GROUPS, COUNCIL AND THE POLICE, TO IDENTIFY WHAT THE CITY NEEDED MOST AND WHERE YOUTHTOWN AS AN ORGANISATION WAS BEST PLACED TO HELP.

The result was one of the largest projects Youthtown has implemented to date – two weeks of school holiday camps and a 20-week after school programme of activities for children and youth in the city of Christchurch.

As the name suggests, the purpose of this activity was to give children and families a much needed respite from the stresses of life in the city following the February 22 earthquake and during the thousands of subsequent aftershocks that left nerves frayed and families struggling to cope.

The camp segment of the Break from the Quake programme saw Youthtown fly 500



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Seeing the smiles on the children's faces as they landed in Auckland and were told about their exciting week has made it all worthwhile.

*Keith Thorpe,
Youthtown CEO*

secondary school students (aged 11 – 18 years), along with a 100-strong support crew, to the North Island where they attended specially designed five day camps organised and run by Youthtown. These 500 children, who were selected from schools and organisations located in the worst impacted areas, got to enjoy a much needed break from the shaky city with an emphasis on bringing fun back into their lives.

Initially the camps were to run concurrently during the two weeks of the July school holidays, but inclement weather forced the postponement of the second week of camps to the October holidays.

On the ground, a special taskforce team put together an after school and holiday programme for children at the worst affected schools to provide some of the 'normal' sporting, creative and social activities that were missing from their lives following the quake. This was especially valued in those 'twin schools' that were already sharing facilities and staggering school classes to fit all pupils in throughout the day.

Both activities were also strategically important for Youthtown's long term involvement in Christchurch. It helped foster important partnerships at a national level for Youthtown as an organisation.

The campaign was an overwhelming success that also generated \$479,086 in PR value for the organisation, including several TV stories and radio interviews. It was very successful in gaining momentum and goodwill for the Youthtown brand in Christchurch.





RE BRAND

A NEW BRAND FOR A NEW AGE

IT'S HARD TO BE HIP AND COOL WHEN YOU'RE 80. AT YOUTHTOWN WE WANT EVERYONE TO KNOW OUR IMPRESSIVE HISTORY DOESN'T MEAN WE CAN'T BE YOUTHFUL.

In the last 80 years we've had a number of different brands and logos but none of these expressed where we are now and where we are going. Our last logo device featured the Auckland skyline and a very 80's typeface – something that no longer fitted a national organisation with branches around New Zealand. Clearly the time had come to refresh, update and rethink our look and what it said about us.

We wanted our brand to represent everything we do and the experience we deliver at Youthtown. After talking with our staff, young people in our programmes and other key stakeholders, we felt the best expression of Youthtown today was in the tagline – Discover Fun & Adventure. As a youth organisation we know that when young people have fun and enjoy what they do, they are much more likely to embrace new experiences, develop their skills and engage with us again.

With a sense of fun at the forefront of everything we do, we are more likely to connect with our most important audience – young New Zealanders.

The new brand look is a refreshed, fun and more meaningful Youthtown logo with the 'jumping jack' emblem device denoting energy and youth, and the new colour palette of red, blue and yellow.

The rollout of the new look took place after the restructure in April and over many months. Gradually all the elements of the rebrand are being rolled out.

We started with the ambient and mobile signage used nationally, and then moved to our vans, our stationery, brand collateral, promotional items and uniforms for staff. Now we are moving to complete the process with our other vehicles, venue signage, new website and social media sites.

Pride in the new branding has been high and the feedback we've had has been positive. We hope you'll see our brand everywhere and on many levels where Youthtown has a presence.



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Our new brand reflects the vibrancy, energy and fun of Youthtown

Keith Thorpe,
Youthtown CEO





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There is no more important task than encouraging the next generation to make the most of their opportunities and to achieve their full potential in life.

*Hon Judith Collins,
MP for Papakura*

YOUTHTOWN MOVED INTO ITS NEWEST PREMISES IN THE REDHILL COMMUNITY CENTRE IN PAKAKURA IN MAY 2011. BRANCH MANAGER GRAEME THORPE TALKS ABOUT YEAR ONE IN PAKAKURA.

Q: WHY PAKAKURA?

Youthtown had initially established a presence within the Papakura area with its in-schools sports coaching programme. Once we were in the schools running the free sports coaching programme we recognised that there would be a real benefit to the area and its young people to set up Youthtown's other core youth based programmes. A needs analysis study of the area showed that programmes for 10-13 year olds was a real area of demand.

Q: WHAT TYPES OF PROGRAMMES DO YOU RUN?

Youthtown Papakura currently runs a sports coaching and development programme for over 15 local primary and intermediate schools in the area. This focuses on motor skill development, physical well-being, and encouraging active engagement and participation in sport. We are currently working with over 700 students each week creating a platform for young people to build their self-worth and confidence.

We also run regular holiday programmes catering for 10-14 year olds in the area. They get to participate in a range of exciting activities from hip-hop dance workshops, rock-climbing, team challenges, outdoor adventures, art workshops, sports, team building games, cooking, watersports and day excursions. Thanks to the support of MSD and OSCAR funding, to date we have been able to offer these holiday programmes free or heavily subsidised so they are affordable to all.

We are also often involved in supporting and running local community events like 'Push Play Day' and school based events

*PHOTO: Hon Judith Collins
and Youthtown President
Michael White cut the cake to
officially launch the Youthtown
Papakura branch*



NEW IN PAPA KURA

like 'Activat8 Day'. We look forward to being able to offer more programmes in the near future for the young people in the Papakura Community.

Q: WHAT'S THE MOST EXCITING THING ABOUT WORKING WITH YOUTHTOWN?

I have been with Youthtown for 7 years now and one of the most exciting things for me is seeing the growth of our organisation. In that time we have gone from having 2 branches in Auckland to having 9 branches spread-out throughout the country.

In addition to working with an amazing team of staff delivering our Youthtown programmes, one of the biggest rewards for me is seeing the enjoyment and the impact our programmes have with the personal development on young people in our community. The encouraging feedback from parents and teachers about the positive influence our programmes are making is also extremely rewarding.

Q: DO YOU HAVE A BACKGROUND OF WORKING WITH YOUTH?

Before Youthtown I was working as a police officer in Auckland, and during this period I spent a lot of time working with young people who were often living on the streets of Auckland City. This, I believe inspired me to continue a career in which I got to work proactively with young people, at the 'top of the cliff' rather than as the 'ambulance at the bottom'. I have seen for myself the difference that Youthtown makes.

They grow in confidence and through new experiences they know there are opportunities for them, other ways to live their lives.

Q: HOW DO YOU MEASURE SUCCESS?

Youthtown uses many ways and means to identify, measure, and report on the social change and personal development it makes with the young people attending our programmes.

For our passionate staff who work on our programmes, they see this on a daily basis. They may not be able to change the world, but they can change the world of one person.

Success is a journey, not a destination.

I would personally like to thank the following for all their support in making our first year a huge success.

Youthtown Papakura Staff: Mark Ama, Waka Setitaia, Craig Wylie, Melissa Phillips, Jamie Clark Rod Gunson and Val Sinton

The Redhill Community Centre:
Board of Trustees and all the staff

Auckland Council: Willie Iosia

Papakura Police: Bluelight and the Takanini Community Policing team

Counties Manukau Sport

High Wire Charitable Trust





NEW IN CHRISTCHURCH

IN 2011 YOUTHTOWN SET UP
A BRANCH BASED IN ARANUI,
CHRISTCHURCH. BRANCH MANAGER
AMANDA MURRAY SHARES HER STORY.

Q: WHY CHRISTCHURCH?

I've lived in Christchurch for most of my life and despite last year not being Christchurch's most successful year, I have no plans to be anywhere else.

Youthtown started in Christchurch with earthquake response programmes – working in schools and running the massive Break from the Quake holiday camps which took place throughout the North Island. I arrived in the middle of this and joined the second camp in Auckland which was a fantastic way to meet some of the other Youthtown staff as well. Now more than ever, our kids need some sense of normality. We have lost so many of our established facilities – swimming pools, basketball courts, school buildings, gyms etc and nowhere more than on the east side.

Although the community spirit is alive and well, we need to rebuild so much of the infrastructure

and keep our services going. Our office on Breezes Rd was condemned and we moved just before Christmas to new premises with Canterbury Softball at Cuthberts Green.

Q: WHAT DOES YOUR JOB INVOLVE?

2012 is when Youthtown Christchurch really gets going with our core programming – focusing on the 14-17 age group on the East side of Christchurch. My role starts with the planning and research for all programmes, moving through to implementing and managing after school workshops, holiday programmes and community events.

We have a fabulous youth community to work in on our side of town with some great partnerships with other local youth organisations. No two days are the same working here – one day writing risk and management systems for adventurous activities, the next day organising a dance party or taking youth to a hip hop workshop.

We work closely with our local high schools and seek to meet their needs as decile 2 schools and adapt to the changing economic community. Our squad is drawn from 6 different schools and meets weekly to provide a voice for their peers. They assist in running our events, plan their own





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I love this city
and I have
no plans to
live anywhere
else.

Amanda Murray,
Branch Manager

events, learn leadership and event management skills and hopefully have a fantastic time along the way. The close relationships we develop with these and other youth are probably one of the best parts of the job.

Q: WHAT'S THE MOST EXCITING THING ABOUT WORKING WITH YOUTHTOWN?

Working with youth! They are a complex, varied, challenging group throwing constant changes at you. Today's teenagers are very direct and meeting their needs on their terms is a challenging and varied space to work in. Seeing change and growth in them is the best part of the job and thinking that you make a difference, even in one person's life, is amazing!

Q: DO YOU HAVE A BACKGROUND OF WORKING WITH YOUTH?

I have worked in non profit youth organisations for many years in a variety of different roles from

fundraising to running kids camps. My professional background is more varied through a Degree in Economics through Resources Management positions to a post grad year in Event Management. I found I kept being drawn back to working with youth time after time and realised that was where I found most job satisfaction.

I also have an in house team of teens and pre-teens who constantly give me critical and honest feedback on my performance (my kids).

Q: HOW DO YOU MEASURE SUCCESS?

Success comes in many forms – a full programme or workshop is satisfying. However it's not just about numbers or capacity, some of the best youth development comes from the 1-1 engagement when you see personal growth or challenges met and overcome. It's about realising personal capability and possibility, making positive steps towards reaching your potential and for everyone that is something different. This applies to staff, volunteers, tutors and the youth we all work with.





CFO REPORT



I am proud to present the 2011 financial results on behalf of Youthtown Inc. As our organisation expands it's a constant challenge to keep track of all the money, people and activities. Our growth means it is also more important than ever to do so.

Youthtown Inc has again achieved an unmodified audit opinion, from it's Auditors BDO, for it's 2011 Annual Report. This confirms that quality processes and procedures are in place to track and record transactions and to ensure our Annual Report truly fairly reflects the business of the organisation. Youthtown also continues to meet the requirements of the Financial Reporting Act and International Financial Reporting Standards. This commitment to meet these standards, reflects positively on the strong internal processes relied on, the hardworking finance team and the co-operation of Youthtown staff as an organisation. Everyone should again this year be commended for their commitment in this result.

The Statement of Financial Performance again this year reports more information than the organisation is legally required to disclose, or that has been disclosed in Annual Reports prior to the 2010 Annual Report. We have taken this step in order to present a much clearer picture of our organisation and the financial model under which we operate.

Youthtown continued to operate during the year, gaming venues, under a Class 4 gaming license issued by the Department of Internal Affairs. The continuation of this funding stream has assisted the Youthtown organisation to continue to work on its long term strategic initiatives of youth development and youth engagement. Youthtown Inc continues to provide a variety of quality youth programmes across the country, the growth of which would not have been possible without the license agreements and collaboration of venue owners, managed through the Gaming Division. The Annual Report Statement of Financial Performance report format used, shows the contribution of the Gaming Division, to the overall results.

The top section of the Statement of Financial Performance report, shows the results of the Gaming Division. Gaming revenue after government taxes fell to \$13m in 2011, compared with \$14m in 2010. Some of this decline in revenue can be attributed to the closing of two venues in Christchurch and also the reflection of another tough economic year. From that revenue, the costs relating to running the division (both direct and indirect) and the community grants distributed to support other youth initiatives are shown. For 2011, the Gaming Division contributed \$4.7m towards Youthtown Inc's bottom line profit of \$118k.

The next section details the revenue from Youth Services, who create and deliver programmes, and other revenue sources. Non-gaming revenue

has decreased to \$2.0m from \$2.1m in 2010. Programme registrations have again increased in 2011 to \$1.5m, rising from \$1.4m in 2010. This growth again reflects more youth participating in Youthtown organised programmes.

The Youthtown Inc Balance Sheet again reflects a healthy position, showing an overall increase in assets to \$10.5m from \$9.6m. The cash flow is managed and monitored on a daily basis to ensure the organisation receives maximum return on available cash balances. It is a continuing practice of Youthtown to pay all invoices received on a weekly basis.

Our overall financial position remains stable, solvent and financially viable long term. As we reach out to more young people across New Zealand, and deliver quality programmes to their local communities, the need for financial support from gaming and other revenue sources takes on a greater significance. We continue to price the programmes and activities we deliver, to achieve cost recovery, which in turn means our programmes and activities are able to reach a greater number of the families within the communities we are based. Accordingly, a key focus for Youthtown Inc must be, and always will be, further developing key relationships to build a broad base of financial support so that we can use our expertise to enrich the lives of every young New Zealander.

Mike Wilson BBS, CA
Chief Financial Officer

AUDIT REPORT



INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF YOUTHTOWN INCORPORATED AND GROUP

Report on the Financial Statements

We have audited the financial statements of Youthtown Incorporated and Group on pages 22 to 27, which comprise the consolidated and separate statements of financial position of Youthtown Incorporated and Group as at 31 December 2011, as well as the consolidated and separate statements of changes in equity and financial performance for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Board of Youthtown Incorporated, in accordance with the Rules of Youthtown Incorporated and Group. Our audit has been undertaken so that we might state to the Board of Youthtown Incorporated those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Youthtown Incorporated for our audit work, for this report, or for the opinions we have formed.

Board's Responsibilities

The Board is responsible for the preparation of these financial statements in accordance with generally accepted accounting practice in New Zealand that give a true and fair view of the matters to which they relate and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

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

Other than in our capacity as auditor we have no relationship with, or interests in, Youthtown Incorporated or any of the Group entities.

Opinion

In our opinion, the financial statements on pages 22 to 27 present fairly, in all material respects, the financial position of Youthtown Incorporated and Group at 31 December 2011, and their financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.

Emphasis of Matter - Going Concern

Without modifying our opinion, we have considered the adequacy of the disclosures made in Note 14 of the financial report on the matter of going concern and its preparation basis. The accounts report a negative working capital for the Parent entity and the note discloses a non-compliance matter as regards the Department of Internal Affairs audit. The Youthtown Foundation has confirmed their ongoing support of Youthtown Inc should such financial assistance be required.

The Board of Youthtown have confirmed in respect of the Department of Internal Affairs audit report and the non-compliance with regulatory requirements in operating gaming machines that, it will undertake such remedial action as is necessary in order to ensure Youthtown's compliance and continued operational status under its license.

Should Youthtown be unable to satisfy the Department of Internal Affairs that it has satisfactorily remedied its non-compliance issues then a license to operate may not be reissued. In such event Youthtown Inc would not be able to operate its gaming machines. Youthtown Inc may not be able to realise their assets for the amounts which they are currently recorded in the financial statements and discharge their liabilities in the normal course of business, additionally more liabilities may be incurred. The financial statements do not record any adjustments that might be required should the gaming license not be reissued.

BDO Auckland

**BDO Auckland
11 April 2012
Auckland, New Zealand**

YOUTHTOWN FINANCIAL STATEMENTS



STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011		2010	
		\$ Parent	\$ Group	\$ Parent	\$ Group
Gaming revenue	3	13,166,682	13,166,682	14,183,671	14,183,671
Gaming expenditure					
Gaming venue payments and other direct costs		(3,298,922)	(3,298,922)	(3,621,210)	(3,621,210)
Gaming indirect costs		(1,387,309)	(1,387,309)	(1,582,634)	(1,582,634)
Gaming machine depreciation	5	(967,549)	(967,549)	(1,120,748)	(1,120,748)
Gaming grants to other community groups	4	(2,799,257)	(2,799,257)	(2,952,976)	(2,952,976)
Total Gaming expenditure		(8,453,037)	(8,453,037)	(9,277,568)	(9,277,568)
Gaming contribution		4,713,645	4,713,645	4,906,103	4,906,103
Youth Services and other revenue					
Programme registrations		1,577,264	1,577,263	1,437,074	1,437,074
Central Govt programme funding		272,500	272,500	306,475	306,475
Council revenue grants		85,435	85,435	111,739	111,739
Fundraising		72,490	72,490	258,965	356,546
Finance income		28,586	159,256	26,347	162,406
Sundry income		15,608	54,014	23,715	23,715
Total Youth Services and other revenue		2,051,883	2,220,958	2,164,315	2,397,955
Youth Services and other expenditure					
Youth Services direct programme expenses		(3,381,029)	(3,381,027)	(2,955,866)	(2,955,866)
Communications		(508,902)	(508,902)	(552,911)	(552,911)
Occupancy costs		(1,079,647)	(830,070)	(1,305,647)	(851,872)
Professional services		(213,038)	(213,038)	(180,920)	(189,471)
Audit Fees		(44,711)	(44,711)	(40,000)	(40,000)
Depreciation	5	(345,032)	(422,191)	(397,955)	(475,114)
Personnel costs		(1,019,675)	(1,019,675)	(1,071,150)	(1,071,150)
Finance costs		(22,887)	(31,054)	(19,835)	(20,550)
Sundry costs		(32,671)	(41,878)	(138,585)	(153,718)
Charitable Grants		-	(81,489)	-	(58,342)
Total Youth Services and other expenditure		(6,647,592)	(6,574,035)	(6,662,868)	(6,368,994)
Net Surplus/(Deficit)		117,936	360,568	407,549	935,064

STATEMENT OF MOVEMENTS IN ACCUMULATED FUNDS FOR THE YEAR ENDED 31 DECEMBER 2011

	2011		2010	
	\$ Parent	\$ Group	\$ Parent	\$ Group
Net Surplus	117,936	360,568	407,549	935,064
Movement in Accumulated Funds for the Year	117,936	360,568	407,549	935,064
Opening Accumulated Funds As At 1st January	2,698,923	6,857,956	2,291,374	5,920,110
Closing Accumulated Funds As At 31st December	2,816,859	7,218,524	2,698,923	6,855,174

The financial statements must be read in conjunction with the attached notes

YOUTHTOWN FINANCIAL STATEMENTS



STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	Notes	2011		2010	
		Parent \$	Group \$	Parent \$	Group \$
<u>Accumulated Funds</u>					
Accumulated Funds		2,816,859	7,218,524	2,698,923	6,855,174
Total Accumulated Funds		2,816,859	7,218,524	2,698,923	6,855,174
Represented by:					
<u>Current Assets</u>					
Prepayments		15,691	15,691	23,148	23,148
Accounts Receivable		437,015	437,015	485,439	485,439
Bank		1,248,379	2,532,170	950,159	1,682,427
		1,701,085	2,984,876	1,458,746	2,191,014
<u>Non-Current Assets</u>					
Property Plant & Equipment	5	4,397,892	5,625,304	4,024,979	5,329,550
Debentures Notes & Bonds	6	-	534,727	-	891,642
Investments in Shares	6	-	1,172,749	-	1,059,464
Managed Funds Portfolio	6	-	171,127	-	171,245
		4,397,892	7,503,907	4,024,979	7,451,901
Total Assets		6,098,977	10,488,783	5,483,725	9,642,915
<u>Current Liabilities</u>					
Goods & Services Taxation		262,865	263,030	286,347	286,503
Trade Creditors		622,074	622,074	549,204	549,204
Other Creditors		639,422	627,398	558,707	561,490
UDC Finance	7	848,590	848,590	912,915	912,915
		2,372,951	2,361,092	2,307,173	2,310,112
<u>Non-Current Liabilities</u>					
UDC Finance	7	909,167	909,167	477,629	477,629
		909,167	909,167	477,629	477,629
Total Liabilities		3,282,118	3,270,259	2,784,802	2,787,741
Net Assets		2,816,859	7,218,524	2,698,923	6,855,174

Chief Executive Officer

11th April 2012

Date

President

11th April 2012

Date

The financial statements must be read in conjunction with the attached notes

YOUTHTOWN FINANCIAL STATEMENTS



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1. Basis of Preparation

The financial statements presented here are for the parent reporting entity Youthtown Inc. The entity is an incorporated society under the Incorporated Societies Act 1908. Financial statements for Youthtown Inc (the "Parent") and consolidated financial statements are presented. The consolidated financial statements comprise the Parent and its subsidiaries (the "Group"). The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand and New Zealand Financial Reporting Standards.

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

A. Particular Accounting Policies

The following particular accounting policies which materially affect the measurement of surplus and financial position have been applied.

Consolidation

The group consolidated financial statements include the Parent's in substance subsidiary Youthtown Foundation Trust and Youthtown Property Trust. The Trusts are accounted on a consolidation basis as though they are subsidiaries of the Parent. Their purpose is to provide sustainable income for the long term operations of Youthtown Inc and services to youth. The Society, as a parent, consolidates the Trusts because it has the capacity to control the financing and operating policies of the Trusts so as to obtain benefits from their activities.

The purchase method is used to prepare the consolidated group financial statements, which involves adding together like items of assets, liabilities, equity, income and expensed on a line-by-line basis.

Transactions Eliminated on Consolidation

Intergroup balances, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Accounts Receivable

Accounts Receivable are stated at expected realisable value after due allowance for all bad and doubtful debts. Bad debts are written off during the period in which they are identified.

Property, Plant & Equipment

Land is recorded at cost. All other owned items of property, plant and equipment are initially recorded at cost and depreciated as outlined below. Initial cost includes the purchase consideration, or fair value in the case of a donated asset and those costs directly attributable to bringing the asset to the location and condition necessary for its intended use. These costs include, where appropriate, site preparation costs and installation costs.

Costs cease to be capitalised when substantially all the activities necessary to bring an asset to the location and condition for its intended use are complete. All feasibility costs are expensed as incurred.

Subsequent expenditure relating to an item of property, plant or equipment is added to its gross carrying amount when such expenditure either increases the future economic benefits beyond its existing service potential, or is necessarily incurred to enable future economic benefits to be obtained, and if that expenditure would have been included in the initial cost of the item it had been incurred at that time.

Items of property, plant or equipment are written down immediately if impairment in the value of the asset causes its recoverable amount to fall below its carrying amount. The impairment is recognised in the Statement of Financial Performance.

Where an item of property, plant or equipment is disposed of, the gain or loss recognised in the Statement of Financial Performance is calculated as the difference between the net sale price and the carrying amount of the asset. Any revaluation is reduced or increased by the amount applicable to that item.

Depreciation

Depreciation is calculated on all assets with the exception of land over their estimated useful lives. Property, Plant and Equipment are stated at cost less accumulated depreciation.

Buildings	2.5% SL - 11.4% DV
Plant & Equipment	10.0% - 60.0% DV
Motor Vehicles	10.0% - 31.2% DV
Dormitory Assets	11.0% - 60.0% DV
Furniture & Fittings	9.0% - 60.0% DV
Gaming Plant and Equipment	4% DV - 60% DV & 28.80% SL - 36% SL

Investment in Shares and Managed Funds

Investments in shares and managed funds are stated at cost.

Investments in Debentures, Notes & Bonds

Investments in debentures, notes and bonds are stated at cost.

Income Tax

Income tax is not payable due to the fact that the Parent and the group are not for profit organisations, and hold a Certificate of Exemption from Income Tax.

Trade and other creditors

Trade and other creditors are stated at cost.

Goods and Services Tax

The financial statements have been prepared using GST exclusive figures, except for accounts payable and accounts receivable are stated inclusive of GST.

Revenue

Revenue is measured at the fair value of consideration received or recoverable.

Gaming Revenue

Gaming revenue is recognised when it becomes receivable, and is presented net of applicable gaming duties and levies.

Gaming Expenditure, Youth Services and Other Expenditure

Expenditure is recognised on an accrual basis when the related goods or services have been received.

Finance Costs

Interest expense is recognised in the Statement of Financial Performance as it accrues, using the effective interest method.

Central Government Programme Funding, Council Revenue Grants and Fundraising

Central Government Programme Funding, Council Revenue Grants and Fundraising income is recognised as income when it becomes receivable unless the Parent and Group has a

YOUTHTOWN FINANCIAL STATEMENTS



liability to repay the Fundraising, MSD Programme Funding and Revenue Grants if the requirements/conditions of the funding agreement are not fulfilled. A liability is recognised to the extent that such conditions are unfulfilled at the end of the reporting period.

Donated Assets

Where a physical asset is donated or vested in the Parent or Group for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in the Group are recognised as revenue when control through ownership over the asset is obtained.

Volunteer Service

Voluntary service with a value that can be reliably estimated are treated as revenue and expenses. Other volunteer services are not recognised in the financial statements.

Programme Registrations

Revenue from the internal activities which includes Holiday Programme, After School Programme, Fitness income, Outdoor Programme, Youth Programme is recognised when the service is rendered. Revenue received but not able to be recognised under the above policy is recorded in the Statement of Financial Position as a liability.

Finance Income

Interest revenue is recognised in the Statement of Financial Performance as it accrues, using the effective interest method.

Dividend income is recognised when it becomes receivable.

Leases

Payments made under operating leases are recognised in the Statement of Financial Performance on a basis representative of the pattern of benefits expected to be derived from the leased asset.

Foreign Currencies

Foreign currency transactions are translated to New Zealand currency at the exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities in foreign currencies are translated at the exchange rate at balance date.

Exchange differences arising on the translation of monetary assets and liabilities are recognised in the Statement of Financial Performance.

Differential Reporting Exemptions

These financial statements are a general purpose financial report which has been prepared recognising the Framework for Differential Reporting.

Youthtown Inc and group qualifies for differential reporting as it has no public accountability and is not considered large within the terms of reference of the Framework for Differential Reporting. All available differential reporting exemptions allowed under the framework for differential reporting have been adopted.

Donated Rental Income

Lease agreements for nil (or nominal) consideration are recognised and measured at the market rental rate between knowledgeable, willing parties in an arm's length transaction. A corresponding "Donated Rental Income" amount is recognised in the Statement of Financial Performance.

Changes in Accounting Policies

All policies have been applied on bases consistent with those used in previous years.

2. Activities of Youthtown Inc.

Youthtown Inc provides youth development and recreational services throughout New Zealand, which is partly funded by the operation of gaming machines.

3. Gaming Revenue

	2011		2010	
	Parent \$	Group \$	Parent \$	Group \$
Gross gaming revenue	17,490,914	17,490,914	18,771,247	18,771,247
Gaming duties and levies	(4,324,232)	(4,324,232)	(4,587,576)	(4,587,576)
	13,166,682	13,166,682	14,183,671	14,183,671

By law Youthtown Inc is required to return Gaming Machine Duty of 20.00% of GST-inclusive gross gaming revenue (2010: 20.00%) and Problem Gambling Levies of 1.48% of gross gaming revenue (2010: 1.70%).

4. Gaming Grants to Other Community Groups

By law Youthtown Inc's Gaming division is required to distribute at least 37.12% of gross gaming revenue to the community in the form of grant donations. For the financial year under review Youthtown Inc's Gaming division has met its obligation and paid out 37.54% of gross gaming revenue (2010: 39.67%). Payment requires approval by the Gaming division's Grants Board Sub-Committee that the recipient has requested the donation for an "authorised purpose" as defined by the Gambling Act 2003.

Youthtown Inc's Youth Services division is itself a recipient of charitable grants from Youthtown Inc's Gaming division. Grants from Youthtown Inc's Gaming Division to Youthtown Inc's Youth Services Division do not appear in the Statement of Financial Performance as they are inter-department transactions that eliminate when the two Divisions are consolidated.

YOUTHTOWN FINANCIAL STATEMENTS



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

5. Property, Plant & Equipment

	Cost \$	Parent 2011 Accum Depn \$	Book Value \$	Depreciation \$
Freehold Land	-	-	-	-
Buildings	1,715,568	232,563	1,483,005	56,799
Plant & Equipment	1,356,604	1,049,287	307,317	130,210
Motor Vehicles	1,016,768	726,349	290,419	141,083
Dormitory Assets	43,502	40,449	3,053	849
Furniture & fittings	270,419	185,713	84,706	16,091
Plant & Equipment - Gaming	7,636,108	5,406,717	2,229,391	967,549
	12,038,969	7,641,078	4,397,891	1,312,581

	Cost	Group 2011 Accum Depn	Book Value	Depreciation
Freehold Land	85,000	-	85,000	-
Buildings	3,634,398	978,981	2,655,417	123,958
Plant & Equipment	1,356,604	1,049,287	307,317	130,210
Motor Vehicles	1,016,768	726,349	290,419	141,083
Dormitory Assets	43,502	40,448	3,054	849
Furniture & fittings	270,419	215,713	54,706	26,091
Plant & Equipment - Gaming	7,636,108	5,406,717	2,229,391	967,549
	14,042,799	8,417,495	5,625,304	1,389,740

	Cost	Parent 2010 Accum Depn	Book Value	Depreciation
Freehold Land	-	-	-	-
Buildings	1,705,242	175,764	1,529,478	56,558
Plant & Equipment	1,303,877	924,002	379,875	154,811
Motor Vehicles	980,873	605,571	375,302	166,607
Dormitory Assets	43,502	39,600	3,902	1,328
Furniture & fittings	267,914	169,622	98,292	18,651
Plant & Equipment - Gaming	7,740,314	6,102,184	1,638,130	1,120,748
	12,041,722	8,016,743	4,024,979	1,518,703

	Cost	Group 2010 Accum Depn	Book Value	Depreciation
Freehold Land	85,000	-	85,000	-
Buildings	3,624,072	855,023	2,769,049	123,717
Plant & Equipment	1,303,877	924,002	379,875	154,811
Motor Vehicles	980,873	605,571	375,302	166,607
Dormitory Assets	43,502	39,600	3,902	1,328
Furniture & fittings	267,914	189,622	78,292	28,651
Plant & Equipment - Gaming	7,740,314	6,102,184	1,638,130	1,120,748
	14,045,552	8,716,002	5,329,550	1,595,862

YOUTHTOWN FINANCIAL STATEMENTS



6. Debentures, Notes and Bonds, Investment in Shares and Managed Funds

The market value of the debentures, notes and bonds, investment in shares and managed fund portfolio at 31 December was as follows:

	2011		2010	
	Parent \$	Group \$	Parent \$	Group \$
Debentures, Notes and Bonds		520,453	-	860,988
Investments in Shares		1,192,723	-	1,246,832
Managed Fund Portfolio		165,181	-	182,973
		<u>1,878,357</u>		<u>- 2,290,793</u>

7. UDC Finance Limited

Loans are secured over gaming machines and equipment at a rate of 8.4% to 10.45% p.a., payable over 3 years.

	2011		2010	
	Parent \$	Group \$	Parent \$	Group \$
Current	848,590	848,590	912,915	912,915
Non-Current	909,167	909,167	477,629	477,629
	<u>1,757,757</u>	<u>1,757,757</u>	<u>1,390,544</u>	<u>1,390,544</u>

8. Lease Commitments

	2011		2010	
	Parent \$	Group \$	Parent \$	Group \$
Current Portion	91,085	91,085	544,532	-
NonCurrentPortion	10,705,681	178,078	11,072,134	-
Total Operating Lease Commitment	<u>10,796,766</u>	<u>269,163</u>	<u>11,616,666</u>	<u>-</u>

Youthtown Inc lease commitments for 2011 were in respect of rent payable to Youthtown Property Trust. The Property Trust has now agreed to an annual rent of NIL. Refer to Accounting Policy on "Leases" for treatment.

Youthtown Inc has further lease commitments in respect of 2012 for rent of Facilities for the Youth Services division, in Upper Hutt, North Shore and Papakura.

9. Capital Commitments

The Group has no capital commitments for 2011. (2010: \$168,000 relating to unpaid amount on building contract of the North Shore branch.)

10. Contingent Assets

During 2011, two Youthtown Gaming venues were forced to close in Christchurch due to the Christchurch Earthquake. Loss of Profit's insurance was in place on both venues and whilst a claim has been lodged, the amount is not yet practically quantifiable.

This has not been recognised as a Contingent Asset by the Parent and Group as at period end, as both the inflow of economic benefits (i.e. acceptance of the claim by the insurers) and the amount of those inflows are uncertain and not reliably measurable.

11. Youthtown Foundation Trust and Youthtown Property Trust

Youthtown Foundation Trust was established to create a fund for which capital or income is to be used exclusively for the general purpose of Youthtown Inc. The assets of the Trust are consolidated into the results of Youthtown Inc.

Youthtown Property Trust was established on 1 May 2007 to hold the land and buildings for Youthtown Inc. The assets of the Trust are consolidated into the results of Youthtown Inc.

The Property Trust and Foundation Trust are managed and accounted for by Guardian Trust of which the transactional details for the year are compiled into financial statements before being consolidated into the results of Youthtown Inc. The systems and operations of Guardian Trust are independently audited.

12. Related Party Transactions

One of the board members of Youthtown Inc is a Partner of Wilson McKay. Wilson McKay provided legal services to Youthtown Inc during the current and two prior years.

One of the board members of Youthtown Inc is an employee of Goode PR. Goode PR provided public relations services to Youthtown Inc during the current and two prior years.

Youthtown Inc transferred land and buildings to Youthtown Property Trust on 1 May 2007. Youthtown Inc paid rent to Youthtown Property Trust during the current and prior year.

There were no board fees paid to any board members during the year (2010: \$Nil).

13. Income Disclosure

During 2011, two Youthtown Gaming venues were forced to close in Christchurch due to the Christchurch Earthquake. Loss of Profit's insurance was in place on both venues and whilst a claim has been lodged, the amount of compensation has not yet been calculated or agreed with the Insurers.

14. Going Concern

The year end results for the Parent level reports a negative working capital of \$671,866. Confirmation has been received by the Youthtown Foundation to provide on going financial support in the event the parent requires funding to ensure it meets its financial commitments and daily operational obligations. Youthtown Inc on the 7 December 2011 received an audit report from the Department of Internal Affairs which has indicated a number of non-compliance issues. These issues could have some bearing on the status of Youthtown Inc to continue operating gaming machines. In order for Youthtown to maintain its status and therefore a license to operate gaming machines remedial action is required by Youthtown. As at the time of signing the financial statements for the year end these matters are unresolved. The Board have confirmed their intention to address these matters in a timely fashion to ensure renewal of their license and confirmation as a gaming machine operator for the foreseeable future.

15. Subsequent Events

Subsequent to year end the Trustees of the Youthtown Foundation Trust and Youthtown Property Trust have agreed to transfer assets into the one ending entity being the Youthtown Foundation Trust.

The assets of the Youthtown Property Trust including land and buildings with a book value of \$1,172,412 at year end were transferred to the Youthtown Foundation Trust on 29 February 2012.

The Property Trust is in the process of being wound up and will subsequently be deregistered from the Charities Commission.

discover fun
and adventure
youthtown.org.nz



YOUTHTOWN

Location of branches

Youthtown Auckland Central

68A Nelson Street,
Auckland Central,
Auckland

Youthtown Avondale

99 Rosebank Road,
Avondale, Auckland

Youthtown Christchurch

220b Pages Road
Aranui, Christchurch

Youthtown North Shore

AF Thomas Park, Argus
Place, Glenfield,
North Shore

Youthtown Oamaru

87 Thames Street, Oamaru

Youthtown Panmure

143 Tripoli Road,
Panmure, Auckland

Youthtown Papakura

Red Hill Community Centre,
163 Dominion Road
Red Hill, Papakura

Youthtown Taupo

AC Baths Avenue, Taupo

Youthtown Upper Hutt

10 Railway Avenue,
Maidstone, Upper Hutt

Head office/Administration

68A Nelson Street,
Auckland Central,
Auckland.
PO Box 5899, Wellesley
Street, Auckland 1141
T: 09-379 5430
F: 09-309 0607
info@youthtown.org.nz

Find out more at:

www.youthtown.org.nz