



Communications Trust

## Annual Report, 2011-2012



### CHAIRPERSON'S REPORT

It was an honour to be elected as the seventh chairperson, at the 2011 AGM. I am aware of the leadership provided by my predecessors in the role, and hope to continue the honourable tradition. I would like to start this report by paying tribute to Earl Mardle who led the 2020 Trust through the most difficult period of our 15 year history. Earl was instrumental in establishing the Trust in 1996, when he was appointed as executive director. He returned to the Trust as chairperson in 2008 and provided great leadership to get us through significant financial challenges. He left the Trust in a sound position, from which we have been able to build for a promising future.

The commitment from Government to provide on-going funding of our flagship programme, Computers in Homes, for 1,500 families annually, has given us the confidence to plan ahead – an opportunity that is unusual in the hand-to-mouth existence of New Zealand not-for-profit organisations. In December 2011 we approved our five year Strategic Plan (2012-2016) which sets out our vision that:

*New Zealand citizens fully participate in a digital world.*

*Ka taea tātou katoa o Aoteroa ka mahi ai i te ao rorohiko me te ao ipurangi.*

Future economic success for our country demands digital literacy for all our citizens. Digital literacy is more than basic equipment and skills, and the 2020 Trust is well placed to build such capability in our communities.

The huge government investment in ultra-fast broadband infrastructure will only increase our need for confident computer and internet users. New Zealand will get a return on this investment as long as communities understand digital opportunities and use them confidently. The Trust expects to play a strong role in building that confidence. We plan to extend our research programme to provide better information on areas where the market

has failed to deliver digital literacy, so that our projects are focused on areas where a lack of digital competence is preventing people from being able to fully participate.

Our vision describes the future that we expect for New Zealand, while our specific role is defined by the mission of 2020 Trust:

Provide leadership and work with communities to deliver programmes that contribute to New Zealanders' digital literacy, skills and inclusion.

*Kia whai rangatiratanga ki te tautoko i ngā iwi whānui o Aotearoa kia hāpai ake te matatauranga me urunga mai o te katoa ki te ao rorohiko me te ipurangi.*

The Trust has worked with communities for the last 15 years to successfully deliver projects that help New Zealanders benefit from digital opportunities. We have a strong national network of delivery partners, and respect from political and community leaders.

Our operational delivery will be through complementary partnerships with government agencies and businesses, particularly from the ICT sector, that are similarly committed to the vision. During the last three years, the Trust has made a special effort to build relationships with like-minded organisations, including InternetNZ, the Institute of IT Professionals (IITP - previously the New Zealand Computer Society), NZICT, Social Development Partners, NetSafe, Computer Clubhouse, HealthIT and NZ Rise. We will work to strengthen this cooperation.

Computers in Homes (CiH) continues to deliver outstanding results through our national network of community-based coordinators and trainers. Our research into the outcomes from the programme has demonstrated the positive impact of our work, and underlines the value that has been created from government funding. We very much appreciate our positive relationship with the Department of Internal Affairs.

After our families start their digital journey with CiH, they go on to our Stepping UP programme, which provides four 2.5 hour modules targeted on using internet tools for work skills. We were delighted receive funding from Internet NZ to pilot a mobile delivery model for the Stepping UP programme in Christchurch. Stepping UP training is normally provided at local schools, but many schools in Christchurch remain short of space and equipment because of earthquake damage. Families are also finding it difficult to get to training due to the lack of public transport, and many families have been relocated at some distance from schools, making it hard for them to attend classes. We have equipped a bus as a mobile digital learning centre, similar to a mobile library, and expect to see positive results from the programme in the coming year.

During the year the popular KiwiSkills digital literacy programme transferred from IITP to 2020 Trust. This move is part of a more coordinated approach from the ICT sector. Rather than operating parallel projects aimed at achieving the same outcomes, IITP and others are now supporting 2020 Trust as the lead organisation for digital literacy and digital inclusion in New Zealand.



2020 Communication Trust chairperson Laurence Millar (right) with Janie Whichman, who has graduated from a Computers in Homes course in Taita, Lower Hutt. Also in the photo are the Minister for the Community and Voluntary Sector, Hon Jo Goodhew, who presented the certificate, and Patrick Harlow, a Computers in Homes ICT trainer.

Many CiH graduates want to further develop their skills, and the Trust can now offer both the KiwiSkills and Stepping UP programmes. KiwiSkills creates a broader digital literacy pathway, providing a qualification that has been assessed by the New Zealand Qualifications Authority at NCEA level 2 and is widely recognised by employers throughout the world as a core digital literacy standard.

Our research has shown that many CiH families are not able to afford internet access, and we are investigating options for giving those families wi-fi connections based on schools.

Internet NZ (INZ) continues to demonstrate strong leadership of the New Zealand digital community, with a second successful NetHui. One of the highlights of this year's event was the standing ovation received by the address by a CiH graduate at the start of the digital literacy panel session.

We are grateful to INZ for making an operational grant of \$50,000 for 2012-2103, which helps to diversify our income streams from a historic reliance on government funding;

we will continue to look at other options for broadening our income base in the coming 12 months.

During the year we streamlined our internal systems through the implementation of Google Apps, initially for email and document management. Following implementation of Xero in 2009, we now have all our applications and data in the cloud, bringing benefits of accessibility and resilience. We have a stable operational base, and a reliable and robust financial management regime. In the coming year, we are piloting the use of a cloud based customer relationship management (CRM) system.

On my appointment as chairperson, I relinquished the position of treasurer, and would like to thank David Barrow who accepted the role on an interim basis. Selwyn Screen took up the financial reins as treasurer in December 2011, and it is a relief to have professional expertise in this critical position.

Three trustees left during the year – Michael Wigley, Josh Williams and Adele Barlow. They join our list of distinguished alumni. While no longer actively involved in 2020 Trust, I know that all three remain strong supporters of our work. Simon Riley has held the position of secretary and has been a very active trustee for many years, but during the year has taken a back seat to focus on other issues; his inquiring mind will be missed during our regular operational meetings and he continues to support the Trust.

During the year, as a way of strengthening governance and leadership of our operational work, we introduced the concept of individual programmes being 'sponsored' by two trustees. While it's still early days, initial indications are that this is proving successful.

Toward the end of the year we launched the Headlight Seminar Series – a programme where local and International speakers present research and opinions to stimulate discussion on what is needed to reach our vision. The first speaker in the series was Barry Vercoe who described his work in the creation and deployment of One Laptop per Child (OLPC) programme. We are planning to hold events during the coming year in locations around New Zealand: Whangarei, Tauranga, Hamilton, New Plymouth, Whanganui, Gisborne, Napier/Hastings, Palmerston North, Nelson, Dunedin. The aim is to reach people and businesses, particularly small to medium enterprises, who can be part of our national economic future. The intention is to hear from people who have already achieved international success in the digital economy, while continuing to operate out of New Zealand.

In April, Parliament launched an inquiry into the 21st Century learning environment and digital literacy. We welcomed this inquiry, which reinforces the value and importance of our work. It is using our ICT in Schools survey as the foundation for understanding the current position in schools.

Our top priority in the next 12 months is to continue delivering high quality digital literacy programmes across our portfolio of activities. We will continue to rebuild our financial

resilience, improve our governance, and investigate redesigning our web presence.

We have many ideas for making progress towards our vision that New Zealand citizens should fully participate in a digital world. We will need support and funding, and will continue to build our partnerships with government, ICT sector companies and other not-for-profit agencies operating in the ICT sector.



Laurence Millar, Chairperson



## TREASURER'S REPORT

Our net surplus for the year of \$39,414 was an eight percent increase on the previous year and was achieved off a similar increase in total revenue and total expenses. Total equity almost trebled from \$22K to \$62K and income received in advance was substantially higher, due to the ongoing support and funding from Government for the Computers in Homes projects. Work in progress of \$86,316 represents the construction of the mobile Digital Learning Centre, which is due for completion in October 2012.

Development is a key component of our work as we design financial systems that assist our stakeholders. One example is the payments plan for graduates of our Computer in Homes programme, to enable ongoing access to broadband. Another example is the work we are doing to identify and manage risk. To this end we have established direct lines of communication with our auditors and our accountants that both support the financial operation and provide it with high-level oversight.



Selwyn Screen, Treasurer

## OPERATIONS

### Computers in Homes



Computers in Homes *Rorohiko I roto ngā Kāinga* exceeded its funded target under the Government's Digital Literacy and Connection (DLC) programme for a second year in a row. Support was given to 1569 families compared to a funded

target of 1500. The programme continues to be delivered in the most digitally disadvantaged communities in 15 target regions including the Far North, Northland, Auckland, Waikato, Bay of Plenty, Hawkes Bay, Taranaki and the Central North Island, Whanganui, Manawatu/Horowhenua, Wairarapa, Porirua, Wellington/Lower Hutt, Christchurch, Dunedin and the West Coast of the South Island. Pilot programmes were also run in Coromandel and Nelson.

During the year, the Ministry of Education continued its support, which allowed 95 recently arrived refugee families to participate in Computers in Homes (CiH). The purpose



Computers in Homes training at Coromandel Area School. Rebecca South (tutor) and parents Carmen Desai, Tuinga Heke and Vinka Renata.



CiH coordinators in Kapiti for their quarterly hui in March 2012

is to give refugee children and their families access to online educational resources as well as empower refugee families with computing tools and skills so they can be active participants in the online world.

CiH delivers real benefits to families, schools and communities. Parents are able to connect with their children's learning and improve their own confidence by gaining valuable new skills. Parents who participate in the programme receive 20 hours of basic computer training at their children's schools or in a local community training centre, then get to take a computer home. A broadband internet connection is fully funded for six months and families have free access to a CiH technician for 12 months.

We have noticed a new trend during the last year, of families increasingly disconnecting telephone lines in favour of pre-pay mobile phones. This makes it hard for us to provide affordable internet access; we are now offering both wireless and naked broadband alternatives.

We have continued to publish six-monthly reports for CiH. The January report focuses on 'results', with some excellent survey material and case studies from each region. The July report summarises activities during the year, with reports from each regional coordinator.

Our challenge is to expand the programme. With an estimated 90,000 families with school-aged children still without access to a computer and the internet in their homes, we have a long way to go. We developed a plan during the year to expand the programme to reach 5000 families a year; we believe this is totally achievable with our existing community-based partners.

The programme continues to be supported nationally by Di Daniels (Di married Maurice Daniels during the year). Di has now been national CiH coordinator for eight years and during the last year she was ably supported by three different administrators: Naiki

Pohe-Lomax, Marcela Palomino-Schalscha and currently Briar Kopa. Fifteen regional coordinators work on a part-time basis to deliver programmes locally. 2020 Trustee, Barbara Craig, has put a lot of effort into developing our research tools and building capability within the team. We would like to thank the whole CiH team for another successful year and also, Veronica Alkema from Vero Design, for the design and production of another two high quality Computers in Homes reports.

## Living Heritage

Living Heritage is a free online resource that enables schools to study and report on local heritage taonga (treasures). Schools publish their Living Heritage sites on the web.



Living Heritage continues to receive support from our partner, CWA New Media, which is now a division of Learning Media Limited. We appreciate this ongoing support as well as that of the National Library of New Zealand in hosting the Living Heritage resources. During 2011-12, a further twelve sites were published, bringing the total number of published stories to 124.



Niue Primary School students who participated in the Pacific Living Heritage programme

We greatly appreciate the ongoing support from the National Commission for UNESCO in New Zealand. During the last three years UNESCO has supported Living Heritage programmes in three Pacific Island countries – the Cook Islands, Samoa and Niue. We appreciate the excellent work of the Living Heritage coordinator, Barbara Baker, who works with schools in the Pacific Island countries, as well as ‘buddy’ schools in New Zealand. Pacific Island students in New Zealand schools are invited to participate and share their stories with students in their home countries.

Schools participating in the 2011-12 Pacific Living Heritage programme included Waterlea School in Auckland and Niue Primary School.

“I was a bit nervous at the start because I was a bit scared about being on the internet and for everyone to see me. As we talked to the other Niuean children from my school I felt happy because we could share our different stories. I was in Niue for four weeks and I went to school there and the cool thing was that the kids from that school got to see the website and they all recognised me. It would be cool if we could get together with the other Waterlea children and do some more art.”  
(Waterlea School student)

## Stepping UP

Stepping UP began in 2009 as a partnership between the Trust and Microsoft’s Unlimited Potential programme. The programme involves a series of 2.5-hour training modules (‘digital steps’) that help Computers in Homes families and others in their communities continue their digital learning journeys and gain practical skills to help them at work and at home. By the end of 2011 when the Microsoft contract came to an end, over

4000 people had completed four digital steps.

From the start of 2012, all Computers in Homes graduates have been invited to participate in four digital steps to continue their digital learning journeys. We continue to seek sustaining funding models to allow Stepping UP to expand to reach whole communities. The first of these has been developed in partnership with Hutt City Libraries – an



DORA, the mobile learning centre being equipped to bring internet and Stepping UP training to earthquake damaged areas of Christchurch.

eight week pilot is taking place at three Hutt City libraries between July and September.

Another initiative has been developed with support from InternetNZ. A generous grant for initiatives in Christchurch enabled the Trust to buy and fit out a bus as a mobile digital learning centre (DORA). DORA will be used around the earthquake damaged areas of Christchurch to bring the internet and Stepping UP training to these communities.

## Headlight Seminars

Support from Internet NZ during the year enabled the Trust to explore new initiatives. One was the Headlight Seminar series, which kicked off in June 2012. The Trust believes that digital literacy is the key to creating economic value, whether in low income communities, government departments or the private sector. All New Zealanders and the New Zealand economy can benefit from a more digitally skilled and engaged population.



We aim to engage communities in a dialogue on key questions affecting our digital future. This includes seminars and

online discussion. The first seminar was a stimulating presentation by Barry Vercoe. Barry has been part of the MIT team in the USA that has spearheaded the One Laptop Per Child (OLPC) initiative during the last five years. He is suggesting an ambitious pilot within New Zealand, and we're keen to collaborate with him and provide what support we can.

## KiwiSkills

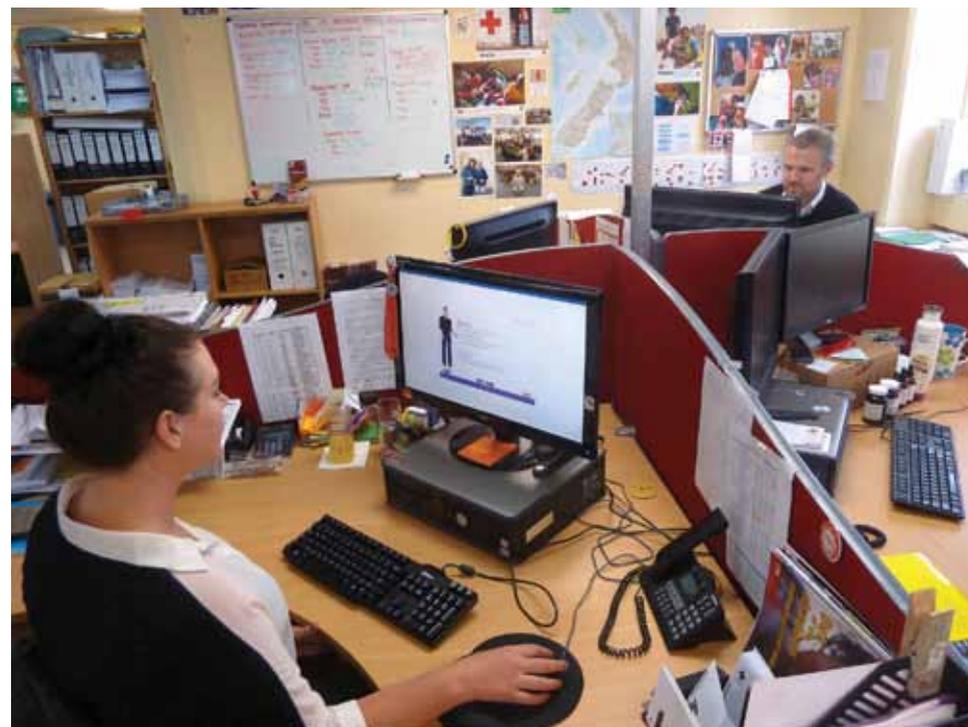
During the year, the New Zealand Computer Society (recently renamed the Institute of IT Professionals) and the Trust agreed to consolidate their national digital literacy projects under the 2020 umbrella. The most immediate result was the transfer of the popular KiwiSkills digital literacy project to 2020 from 1 January 2012.



KiwiSkills uses the internationally recognised ICDL (International Computer Driving Licence) programme with well-developed online learning and testing resources. KiwiSkills has been assessed at level 2 on the qualifications framework and this

provides a good step into tertiary education; polytechnics typically provide courses at level 3 and above.

Our first priority is to ensure a solid KiwiSkills presence in each of our Computers in Homes regions, to provide learning pathways for our Computers in Homes and Stepping UP graduates into recognised IT qualifications. We plan to expand the number of training



Charlotte Joblin working on a KiwiSkills course at her workstation in New Zealand Red Cross's head office in Wellington. One hundred and twenty Red Cross staff members, spread around 28 offices, are participating.

and testing partners, and also promote KiwiSkills for upskilling staff, to corporates and government organisations (local and national).

Rebecca Magee, the KiwiSkills manager, joined the 2020 team in July 2012 after a brief maternity break. Sarah Lee, our Computers in Homes coordinator for Manawatu/Horowhenua, held the fort during Rebecca's absence and she will continue to support KiwiSkills on a part-time basis.

## ICT in Schools Survey

The biennial survey of ICT (information and communication technologies) was published in November 2011. This initiative provides a valuable insight into the deployment and use of ICTs in New Zealand schools and continues to be well supported by government agencies and the IT industry. Our thanks to all of our 10 partners who supported the 2011 research.



## AFFILIATED ORGANISATIONS

### 2020 Far North ICT Trust

The Far North Trust has maintained a dedicated team of volunteers with an interest in providing ICT for rural communities predominantly of low socio-economic status. Our trustees are: John Windleborn, Adele Gardner, Dave Harrison, Eric Shackleton and Charmaine Foster. We're ably supported by the Computers in Homes coordinator Emma Tracey, and technician Brett Hunter.

Our core programmes for now are Computers in Homes (CiH) and Stepping UP. We actively follow up on how these programmes have worked out for their graduates and complete 'warrants of fitness' checks on their hardware. Over this period eight schools have gone through the project and 111 families have graduated.

We're exploring ideas for further ICT initiatives in the community. For instance, we'd like to support local hospices with connectivity and hardware, promote e-waste programmes, get involved with the Starship School 'Swap Phones for Rewards' initiative and work with the local Principals' Association to promote Living Heritage.

Now we have full trust status and have completed a second audited annual report, we're in a position to develop and seek funding government funding for other local community projects.



Tautoro School CiH graduates and their tamariki with Emma Tracey (CiH coordinator) and Eric Shackleton (trustee)

### Computers in Homes Waikato Trust

Since being established as a trust in early 2011, we have provided the core CiH programme to 151 whanau in the Waikato, and also provided Stepping UP for people who wanted to obtain further skills.

One of the real success stories of the programme this year was the development of a Computers in Homes course for single-parent families. Statistically, these families represent 60 percent of those under the poverty line and can struggle to put food on the table, let alone provide a computer for their children. Two organisations that provide services for single parents – Birthright Waikato and Link House – collaborated to deliver this programme to 26 whanau during the year. In their final surveys, recipients said their skills had been upgraded, they had found the learning environment supportive, they had gained confidence and were glad they'd done the course. As one participant summed it up: "This is one awesome course you could ever jump on."



Participants in the Link House Computers in Homes programme in Hamilton.

### Taranaki eLearning Trust

We are delivering CiH classes in the Central North Island: Taumarunui High, Te Wharekura o Maniapoto, Te Kuiti High School, Taumarunui Primary School, Ruapehu College,

Ohakune, Te Kura o Hirangi and Tongariro Area School in Turangi. We are also providing a few classes in Taranaki, such as Marfell School and Waitara Primary School.

Stepping UP continued at Eltham and Taumarunui, with more programmes coming up in Te Kuiti, Ohakune and Turangi.

Trustees were chairperson Karen Cave, vice chair Mary McKee, secretary Linda Ogle, treasurer Adrian Sole, promotions Richard Oliver and trustees Chester Borrowes MP and David Birchler. Jane Gilbert was our dedicated Stepping UP tutor. The trustees are continuing their role in the new financial year and Jane will become a trustee as well.

We are on Facebook: [www.facebook.com/taranaki.elearningtrust](http://www.facebook.com/taranaki.elearningtrust).



Some of the graduating class at Te Wharekura o Maniapoto in Te Kuiti, with their tutor and other support people.

## Wanganui District Council

In 2011, the Council's two digital projects 'Computer Clubhouse' and 'Computers in Homes,' were merged into a single 'Digital Communities Group' (Digicom). Digicom provides an integrated approach, focusing on enhancing the outcomes of the existing projects, as well as developing and overseeing future digital projects such as the development of 'Community Technology Centres.'

The work of Digicom aligns with the vision of the Wanganui Digital Leaders Forum – Digicom is the community reference group. The forum comprises 10 sector groups whose goal is making the most of the opportunities offered by Wanganui's ultra fast broadband network.



Learning new ICT skills and connecting with others at the Ake Ake Community Technology Centre.

Digicom has partnered with a community centre and a primary school in low decile suburbs to support community access to digital resources:

- The Ake Ake Community Technology Centre in Castlecliff, a suburb with one of the lowest socio-economic ratings in New Zealand. This facility provides free access to computers, the internet, online resources and digital technologies, and can be used as a training venue. The Centre supports CIH families and offers youth programmes from 3pm weekdays.
- Tawhero School Community Centre was able to purchase 46 Chromebooks. Some are a teaching resource for primary school students and others are available to the community for informal sessions in the school's computer suite, during and after school opening hours.

During the reporting period, the Wanganui District Council publicly endorsed the 2012 Computers in Homes rejuvenation report.

## Wellington ICT

The Wellington ICT Trust expanded its work of providing computer, internet access and basic ICT training to WCC housing tenants, through ICT hubs located at Arlington Apartments and Newtown Park Flats. The hubs had at least 7800 user sessions in the period and this will grow when a new Central Park Flats hub goes online later in 2012.

We continued the 2020 Trust's Stepping UP programme, training another 130 people. This was made possible through partnerships with the Wellington Somali Council, Chinese Senior Community and the English Teaching College.

The Trust took a more active and strategic role in building the ICT capacities of not-for-profits and community groups in Wellington. It relocated to a more accessible location in CBD, where a small training space is providing basic and advanced ICT training.

Through its Webrider programme, Wellington ICT Trust ran free monthly Tech-Talks on various ICT and website-tools and trends. It also provided advice and consultancy support to community groups in need. Supported by a core group of skilled ICT volunteers, we are also delivering successful community website projects, as well as investigating telehealth and ICT shared services for the community sector.



Stepping UP class run by English Teaching College in Wellington CBD.

### e-Learning Porirua (Porirua City Community IT Educational Trust)

For more than 11 years the Porirua City Community IT Educational Trust (PCCITET) has provided targeted IT training for parents in our city who do not have a job or don't own a computer. In addition, the Trust assists low decile schools in Porirua City to obtain a higher ratio of computers to students and provides computers to Community Access Points (CAPs) around the wider city. The 11 CAPs provide access in a variety of existing ethnic, cultural, community, educational and religious organisations, together with a mobile training unit.



Graduates from the 46th CiH course held in Porirua.

The Trust initially aimed to install 600 refurbished computers into homes – we have now trained 1257 families and provided them with a home computer. This has directly benefited over 1940 adults and 5354 children – indirectly the number is estimated to be at least twice that.

In the past year 154 families (219 adults and 526 children) have graduated and received a refurbished computer, six months of internet access, mentoring and technical back up support.

It is very satisfying to hear so often from our students that, although they are usually attracted to the course by the promise of a free computer and internet access, during the course they realise a whole new world is opening up to them and this has infinitely more value.

### Wairarapa REAP

In its 30th year, the Wairarapa Rural Education Activities Programme (REAP) Trust continued to support learning across all ages. We are delighted with our developing relationship with the 2020 Communications Trust and share its goal of digital inclusion. We have had digital learning embedded throughout our early childhood, schools and our adult and community programmes

Our activities through Computers in Homes have targeted families in Masterton's Eastside, and we have supplemented this through our involvement in a community renewal programme in the area.

We see the Computers in Homes, Stepping UP and KiwiSkills programmes as great opportunities to help build the lives of whanau. Our speciality is being able to leverage off these programmes to achieve our wider community goals.

This is a special partnership for us that we look forward to growing, and see the 2020 Communications Trust as the leaders in the field of digital inclusion.



Theo teaching the use of the iPad at a family fun day held by Wairarapa REAP.

## WestREAP Computers in Homes

WestREAP continued to manage the Computers in Homes and Stepping UP programmes in the Buller region and we completed the year with a waiting list of 70 families.

Session numbers were maintained in Westport and Ngakawau and we added Karamea Area School to the mix. in a whole new type of session where the principal undertook the training of a small group of families.

During the period 55 people graduated from Computers in Homes in Westport, Karamea, Murchison and Ngakawau. The Computers in Homes and Stepping UP programmes together provided basic computer training to 97 people.

In early 2012, WestREAP moved into new residence in Westport, where we developed a new Community Training Centre.

During the period we began a new basic computing partnership in the Westland and Greymouth communities. WestREAP's own Stepping UP programme wound up in June and we partnered with Tai Poutini Polytechnic to deliver basic computing under an adult community education project.

Simultaneously, both the Tai Poutini Polytechnic and a local learning centre moved their campus programmes out of Hokitika, leaving quite a gap in delivery of foundation level computing programmes in the Westland communities. We'll continue that partnership work with the polytechnic in our role of brokerage and building partnerships to manage community access to quality education. Twenty participants in Hokitika, and 10 in Greymouth worked through the polytechnic's 'Flexi-Computing' course in 2012-13.



Westport Computers in Homes graduate, Almond Marie, receives her certificate from CiH tutor, Jeannie Bryson.

# FINANCIAL STATEMENTS

30 June 2012

## AUDIT REPORT

We have audited the financial statements of 2020 Communications Trust on pages 22 to 28, which comprise the statement of financial position as at 30 June 2012, and the statement of changes in equity, and statement of comprehensive income for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Trustees, as a body, in accordance with the Trust Deed of 2020 Communications Trust. Our audit has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

### Board of Trustees Responsibility for the Financial Statements

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

### Auditor's responsibility

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 judgment, 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 and fair presentation of the financial statements 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, 2020 Communications Trust.

### Opinion

In our opinion, the financial statements on pages 22 to 28, present fairly, in all material respects, the financial position of 2020 Communications Trust as at 30 June 2012, and its financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.

*BDO Wellington*

BDO Wellington  
26 September 2012



Earl Mardle,  
Chairperson, Jul-Sep



Laurence Millar,  
Treasurer, Jul-Sep;  
Chairperson Oct-Jun



David Barrow,  
Treasurer Oct-Dec



Selwyn Screen  
Treasurer, Jan-Jun



Simon Riley,  
Secretary



Barbara Craig



Kim Humperson



Hazel Jennings



Piripi Moore



Kath Norton

### 2020 Communications Trust trustees, 2011-12



Laurence Zwimpfer,  
Contracts Director



Di Daniels,  
Coordinator,  
Computers in Homes



Naiki Pohe-Lomax,  
Admin Asst, Jul-Nov



Marcela Palomino-  
Schalscha, Admin  
Asst, Nov-May



Briar Kopa,  
Admin Asst, Jun

### 2020 Communications Trust staff, 2011-12

## Statement of Financial Performance, year ended 30 June, 2012

|                                 | Note | 2011-12<br>\$    | 2010-11<br>\$    |
|---------------------------------|------|------------------|------------------|
| Project management income       | 4    | 143,470          | 210,144          |
| Project income                  | 4    | 3,115,007        | 2,594,486        |
| Other grants                    | 16   | 12,500           | 50,000           |
| Interest received               |      | 41,471           | 33,344           |
| <b>Total revenue</b>            |      | <b>3,312,448</b> | <b>2,887,974</b> |
| <b>Less:</b>                    |      |                  |                  |
| Accounting services             |      | 16,704           | 9,931            |
| Advertising/PR                  |      | 10,437           | 2,938            |
| Amortisation                    | 10   | 744              | 1,861            |
| Audit fees                      |      | 5,599            | 7,110            |
| Bank charges                    |      | 643              | 580              |
| Communications                  |      | 2,822            | 6,102            |
| Computer support                |      | 1,050            | 3,283            |
| Depreciation                    | 9    | 1,679            | 1,442            |
| Honorarium                      | 12   | 26,000           | 0                |
| Membership fees                 |      | 2,087            | 1,375            |
| Meetings                        |      | 1,620            | 1,912            |
| Office rent & car park          |      | 12,427           | 16,327           |
| Office supplies                 |      | 4,065            | 3,835            |
| Professional fees               |      | 14,480           | 12,000           |
| Travel                          |      | 8,330            | 15,676           |
| Others                          |      | 733              | 4,275            |
| Project expenses                | 4    | 3,163,613        | 2,766,098        |
| <b>Total expenses</b>           |      | <b>3,273,034</b> | <b>2,854,745</b> |
| <b>Net surplus for the year</b> |      | <b>39,414</b>    | <b>33,229</b>    |

## Statement of Movement in Equity, year ended 30 June, 2012

|   | 2011-12<br>\$ | 2010-11<br>\$ |
|---|---------------|---------------|
| Net surplus (deficit) for the year                  | 39,414        | 33,229        |
| Total recognised revenues and expenses for the year | 39,414        | 33,229        |
| Equity at the start of the year                     | 22,706        | (10,523)      |
| <b>Equity at the end of the year</b>                | <b>62,120</b> | <b>22,706</b> |

The accompanying notes form part of and are to be read in conjunction with these financial statements.

## Statement of Financial Position, as at 30 June, 2012

|   | Note | 2011-12<br>\$    | 2010-11<br>\$    |
|---|------|------------------|------------------|
| <b>Current assets</b>                       |      |                  |                  |
| Bank accounts                               | 5    | 1,229,729        | 1,077,382        |
| Accounts receivable                         | 6    | 1,770,561        | 139,676          |
| GST   |      | 0                | 110,061          |
| Accrued income                              |      | 3,280            | 2,871            |
| Prepayments                                 |      | 99               | 0                |
| Costs carried forward                       | 7    | 10,598           | 4,100            |
| Stock on hand                               |      | 5,428            | 0                |
|   |      | <b>3,019,695</b> | <b>1,334,090</b> |
| <b>Current liabilities</b>                  |      |                  |                  |
| Accounts payable                            |      | 124,953          | 399,224          |
| Accruals                                    |      | 25,000           | 9,500            |
| GST   |      | 155,703          | 0                |
| Income received in advance                  | 7    | 2,741,688        | 906,963          |
|   |      | <b>3,047,344</b> | <b>1,315,687</b> |
| <b>Working capital surplus/(deficiency)</b> |      | <b>(27,650)</b>  | <b>18,403</b>    |
| <b>Non-current assets</b>                   |      |                  |                  |
| Work in progress                            | 8    | 86,316           | 0                |
| Fixed assets                                | 9    | 2,957            | 3,063            |
| Intangible assets                           | 10   | 496              | 1,240            |
|   |      | <b>89,769</b>    | <b>4,303</b>     |
| <b>Net assets/(liabilities)</b>             |      | <b>62,120</b>    | <b>22,706</b>    |
| <b>Comprising:</b>                          |      |                  |                  |
| Trust funds                                 |      | 62,120           | 22,706           |
| <b>Accumulated funds</b>                    |      | <b>62,120</b>    | <b>22,706</b>    |

  
Laurence Millar, Trustee

  
Selwyn Screen, Trustee

Date: 26 September, 2012

The accompanying notes form part of and are to be read in conjunction with these financial statements.

## Notes to the Financial Statements, year ended 30 June, 2012

### 1. Business

The principal activity of the 2020 Communications Trust is to build digital literacy amongst all New Zealanders.

### 2. Statement of general accounting policies

#### Reporting entity

2020 Communications Trust is registered with the Charities Commission (CC24748) and is exempt from income tax.

The financial statements of the trust have been prepared in accordance with generally accepted accounting practice.

#### Differential reporting

The entity is not publicly accountable and is not large as defined by the New Zealand Institute of Chartered Accountants Differential Reporting Framework. It therefore qualifies for differential reporting in respect of accounting standards, and all appropriate exemptions have been applied except for SSAP 22: Related Party Disclosures.

#### Measurement base

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

#### Specific accounting policies

The following specific accounting policies which materially affect the measurement of financial performance and financial position have been applied:

- Accounts Receivable: accounts receivable are valued at expected realisable value.
- Fixed Assets and Depreciation: fixed assets are recorded at cost less accumulated depreciation. Depreciation is provided at the rates allowed by the Inland Revenue Department as follows:
  - Office equipment & furniture: 18.00% - 48.00% DV
- Intangible assets and amortisation: websites have a finite life. Website costs are capitalised and amortised over their estimated useful life. The rate for amortisation is 60% of diminishing value.
- Work in Progress: Assets under construction are recorded at cost and will be transferred to Fixed Assets on completion. Work in Progress is not depreciated until the asset is ready for use.
- Stock on hand: stock is recorded at the lower of cost or net realisable value.
- Goods and Services Tax: These statements are prepared on a GST exclusive basis, except accounts receivable and accounts payable which are stated inclusive of GST.

#### Changes in accounting policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

### 3. Adoption of international financial reporting standards

In December 2002, the New Zealand Government announced that New Zealand International financial Reporting Standards ("NZ IFRS") will apply to all New Zealand reporting entities for the periods commencing on or after 1 January 2007. In September 2007, the Accounting Standards Review Board announced that small to medium-size businesses which satisfy certain criteria, would not be required to apply the NZ IFRS until further notice.

The 2020 Communications Trust satisfies these criteria.

## Notes to the Financial Statements, year ended 30 June, 2012

### 4. Project income and expenses (\$)

| Project no. | Project name                        | Income  | Expenses | Net surplus (deficit) |          |
|-------------|-------------------------------------|---------|----------|-----------------------|----------|
|             |                                     |         |          | 2011-12               | 2010-11  |
| 95          | CIH development                     | 18,593  | 18,593   | 0                     | 0        |
| 97          | ICT in Schools research             | 55,000  | 78,959   | (23,959)              | 0        |
| 209         | CPF3 Whangarei                      | 8,958   | 8,958    | 0                     | 28,000   |
| 211         | CPF3 Nqati Porou                    | 12      | 12       | 0                     | 0        |
| 218         | Stepping UP                         | 0       | 0        | 0                     | 4,394    |
| 224         | CIH Research (Lottery)              | 20,000  | 20,000   | 0                     | 0        |
| 227         | Samoa Telecentre                    | 0       | 0        | 0                     | 5        |
| 231         | eDay 2010 National                  | 0       | 0        | 0                     | (57,207) |
| 234         | CIH NCCG 10-11                      | 285     | 285      | 0                     | 0        |
| 235         | eDay clean up - glass               | 0       | 0        | 0                     | (13,900) |
| 236         | CIH Refugee 10-11                   | 3,531   | 3,531    | 0                     | 27,750   |
| 237         | CIH Promotion                       | 11,585  | 11,585   | 0                     | 0        |
| 238         | Digital Training                    | 0       | 0        | 0                     | 400      |
| 240         | DLC Waikato 2010                    | 6,798   | 6,798    | 0                     | 652      |
| 241         | DLC Central NI 2010                 | 41,273  | 41,273   | 0                     | 0        |
| 246         | DLC Whangarei 2010                  | 30,395  | 30,395   | 0                     | 0        |
| 247         | DLC Auckland 2010                   | 35,490  | 35,490   | 0                     | 0        |
| 248         | DLC Christchurch 2010               | 18,279  | 18,279   | 0                     | 0        |
| 249         | DLC Dunedin 2010                    | 31,865  | 31,865   | 0                     | 86       |
| 250         | DLC Bay of Plenty 2010              | 16,990  | 16,990   | 0                     | 0        |
| 251         | DLC Hawkes Bay 2010                 | 9,377   | 9,377    | 0                     | 0        |
| 252         | DLC Palmerston North 2010           | 14,461  | 14,461   | 0                     | 0        |
| 253         | DLC Lower Hutt 2010                 | 2,421   | 2,421    | 0                     | 0        |
| 254         | DLC Waiheke 2010                    | 1,489   | 1,489    | 0                     | 826      |
| 255         | DLC 2010                            | 8,600   | 8,600    | 0                     | 0        |
| 256         | Living Heritage 10-11               | 711     | 6,292    | (5,581)               | 0        |
| 257         | Stepping UP 2011                    | 104,961 | 104,961  | 0                     | 0        |
| 258         | 2020 Project Development            | 0       | 600      | (600)                 | 0        |
| 259         | DLC 2011 Far North                  | 178,539 | 178,539  | 0                     | 0        |
| 260         | DLC 2011 Waikato                    | 271,961 | 271,961  | 0                     | 0        |
| 261         | DLC 2011 Taranaki/Central N. Island | 137,240 | 137,240  | 0                     | 0        |
| 262         | DLC 2011 Whanganui                  | 224,547 | 224,547  | 0                     | 0        |
| 263         | DLC 2011 Porirua                    | 220,547 | 220,547  | 0                     | 0        |
| 264         | DLC 2011 West Coast                 | 99,424  | 99,424   | 0                     | 0        |
| 265         | DLC 2011 Wairarapa                  | 106,656 | 106,656  | 0                     | 0        |
| 266         | DLC 2011 Northland                  | 98,512  | 98,512   | 0                     | 0        |
| 267         | DLC 2011 Auckland                   | 152,195 | 152,195  | 0                     | 0        |
| 268         | DLC 2011 Christchurch               | 180,415 | 180,415  | 0                     | 0        |
| 269         | DLC 2011 Dunedin                    | 139,077 | 139,077  | 0                     | 0        |
| 270         | DLC 2011 Bay of Plenty              | 145,907 | 145,907  | 0                     | 0        |
| 271         | DLC 2011 Hawkes Bay                 | 110,593 | 110,593  | 0                     | 0        |
| 272         | DLC 2011 Manawatu/Horowhenua        | 52,017  | 52,017   | 0                     | 0        |
| 273         | DLC 2011 Wellington/Hutt            | 53,793  | 53,793   | 0                     | 0        |
| 274         | DLC 2011 Coromandel                 | 13,644  | 13,644   | 0                     | 0        |
| 275         | DLC 2011 Nelson                     | 17,351  | 17,351   | 0                     | 0        |
| 276         | NCCG 11-12                          | 60,713  | 60,713   | 0                     | 0        |
| 277         | DLC 2011                            | 259,366 | 259,366  | 0                     | 0        |
| 278         | Stepping UP 2012                    | 7,942   | 7,942    | 0                     | 0        |
| 279         | CIH Refugee 11-12                   | 59,086  | 59,086   | 0                     | 0        |
| 280         | KiwiSkills                          | 42,343  | 62,892   | (20,549)              | 0        |
| 281         | Living Heritage 11-12               | 2,210   | 2,210    | 0                     | 0        |
| 282         | Dora mobile classroom               | 15,197  | 15,197   | 0                     | 0        |
| 283         | NCCG 12-13                          | 14,692  | 14,692   | 0                     | 0        |

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## Notes to the Financial Statements, year ended 30 June, 2012

Continued from page 25

| Project no.                                  | Project name                                  | Income           | Expenses         | Net surplus (deficit) |                |
|--|---|------------------|------------------|-----------------------|----------------|
|  |   |                  |                  | 2011-12               | 2010-11        |
| 358  | DLC 2012                                      | 80               | 80               | 0                     | 0              |
| 373  | DLC 2012 Wellington/Hutt                      | 372              | 372              | 0                     | 0              |
| 376  | Headlight Seminars                            | 0                | 3,703            | (3,703)               | 0              |
| 377  | Media Repository                              | 2,730            | 2,730            | 0                     | 0              |
| <b>Total</b>                                 |   | <b>3,108,221</b> | <b>3,162,613</b> | <b>(54,392)</b>       | <b>(8,995)</b> |
| Add:   | Administration management income and expenses | 150,256          | 1,000            |                       |                |
| Less:  | Project management income                     | (143,470)        |                  | 0                     | 0              |
| <b>Total projects</b>                        |   | <b>3,115,007</b> | <b>3,163,613</b> | <b>(54,392)</b>       | <b>(8,995)</b> |
|  | Less doubtful debt provision                  | 0                |                  | 0                     | 0              |
| <b>Total projects (excl. doubtful debts)</b> |   | <b>3,115,007</b> | <b>3,163,613</b> | <b>(54,392)</b>       | <b>(8,995)</b> |

### 5. Bank accounts (\$)

|                          | 2011-12          | 2010-11          |
|--------------------------|------------------|------------------|
| ASB - Cheque Account     | 4,521            | 17,605           |
| ASB - Fast Saver Account | 1,225,084        | 1,059,772        |
| CIH Families             | 125              | 5                |
|                          | <b>1,229,729</b> | <b>1,077,382</b> |

### 6. Accounts receivable (\$)

|                               | 11-12            | 10-11          |
|-------------------------------|------------------|----------------|
| Accounts receivable           | 1,770,561        | 141,154        |
| less: doubtful debt provision | 0                | (1,478)        |
| <b>Accounts receivable</b>    | <b>1,770,561</b> | <b>139,676</b> |

### 7. Income received in advance (\$)

| Contract name                      | 2011-12          | 2010-11        |
|------------------------------------|------------------|----------------|
| Computers in Home - CPF 3          | 66,376           | 135,598        |
| Computers in Home - DLC 2010       | 427,724          | 632,071        |
| Computers in Home - DLC 2011       | 535,681          | 0              |
| Computers in Home - DLC 2012       | 1,508,856        | 0              |
| Computers in Home Research         | 12,684           | 15,384         |
| Computers in Home Refugee          | 60,098           | 33,384         |
| Stepping UP 2010                   | 0                | 2,908          |
| Stepping UP 2011                   | 0                | 86,908         |
| Living Heritage                    | 0                | 711            |
| DORA                               | 104,803          | 0              |
| Internet NZ                        | 37,500           | 0              |
| <b>Total income in advance</b>     | <b>2,753,722</b> | <b>906,963</b> |
| Living Heritage                    | (2,210)          | 0              |
| KiwisSkills                        | (8,388)          | 0              |
| <b>Total costs carried forward</b> | <b>(10,598)</b>  | <b>0</b>       |

## Notes to the Financial Statements, year ended 30 June, 2012

### 8. Work in progress

The work in progress comprises of all the costs to date relating to the construction of the Mobile Digital Learning Centre (DORA). This project has been funded by a \$125,000 grant received from Internet NZ.

### 9. Fixed assets (\$)

|                  | Cost          | Accumulated depreciation | Depreciation | Book value, 2012 | Book value, 2011 |
|------------------|---------------|--------------------------|--------------|------------------|------------------|
| Office equipment | 18,632        | 15,675                   | 1,679        | 2,957            | 3,063            |
|                  | <b>18,632</b> | <b>15,675</b>            | <b>1,679</b> | <b>2,957</b>     | <b>3,063</b>     |

### 10. Intangible assets (\$)

|               | Cost         | Accumulated amortisation | Amortisation | Book value, 2012 | Book value, 2011 |
|---------------|--------------|--------------------------|--------------|------------------|------------------|
| Website costs | 9,120        | 8,624                    | 744          | 496              | 1,240            |
|               | <b>9,120</b> | <b>8,624</b>             | <b>744</b>   | <b>496</b>       | <b>1,240</b>     |

### 11. Commitments & contingencies

At balance date there are no known contingent liabilities (2011: \$Nil). The Trust has not granted any securities in respect of liabilities payable by any other party whatsoever.

There were no capital commitments or lease obligations at balance date (2011: \$nil).

### 12. Honoraria (\$)

The Trustees have recommended that honoraria be paid to the Trust officers for the 2011-12 financial year (2011: \$nil) as follows:

|  |        |
|--|--------|
| Earl Mardle (Chair, part year)                 | 5,000  |
| Laurence Millar (Chair & Treasurer, part year) | 16,500 |
| David Barrow (Treasurer, part year)            | 1,500  |
| Selwyn Screen (Treasurer, part year)           | 3,000  |
| Simon Riley *(Secretary, part year)            | 3,000  |

(\*The Secretary elected not to accept the honoraria)

### 13. Payroll costs

Salaries and wages have been apportioned to project costs this year (and no longer disclosed as a separate item in the list of expenditure).

### 14. Related parties

There were no related party transactions during the year (2011: \$695,428).

## Notes to the Financial Statements, year ended 30 June, 2012

### 15. Professional and consultancy fees (\$)

Project costs include consultancy and meeting fees paid to trustees or organisations associated with trustees for services provided to the 2020 Trust, as follows:

|  | 2011-12 | 2010-11 |
|--|---------|---------|
| Research Trust of Victoria University of Wellington* | 20,000  | 33,500  |

\*Project costs for Computers in Home research. Barbara Craig is a staff member at Victoria University of Wellington (VUW) and was subcontracted by the Research Trust of VUW to undertake this work.

### 16. Grants and project funding

Project income includes the following grants received:

1. \$20,000 (2011: \$34,600) from the NZ Lottery Grants Board for Computers in Homes Research.

Other grants income includes the following grants received:

1. \$50,000 (2011: \$50,000) from Internet NZ to contribute toward the Trust's operating costs from April 2012 to March 2013 as well as support selected projects. \$37,500 remains in Income in Advance at balance date to meet costs in 2012-13.
2. \$125,000 from Internet NZ to fund the DORA mobile digital learning centre. \$106,513 had been spent on DORA as at balance date. The Income in advance figure of \$104,803 is represented by the unspent cash of \$18,487 and the work in progress amount spent on DORA of \$86,316, which will then be used as recognised income to match future depreciation costs.

### 17. Subsequent events

Subsequent to balance date the Trust has been awarded further contracts for Computers in Homes:

2012-13: Ministry of Education – Computers in Homes Refugee programme - \$122,221 (2011: \$124,581).

2012-13: Nga Mataapuna - Computers in Homes in the Bay of Plenty - \$45,000.