



Giving all Kiwi kids a fair start

KidsCan Annual Report 2020

PRINCIPAL
PARTNER



Meridian.



KidsCan

“KidsCan was my saviour when I had four children at primary school. I had no idea you existed until my girls came home with new shoes and socks. Times were tough and buying four pairs of shoes at the same time was near impossible.

Then my girls would tell me that they received extra food throughout their day from KidsCan. I marched down to school to find out about this ‘KidsCan thing’. They informed me of your organisation, and I think I cried on the spot.

You helped us out in such a tough time. I thank you from the bottom of my heart - we well and truly appreciate it.”

Parent

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About KidsCan

WHAT WE DO

We help children experiencing hardship by providing food, clothing and health products to schools and early childhood education centres across New Zealand.

OUR MISSION

KidsCan provides the essentials to Kiwi kids affected by poverty so they can participate in learning and have an opportunity for a better future.

OUR VISION

A better New Zealand for all Kiwi Kids.



OUR VALUES

Māramatanga

Light and laughter

Kotahitanga

One team

Uaratanga

Valuing people

Manawaroa

Commitment

Tuakiritanga

Wellbeing



Programme Strategy

Our programme objective is

to increase children's health, wellbeing and participation in learning



KidsCan programmes will make a difference in children's lives by

- Increasing education attendance and participation
 - Providing access to the essentials
- Improving physical health and wellbeing
 - Reducing childhood obesity



How we'll make it happen

- Engage with our communities** ▶ Reducing barriers for children to access our programmes by educating and engaging schools, early childhood education centres, children and whanau
- Evolve our programmes** ▶ Continue to evolve our programmes in response to feedback and the needs of the children we support
- Reach more children** ▶ Expanding our support into more schools and early childhood education centres to reach children who would benefit from KidsCan
- Be sustainable** ▶ Ensuring KidsCan is financially sustainable and able to provide consistent, ongoing support to schools and early childhood education centres

From our Founder & CEO

2020 was a milestone year for KidsCan – but not one I really wanted to celebrate. It marks 15 years since I started the charity. Initially based out of my Auckland garage, KidsCan today is a much larger operation. We have a team of 35 dedicated staff, an Auckland warehouse delivering 5 million items per year and over 200,000 children living in hardship have access to our programmes.

We have seen the level of child poverty in New Zealand increase year on year and our team remains dedicated to ensuring kids have the basics they need to learn at school and have the opportunity for a better future.

While 2020 was a tough year for everyone, it was even tougher for those in poverty. As New Zealand entered Level 4 lockdown in March, our first thought was how to continue to reach the children we support. With schools closed, they no longer had access to the KidsCan food many of them relied on each day.

Overnight we reorganised our operations to pack and distribute emergency food parcels for 4,000 families in rural areas. Schools had identified these families as at serious risk of hunger due to an inability to access food banks or supermarkets. We launched an emergency campaign, 19 for 19, to fund this initiative and I was blown away by the level of support we had from caring Kiwis – who like us, didn't want anyone going hungry during lockdown.

I want to make special mention of our Principal Partner Meridian Energy,



who donated an incredible \$1 million during this time to support our work. I also want to acknowledge the support of Ministry of Social Development who gave KidsCan additional funding to help meet the increased demand for KidsCan's food in schools in the months following lockdown.

In 2020 we invested \$8.6 million, plus an additional in-kind support of \$5.7 million (over \$14.3 million total investment) into KidsCan programmes. Research undertaken in 2020 with Impact Lab showed KidsCan's programmes deliver a social return on investment of \$2.80 for every \$1 spent.

We are now supporting more schools and early childhood centers throughout New Zealand, feeding more children, and supplying more clothing and health and hygiene items

than ever before. We couldn't do this without our valued partners, and I want to thank all of the individuals, businesses, schools and other organisations who supported KidsCan this year. Thank you for being part of our village and helping us to give all Kiwi kids a fair start.

Lastly, to our KidsCan Board, who generously donate their time and expertise to our organisation - thank you for supporting me and helping to make New Zealand a better place for our Kiwi kids.

Julie Chapman
KidsCan CEO and Founder

From our Board Chair

The 2020 Child Poverty Monitor report provides a sobering look at what it is like to be a child affected by poverty in New Zealand.

20% of New Zealand children live in low-income households. 13% of children experience material hardship – meaning they live in households unable to afford essential items. Children living in areas with the highest levels of deprivation are twice as likely to end up in hospital than children in the least deprived areas. It's a reminder of just how important KidsCan's work is. By providing the essentials to these children, we can help them participate in learning and have the opportunity for a better future.

The KidsCan vision is a better New Zealand for all Kiwi kids and this has been at the centre of our work in 2020. Some of the bigger initiatives this year include supporting 82 new schools, 37 new ECEs, distributing 4,000 emergency food parcels during Level 4 lockdown, taking part in the Government trial to provide free period products, and meeting an increased need for food support in schools.

This was possible due to strong income growth and cost management efforts. Next year we anticipate the demand for KidsCan services to continue to grow and our 2021 income will be critical to ensuring we can extend KidsCan's programmes and reach even more children in need.

We now reach children in 822 schools - more than ever before - providing them with food, clothing and health products. There is also an increasing number of early childhood

centres on the waitlist for support. KidsCan's early childhood programme is the only one of its kind in New Zealand, and with preschoolers often missing out on support given to school children, the Board recognises the importance of helping these children. In 2021 we will begin supporting another 50 centres, with the ambition of reaching 250 by 2023.

I want to acknowledge the generosity of New Zealanders who make KidsCan's work possible. To the individuals who donate or fundraise for KidsCan, to our Principal Partner Meridian Energy and our business community, and to Ministry of Social Development – thank you all for your support. The financial and in-kind support you collectively provide, means that KidsCan can deliver its programmes to children in need.

My thanks also go to the KidsCan team, CEO Julie Chapman, and my fellow Board members Glenda Hughes, Guy Waipara, Mark Dunwoodie, Nigel Hampton and Waimarama Taumaunu, who joined the Board in November. A special thanks to Nigel who stepped down from the KidsCan Board at the end of 2020 after nine years - what an incredible contribution you have made in that time.

Looking ahead to 2021, our three key areas of focus are: expanding our support into more early childhood centres, redesigning our food programme to better meet the needs of school children, and continuing to work in partnership with Ministry of Social Development and Ministry

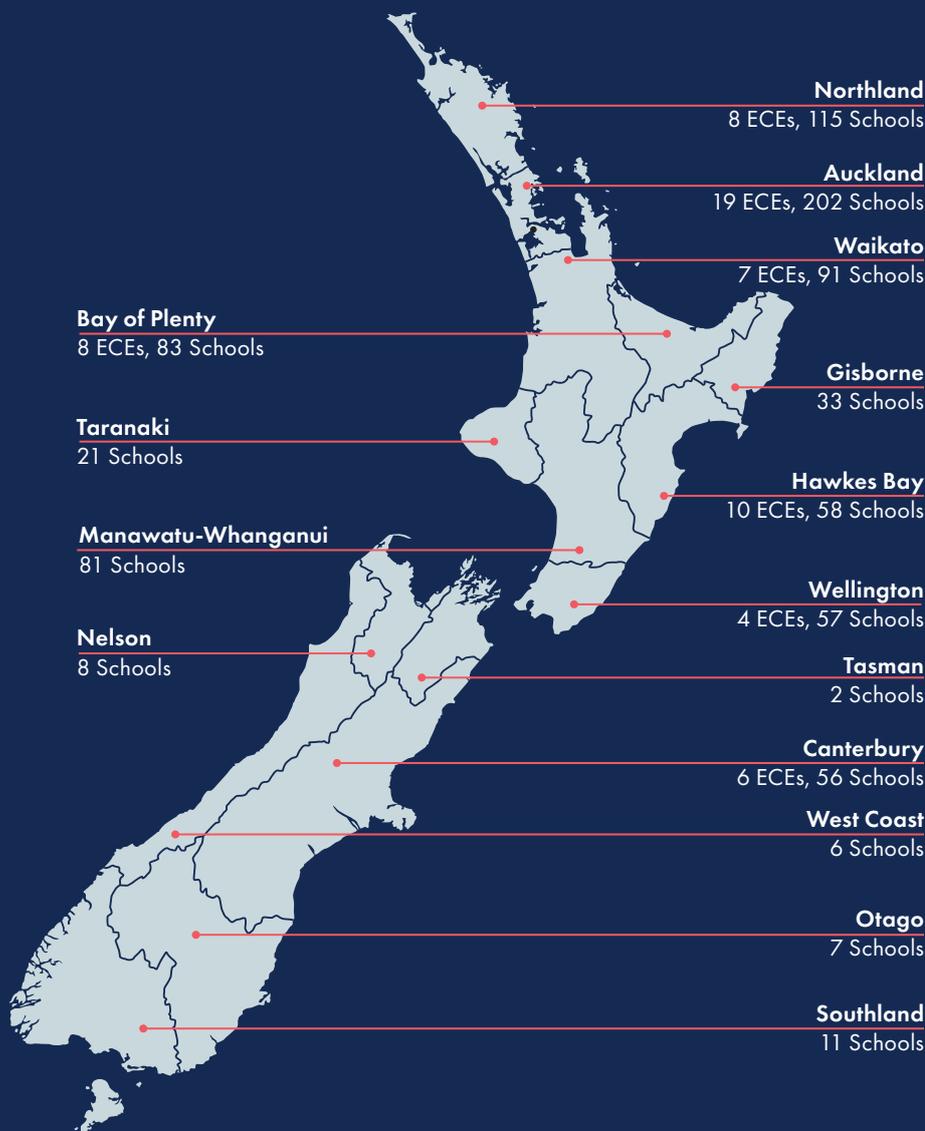


of Education to deliver programmes to children who would benefit from support. With the continued support of New Zealanders, we can achieve these goals and help make our country a better place for all children.

**Bill Birnie CNZM
Board Chair**

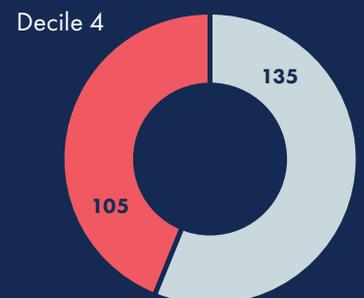
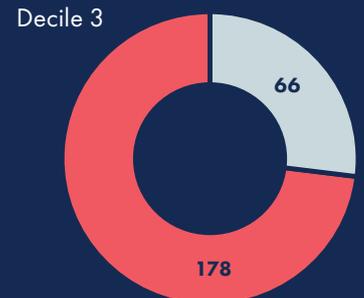
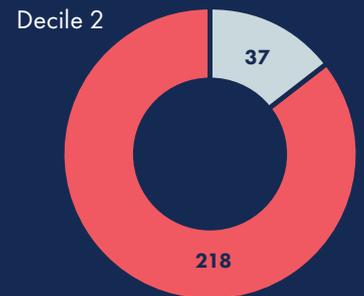
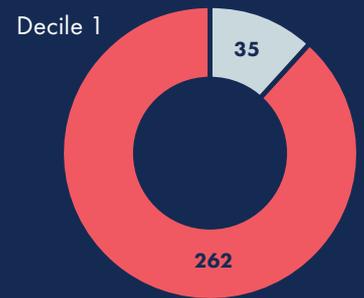
2020 in review

KidsCan supports children across New Zealand



**Please note some of our partner schools and alternative education operate from more than one region and are represented on this map in each region they support*

KidsCan support in decile 1-4 schools



■ Schools receiving KidsCan support
■ Schools not receiving KidsCan support

Expanding our reach 2018 - 2021

Number of KidsCan partner ECE centres and preschoolers supported



- Number of partnership ECEs at start of year
- Number of preschoolers receiving KidsCan programmes

Number of KidsCan partner schools and students supported



- Number of partnership schools at start of school year
- Number of students with access to KidsCan programmes

822
partner schools

62
partner early childhood
education centres

40,000
children provided with
food every day

2,000+
preschoolers supported

5 million+
items distributed from our
Auckland warehouse

200,000+
children have access to
KidsCan programmes

42,000+
fleece-lined jackets
given to children

22,000+
pairs of shoes and 44,000
pairs of socks given to
children

493,200
healthy fresh meals
provided to preschoolers

132,000+
packs of period products
given to students

4,000
emergency food parcels
given to families during
Level 4 lockdown

2020: an unprecedented year



"I applied for KidsCan help because I'm concerned about what I've seen after Covid. Our roll is down 25%, and I know that the school next door's numbers are down too."

ECE teacher

Unprecedented was certainly the world's buzzword for 2020 – and at KidsCan we were no different. This year saw an unprecedented lockdown, unprecedented demand for our help, and unprecedented support from generous Kiwis.

Our plans for 2020 quickly changed early in the year as Covid-19 started to impact the world and we saw cases rising in New Zealand. In March when we entered Level 4 lockdown, we heard many stories of concern for the kids and whānau we support. With schools shut thousands of kids had lost a crucial lifeline and access to the essentials that many of us take for granted. As an Essential Service, our job couldn't stop just because the country was in lockdown, we had to figure out a way to get food to these children and their families. So while New Zealand was in lockdown, KidsCan responded to this significant new need by creating a new food parcel initiative to reach families in need.

Like many charities, heading into lockdown KidsCan was forecasting a significant potential funding shortfall. Our fundraising events were cancelled, community fundraisers postponed, and regular giving acquisition impacted. The food parcel initiative was not budgeted for, so we launched a campaign called 19 for 19 with the hope of raising \$500,000 in two weeks to fund it. Kiwis responded like never before. We raised \$2.14 million, including a \$1 million donation from our Principal

Partner Meridian Energy. This allowed us to distribute 4,000 emergency food parcels, each with enough to feed a family of five for two weeks.

But the fallout from Covid-19 lasted much longer than New Zealand's lockdown. Many of the communities we support faced unemployment or reduced working hours, and families struggled even more to make ends meet. By Term 2 the number of children we provide food for every day rose to 40,000 – 10,000 more than the same time last year. Our Term 3 food distribution was the biggest in KidsCan's 15-year history, with over 200 tonnes of food sent to schools. In 2020 we started supporting children in 82 new schools and 37 new early childhood centres. Today, the percentage of a school roll receiving KidsCan food is on average 22%. In 2012, this was 11%.

KidsCan was able to meet this unprecedented demand only with the help of our supporters. Donations to the 19 for 19 campaign, our monthly donors, people who fundraised in support of KidsCan, our business community and a grant from Ministry of Social Development meant we could respond and ensure food, clothing and health products were provided to the children needing it most.

In late 2020 the Government started to roll out Ka Ora, Ka Ako: daily school lunches for children at schools in high deprivation areas. KidsCan supports this programme and is working collaboratively with Ministry



of Education to identify both how we can support children in need, and extend our support to reach children who will not receive the government programme.

Food insecurity is a major issue in New Zealand. To better understand the needs of our tamariki and how we can help them, we commissioned research on this with Colmar Brunton. The full report, due in 2021, will provide the foundation for the redevelopment of our food programme for schools.

KidsCan's plans for 2021

- Supporting more under 5s at early childhood centres
- Evolve and expand our school food programme to better meet the changing needs of our communities
- Continue to build strong relationships and work in partnership with Ministry of Social Development and Ministry of Education to deliver programmes to children who would benefit from our support

“People have lost jobs or had their hours reduced... one student is now working 25-30 hours a week and coming to school, too. We have done whatever we can to support them to continue their education as well as work. Education is everything, and we will do whatever it takes to support that.”

Principal



Helping Kiwi kids at school

KidsCan partners with 822 schools, alternative education and kura – providing their tamariki with food, clothing and health products to help them participate in learning.



“It has made such a difference having KidsCan in our school and having it as part of our family. It has made a huge impact on our families. The smile on their faces when they get a jacket, the smile on their faces when they get new shoes, the full bellies and warm tummies and the way the children are - that’s the difference KidsCan makes for us.”

Teacher

Giving kids the energy to play and learn

KidsCan provides nutritious breakfast, lunch and snacks to hungry school children across the country. Kids enjoy a range of food including bread and spreads, yoghurt and fruit, baked beans, and hot meals such as soup, tortellini and butter chicken with rice. In response to feedback from schools, in 2020 we provided hot meals year-round rather than only in the winter months. Teachers tell us kids love having a hearty, filling lunch – for some children this may be their only hot meal of the day.

In 2020 we commissioned research with Colmar Brunton on food insecurity in schools – this report, due early 2021, will help inform the redesign of our school food programme next year.

In 2020 we provided schools with 778 tonnes of food, including 1.3 million servings of hot lunches - an increase from 562 tonnes of food and 460,000 servings of hot lunches in 2019.

Keeping kids warm and dry

Schools tell us that attendance can drop up to 50% when the weather is bad. So, we provide shoes and socks, and fleece-lined jackets to help kids get to school – rain or shine. In response to student feedback we redesigned the jacket provided to schools and the new style will be rolled out next year. In 2020 we also explored a new style of shoes which will be trialled with a small number of schools next year.

In 2020 we distributed 42,710 jackets

and 22,182 shoes to school children – in 2019 we provided 40,978 jackets and 26,000 shoes. Due to the increased need in our communities, we are forecasting an increase in demand for KidsCan jackets to 65,000 a year in 2021.

Providing free period products

KidsCan's period care programme has been running since 2015 and provides free period products and menstrual education to students in a programme designed to reinforce dignity and respect. In 2020 the Government announced its free period products programme. KidsCan took part in the *Phase 1 Access to Free Period Products Waikato Trial*, delivering our established programme to four schools and kura in Waikato. We believe that period products are a necessity, not a luxury, and will continue to work towards the goal of ensuring no student goes without.

In 2020 we distributed over 132,000 packs of free period products to students in 592 schools around the country – an incredible increase from 31,140 packs in 2019.

Getting kids into sport

For the first time ever, in 2020 we were able to offer help to get kids into sport. Thanks to our friends at Cadbury, we provided donated sports gear to kids at our partner schools. Together we distributed \$400,000 of sports grants to help more KidsCan tamariki experience the joy of participating in sport. Some of the grants included: funding a talented athlete to attend a tournament, covering transport costs for a team to attend a regional



competition, brand new basketball hoops for a basketball-crazy school, funding towards a school's new bike track, and accessible sports equipment for a special school. We hope to have funding for a similar initiative in 2021.

Significant social return on investment

The GoodMeasure Report Research undertaken in 2020 with Impact Lab showed a significant social return on investment for KidsCan's programmes::

- **KidsCan's food programme:** social return on investment of 468%
- **KidsCan's clothing programme:** social return on investment of 741%

Supporting under 5s at ECE



KidsCan's early childhood education programme is the only one of its kind in New Zealand, helping tamariki in 62 low-equity ECE centres. This universal programme gives every preschooler a jacket, shoes and socks, access to health products and daily fresh meals.

Keeping preschoolers fueled

It takes a lot of energy to play and learn, which is why KidsCan provides daily healthy lunches and snacks to all preschoolers in our partner ECEs.

The Heart Foundation-approved menu includes recipes with lots of vegetables and quality protein, such as veggie curry, chicken stirfry and lasagne, plus snacks of yoghurt and fresh fruit. Centres choose from a range of recipes and the fresh ingredients are delivered by Countdown.

In 2020 we distributed 493,200 fresh healthy meals to preschoolers – a significant increase from 231,360. With plans to start supporting a further 50 early childhood centres in 2021 we are forecasting this to increase to 984,000.

Clothing for preschoolers

To keep our under-5s warm and dry, KidsCan provides all children in our partner ECEs with their very own

fleece-lined jacket, Velcro shoes and two pairs of socks. Teachers tell us the children love receiving their very own items and are proud to wear them.

In 2020 KidsCan gave 2,200 jackets and 2,400 pairs of shoes to preschoolers.

Research shows the programme makes a "valuable difference"

Thanks to funding by Ministry of Social Development, the University of Waikato undertook research on KidsCan's ECE programme. They carried out in-depth interviews with teachers and whānau in 7 centres before the scheme started, and again when children had received at least six months of KidsCan support. They also gathered survey data from teachers and whānau in 24 centres.

Researchers found:

- Good nutrition and warm clothing meant children were more engaged in learning, with increased energy and attention spans.

- There were fewer minor health issues, like coughs and colds, leading to reduced absences due to sickness.
- Centres who had been providing food themselves instead spent money on educational resources, improved their environments, and devoted more time to teaching.

Expanding our reach

Our ECE programme started as a pilot in 2018 with 25 centres. In 2020, we reached over 2,000 children in 62 centres. Next year we will start supporting a further 50 centres, making our total number of children helped over 4,000. With 142 centres on the waiting list, further expanding our programme to help more preschoolers is a key priority for KidsCan over the next three years.

As with other KidsCan programmes, from research undertaken in 2020 by Impact Lab, there was significant social return on investment. KidsCan's early childhood programme showed a social return on investment of 141%.

"To be able to see that smile on the face of a young child when you give them a jacket or a pair of shoes, that's amazing, that's huge."

ECE Centre manager



“When we don’t have to worry about feeding and clothing our kids, we can just focus on guiding them. Our job is to take away all the stress from the kids’ lives, and let them play, because then they can learn. And that’s the start in life that they deserve.”

ECE teacher



**“Nga mihi nui
Meridian Energy
mo tou aroha ki nga
tamariki katoa.**

**Hungry children in
this country will eat a
hot meal because of
your love and putea.”**

KidsCan supporter



**“Every year, thousands and thousands
of kids struggle through school, without
some of the basic needs that a lot of us
take for granted. This is an issue that’s
incredibly close to my heart. I think
KidsCan is an incredible cause, and
something I know has the potential to
massively change children’s lives.”**

*Cyrus, KidsCan fundraiser
in the 2020 Auckland Marathon*



Our KidsCan supporters

KidsCan believes that education is a child's ticket out of poverty, and gives them the opportunity for a better future. Helping us provide the essentials to tamariki in need is our village of caring Kiwis. Our village is made up of generous individuals, monthly donors, community fundraisers, event participants, business supporters and corporate partners. Together, we're making a difference.

KidsCan Monthly Donors **Kiwis respond to our '19 for 19' appeal**

Our monthly donors are a special group of Kiwis who agree that our tamariki deserve a fair start in life. Their ongoing support allows KidsCan to provide essentials year-round to children in need.

KidsCan monthly donors are a diverse bunch, united by the drive to make our country a better place for kids. They come from all areas of New Zealand, plus international supporters from Australia, Singapore, UK and Canada. They are individuals, families, and small businesses. Some choose to support one child per month, others support an entire classroom. Some have been part of the KidsCan family for over a decade and others joined us in 2020. We want to extend our most sincere thanks to all our monthly donors – we truly couldn't do our work without you.

When New Zealand went into Level 4 lockdown our first thought was for the tamariki we support and their whānau. We quickly created a new food parcel initiative to reach those families – but we needed to find additional funds to pay for this initiative. With the support of our pro-bono creative agency DDB, we launched our '19 for 19' appeal and asked Kiwis to donate \$19 to help raise \$500,000 in two weeks. Thousands of generous individuals responded and we reached our target in just two days, allowing us to distribute food parcels to 4,000 families.

KidsCan Fundraisers

KidsCan fundraisers give their time, energy and enthusiasm to raising money for children in need. The start of 2020 and Covid-19 lockdowns saw several big fundraising events

cancelled. At first the KidsCan team were worried about funding – how were we going to ensure we could get kids the essentials they needed?

But what we saw was an outpouring of support from Kiwis – and for that, we can't thank you enough. There were supporters who held bake sales, kids who sold avocados and firewood, businesses who donated a percentage of sales, and people who completed fitness challenges and raised money.

Generous individuals donating a part of their superannuation gave \$50,781 through Share My Super. In October, 35 people ran and walked the ASB Auckland Marathon in support of KidsCan, raising an incredible \$55,000. Our annual Christmas Cracker appeal launched in November and thanks to our retail and prize partners, brought in over \$250,000.



“Thank you KidsCan for the parcels left on our front porch. Very unexpected and very grateful from a solo mum trying to keep to a budget, with the weather turning and two kids with disabilities that finds it hard shopping in these unknown times.”

Recipient of a KidsCan Covid-19 food parcel

Our Business Community

KidsCan corporate partners and business supporters are truly invested in the good of Kiwi kids and helping break the cycle of poverty in their communities. They want to work with us to help children in need, and create meaningful, measurable differences to their people, customers and community. Their support includes financial and in-kind donations plus volunteering their time and resources.

PRINCIPAL PARTNER MERIDIAN ENERGY

KidsCan and Meridian have been working together since 2013. There is power in organisations coming together, and KidsCan and Meridian's long-standing partnership to help pull Kiwi kids out of hardship is testament to this.

During Level 4 lockdown Meridian generously donated an incredible \$1 million to KidsCan's '19 for 19' appeal. This helped fund emergency food parcels to 4,000 families, and also helped KidsCan respond to an increased demand from schools and ECEs due to the fallout from Covid-19.

Meridian also helped give Kiwi kids 'the power to play' by creating a daily TV Show "ÄMPED" in association with KidsCan. The show brought bespoke, energising content created by kiwi talent, educating and entertaining kids, offering a fresh episode each weekday during lockdown.

In addition to the incredible financial support during Covid-19, Meridian supported KidsCan partner schools on numerous initiatives in 2020, including distributing sun hats to children at decile 1 schools so they can get outside and enjoy the sun safely.

ASB

This year ASB donated 5,000 fleeced-lined jackets to KidsCan partner schools to help the increased demand following Covid-19. ASB staff also provided over 1,850 volunteer hours to help with food distribution from KidsCan's Auckland warehouse and helped KidsCan partner schools with volunteer activities throughout the year.

CADBURY

In 2020 we partnered with Cadbury to address the problem of 1 in 8 Kiwi kids feeling excluded from sport. Together we provided over 45,000 pieces of sports items to KidsCan partner schools and distributed \$400K worth of financial grants to individuals, teams and schools to help children participate in sport.

COUNTDOWN

This year Countdown helped feed hungry Kiwi kids through a range of initiatives. During Level 4 lockdown Countdown donated food items for KidsCan's emergency food parcels. Proceeds from the sales of hot cross buns raised over \$100,000 and Countdown's 2020 Food for Good Appeal raised funds for KidsCan.

JOHNSON & JOHNSON FAMILY OF COMPANIES ANZ

Recognising the importance of menstrual education, in 2020 Johnson & Johnson helped fund the development of the Feminine Hygiene programme. They also donated consumer health and feminine hygiene products, helped deliver pro bono professional development for KidsCan staff, and volunteered in the KidsCan warehouse.

NZ SAFETY BLACKWOODS

New Zealand Safety Blackwoods is the lead funding partner for KidsCan's jackets – ensuring that children in need get to school warm and dry, no matter the weather. In 2020 their team also provided staff volunteers for KidsCan food distributions.

TIP TOP BAKERY

Thanks to Tip Top Bakery, over 100,000 loaves of bread were delivered to KidsCan partner schools in 2020 – making for delicious toast with spreads for breakfast and sandwiches for lunch. Tip Top Bakery also provided staff volunteers for KidsCan food distributions.



Bakers Delight
BurgerFuel
Chorus
Cookie Time
EZIBUY
Freightways
Harvey Norman
Hughes Developments
Jumpflex Trampolines
Kennards Hire
Lily Bee Wrap
Little Island Creamery
Mobil

Oceania
QBE
Recycle Boutique
School Fun Run
Shoe Clinic
The Property Group
The Coffee Club
Toyworld
Vortex Spas
Windsor Park Stud
Zespri
ZURU Toys

Support from Ministry of Social Development

In the 2019/20 financial year Ministry of Social Development invested \$350,000 in KidsCan to help provide the essentials for children. They also gave an additional \$105,000 to fund the evaluation of the KidsCan early childhood education pilot by the University of Waikato. In response to the increased demand for KidsCan's food in schools, the Ministry also gave us a one-off grant of \$150,000 to help meet this need.

Trusts & Foundations

Acorn Foundation
American Express
Auckland Council - multi board fund
BlueSky Community Trust
Constellation Brands
Dragon Community Trust
Eastern & Central Community Trust
Greenlea Foundation
Hawke's Bay Foundation
Hutt Mana Charitable Trust
Lion Foundation
Lottery Community Fund
Maurice Paykel Charitable Trust
Nelson Council - community investment fund
Newmans Own Foundation
Northland Regional Council
Pub Charity
Rotorua Energy Charitable Trust
Trillian Trust
Trust House Foundation
Trust Waikato
USANA
Whanganui Community Trust

“Throughout our eight year partnership, we’ve seen the need for KidsCan and what they provide for children and families living in hardship only increase. With the added impact of COVID-19, it was a particularly hard year for these families. That’s why we gave an extra \$1 million dollars in 2020 to ensure children didn’t go hungry during lockdown. We’re a passionate partner with KidsCan and remain committed to supporting the incredible work they do, to help improve the lives of children in hardship.”

*Neal Barclay,
Meridian Energy CEO*



Our people

The KidsCan team is made up of 35 passionate staff members and governed by a Board of Trustees, all who strive to make New Zealand a better place for our children.

OUR BOARD OF TRUSTEES



BILL BIRNIE
CNZM, Board Chair

Bill has over 35 years of investment banking experience and holds a Bachelor of Laws. Bill is responsible for managing Sir Owen Glenn's philanthropic and business activities in NZ. He is Chairman of Christchurch based medical devices company Enztec Limited, Chairman of Far North Holdings, a Director of the TAB and Chairs its Audit & Risk Committee. He is also a Member of the New Zealand Screen Production Grants Verification Panel.

Bill received a Companion of the New Zealand Order of Merit for his services to Governance, The Arts and Sport in the 2018 New Years Honours.



JULIE CHAPMAN
Founder and CEO

Julie is the CEO and Founder of KidsCan with over fifteen years' experience in not-for-profit management. She is responsible for providing leadership, direction and the coordination of all activities of the Trust in accordance with the goals and objectives of the organisation.

Julie is also the Founder and Trustee of the Pet Refuge Charitable Trust which will provide temporary shelter for pets affected by domestic violence. In 2008 Julie was recognised with a Sir Peter Blake Leadership Award, and in 2013 she was named Next magazine's Woman of the Year. In 2015 she was named as a finalist for Kiwibank New Zealander of the Year – the second time her contribution has been recognised by the national award.



MARK DUNWOODIE

Mark is a Chartered Accountant with over 20 years of corporate, commercial and professional services experience. He holds a Bachelor of Commerce.

Mark has held senior executive positions in NZ and the UK. He is a member of the Institute of Chartered Accountants of Australia & New Zealand and the New Zealand Institute of Directors. Mark has earned the C.A. qualification from New Zealand Institute of Chartered Accountants in 1996.



NIGEL HAMPTON
CNZM, OBE, QC

Nigel graduated LLB in 1964 from Canterbury University being awarded the Gold Medal for top graduate for the year, and was admitted to the bar in 1965. Since then he has been appointed Queen's Counsel in 1989 and served as President of the Canterbury Law Society and Vice-President of the NZ Law Society. Nigel was the Chair of the NZ Lawyers' Disciplinary Tribunal; the first Disciplinary Commissioner for International Criminal Court based in The Hague, Netherlands; and was the Chief Justice of Tonga, 1995-97. He serves as a Judicial Officer for NZ Rugby Union, SANZAR and International Rugby Board. Nigel was awarded the OBE (1988) and CM (1990). In 2018 Nigel was awarded the Queen's Birthday Honour Citations for Companion for the NZ Order of Merit for services to the law.



GLEND A HUGHES

A former sportswoman, Glenda is a National Championship shot put record holder, a Commonwealth Games Representative and holder of four New Zealand powerlifting records. She has worked with the New Zealand Olympic Games Committee and has managed many of New Zealand's top sporting representatives. Glenda spent 18 years in the New Zealand Police department, and has a BA with a double major in Sociology and Criminology. She is currently Chair of the Pet Refuge, on the Board of Trustees for Tapu te Ranga Marae and on the Board of Trustees for Sky Stadium. In 2016 Glenda became a finalist (Board & Management category) in the prestigious New Zealand Women of Influence programme. Glenda is also a newly elected Councillor for Wellington City, Greater Wellington Regional Council.



WAIMARAMA TAUMAUNU Ngāti Porou and Ngāi Tahu

Waimarama is a former Silver Fern player and captain. She has experience in sport management and governance spanning many years including National Performance Director for All England Netball, assistant coach for the England national team, and head coach for the Silver Ferns. Waimarama's governance roles have extended across a diverse range of interests including The Correspondence School, The Broadcasting Standards Authority, the Alcohol Advisory Council and Sport New Zealand. She was inducted into the New Zealand Sports Hall of Fame in 1996 and into the Māori Sports Hall of Fame in 2007. For services to sport she was awarded an MBE in 1992 and the ONZM in 2016. Waimarama currently works for Te Wananga o Raukawa Pulse as the High Performance Director.



GUY WAIPARA Rongowhakaata

Guy is General Manager of Generation and Natural Resources for Meridian Energy, responsible for renewable asset management and operations in New Zealand and Australia. Guy has over 25 years' experience in the electricity sector and has held several key roles at Meridian Energy, from offshore business development to setting company strategy and external relations.

Guy really got behind KidsCan when Meridian Energy became principal partner in 2013. During that time Guy has seen the difference KidsCan's work has made to children all over New Zealand. He has led a number of Meridian Energy projects to enhance the KidsCan partnership, from fundraising drives to a surf camp for KidsCan children.

OUR SENIOR LEADERSHIP TEAM

JULIE CHAPMAN
CEO & Founder

ALASTAIR CAMPBELL
General Manager
Operations & Procurement

JESSIE GILCHRIST
Marketing &
Communications Manager

LEO SHEN
General Manager
Programmes, Partnerships
& Fundraising

LORRAINE WAIN
Chief Financial Officer

STAFF SPOTLIGHT

Here are just three of the incredible people working at KidsCan to help provide the essentials to children affected by poverty.

JING LI

Jing is one of the newest members of the KidsCan team, joining us in October 2020. Jing is KidsCan's Financial Accountant and her job includes budgeting, preparing financial statements (like the ones in this report), financial analysis and modelling.

LIZETTE LOUW

Originally from South Africa, Lizette has been a proud member of the KidsCan team since 2013. Lizette leads our Supporter Services and Database team and is responsible for connecting with KidsCan supporters.

CHRYSTAL RUSSELL

Chrystal has been part of the KidsCan partnerships team for four years. As our Partnerships Specialist, Chrystal works closely with our business community on initiatives and campaigns to help raise funds for children in need.

Behind the numbers

This year KidsCan was proud to support 822 schools and 62 early childhood centres. Over 200,000 children now have access to our programmes. 2020 was an unprecedented year for KidsCan with an increased demand for our support from our communities, and an outpouring of support from New Zealanders to help with this.

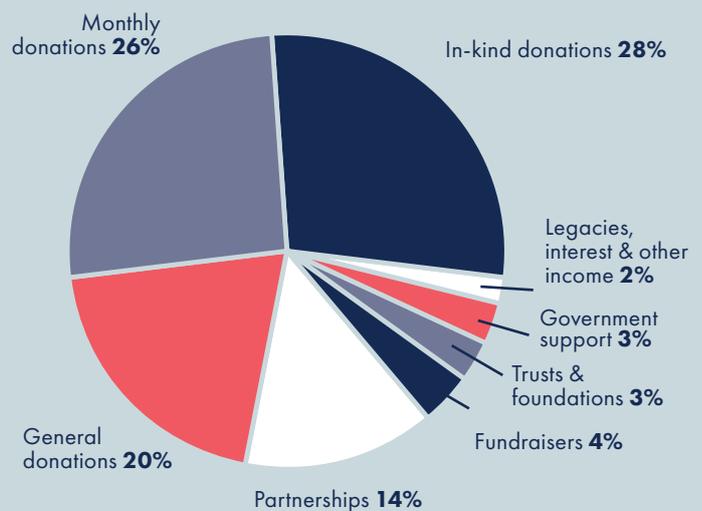
In 2020 total revenue was \$20 million, with expenditure of \$17 million, resulting in a surplus of almost \$3 million. This surplus will be applied to extend our reach in 2021. We will be supporting more schools, another 50 ECEs and look to deepen our support to those already receiving KidsCan's help.

KidsCan aims to hold six months in reserve which equates to approximately \$6 million with the projected level of spending in 2021. This is in line with good practice and ensures KidsCan can continue to help the children who need it. Our partner schools and ECEs rely on KidsCan's support and it would be unacceptable to have this stop overnight. With funding usually being short term in nature, KidsCan believes in the importance of holding sufficient reserves to cover any shortfall in funding should it occur. This year Covid-19 has certainly demonstrated how quickly circumstances can change, and how important it is to have reserves and diversified revenue streams.

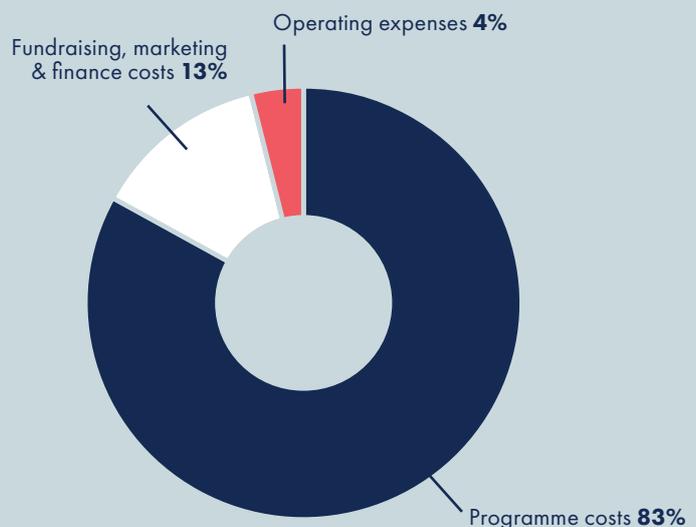
KidsCan endeavours to leverage as much in-kind support as possible during the year, so we can maximise our reach to children in need. In 2020 KidsCan received over \$5 million in in-kind products and services.

We take pride in being transparent, so please see below where the 2020 funds came from and how they were spent.

Where KidsCan's funding came from in 2020



How we applied these funds in 2020



KIDSCAN CHARITABLE TRUST GROUP

**Statement of Group Comprehensive Revenue and Expenses
For the Year Ended 31 December 2020**

	Notes	31.12.20 \$	31.12.19 \$
<i>Revenue from non-exchange transactions:</i>			
General Donations		3,955,600	1,118,748
Monthly Donations		5,225,745	3,940,218
Donations In-Kind		5,651,588	4,889,467
Legacies & Bequests		200,687	6,776
Trusts & Foundations		677,604	743,534
Income from Government Contracts		542,848	474,000
KidsCan Fundraising Campaigns		184,933	225,504
KidsCan Community Fundraisers		627,264	990,757
Partnership Income		2,891,245	1,108,655
<i>Revenue from exchange transactions:</i>			
Finance Income - Interest		114,421	90,203
Other Income		82,701	7,340
Total Revenue		20,154,636	13,595,202
<i>Less Expenses:</i>			
Finance Salaries		532,739	509,695
Fundraising, Communications and Partnership Salaries		1,224,338	1,100,845
General Programme Salaries		881,913	630,246
Fundraising, Communications and Partnership Costs		560,056	655,807
Programmes Costs		7,803,847	5,209,928
Donations In-Kind used	2	5,741,284	4,845,208
Other Operating Expenses		637,721	405,600
Total Expenses		17,381,898	13,357,329
Operating Surplus/(Deficit)		2,772,738	237,873
Net Surplus/(Deficit) for the year		2,772,738	237,873
Other Non Comprehensive Income		-	-
Total Comprehensive Revenue and Expense for the year		2,772,738	237,873

The accompanying notes form part of these financial statements.

KIDSCAN CHARITABLE TRUST GROUP
Statement of Group Financial Position
As at 31 December 2020

	Notes	31.12.20 \$	31.12.19 \$
Current Assets			
Cash	3	2,030,674	1,396,418
Short Term Investments	4	5,483,177	3,225,382
Trade and Other Receivables	5	550,906	299,375
Prepayments		277,196	214,768
Inventory	6	646,123	818,524
Total Current Assets		8,988,076	5,954,467
Non Current Assets			
Plant and Equipment	7	143,709	89,757
Total Non Current Assets		143,709	89,757
Total Assets		9,131,785	6,044,224
Current Liabilities			
Trade and Other Payables	8	465,917	109,695
Employee Benefits Obligation	10	115,579	75,185
Income in Advance	11	22,589	104,382
Total Current Liabilities		604,085	289,262
Net Assets		8,527,700	5,754,962
Equity			
Trust Capital & Reserves		8,527,700	5,754,962
Total Equity		8,527,700	5,754,962

For and on behalf of the Board who authorised these financial statements for issue

Chairman of the Board



22/6/21

Date

The accompanying notes form part of these financial statements.

KIDSCAN CHARITABLE TRUST GROUP
Statement of Group Changes in Net Assets
For the Year Ended 31 December 2020

Notes	Retained Earnings 2020 \$	Total Equity 2020 \$	Retained Earnings 2019 \$	Total Equity 2019 \$
Equity at 1 January	5,754,962	5,754,962	5,517,089	5,517,089
Net Surplus/(Deficit) for the year	2,772,738	2,772,738	237,873	237,873
Other Comprehensive Income	-	-	-	-
Equity at 31 December	8,527,700	8,527,700	5,754,962	5,754,962

The accompanying notes form part of these financial statements.

KIDSCAN CHARITABLE TRUST GROUP
Group Statement of Cash Flows
For the Year Ended 31 December 2020

	2020	2019
	\$	\$
Cash Flows From Operating Activities:		
<i>Cash was provided from:</i>		
Receipts from non-exchange revenue	14,200,243	8,769,457
Receipts from exchange revenue	70,001	-
	14,270,244	8,769,457
<i>Cash was disbursed to:</i>		
Payments to staff	(2,636,263)	(2,224,623)
Payments to suppliers and activities	(8,750,563)	(5,772,404)
	(11,386,826)	(7,997,027)
Net Cash Flows from Operating Activities	2,883,418	772,430
Cash Flows From Investing Activities:		
<i>Cash was provided from:</i>		
Interest received	114,421	90,203
Investments in short term deposits	(2,257,795)	(855,158)
	(2,143,374)	(764,955)
<i>Cash was applied to:</i>		
Purchase of plant and equipment	(102,959)	(39,855)
	(102,959)	(39,855)
Net Cash used in Investing Activities	(2,246,333)	(804,810)
Cash Flows From Financing Activities:		
<i>Cash was applied to:</i>		
Payment to finance lease liabilities	-	-
Net Cash used in Financing Activities	0	0
Net Increase / (Decrease) in cash held	637,085	(32,380)
Effect of exchange rate changes on cash	(2,829)	-
Add cash at the beginning of the financial year	1,396,418	1,428,798
Cash at the end of the financial year	2,030,674	1,396,418
Represented by		
Cash at Bank	2,030,674	1,396,418

The accompanying notes form part of these financial statements.

1 Overview

a) Reporting Entity

The reporting entity is the KidsCan Charitable Trust (the "Trust"). The financial statements comprise of the KidsCan Charitable Trust and its controlled entity The KidsCan Collective Ltd, together the "Group" are presented for the year ended 31 December 2020. KidsCan Charitable Trust controlled The KidsCan Collective Ltd on the basis that the Trust could derive benefits from the Company and appoint its board members.

The Group financial statements and the accompanying notes summarise the financial results of activities carried out by the KidsCan Charitable Trust Group.

The Trust works to help children experiencing hardship by providing food, clothing and basic health products to schools and early childhood education centres across New Zealand.

All entities within the Group are charitable organisations registered under the Charitable Trusts Act 1957 and the Charities Act 2005.

The KidsCan Charitable Trust Group consists of the KidsCan Charitable Trust (CC10386) and The KidsCan Collective Ltd (a wholly owned company) (CC58389). The KidsCan Collective Limited was incorporated on 19th May 2020, and its results are consolidated from that date.

The Group is a registered charitable group with DIA Charities Services (CC21929).

These consolidated financial statements have been approved and authorised for issue by the Board on 22nd June 2021.

b) Statement of Compliance

The Group financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-for-Profit entities. The Group is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large. The Group qualifies as a Tier 2 reporting entity as for the current and prior periods it has had operating expenditure between \$2 million and \$30 million. The Board has elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions.

c) Estimates and Assumptions

Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires the Board and management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances are assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators:

- The condition of the asset
- The nature of the asset, its susceptibility and adaptability to changes in technology and process
- The nature of the processes in which the asset is deployed
- Changes in the market in relation to the asset

The significant estimates and judgements made in applying accounting policies and that affect amounts recognised in the consolidated financial statements are as follows:

- The estimation of useful lives and depreciation profiles for plant and equipment.
- The estimation of the fair value of donations in-kind.

2 Accounting Policies

The significant accounting policies used in the preparation of these financial statements as set out below have been applied in these financial statements.

a) Basis of measurement

These consolidated financial statements have been prepared on the basis of historical cost, as modified by the fair value measurement of non-derivative financial instruments.

b) Functional and presentational currency

The consolidated financial statements are presented in New Zealand dollars (\$), which is the Group's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest dollar. There has been no change in the functional currency of the Group during the year.

c) Basis of consolidation - controlled entities

Consolidated financial statements are required where one entity controls another. The "controlling" entity is responsible for preparing consolidated financial statements which combine its financial statements with the financial statements of the "controlled" entities in accordance with the relevant standard PBE IPSAS 6 (NFP) Consolidated and Separate Financial Statements (Not-For-Profit).

Controlled entities are all those entities over which the controlling entity has the power to govern the financial and operating policies so as to benefit from its activities. The controlled entities are fully consolidated from the date on which control is transferred to the controlling entity. They are de-consolidated from the date that control ceases. Inter-group transactions, balances and unrealised gains and losses on transactions between members of the Group are eliminated in full. The accounting policies of the controlled entity are consistent with the policies adopted by the controlling entity and have a 31 December reporting date. KidsCan Charitable Trust controlled The KidsCan Collective Ltd on the basis that the Trust could derive benefits from the Company and appoint its board members.

d) Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. The following specific recognition criteria must be met before revenue is recognised.

Revenue from Non-Exchange Transactions

Non-exchange transactions are those where the Group receives an inflow of resources (i.e. cash and other tangible or intangible items) but provides no (or nominal) direct consideration in return.

General Donations

Donations are recognised as revenue upon receipt and include donations from the general public.

Monthly Donations

Monthly Donations (usually monthly) are made by companies and individuals to help disadvantaged New Zealand children get an equal start in life. These donations are recognised as revenue upon receipt.

Donations In-Kind

Donations in-kind include discounted product, free media exposure, donation of services and volunteer time.

Donations in-kind have been recognised where the Group has been able to evidence the difference between the price paid, if any, and the lower of retail or wholesale price where available of the goods. As donated goods are received the amount is recognised in inventory and either as income or income in advance depending on whether there are conditions attached. Where there are conditions attached the donation is recognised as income in advance until such time as the conditions are met. The income in advance is then recognised as income with an offsetting expense.

A significant portion of Donations - In Kind relates to media services. These are recognised when the Group has been able to evidence the difference between the price paid, if any, and the wholesale price of the goods/services as prescribed per the service providers' rate card. Both the income and the expense are recognised in the same period.

A significant portion of Donations - In Kind also relates to inventory (refer Note 6).

Volunteer hours have been recognised based on hours tracked and recorded by using a log book and valued at minimum wage per hour.

Trusts and Foundations

Income from trusts, foundations and gaming includes grants given by other charitable organisations, philanthropic organisations and businesses. Where a clear use or return stipulation exists, grant revenue is recognised when the conditions attached to the grant have been complied with. Where there are unfulfilled conditions attached to the grant, the amount relating to the unfulfilled condition is recognised as a liability and released to revenue as the conditions are fulfilled. Where no clear use or return stipulation exists revenue is recognised upon receipt.

Government Contracts

Income from government contracts relates to income received from the Ministry of Social Development and Oranga Tamariki to assist with KidsCan programmes. Revenue is recognised upon receipt of the funding.

KidsCan Fundraising Campaigns

Income from fundraising campaigns mainly includes the Christmas Cracker Appeal and Crazy Day. Revenue is recognised upon receipt of the funds except for revenue from the Christmas Cracker Appeal which is recognised when the crackers are sold to the customer.

KidsCan Community Fundraisers

Income from community fundraisers is recognised upon receipt.

Partnership Income

Revenue from partnerships is recognised when the invoice is raised, provided there is no use or return clause within the contract.

Legacies and Bequests

Income from legacies and bequests that satisfies the definition of an asset is recognised as revenue when it is probable that future economic benefits or service potential will flow to the entity, and the fair value can be measured reliably

Revenue from Exchange Transactions

Interest revenue is recognised as it accrues. Dividend income is recognised when the dividend is received.

e) Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instruments.

Group Statement of Cash Flows

The Group Statement of Cash Flows is prepared exclusive of GST, which is consistent with the method used in the Statement of Financial Performance.

Definitions of the terms used in the Statement of Cash Flows:

"Cash" includes coins and notes, demand deposits and other highly liquid investments readily convertible into cash used by the Trust as part of their day-to-day cash management.

"Investing activities" are those activities relating to the acquisition and disposal of current and non-current investments and any other non-current assets.

KIDSCAN CHARITABLE TRUST GROUP
Notes to the Group Financial Statements
For the Year Ended 31 December 2020

“Financing activities” are those activities relating to changes in the equity and debt capital structure of the Trust and those activities relating to the cost of servicing the Trust’s equity capital.

“Operating activities” include all transactions and other events that are not investing or financing activities.

The Group derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets where the rights to receive cash flows from the asset have expired or are waived, or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party and either:

- (i) The Group has transferred substantially all the risk and rewards of the asset; or
- (ii) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial Assets

Financial assets within the scope of PBE IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Group and Parent determine the classification of its financial assets at initial recognition.

The Group’s financial assets include: cash and cash equivalents, short term deposits, receivables from non-exchange transactions and receivables from exchange transactions.

Impairment of financial assets

The Group assess at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred ‘loss event’) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortised cost, the Group first assesses whether objective evidence or impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence or impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised, are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between that assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset’s original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

Financial Liabilities

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in surplus or deficit. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or transferred to the Group. If, in a subsequent reporting period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in surplus or deficit.

Financial liabilities within the scope of PBE IPSAS 29 Financial Instruments: Recognition and Measurement are recognised initially at fair value plus directly attributable transaction costs or at fair value if the liability is to be classified as at fair value through surplus or deficit. The Group determine the classification or its financial liabilities at initial recognition.

The Group financial liabilities include trade and other payables which are recognised at fair value plus directly attributable costs. After initial recognition, trade and other payables are subsequently measured at

KIDSCAN CHARITABLE TRUST GROUP
Notes to the Group Financial Statements
For the Year Ended 31 December 2020

amortised cost using the effective interest method. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

f) Goods and Services Tax

All items in the Statement of Financial Position are stated exclusive of GST, with the exception of receivables and payables, which include GST. All items in the Statement of Comprehensive Revenue and Expenses are stated exclusive of GST.

g) Taxation

The Trust is exempt from income tax on the basis of its charitable purpose.

3 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, cash at bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

	2020 \$	2019 \$
Cash and cash equivalents include the following components:		
Committed for programmes	887,281	1,112,864
General	1,143,393	283,554
Total	2,030,674	1,396,418

4 Investments

Investments comprise term deposits which have a term of greater than three months and therefore do not fall into the category of cash and cash equivalents.

	2020 \$	2019 \$
Maturing within 12 months of balance date committed for programmes	4,562,232	2,722,105
Maturing within 12 months of balance date committed for general	920,945	503,277
Total	5,483,177	3,225,382

5 Trade and Other Receivables

Accounts receivable are carried at estimated realisable value after providing against debts where collection is doubtful.

	2020 \$	2019 \$
Non-exchange transactions:		
Accounts receivable	363,227	260,378
GST Receivables	175,929	29,703
Exchange transactions:		
Interest accrual	11,750	9,294
Total	550,906	299,375

6 Inventories

Inventories are measured at cost upon initial recognition.

For inventory that was acquired through In-Kind donations, the cost of the inventory is stated at its fair value at the date of acquisition, being the lower of retail or wholesale price (where available) for the goods.

Inventories held for sale on a commercial basis are measured at the lower of cost and net realisable value, determined on a weighted average basis.

Inventories held for distribution or consumption in the provision of services to be distributed at no charge that are not sold on a commercial basis are measured at the lower of cost and net realisable value, determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Inventories are recognised as an expense when distributed to partner schools or consumed in the ordinary course of operations of the Group. Inventory expensed during the year totalled \$6,420,080 (2019 \$4,558,747).

During the reporting period no items of the Group's inventory were written down. There are no items of inventory pledged as security against any of the Group's liabilities.

7 Plant and Equipment

Plant and equipment is stated at cost, less accumulated depreciation and impairment losses.

When plant and equipment are disposed of the difference between net disposal proceeds and the carrying amount is recognised as a gain, or loss, in the Statement of Group Comprehensive Revenue and Expenses

At each balance date the carrying amounts of plant and equipment are assessed to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable service amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable service amount. Impairment losses directly reduce the carrying amount of the assets and are recognised in surplus or deficit

Depreciation is provided for on a straight line basis. Plant and equipment is depreciated at rates calculated to allocate the asset's cost or valuation less estimated residual value, over their estimated useful lives.

Major depreciation periods are:

- Computer equipment 3 - 6 years
- Office equipment 6 - 10 years
- Vehicles 2 - 5 years

2020	Computer Equipment \$	Office Equipment \$	Vehicles \$	Leasehold \$	Total \$
Cost					
Opening 1.1.20	131,174	98,345	51,243	9,100	289,862
Additions	18,542	11,322	-	73,095	102,959
Disposals	(73,129)	(35,681)	(13,043)	-	(121,853)
Closing 31.12.20	76,587	73,986	38,200	82,195	270,968
Depreciation					
Opening 1.1.20	89,652	73,409	32,143	4,901	200,105
Charge for the year	25,093	10,107	9,550	4,256	49,006
Disposals	(73,129)	(35,680)	(13,043)	-	(121,852)
Closing 31.12.20	41,616	47,836	28,650	9,157	127,259
Net					
Opening 1.1.20	41,522	24,936	19,100	4,199	89,757
Closing 31.12.20	34,971	26,150	9,550	73,038	143,709

KIDSCAN CHARITABLE TRUST GROUP
Notes to the Group Financial Statements
For the Year Ended 31 December 2020

2019	Computer Equipment \$	Office Equipment \$	Vehicles \$	Leasehold \$	Total \$
Cost					
Opening 1.1.19	93,753	95,913	51,243	9,100	250,009
Additions	37,421	2,432	-	0	39,853
Disposals	-	-	-	-	0
Closing 31.12.19	131,174	98,345	51,243	9,100	289,862
Depreciation					
Opening 1.1.19	72,404	60,376	22,592	3,082	158,454
Charge for the year	17,248	13,033	9,551	1,819	41,651
Disposals	-	-	0	-	0
Closing 31.12.19	89,652	73,409	32,143	4,901	200,105
Net					
Opening 1.1.19	21,349	35,537	28,651	6,018	91,555
Closing 31.12.19	41,522	24,936	19,100	4,199	89,757

8 Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Group and which have not been paid at the end of the financial year. These accounts are non interest bearing and are usually settled within 30 days.

	2020 \$	2019 \$
Trade Payable	344,364	36,407
Accrued Expenses	121,553	73,288
Total	465,917	109,695

9 Operating Leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Operating Leases Obligations under non-cancellable	2020 \$	2019 \$
Within one year	79,775	222,392
One to five years	53,193	86,812
Total	132,968	309,204

10 Employee Benefit Liabilities

Liabilities for annual leave are accrued and recognised in the Statement of Financial Position. Annual leave is based on accrued entitlements at current rates of pay.

	2020 \$	2019 \$
Holiday Pay Accrual	115,579	75,185
Total Employee Benefit Costs	115,579	75,185

11 Income in Advance

Income in Advance arises when an amount is received by the Trust with specific repayment conditions attached to the grant.

	2020 \$	2019 \$
Philanthropic Trusts and Gaming	22,589	104,382
Total	22,589	104,382

12 Related Party Transaction

Related party transactions with controlled entities

		2020 \$	2020 \$	2019 \$	2019 \$
Related Party	Description of the Transaction	Value of transactions	Amount outstanding	Value of transactions	Amount outstanding
Trustee	Commercial Services	19,100	-	18,000	-
Trustee	Corporate Sponsorship	1,300,741	-	310,820	-
Pet Refuge NZCT	On Charging Expenses	36,258	-	25,463	-

Key Management Personnel

The Group classifies its key management personnel into one of two classes:

- **Board Members** - there are 6 board members of the KidsCan Charitable Trust including the CEO. Of these, 2 are directors of The KidsCan Collective Ltd including the CEO. Board members excluding the CEO were offered a gift of appreciation at the end of the financial year. This was in recognition of their significant contribution to the Group throughout the year, these totalled \$1,400 (2019 \$900)
- **Senior Management Team (SMT) responsible for reporting to the board** - the aggregate remuneration of the SMT and the number of individuals, determined on a full time equivalent basis, receiving remuneration is as follows:

	2020 \$	2019 \$
Total remuneration	718,648	762,458
Number of person (FTE)	4.45	4.75

The amount disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

Key management personnel did not receive any remuneration or compensation other than in their capacity as key management personnel.

The Group did not provide any loan to key management personnel or their close family members. Donations have been made to the Trust by various members of the board and their families throughout the year. Contributions were also made towards fundraising. Members of the senior management team have also made donations to the Trust. These totalled \$2,131 (2019 \$2,560).

Remuneration and compensation provided to a close family member of Key Management Personnel

During the reporting period, no remuneration was provided by the Group to employees who are close family members of key management personnel (2019 Nil)

13 Total Expenses

Expenses have been allocated to a category if the cost incurred contributes to the intended outcome. A number of the costs have been split across all departments as these are required by all categories to achieve their outcome. Costs that are split include electricity, repairs and maintenance, cleaning, phones, insurance, travel and health & safety.

Programme expenses include the cost of purchasing raincoats, shoes and socks, food, and health items to support children in KidsCan partner schools and early childhood education centres.

14 Contingent Assets and Liabilities

There are no contingent assets or liabilities at 31 December 2020. (2019 Nil)

15 Capital Commitments

There were no capital commitments at 31 December 2020. (2019 Nil)

16 Subsequent Events

The building lease was renewed on 2nd March 2021 for a further period of 3 years at \$220,500 plus GST per annum.

Other than the Building Lease as stated above, the Board of Trustees and management are not aware of any matters or circumstances subsequent to balance date, not otherwise dealt with in these financial statements that have significantly or may significantly affect the operations of KidsCan Charitable Trust.



“Dear KidsCan – I’m one of the kids that you’ve provided with shoes. I’m truly grateful for the many things you’ve done for me, my friends, and other schools around New Zealand. For all the things that other families and my own have struggled with, you’ve made it easier and have taken a lot of stress off our shoulders. I want to thank you truly from the bottom of my heart for all those years of dedication and effort.”

Year 8 student



Independent Auditor's Report

To the Trustees of KidsCan Charitable Trust Group

RSM Hayes Audit

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Newmarket, Auckland 1149
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Newmarket, Auckland 1023

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Opinion

We have audited the consolidated financial statements of KidsCan Charitable Trust Group and its subsidiary, which comprise:

- the statement of group financial position as at 31 December 2020;
- the statement of group comprehensive revenue and expenses for the year then ended;
- statement of group changes in net assets;
- group statement of cash flows for the year then ended; and
- the notes to the group financial statements, which include significant accounting policies.

In our opinion, the accompanying consolidated financial statements on pages 21 to 33 present fairly, in all material respects, the financial position of the group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of KidsCan Charitable Trust Group in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other than in our capacity as auditor we have no relationship with, or interests in, the KidsCan Charitable Trust Group or its subsidiary.

Other information

The trustees are responsible for the other information. The other information comprises the report pages from 1 to 20 (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

THE POWER OF BEING UNDERSTOOD
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RSM Hayes Audit is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of trustees for the consolidated financial statements

The trustees are responsible, on behalf of KidsCan Charitable Trust Group, for the preparation and fair presentation of the consolidated financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, and for such internal control as the trustees determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the trustees are responsible, on behalf of KidsCan Charitable Trust Group, for assessing KidsCan Charitable Trust Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless those charged with governance either intend to liquidate the entity and group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these consolidated financial statements. A further description of the auditor's responsibilities for the audit of the consolidated financial statements is located at the XRB's website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-7/>

Who we report to

This report is made solely to the trustees, as a body. Our audit has been undertaken so that we might state to the trustees 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 charity and the trustees as a body, for our work, for this report, or for the opinions we have formed.

A stylized, handwritten-style signature of 'RSM' in blue ink.

RSM Hayes Audit
Auckland

24 June 2021

