

2017 ANNUAL REPORT



Since 2005:





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Learn more about the work we do and how we're helping Kiwi kids in need.

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Our Mission:

We strive to be the conduit for

***individuals, community,
businesses and government***

to co-operate in providing

***food, clothing and basic
health care in schools***

enabling disadvantaged

***New Zealand
children to reach
their potential***

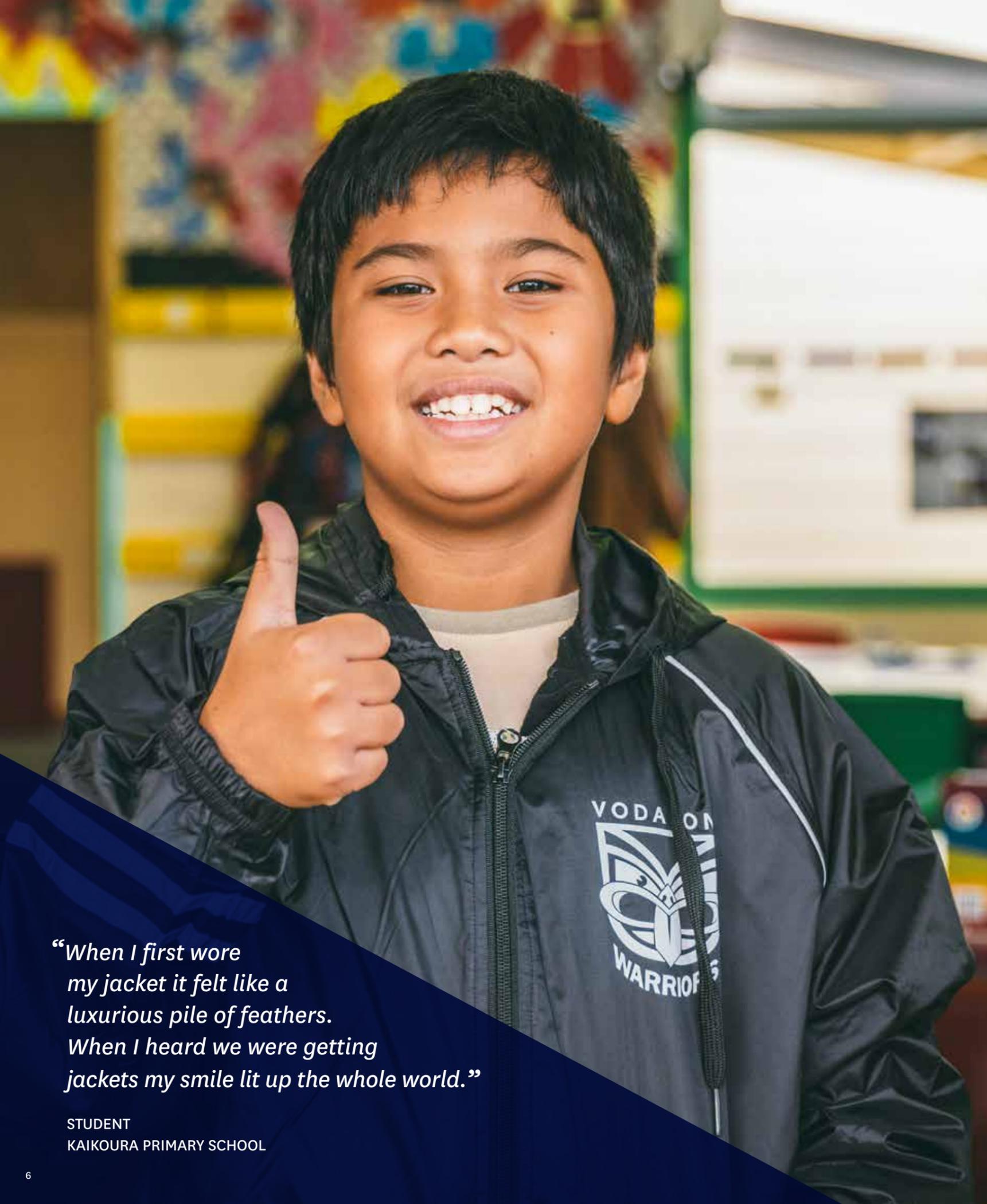
Our Vision:

Our distinctive ability to

***fund, source and distribute
food, clothing and meet
basic health care needs***

will improve educational opportunities for

Kiwi kids in need



“When I first wore my jacket it felt like a luxurious pile of feathers. When I heard we were getting jackets my smile lit up the whole world.”

STUDENT
KAIKOURA PRIMARY SCHOOL



Message from our Chairman

Having a positive impact and a lasting measurable difference on the lives of Kiwi kids living in hardship by getting them into the classroom in a position to learn is the philosophy at the core of everything KidsCan does. I'm proud to say it's working.

One hundred more schools have been supported in 2017 with 168,000 New Zealand children now with access to KidsCan food, clothing and health programmes. We're providing such simple things so many of us took for granted growing up - food for lunch, raincoats, shoes and socks, and basic health items - but we know from what our partner schools tell us that those simple things are making a considerable difference.

One principal summed it up well when describing to the media how KidsCan is helping 'empower confident learners' at his school. Here's what he said, "I've seen first-hand the positive impact it had, from increased self-esteem to improved attendance and positive interactions".

It is a result reflected in the most recent KidsCan survey of partner schools which revealed 90 percent of teachers said they had noticed an improvement in behaviour and concentration in the classroom since joining KidsCan. That is key to making a measurable difference, because we believe education equals opportunity.

Last year we witnessed a worrying increase in the need for food assistance, with the number of children relying on KidsCan food at school climbing to 30,000 a week. Plus, the percentage of decile 1-4 primary, intermediate, and high schools supported by KidsCan jumped from 58 percent to 65 percent. Including 83 percent of all decile 1 schools (up from 75 percent) and 82 percent of all decile 2 schools (up from 72 percent).

As the need for our support continues to grow, the KidsCan team has been focusing on implementing our new five-year strategic plan and evaluating our processes and programmes with the help of industry leaders. This ensures that we are operating in the most cost effective and sustainable way so we can continue to grow and meet the material needs of more New Zealand children going without the basics every child deserves.

Critical to our growth has been the generosity of our in-kind partners, coupled with the continued support of our suppliers, individual supporters, partners, and particularly, Meridian Energy as our Principal Partner, and Trillian Trust as a key funder.

As well as thanking my fellow Board members most sincerely for their ongoing support, I want to openly express my gratitude to John Kensington who resigned from the Board mid-2017. Thank you, John, for your invaluable input. To Glenda Hughes and Nigel Hampton QC thank you for your continued pro-bono contribution to the KidsCan Board this past year. It's also been a pleasure to welcome Mark Dunwoodie to the Board, I'm looking forward to working together going forward.

KidsCan wouldn't be the trusted charity it is without Founder Julie Chapman leading the team and maximising every opportunity to be the voice of Kiwi kids living in material hardship. On behalf of the Board, I would like to say we greatly respect Julie for her unrelenting determination and dedication. We also commend the tireless efforts of the management team, our full and part-time staff, and the many volunteers and donors for their dedication and genuine commitment to helping us achieve our mission and vision.

We look forward to even more successful outcomes in 2018 and beyond as we keep focused on ensuring no child in New Zealand goes without.

Regards,

BILL BIRNIE CNZM
CHAIRMAN KIDSCAN CHARITABLE TRUST



From our Founder and CEO

KidsCan turned 12 this past year and I'm proud of the way we're continuing to grow, develop and achieve new milestones. We now support 700 schools nationwide giving thousands of children in material hardship the basics so they can live with dignity, make the most of their education and realise their dreams. We help children to create a brighter future, not only for themselves but also for the future of New Zealand.

2017 was a year about focusing on the future. Investing in people to look beyond our current programmes and bringing the ideas in our newly created five-year strategic plan to life. We centered ourselves around continuing to do what we do well, but also take stock of what we could improve upon to ensure KidsCan can be here for as long as we're needed.

I'm excited by the way we are continuing to evaluate how we deliver our programmes and support to our KidsCan partner schools. I started KidsCan driven by a passionate belief that education equals opportunity.

We have been able to grow our support for children thanks to our community of caring Kiwis, who generously give monthly to help us on our mission, alongside some incredible corporate and sponsorship partners. This year we added 100 schools to our KidsCan family bringing the number of schools supported to 700 by Christmas and I am proud of this achievement.

This is the tangible difference we made together in 2017.

Food items – 4.4 million items
Raincoats – 47,000
Shoes – 27,000 pairs
Socks – 55,000 pairs
Health and feminine hygiene products – 158,000.

All items went directly to our schools and were given out in the most appropriately targeted way. It means the children in need get help directly as they need it. The reality is that the number of children who need support will grow next year due to the ever-increasing numbers of New Zealanders who are unable to make their salary or wages stretch far enough to cover living costs and skyrocketing rents.

In 2017, 135,000 New Zealand children were living in households without seven or more items which are considered necessary for their wellbeing. That's 12 percent of children right here in New Zealand, in our own backyard. Living in poverty and the shame that goes with that can have an immense impact on a child's learning.

We make no apology for putting the children of New Zealand first and for being the loudest voice we can be for them. The rewarding news for us is, the latest KidsCan survey of partner schools revealed 90 percent of teachers said they had noticed an improvement in behaviour and concentration in the classroom since joining KidsCan.

It's important to acknowledge having such a positive influence on the lives of Kiwi kids in need is the result of team work. To the KidsCan Board; Bill Birnie, Glenda Hughes, Nigel Hampton QC and Mark Dunwoodie, thank you for your contribution. Also, a heartfelt thanks to our Principal Partner Meridian Energy and The Trillian Trust; to our many in-kind partners, and to our community collaborators – the hundreds of volunteers, fundraisers and of course the thousands of In Our Own Backyard™ monthly donors. Thanks for being part of the solution.

Lastly, thanks to the wonderful KidsCan crew who go above and beyond every day because of their dedication to helping Kiwi kids. We ended the year satisfyingly exhausted, knowing our support, in the many forms it takes, is creating change, because we're investing in Kiwi kids at a grassroots level, giving them a hand up so they are more able to achieve their dreams as they grow into adulthood.

I look forward to continuing our work in 2018 and seeing many more smiles on the faces of the children we support.

It's a special journey to be part of, thanks for being on it with us.

JULIE CHAPMAN
CEO & FOUNDER KIDSCAN CHARITABLE TRUST

“Items such as kids shoes, hair treatment for headlice and raincoats have been a huge assistance to our families. Our school and community whole heartedly thank KidsCan for this input and could not deliver the social services approach without this support.”

PETE MITCHENER
PRINCIPAL, STOKE SCHOOL



700 schools

Poverty is real in New Zealand

Child poverty is real for many Kiwi kids. There are children in need – right here in New Zealand.



“Raising a family is tough on a strict budget. The struggle is real that’s why the free KidsCan jacket means so much to us. These jackets mean our tamariki are warm and dry. They can get to and from school without getting cold and wet and hopefully stay well too”

PARENT
ST JOSEPHS, OTAHUHU

How we help

KidsCan is committed to providing practical support to Kiwi kids in need.

Our programmes are successful because we do a lot of listening through continuous conversations with each school to best evaluate and serve their needs. We deal directly with the schools, who are then able to target the support directly to the children in need. Also, we collaborate with health, nutrition and child welfare experts to plan and implement the most beneficial programmes.

It's known as 'Best Practice'.
We call it 'Doing it right!'



Food programme

KidsCan provides food to students in hardship to increase school attendance and focus on their learning during the school day. The long term desired outcome is that these children will perform better at school which will contribute to improving educational outcomes.

Why? Many New Zealand children in low decile schools experience regular food insecurity and attend school without having had breakfast and/or without sufficient food for their day at school.



Clothing programme

KidsCan provides clothing to children whose families experience material hardship to increase attendance rates, participation and concentration in the classroom, and to help decrease illness by keeping children warm and dry.

Why? Many New Zealand children in low decile schools are unable to participate in school activities because they do not have appropriate footwear. Attendance in school is negatively impacted in wet weather, or children arrive at school cold and wet which impacts on their ability to learn.



Health programme

KidsCan provides basic health and hygiene items to improve health, leading to improved educational and social outcomes for children in material hardship.

Why? Children in poverty go without basic health and hygiene products which can lead to the development of common but preventable health and hygiene issues negatively impacting attendance, participation and their experience while at school.



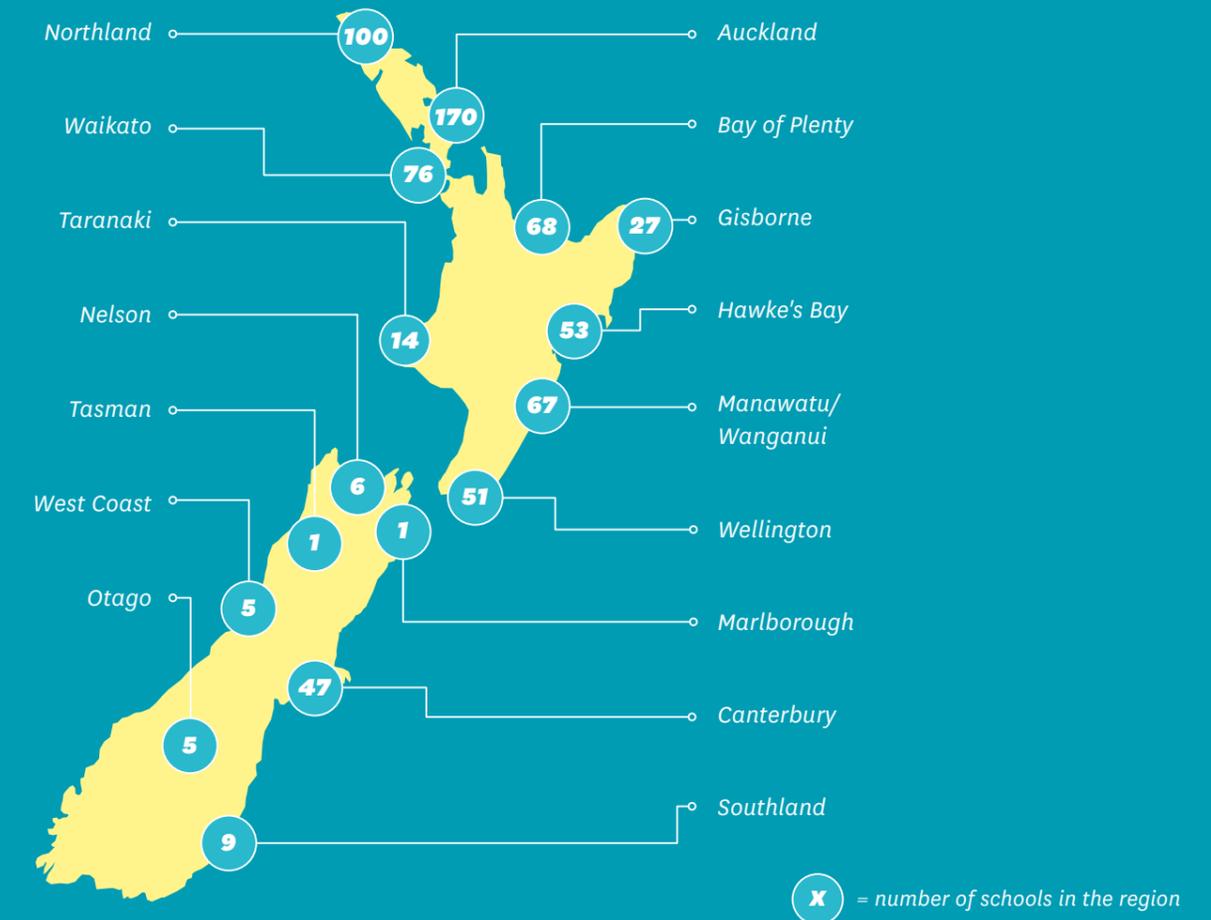
Other basic material items

KidsCan provides other basic material items which have been identified as needs of children who suffer from severe material hardship. These items could include beds, bedding and school bags and stationery.

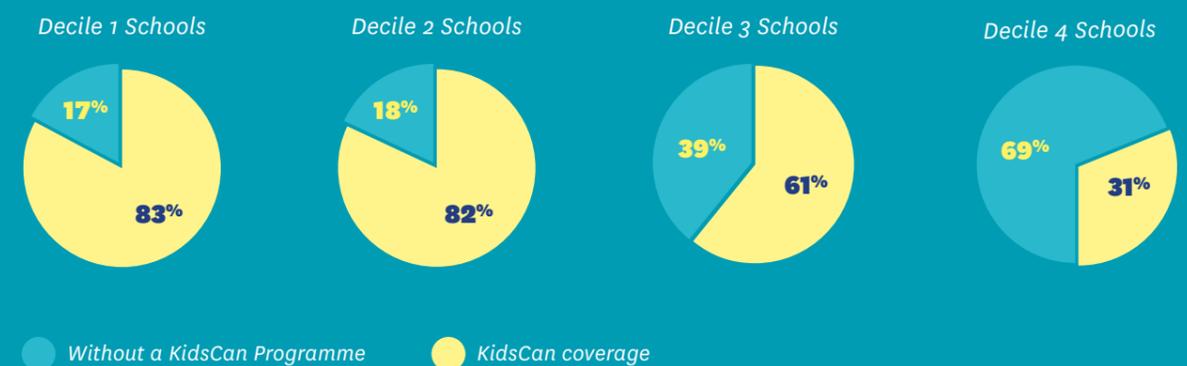
Why? Children that suffer from material hardship are more likely than persons in the general New Zealand population to live in crowded households, with many children sleeping in beds or without a bed, resulting in poor quality sleep impacting a child's ability to learn. These households often do not have enough income to pay for basic needs which may include school items for that child.

Our investment in NZ Communities

KidsCan is changing the lives of Kiwi kids across the country. We're supporting a school near you!



Percentage of schools that receive KidsCan programmes per decile within New Zealand in 2017



The tangible difference we made in 2017

Thanks to your support 2017 was an amazing year!



Over **4 million** food items given to the kids in 2017



27,510 Pairs of shoes provided for children



47,866 Waterproof fleece lined raincoats given to help keep the kids dry and warm



158,143 Health items provided to help prevent illness



55,020 Pairs of socks provided for children to keep their feet warm



1,493 The average number of children that were checked for headlice each week

KidsCan is committed to continual improvement both of processes and of the products the children receive. These include:

- Refining the raincoats to include a full length zip
- Using a nutritionist to review the food programme
- Strengthening shoes to allow for more durability
- Ensuring high quality sanitary items are distributed
- Providing guidelines to KidsCan schools around KidsCan's products and their usage
- Engaging with schools regularly to ensure their needs are met wherever possible



76% of our expenditure in 2017 went into our programmes for children

In Our Own Backyard™

Helping Kiwi kids reach their full potential and create brighter futures for themselves with In Our Own Backyard™ monthly donor programme.

There are thousands of individuals across New Zealand who believe that every Kiwi kid deserves the basics and an equal start in life, so that every child in need can experience the opportunities education brings and break free from the cycle of poverty. Those caring Kiwis are creating the change they want to see in their communities by regularly giving \$15 per month and we owe them a very special thank you.

Regular monthly donations truly matter because as well as helping connect a child with our food, clothing and health programmes and removing the barriers keeping them from participating in class, it also assures schools that they can count on KidsCan help for as long as their students need it.

In 2017, we were humbled to welcome 2,642 more Kiwis to our KidsCan family of monthly donors. Their generous commitment helped enable 100 new schools to move from the wait list and become KidsCan partner schools. By term four we were feeding 30,000 children per week, most of whom needed KidsCan food daily.

Our schools tell us that help has changed, not only the students' lives but their teachers' lives also. All schools have reported evidence of improved self-esteem, increased attendance, an improved focus on learning in class and more positive interactions with classmates and their teachers. After all, 'it's hard to show potential when you are distracted by your needs'.

It's all about offering a hand up, without passing judgement, because it's not the child's fault, and they only get one shot at an education.

It was that proposition at the centre of the main KidsCan monthly-donor appeal for 2017 - 'Kids Can. Can you?' which encouraged New Zealanders to reflect on the sense of camaraderie they had as youngsters at school. That time before we learnt to judge and if another child needed help you'd jump right in.

The call to mobilise support was only made possible by some talented Kiwi businesses, all who generously gave their time and resources to make the appeal a reality. Thank you for your generosity and paying it forward - True (Advertising), Mediaworks, TVNZ, Yahoo, Bauer, QMS, Sparks Interactive, MBM NZ Media and Digital Agency, Liquid Studios and Digital White Space.

The result - a milestone 700 schools had access to our KidsCan programmes by Christmas. Increasing the number of children with access to the basics provided by KidsCan from 135,000 in 2016, to 168,000 by the end of 2017.

It was an extraordinary way to round out the year, but our mission is not over yet. There are still thousands of children from other schools waiting for help to transform their lives. Couple that with ever increasing rents and rising living costs, 2018 looks to be just as crucial for inspiring new monthly donors and growing our caring community base so together we can be the voice for Kiwi kids and create long-term change.



Your monthly donation at work

Transparency and accountability is paramount so we want to show you exactly where your monthly donation goes.

Every \$15 goes towards helping us provide a child with food at school, a raincoat, shoes, socks, health and hygiene items – including tissues, plasters, nit treatment and sanitary products. In addition, because we are focused on maximising every monthly donation dollar given to us, your investment is not only helping one child in need today, it is also being spent on helping us reach them in the most cost-effective way while making sure we continue to operate sustainably ensuring we can help even more children as new schools ask for help.

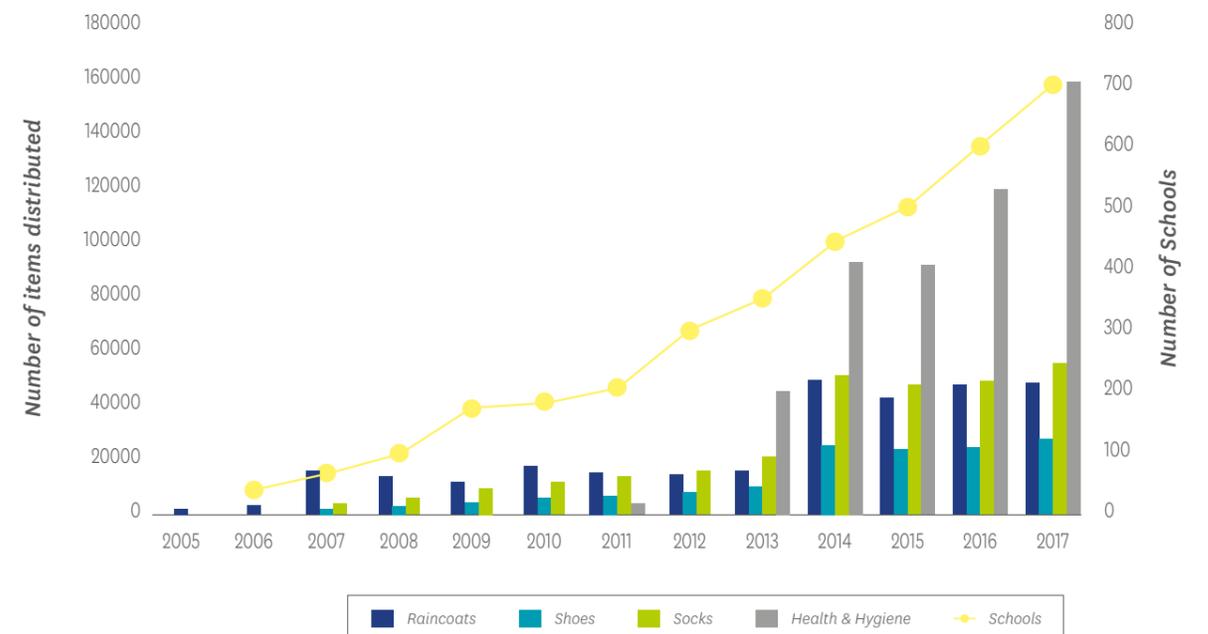
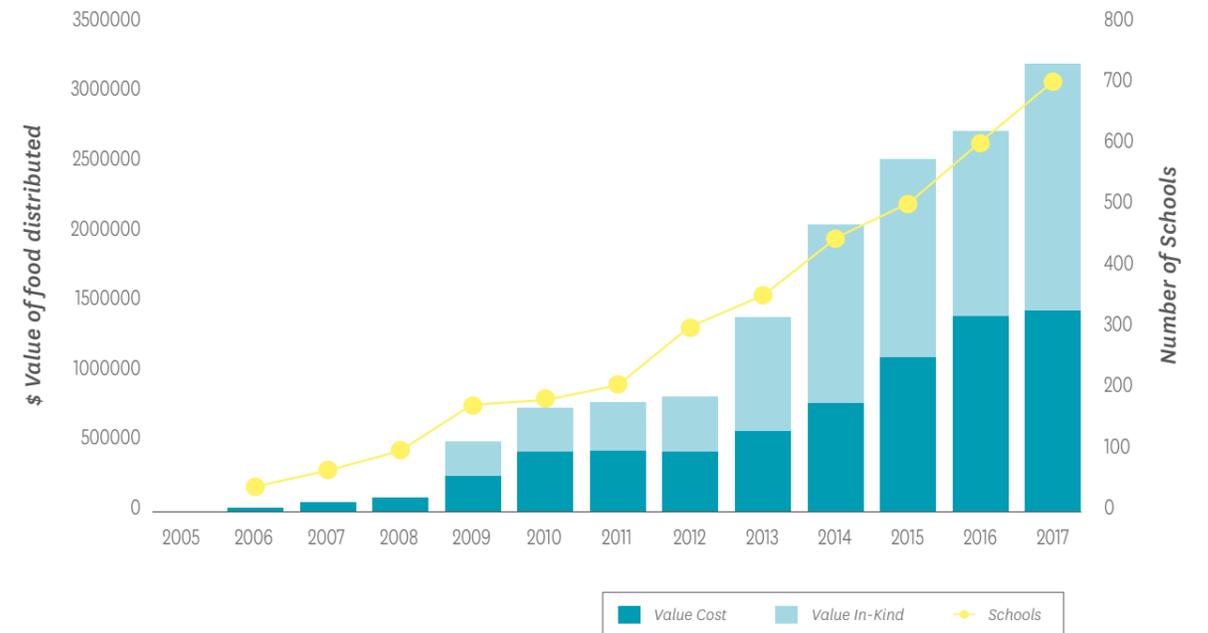
What happens to your money when you donate \$15 per month



In 2017 \$2,721,807 was spent on operational costs (including in-kind) which in turn raised \$11,300,593 of revenue (including in-kind),

more than four times the return on investment

Long-term sustainable programmes don't happen by chance or overnight. They are the product of a group of dedicated people working together to ensure long lasting value and life changing impacts on Kiwi kids' lives.



Community Collaboration

We distribute product from our warehouse in Albany, Auckland all across New Zealand.

A lot of work goes on behind the scenes to get our food, clothing, health and other items out to schools. We rely on volunteers to ensure the pallets are packed and ready for the trucks to deliver the items to schools in need. Our food distribution days run for five days at the start of each school term.



“Trucks have been dropping off supplies for the past few weeks, and soon with the **help of volunteers one million food items will go out to schools** over the next two weeks. It’s full on that’s for sure.”

AROHA - KIDSCAN WAREHOUSE AND DISTRIBUTION SUPERVISOR



“There is a lot of work involved, and we can see it first-hand just the amount of food that is going out of here. **It is really important, and I just love being able to help in some small way.**”

RAMELA - BACK FOR HER 6TH PACKING SESSION



“It is very satisfying because you know it is going to end up with the children who are from lower social economic backgrounds, and who may be hungry to just help them during the day at school. **It is pretty special to be part of.**”

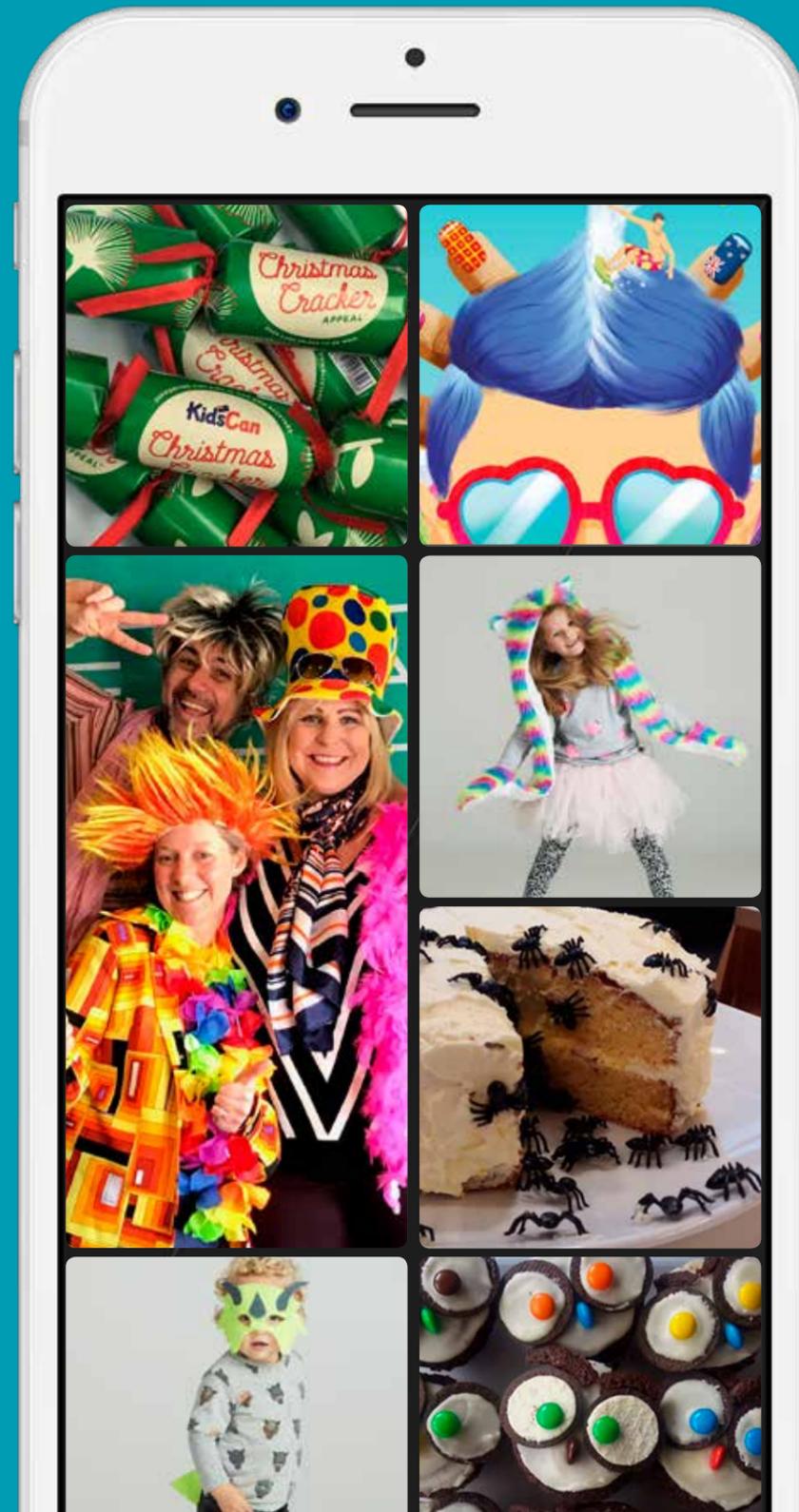
RANJI - FIRST TIME VOLUNTEER



143 \$799,109

fundraising events and campaigns

raised in 2017 through community fundraising events and campaigns



Social media

Every share, every image, every message of support on social media cannot be underestimated.

It is people power at its best, being a voice for Kiwi kids in need.

Connect with us @KidsCanNZ



Sponsor a child

You too can be the difference in a Kiwi kid's life.

Please join our community of caring Kiwis and help us help children right here in New Zealand.

Donate now

“I am really grateful for what you give us like shoes and jackets and more, if you didn't give us food and we had no lunch we would get hungry and not learn.”

STUDENT
TE MAHIA SCHOOL

Major Partners



meridian

Meridian Energy

Meridian Energy has been KidsCan's Principal Partner since 2013, with a partnership based on a genuine passion for helping New Zealand children living in hardship.

In its fourth year, the partnership has continued to grow from strength to strength. Meridian's support has had a significant impact on KidsCan partner schools, both by directly supporting its programmes and working to raise awareness around the issue of child hardship in New Zealand. This important partnership has enabled KidsCan to achieve more for Kiwi kids living in hardship and is crucial to the practical support received by schools and children nationwide.



Trillian Trust

Trillian Trust is proud to continue its support of KidsCan in 2017. Trillian Trust has provided valuable support to KidsCan since 2007 which has enabled KidsCan and its programmes to grow.

Trillian Trust is a Charitable Trust formed to provide support to New Zealand based charitable and not-for-profit organisations through grants for specific purposes that benefit the community. Trillian has invested more than \$115 million back into our communities since its inception.

Many organisations benefited from a Trillian Trust grant in 2017. KidsCan looks forward to continuing this long association.



Ministry of Social Development

KidsCan is grateful to the Ministry of Social Development for their support since 2008.

Their funds contribute towards providing access to food, raincoats, footwear, basic healthcare and hygiene items for children in hardship. The aim is to improve participation at school, learning ability, health and well-being and to enable children to participate at an equal level to their peers.



Oranga Tamariki

KidsCan is thankful for the support from Oranga Tamariki for their support of the KidsCan Nit Busters programme. Their support funded a headlice treatment programme at 110 schools across New Zealand. Oranga Tamariki has also provided funding for sanitary items which enables young girls who would otherwise stay home at this time to come to school and learn.

In-Kind Programme Partners

Sincere thanks to KidsCan's In-Kind Programme Partners for a significant contribution of goods and services in 2017. Without this support, KidsCan would not be able to achieve the scale and reach of its tangible programmes.

In 2017 our Major In-Kind Programme Partners were Tip Top Bakery who deliver loaves of fresh bread, EasiYo who provide yoghurt makers and sachets, Tasti who provide discounted snacks, Harvey Norman who provided 100 beds and Botanica who provided discounted nit treatment.



In-Kind Media Partners

Huge thanks to KidsCan's In-Kind Media Partners who gifted valuable services to support advertising and marketing activities in 2017. This support achieves significant business results that enable KidsCan to continue its practical support in schools.

In 2017, our Major In-Kind Media Partners were QMS Media who provide billboard and bus advertising space, Bauer Media who provide online advertising space, True who provide creative advertising services and MBM who provide valuable media services and support.



Partner Acknowledgements

Sponsors & Supporters

ASB
 Bauer Media
 Bell Gully
 Blair Edwards
 BoConcept NZ
 Botanica
 BYO-ONE
 Carter Holt Harvey
 Cash Converters
 Chiwi Properties
 Cloudy Bay Clams
 Conferenz
 Digital PR
 Digital White Space
 Dolphin Pacific
 EasiYo
 Eurofins
 Frog Recruitment
 Fullers
 Fuso
 George Weston Foods
 Gold Real Estate Group
 Google Inc
 Greyhound Racing
 GSK
 Hallertau
 Harvey Norman
 Heinz Watties
 Hughes Development
 In Our Own Backyard™ Supporters

Industrial Athletic
 Insight Online
 iSentia
 Joan Mayes Charitable Trust
 Johnson & Johnson (Medical) LTD
 KCT Board
 Kennards Hire
 KPMG
 Lumino The Dentist
 MBM
 McConnell Dowell
 MediaWorks New Zealand
 Meridian Energy - Principal Partner
 Ministry of Social Development
 Multimap
 Nikki Hart
 Now Courier
 Omnigraphics
 Oranga Tamariki
 Planet Fun
 Pork Pie Charity Run
 PQ Blackwell Limited
 Progressive Enterprises
 QBE Insurance
 QMS Media
 Quest
 RDT Pacific
 Retko
 RSM Hayes Audit
 Sanitarium

SC Johnson
 Silver Concrete Pumps
 Skoolbo
 Slingshot
 Smith & Caughey's
 Smiths Auctions (South Island Wine and Food Festival)
 Snell Packaging
 Soft Solutions Ltd
 Sparks Interactive
 Tasti Products
 The Coffee Club
 The Great New Zealand Baking Book
 The Opportunities Party
 The Property Group
 Thievery Studios
 Toyworld
 Transpower
 Tristram Clayton
 Trust Management
 USL Medical
 Vodafone Warriors
 Vortex Spas
 Whitcoulls
 Xigo
 Yahoo! New Zealand
 Z Energy
 True

Trusts and Foundations

American Express Philanthropy
 Auckland City Council - Maungakiekie-Tamaki
 Auckland City Council - Otara-Papatoetoe
 Community Organisation Grants Scheme
 Community Trust of Southland
 Dimock Charitable Trust
 Dragon Community Trust
 Eastern & Central Community Trust
 Flight Centre Foundation
 Four Winds Foundation
 General Mills
 Greenlea Foundation
 Jack Jeffs Charitable Trust
 L K Cooney Family Trust
 Lion Foundation
 Lottery National Community Grant
 Maurice Paykel Charitable Trust
 Northland Community Foundation
 Pelorus Trust
 Perpetual Guardian Payroll Giving
 SkyCity Hamilton Community Trust
 The Deans Family Trust
 The Sunrise Foundation
 The Trusts Million Dollar Mission
 Trillian Trust
 Trust House Charitable Trust
 Trust Waikato
 USANA True Health Foundation



Board Profiles



Bill Birnie, CNZM
Chairman of the Board

Bill has over 30 years of investment banking experience and holds a Bachelor of Laws. He is Chairman of Far North Holdings, a Director of the New Zealand Racing Board and a Member of the New Zealand Screen Production Grants Verification Panel. Bill has held a number of Government appointments including Deputy Chairman of Sport New Zealand, Chairman of Sport New Zealand's Audit, Finance and Risk Committee and Deputy Chairman of High Performance Sport New Zealand. Bill is a former Deputy Chairman of the New Zealand Film Commission and past Chairman and Director of ENZA.

He has held the positions of Director of the NZ Warriors Rugby League Franchise, the Screen Council of New Zealand, Commissioner of the Hillary Commission, Trustee of the James Wallace Arts Trust and Director of Equestrian Sports New Zealand from which he received an Honorary Life Membership. Bill was also a Founding Trustee of the Wellington Stadium Trust and was Deputy Chairman of the then Government owned Post Office Bank, prior to its sale to the ANZ Banking Group. 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

Julie is the dedicated Founder and CEO behind KidsCan. Her passion, tenacity and dedication has transformed the charity from a project she founded in her garage in 2005 into a respected New Zealand charity renowned for alleviating child poverty across the country by tackling the issue of Kiwi kids going without the basics. Julie and the KidsCan team work tirelessly to not only create a brighter future for the 168,000 KidsCan kids who attend 700 KidsCan partner schools, but they're also devoted to being a voice for all Kiwi kids in need. They are driven by a belief that education equals opportunity and every Kiwi kids deserves to realise their dreams.

Julie is responsible for the direction and coordination of all the trust's day-to-day activities plus programme development, key partnerships, government and public relations for the trust. Her ability to lead, to inspire and unite business, communities and government, along with her compassion has seen Julie recognised as a Blake Leader by the Sir Peter Blake Trust in 2008 and named Next Magazine's 2013 Woman of the Year. Julie was also named as a finalist for the Kiwibank New Zealander of the Year in 2015.



Glenda Hughes

A former New Zealand representative sportswoman and Police Officer, Glenda has held several directorships on New Zealand's sporting and not for profit organisations. She remains involved in sport in her role as an advisor to many of New Zealand's top athletes in the areas of media relations and other management support programmes. Glenda spent 18 years in the New Zealand Police, in a variety of roles, and has a Bachelor of Arts with a double major in criminology and sociology and papers in dispute resolution and mediation.

Glenda is currently running her own facilitation and communications business as well as sitting on the New Zealand Parole Board and Chairing the New Zealand Racing Board.



Nigel Hampton, CNZM, OBE, QC

Nigel graduated LLB in 1964 from Canterbury University and was awarded the Gold Medal for top graduate of the year. He was admitted to the bar in 1965. In 1989 he was appointed Queen's Counsel 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, SANZAAR and World Rugby.

Nigel was awarded the OBE (1988) and CM (1990). Nigel received a Companion of the New Zealand Order of Merit for his services to Law in the 2018 Queen's Birthday Honours.



Mark Dunwoodie

Mark is a Partner at Belmont Partners, a specialist professional services firm that advises clients on family business and trusts. He holds a Bachelor of Commerce and is a Chartered Accountant with over 20 years financial and professional services experience.

Mark has delivered in senior executive positions both in NZ and the UK. Mark is a member of the Institute of Chartered Accountants of Australia & New Zealand and the Institute of Directors.



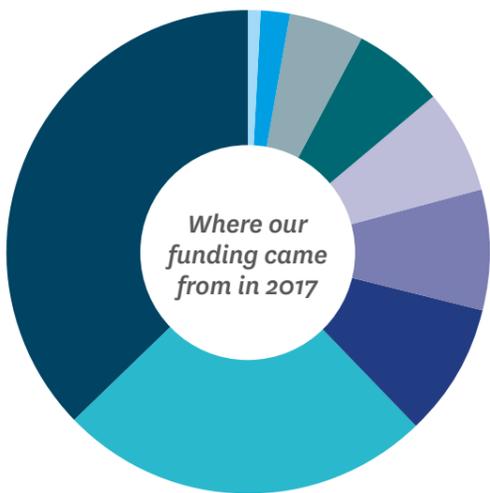
Behind the Numbers

In 2017 KidsCan was proud to have the required level of sustainability to continue supporting 600 existing schools, accept a further 100 schools into the KidsCan programme and support the Nit Buster Programme in 110 schools.

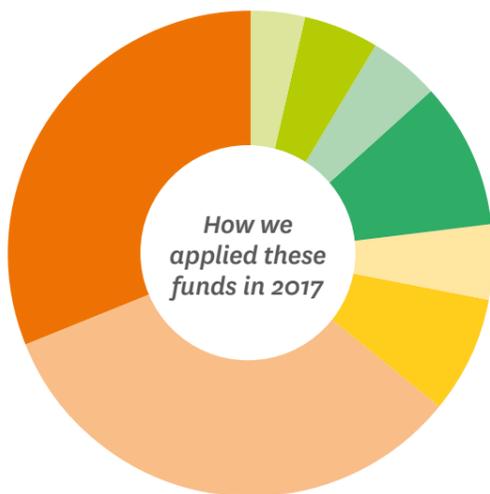
In 2017 total revenue was \$11m with a slightly higher level of expenditure, resulting in a deficit of \$94k. This deficit had been anticipated and reserves were drawn on to help support the charity without any impact on the delivery of core programmes.

KidsCan has made back to back surpluses for several years allowing funds to be set aside in reserves. KidsCan aims to hold a minimum of six months in reserve which equates to a minimum of \$4m with the projected level of spending in 2018. This is in line with good practice and ensures the longevity of support for those who are most in need. Schools rely on KidsCan's support and it would not be acceptable to have the charity's support 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. The aim of the charity is not to build up unnecessary reserves, but to reinvest any surplus back into programmes the following year and continue to reach more children.

KidsCan takes pride in being transparent, so please see below where the 2017 funds came from and how they were spent.



- 1% Interest & Other Income
- 2% Legacies & Bequests
- 5% Sponsorship
- 6% General Donations
- 7% Fundraising
- 8% Philanthropic Trusts & Gaming
- 9% Government
- 25% Donations In Our Own Backyard
- 37% Donations In-Kind



- 24% Operational Costs Comprise:**
- 4% Operating Expenses incl. Lease Interest
 - 5% Donations In-Kind used for Administration
 - 5% Fundraising/Marketing
 - 10% Administration Salaries
- 76% Programme Costs Comprise:**
- 5% General Programme Salaries
 - 8% Nit Busters Programme Salaries
 - 31% Programme Costs
 - 32% Donations In-Kind Used Programmes

“As a family we are fortunate enough to be in a position to help another Kiwi hoping this helps some child to be all that they can be”

RACHAEL
IN OUR OWN BACKYARD™
SUPPORTER



Financial Statements

KidsCan Charitable Trust Group

Statement of Group Comprehensive Revenue and Expenses
For the Year Ended 31 December 2017

	Notes	Actual This Year 31.12.17 \$	Actual Last Year 31.12.16 \$
REVENUE FROM NON-EXCHANGE TRANSACTIONS:			
General Donations	2(d)	715,558	589,854
Donations In Our Own Backyard™ Campaign	2(d)	2,835,537	2,326,038
Donations In-Kind	2(d)	4,203,938	3,884,218
Legacies & Bequests	2(d)	148,178	75,299
Philanthropic Trusts and Gaming	2(d)	896,492	778,906
Income from Government Contracts	2(d)	976,832	1,562,171
KidsCan Fundraising Campaigns	2(d)	194,470	246,888
KidsCan Community Fundraisers	2(d)	604,639	448,264
Sponsorship Income	2(d)	602,024	589,766
Other Income		7,837	14,964
REVENUE FROM EXCHANGE TRANSACTIONS:			
Finance Income - Interest	2(d)	115,088	117,633
Total Revenue		11,300,593	10,634,001
LESS EXPENSES:			
Finance Salaries		515,530	438,857
Marketing Salaries		635,643	554,157
General Programme Salaries		638,636	684,695
Nit Buster Programme Salaries		898,340	764,949
Lease Interest		2,286	3,811
Marketing Costs		559,526	260,155
Programmes Costs		3,517,578	3,267,774
Donations In-Kind used	2(d)	4,146,056	3,770,875
Other Operating Expenses		480,752	454,956
TOTAL EXPENSES	14	11,394,347	10,200,229
Operating Surplus/(Deficit)		(93,754)	433,772
Net Surplus/(Deficit) for the year		(93,754)	433,772
Other Non Comprehensive Income		-	-
Total Comprehensive Revenue and Expense for the year		(93,754)	433,772

The accompanying notes form part of these financial statements

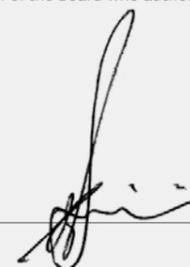


KidsCan Charitable Trust Group

Statement of Group Financial Position
As at 31 December 2017

	Notes	31.12.17 \$	31.12.16 \$
CURRENT ASSETS			
Cash	3	1,192,179	1,392,440
Short Term Investments	4	2,629,556	2,722,527
Trade and Other Receivables	5	345,172	258,502
Prepayments		653,038	244,084
Inventory	6	816,163	592,814
Total Current Assets		5,636,108	5,210,367
NON CURRENT ASSETS			
Investments	4	-	504,600
Plant and Equipment	7	71,878	98,787
Total Non Current Assets		71,878	603,387
Total Assets		5,707,986	5,813,754
CURRENT LIABILITIES			
Trade and Other Payables	8	110,634	79,729
Finance Leases	9	11,667	10,971
Employee Benefits Obligation	11	64,761	51,630
Income in Advance	12	53,572	110,318
Total Current Liabilities		240,634	252,648
Net Assets		5,467,352	5,561,106
EQUITY			
Trust Capital & Reserves		5,467,352	5,561,106
Total Equity		5,467,352	5,561,106

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

Chairman 

Date 08 / 06 / 2018

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 2017

Notes	Retained Earnings 2017 \$	Total Equity 2017 \$	Retained Earnings 2016 \$	Total Equity 2016 \$
EQUITY AT 1 JANUARY	5,561,106	5,561,106	4,551,786	4,551,786
Transition to PBE Accounting Standards				
Reclassification of income in advance	-	-	575,548	575,548
ADJUSTED EQUITY AT 1 JANUARY	5,561,106	5,561,106	5,127,334	5,127,334
Net Surplus/(Deficit) for the year	(93,754)	(93,754)	433,772	433,772
Other Comprehensive Income	-	-	-	-
Equity at 31 December	5,467,352	5,467,352	5,561,106	5,561,106

KidsCan Charitable Trust Group

Group Statement of Cash Flows

For the Year Ended 31 December 2017

	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash was provided from:		
Receipts from non-exchange revenue	6,841,520	6,740,675
	6,841,520	6,740,675
Cash was disbursed to:		
Payments to staff	(1,863,188)	(2,412,873)
Payments to suppliers and activities	(5,860,194)	(3,810,199)
	(7,723,382)	(6,223,072)
Net Cash Flows from Operating Activities	(881,862)	517,603
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash was provided from:		
Interest received	115,087	112,032
Investments in short term deposits	597,571	-
Sale of Fixed Asset	1,606	-
	714,264	112,032
Cash was applied to:		
Investments in short term deposits	-	(816,961)
Purchase of plant and equipment	(33,359)	(44,836)
	(33,359)	(861,797)
Net Cash used in Investing Activities	680,905	(749,765)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash was applied to:		
Payment to finance lease liabilities	696	(9,038)
Net Cash used in Financing Activities	696	(9,038)
Net Increase / (Decrease) in cash held	(200,261)	(241,200)
Add cash at the beginning of the financial year	1,392,440	1,633,640
Cash at the end of the financial year	1,192,179	1,392,440
REPRESENTED BY		
Cash at Bank	1,192,179	1,392,440

KidsCan Charitable Trust Group

Notes to the Group Financial Statements

For the Year Ended 31 December 2017

1. OVERVIEW

a) Reporting Entity

The reporting entity is the KidsCan Charitable Trust (the "Trust"). The financial statements comprising of KidsCan Charitable Trust and its controlled entity Invitation Only Events Ltd, together the "Group" are presented for the year ended 31 December 2017. KidsCan Charitable Trust controls Invitation Only Events on the basis that the Trust can 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.

The Trust works to provide food, clothing and basic healthcare in schools to enable all New Zealand children to reach their potential.

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 Invitation Only Events Limited (a wholly owned company) (CC21930).

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 19 April 2018.

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.

KidsCan Charitable Trust Group

Notes to the Group Financial Statements

For the Year Ended 31 December 2017

2. ACCOUNTING POLICIES (CONTINUED)

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. Invitation Only Events Limited is controlled by the Trust due to all the directors of the company being trustees of the Trust. Invitation Only Events Limited is non-operating.

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.

Donations In Our Own Backyard™ Campaign

Through the "In Our Own Backyard" campaign, donations (usually monthly) are made by companies and individuals to help disadvantaged New Zealand children get a better 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.

Philanthropic Trusts and Gaming

Income from trusts and gaming includes grants given by other charitable organisations, philanthropic organisations and businesses. 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.

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, the Great NZ Santa Run and Crazy Day. Revenue was recognised for (2016, Mufti Day) upon receipt of the funds. Revenue for the Christmas Cracker Appeal is recognised when the crackers are sold to the customer and revenue from the Great NZ Santa Run is recognised when entry fees are received.

KidsCan Community Fundraisers

Income from community fundraisers is recognised upon receipt.

Sponsorship Income

Revenue from sponsorship 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.

KidsCan Charitable Trust Group

Notes to the Group Financial Statements

For the Year Ended 31 December 2017

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.

"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 assesses 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 determines the classification of 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 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.

	2017 \$	2016 \$
CASH AND CASH EQUIVALENTS INCLUDE THE FOLLOWING COMPONENTS:		
Committed for programmes	723,601	1,069,741
General	468,578	322,699
Total	1,192,179	1,392,440

By 31 March 2018, KidsCan have spent \$1,141,820 (31 March 2017 \$1,300,492) of the \$3,353,157 (2016 \$4,296,868) cash and short term investments committed for programmes including short term investments on items including food, raincoats, shoes and health. KidsCan has budgeted to spend the balance on programmes by the end of the financial year.

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.

	2017 \$	2016 \$
Maturing with 12 months of balance date committed for programmes	2,629,556	2,722,527
Maturing over 12 months of balance date committed for programmes	-	504,600

5. TRADE AND OTHER RECEIVABLES

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

	2017 \$	2016 \$
NON-EXCHANGE TRANSACTIONS:		
Accounts receivable	218,698	196,753
Other receivables	111,312	51,593
EXCHANGE TRANSACTIONS:		
Interest accrual	15,162	10,156
Total	345,172	258,502

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 \$2,906,851.

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 Financial Performance.

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

2017	Computer Equipment \$	Office Equipment \$	Vehicles \$	Leasehold \$	Total \$
COST					
Opening 1.1.17	78,854	117,881	51,254	-	247,989
Additions	7,776	16,484	-	9,100	33,360
Disposals	(12,249)	(39,199)	(12,686)	-	(64,134)
Closing 31.12.17	74,381	95,166	38,568	9,100	217,215
DEPRECIATION					
Opening 1.1.17	62,352	62,285	24,565	-	149,202
Charge for the year	13,391	15,534	18,059	1,262	48,246
Disposals	(11,256)	(31,554)	(9,301)	-	(52,111)
Closing 31.12.17	64,487	46,265	33,323	1,262	145,337
NET					
Opening 1.1.17	16,502	55,596	26,689	-	98,787
Closing 31.12.17	9,894	48,901	5,245	7,838	71,878

2016	Computer Equipment \$	Office Equipment \$	Vehicles \$	Total \$
COST				
Opening 1.1.16	74,969	102,660	25,524	203,153
Additions	3,885	15,221	25,730	44,836
Closing 31.12.16	78,854	117,881	51,254	247,989
DEPRECIATION				
Opening 1.1.16	47,704	48,941	6,214	102,859
Charge for the year	14,648	13,344	18,351	46,343
Closing 31.12.16	62,352	62,285	24,565	149,202
NET				
Opening 1.1.16	27,265	53,719	19,310	100,294
Closing 31.12.16	16,502	55,596	26,689	98,787

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.

	2017 \$	2016 \$
Trade Payables	45,502	51,461
Accrued Expenses	65,132	28,268
Total	110,634	79,729

9. FINANCE LEASES

Leases of vehicles that transfer to the Trust substantially all of the risks and rewards of ownership are classified as a finance lease. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset. Finance leased assets are amortised on a straight line basis over the estimated useful life of the asset or the lease term, whichever is shorter.

	2017 \$	2016 \$
FINANCE LEASE LIABILITIES		
Within one year	11,667	10,971
One to five years	-	-
Total	11,667	10,971

10. 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.

	2017 \$	2016 \$
OPERATING LEASES – OBLIGATIONS UNDER NON-CANCELLABLE		
Within one year	204,462	184,270
One to five years	449,983	56,023
Total	654,445	240,293

11. 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.

	2017 \$	2016 \$
Holiday Pay Accrual	64,761	51,630
Total Employee Benefit Costs	64,761	51,630

12. INCOME IN ADVANCE

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

	2017 \$	2016 \$
Philanthropic Trusts and Gaming	53,572	110,318
Total	53,572	110,318

13. RELATED PARTY TRANSACTIONS

Related party transactions with controlled entities

The parent has a related party relationship with Invitation Only Events Limited (IOE). KidsCan Charitable Trust, as a Parent, consolidates the company because it is the sole beneficiary of its activities. IOE has not traded throughout the year. Four trustees are also directors of IOE.

Related Party	Description of the Transaction	2017 \$	2017 \$	2016 \$	2016 \$
		Value of transactions	Amount outstanding	Value of transactions	Amount outstanding
Trustees Firm	Professional Services	-	-	-	-
Trustee	Commercial Services	16,150	2,250	18,320	4,200

13. RELATED PARTY TRANSACTIONS (CONTINUED)

Key Management Personnel

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

Board Members - there are 5 board members of the KidsCan Charitable Trust including the CEO. Of these, 3 are directors of Invitation Only Events Ltd including the CEO. Board members excluding the CEO were given 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 \$1,200 (2016 \$2,200).

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:

	2017 \$	2016 \$
Total remuneration	633,442	675,489
Number of person (FTE)	4.6	4.6

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 \$3,820 (2016 \$720).

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, on an arm's length basis (2016 \$15,622).

14. 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.

15. UNPAID CAPITAL

Invitation Only Events Limited was incorporated on June 2007 as a 100% owned subsidiary of KidsCan Charitable Trust. Invitation Only Events Limited has capital of 100 shares of \$1 each, which at 31 December 2017 were uncalled and unpaid. In the event of a call on this unpaid capital, KidsCan Charitable Trust has a commitment of \$100.

16. CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities at 31 December 2017. (2016 Nil)

17. CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2017. (2016 Nil)

18. SUBSEQUENT EVENTS

Subsequent to balance date the Board have decided to remove Invitation Only Events Limited from the New Zealand Companies Register. Invitation Only Events Limited has not traded for several years and has been incurring compliance costs. The Board of Trustees and management are not aware of any other 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.

Independent Auditor's Report



To the Trustees of KidsCan Charitable Trust Group

OPINION

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

- the consolidated statement of financial position as at 31 December 2017;
- the consolidated statement of comprehensive revenue and expenses for the year then ended;
- consolidated statement of changes in net assets;
- consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies.

In our opinion, the accompanying consolidated financial statements on pages 28 to 37 present fairly, in all material respects, the financial position of the group as at 31 December 2017, 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 3 to 27 (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.

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://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page7.aspx

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.

RSM

Date 12 / 06 / 2018

RSM Hayes Audit
Auckland





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