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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**

to enable 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 disadvantaged
New Zealand children**



“I am very grateful for all that you have done by supplying us and other places with food, fruit, shoes, socks and rain jackets. We are all very thankful for what you have done for us.”

STUDENT
MOERewa SCHOOL



From the Chairman

After a decade of steady growth, 2016 has brought a most pleasing marked increase in both the number of schools now supported by KidsCan and the many generous supporters regularly contributing to fund our programmes.

In the past year, we have extended our food, clothing and health programmes to an additional 100 low decile schools, bringing the total number of primary, intermediate and high schools supported around New Zealand to 600.

KidsCan programmes are now provided in 58% of all decile 1-4 primary, intermediate and high schools in New Zealand, including 77% of all decile 1 schools and 71% of all decile 2 schools.

Much of this growth has been made possible through the support of caring Kiwis who have chosen to support one or more children, by joining the KidsCan In Our Own Backyard™ supporters programme.

In 2016, another 1,981 individuals or organisations joined those already supporting our regular giving programme. So there are now 9,207 individuals/organisations supporting New Zealand children being assisted by KidsCan to overcome the adversities in their lives.

But the need for our support also continues to grow, so the KidsCan team is working hard on a strategic plan for the next five years, which will include a number of key new initiatives to enable us to meet the material needs of more New Zealand children going without the basics every child deserves.

KidsCan's growth has been mainly due to the continuing committed support of our suppliers, individual supporters, partners, and particularly the Ministry of Social Development, Meridian Energy and Trillian Trust as key funders.

As well as thanking them all most sincerely for their ongoing support, I also record my gratitude for the continuing voluntary contributions of fellow board members, Glenda Hughes, John Kensington and Nigel Hampton QC. I also want to thank Julie Chapman, Founder and CEO, for her leadership in 2016 and commend the enthusiastic efforts of the management team and our full and part-time staff.

Regards,

BILL BIRNIE
CHAIRMAN KIDSCAN CHARITABLE TRUST



From the CEO

When I started KidsCan eleven years ago I wanted to create an organisation which levelled the playing field for children less fortunate than others. I passionately believe that education equals opportunity. Providing children in hardship with the basics they need to get to and through the school gates, in a position to learn ensures they will have better educational outcomes and brighter futures.

New Zealand can and should be a country that values all its children no matter what socio-economic background they come from. It is in all our interests to make sure children have the opportunity to succeed and achieve their goals and dreams. Our work meeting the material needs of children in hardship underpins our vision of a brighter future for New Zealand.

2016 saw another year of significant growth for KidsCan, with 100 new schools accepted into our food, clothing and health programmes. It also saw the development of a five-year strategic plan which will ultimately enable us to support many more disadvantaged children throughout New Zealand in a sustainable way for as long as we are needed.

Our practical programmes continue to focus on supporting children's attendance and engagement at school. We know the effects of disadvantage means children in hardship are less likely to achieve the educational outcomes required to build a better future for themselves. Therefore, we remain dedicated to providing the basics that thousands of children are missing out on.

On this note, I am pleased to share with you our programme distribution numbers for 2016.

- Food items - 3,162,433
- Raincoats - 47,217
- Shoes - 24,498
- Socks - 48,996
- Health products - 112,210

Our team worked hard to engage our stakeholders and we were delighted to see stronger levels of support from businesses, trusts, foundations and

from our major donors. The result of this was an end of year financial result that will enable further investment in our programmes in 2017.

We would not have been able to achieve this result without the support of our valued in-kind partners, business sponsors, trusts, individual donors and community groups. I would like to make special mention of our Principal Partner Meridian Energy, the Trillian Trust, Ministry of Social Development, Tasti, QMS, George Weston Foods, along with the thousands of In Our Own Backyard™ regular contributors, we thank you for your commitment to the wellbeing of less fortunate Kiwi kids.

In closing I would like to acknowledge and thank the KidsCan board, Bill Birnie, Glenda Hughes, Nigel Hampton QC and John Kensington, along with our KidsCan team members. You put the children we support first, and at the centre of everything you do. Your commitment to improving their lives meant that we could help a greater number of children in 2016 than ever before.

Regards,

JULIE CHAPMAN
CEO & FOUNDER KIDSCAN CHARITABLE TRUST

“Thank you for your support and I appreciate all that your company provides us with. If we didn't have these resources we wouldn't be able to learn properly so again a tremendous THANK YOU!”

STUDENT
OTAHUHU INTERMEDIATE



“We now have the means to feed and clothe some of our tamariki. Where in the past they would stay home if they had no kai, they are now becoming less whakama (shy, embarrassed) about sharing their lack of lunch and snacks.”

LOUIS MCGREGOR
2016 ACTING PRINCIPAL
OTOROHANGA PRIMARY SCHOOL

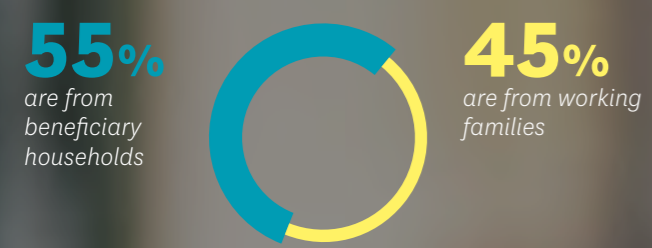
Child Hardship in New Zealand

295,000 

Kiwi kids live in hardship

These are children in families whose income is less than 60% of New Zealand's median household income

ON AVERAGE: CHILDREN IN HARDSHIP BY HOUSEHOLD INCOME



ON AVERAGE: CHILDREN IN HARDSHIP BY FAMILY TYPE



In **1982** child hardship was **14%** In **2016** child hardship was **28%**

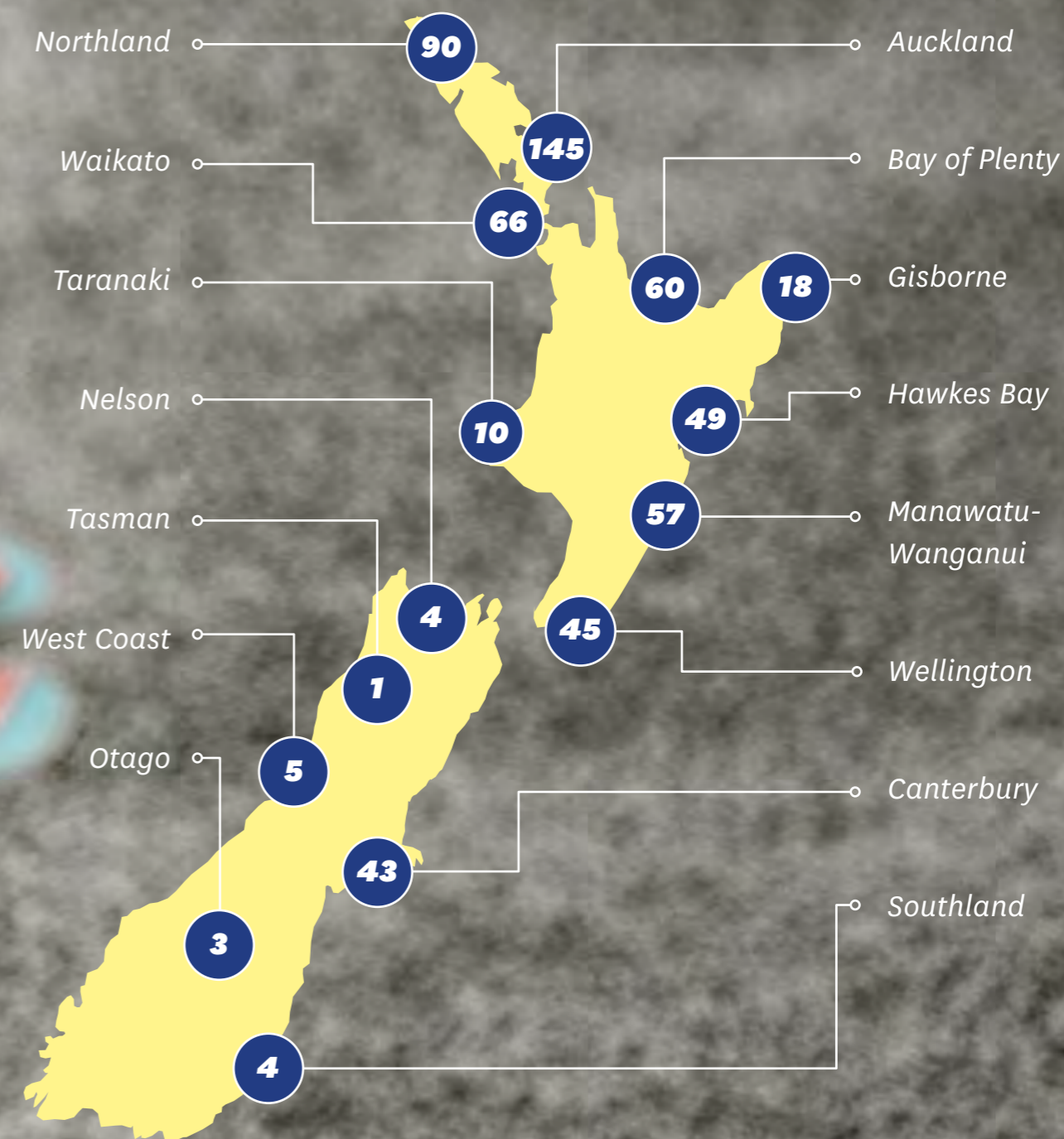
ON AVERAGE: CHILDREN IN HARDSHIP BY ETHNICITY



“Without our KidsCan food we would not have anywhere near the variety and quality of food we can offer our students to help them get through the day which is important as we know that there are certain students who just have instant noodles for dinner so at least they will get one nutritious meal in their day.”

PHIL ROBERTSHAW
GUIDANCE COUNSELLOR
WILLIAM COLENZO COLLEGE

Where KidsCan Programmes Operate



X = number of schools in the region

“The shoes keep my feet warm and are waterproof so when I stand on a puddle or it's raining, my feet won't get wet. The socks, well don't get me started on those, the socks are so much like fluff and cushions wrapped around my feet, one million times!”

STUDENT
RATA STREET SCHOOL

2016 Key KidsCan Outputs



24,498

Pairs of shoes provided for children to improve participation



48,996

Pairs of socks provided for children to keep feet warm



94,980

Hot meals provided to children during winter



112,210

Basic health and hygiene products to help prevent illness



47,217

Waterproof fleece-lined raincoats provided for children to keep them warm and dry



3,162,433

Food items provided to children who experience regular food insecurity



76%

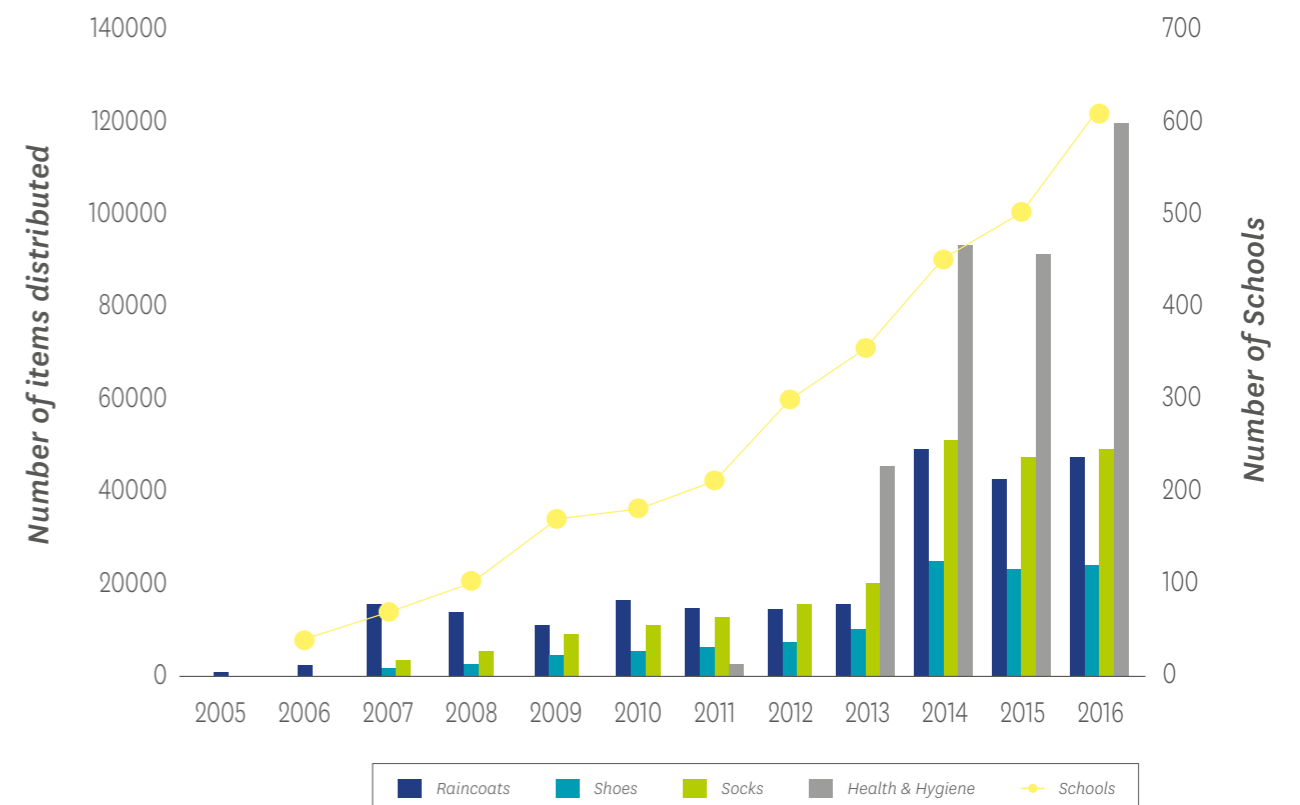
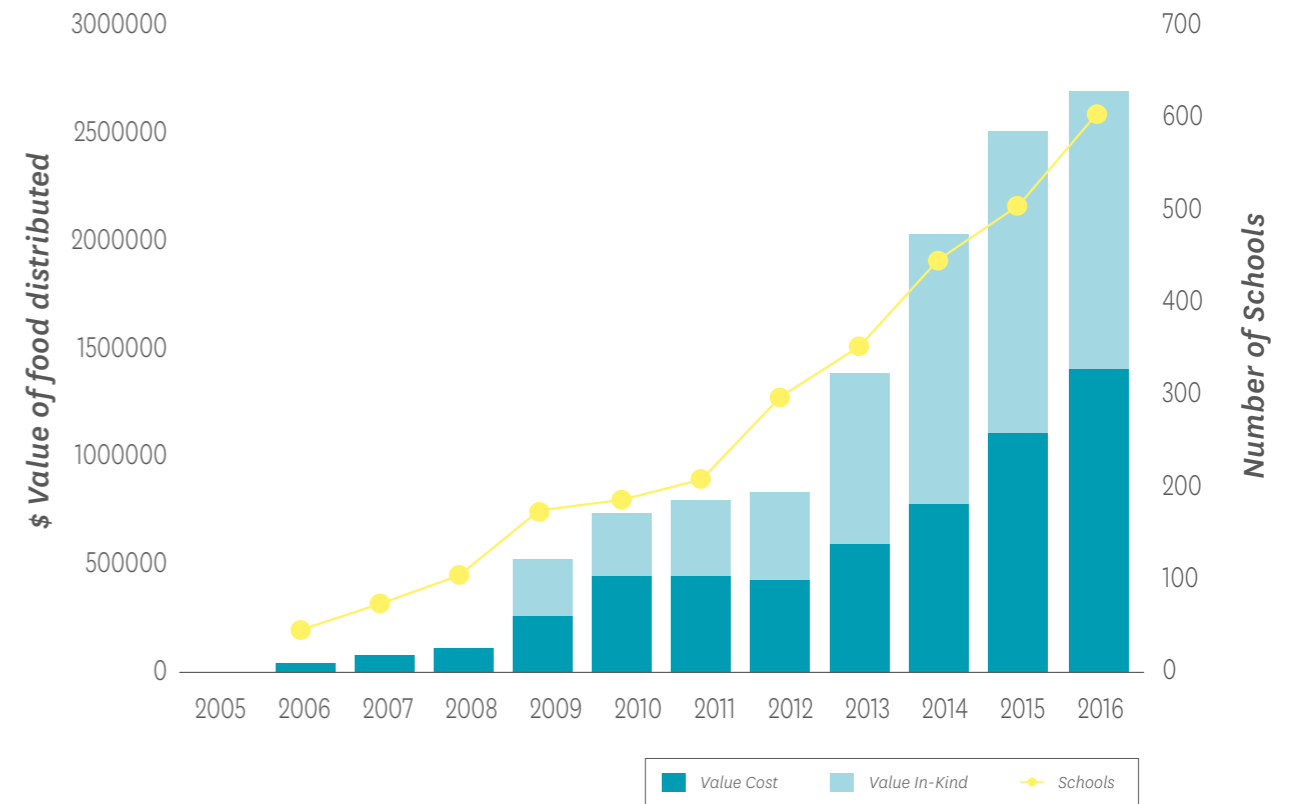
of our expenditure in 2016 went into our programmes for children



24,000

children have access to the Nit Buster programme and more than 1,200 children a week were checked by KidsCan Health Champions

Increase in output over time



What we do:

Practical Support for Kiwi Kids

KidsCan creates long term practical and sustainable programmes to remove some of the barriers children face at school and ensure more than 135,000 Kiwi kids, across 600 schools, have the opportunity to achieve higher educational outcomes and break the cycle of hardship.

The three core areas of support are: clothing, food and health.

Clothing

Raincoats, shoes and socks help to keep children warm and protected. Providing fleece lined, waterproof, Vodafone Warriors branded raincoats to every child in a school helps with self-esteem and develops a sense of belonging while ensuring all children are kept warm and dry. Shoes and socks allow children to get to school safely and participate in sports and school trips with their peers. More than 47,000 raincoats, 24,000 pairs of shoes and 48,000 pairs of socks were given to children in schools across the country throughout 2016.

Food

A range of food items were provided at school for over 21,000 children every week in 2016, with an average of 21% of students in each school requiring KidsCan food. Schools can give children who are going without breakfast or food for the day yoghurt, fresh bread, spreads, baked beans, fruit pottles, snack bars and scroggin. This has a remarkable effect on improving attendance, learning ability and concentration levels in class. In 2016, more than 3.1 million items of food were distributed, including over 94,000 hot meals in the colder months. 12 orchards were also planted in schools, providing a sustainable source of fruit and valuable learning opportunities for children.

Health

In 2016 KidsCan continued to provide basic health products such as tissues, hand sanitiser and sticking plasters. School staff alerted KidsCan to increased demand for feminine hygiene products, with 8,300 packets distributed to help with this need. A new initiative also began, providing health kits which contained all the products required to start a day at school including toothbrushes, toothpaste, soap, combs and deodorant, starting with 1,000 students in Hawkes Bay.

The Nit Buster programme delivered 42,700 head lice checks to children in 111 schools in Northland, South Auckland, Waikato, Taumarunui, Rotorua, Opotiki, Hawkes Bay, Wellington and Christchurch. By the end of 2016 the Nit Buster team grew to 43 Champions who visited schools to check and treat children for head lice. Schools reported a significant reduction in head lice with some Champions reporting a reduction in more than half of the children suffering from head lice.

“KidsCan provides more than product to our children and whanau. It provides support, education in life-skills, and with our Health Champion, someone who has the time and facility to provide special TLC that some of our students desperately need.”

GAYLENE BOBSIEN
DEPUTY PRINCIPAL
HAMILTON EAST SCHOOL



Board Profiles



Bill Birnie
Chairman of the Board

Bill has over 30 years of investment banking experience and holds a Bachelor of Laws. He is a Director of Far North Holdings 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.



Julie Chapman

Julie is the CEO and Founder of the KidsCan Charitable Trust. Julie started the charity from her home garage in 2005 after becoming aware that thousands of Kiwi kids were missing out on the basics she took for granted as a child.

Julie leads a dedicated KidsCan team and is responsible for the day to day management and strategic direction of the organisation in line with its objective of ensuring the basic needs of children living in hardship are met, so they can get to school in a position to learn.

Julie’s dedication and compassion has seen her 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.



John Kensington

John is an Audit Partner at KPMG, heading up the Banking and Finance line of business and its financial services audit practice. John joined KPMG Auckland in January 1986 and has 32 years’ audit experience across a wide range of clients including banking, finance companies, funds management, insurance, television, vehicle importers and retailers.

John is also deputy chair of the New Zealand Audit and Assurance Standards Board, a board member of the XRB and a member of CAANZ and the Institute of Directors.



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 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).



In Our Own Backyard™ Supporters Programme

Thousands of caring Kiwis have chosen to support children living in hardship In Our Own Backyard™. Less than 50c a day, or \$15 a month, provides a child with the basics they need to get to school ready to learn. In 2016, KidsCan had 1,981 new donors join this monthly giving programme.

More than 135,000 Kiwi kids across the country now have access to food, raincoats, shoes, socks and basic health and hygiene products at school. By providing children with these basics our supporters help to reduce the stigma, food insecurity and health issues and improve the general wellbeing of New Zealand children living in hardship.

Reducing the stress of hardship at school allows children to focus in the classroom, participate at school, and feel equal to their peers, providing them with improved educational opportunities and preventing lifelong patterns of underachievement.

The ongoing income from the In Our Own Backyard™ programme allows KidsCan to sustainably support 600 low decile schools and take schools off its waiting list on a regular basis. In 2016, KidsCan started supporting 100 new schools and aims to maintain similar growth in 2017.

“After seeing KidsCan on Campbell Live I looked it up and liked what I saw: help with breakfasts and raincoats and all the basics being covered for those who didn’t have them. I also liked how affordable it was to help. I can help two kids in my own backyard for \$30 a month.”

SOPHIE MATTHEWS
IN OUR OWN BACKYARD™ SUPPORTER



“Outside of the home, schools provide the greatest opportunity to positively influence children’s lives. We really like the way KidsCan partner with schools to support children.”

EDDIE ROSSER
IN OUR OWN BACKYARD™ SUPPORTER



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. Meridian Energy believes in ‘Powering today, protecting tomorrow’ which is demonstrated through their sustainable support of our future generations.

In its third year, the partnership continued to grow from strength to strength. Meridian’s support 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 disadvantaged Kiwi kids and is crucial to the practical support received by schools and children nationwide.



Trillian Trust

Trillian Trust is a proud supporter of KidsCan. Since 2007, Trillian Trust has provided valuable support which has enabled KidsCan and its programmes to grow. Trillian Trust is a Charitable Gaming 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 \$105 million back into our communities since its inception.

Many organisations benefited from a Trillian Trust grant in 2016. KidsCan looks forward to continuing this long association.



Ministry of Social Development

KidsCan is grateful for the ongoing support received from the Ministry of Social Development (MSD) since 2008. The MSD funds contribute to KidsCan’s clothing, health and Nit Buster programmes.

In 2014 the MSD granted KidsCan funding to begin the Nit Buster programme and this funding continued into 2015 and 2016. In 2016 the programme treated and educated more than 1,200 children every week in 111 schools. The Ministry of Social Development’s relationship with KidsCan is a great example of Government working with a not-for-profit organisation to provide practical support for families struggling to get on top of health and social issues.

In-Kind Programme Partners

Sincere thanks to KidsCan’s In-Kind Programme Partners for a significant contribution of goods and services in 2016. Without this support, KidsCan would not be able to achieve the scale and reach of its tangible programmes.

In 2016 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 and hot meals, and Retko who provide delivery services to schools.



In-Kind Media Partners

Huge thanks to KidsCan’s In-Kind Media Partners who gifted valuable services to support advertising and marketing activities in 2016. This support achieves significant business results that enable KidsCan to continue its practical support in schools.

In 2016, our Major In-Kind Media Partners were QMS Media and Omnigraphics who together provide billboard and bus advertising space and printing, Bauer Media who provide online and print advertising space, and True who provide creative advertising services. Thanks also to MediaWorks who provided television air time and More FM who promoted The Great KidsCan Santa Run event.



Partner Acknowledgements

The KidsCan Charitable Trust would like to thank the following sponsors, supporters, trusts and grant organisations for their valued support in 2016.

Sponsors & Supporters

Abano Health Care	Interior Images Pty	RSM Hayes Audit
AOP Marketing	iSentia	Ryan Publications Ltd
Arnotts/Campbells	Jay and Sarah	Sanitarium
ASB	Johnson & Johnson (Medical) LTD	SC Johnson
Ashley & Co	Karl Urban	Skoolbo
Auckland International Airport Limited	KCT Board	Slingshot
Bauer Media	Kennards Hire	Smith & Caughey's
Bell Gully	KPMG	Smiths Auctions (South Island Wine and Food Festival)
Blair Edwards	Lactic Turkey	Snell Packaging
Botanica	Lumino The Dentist	Soft Solutions Ltd
BYO-ONE	McConnell Dowell	Sustainable Solutions
Cash Converters	MediaWorks New Zealand	Tasti Products
Cloudy Bay Clams	Meridian Energy - Principal Partner	The Athlete's Foot
Conferenz	Ministry of Social Development	The Better Drink Co. Ltd
Digital PR	More FM	The Coffee Club
EasiYo	Multimail	The Great New Zealand Baking Book
FFC Ride 4 KidsCan	Nikki Hart	Thievery Studios
Fullers	Now Courier	Toll
George Weston Foods	Omaze	Toyworld
Google Inc	Omnigraphics	TradeMe
GSK	Planet Fun	True
Hallertau	PQ Blackwell Limited	Trust Management
Harvey Norman	Pork Pie Charity Run	TV3/4
Health Pak	Progressive Enterprises	Uber BV
Heinz Watties	QBE Insurance	Vodafone Warriors
Highstar International	QMS Media	Vortex Spas
Hobsonville Point Secondary School	Queensgate Shopping Centre	Whitcoulls
Hughes Development	RDT Pacific	Yahoo! New Zealand
Image Centre Group	Retko	Z Energy
In Our Own Backyard™ Supporters	Revlon	
Insight Online	Robert Walters	

Trusts and Foundations

Acorn Foundation
 American Express Philanthropy
 Community Organisation Grants Scheme
 Dimock Charitable Trust
 Dove Charitable Trust
 Dragon Community Trust
 Flight Centre Foundation
 Four Winds Foundation
 General Mills
 Geysir Community Foundation
 Greenlea Foundation
 Hawkes Bay Foundation
 Jack Jeffs Charitable Trust
 L K Cooney Family Trust
 Lion Foundation
 Lottery National Community Grant
 Maurice Paykel Charitable Trust
 Nelson City Council
 Pelorus Trust
 Rangiora Earthquake Express
 Rotorua Energy Charitable Trust
 SkyCity Hamilton Community Trust
 The Deans Family Trust
 Trillian Trust
 Trust House Charitable Trust
 Trust Waikato
 USANA True Health Foundation
 Whanganui Community Foundation



Management, Discussion and Analysis

For the year ended 31 December 2016

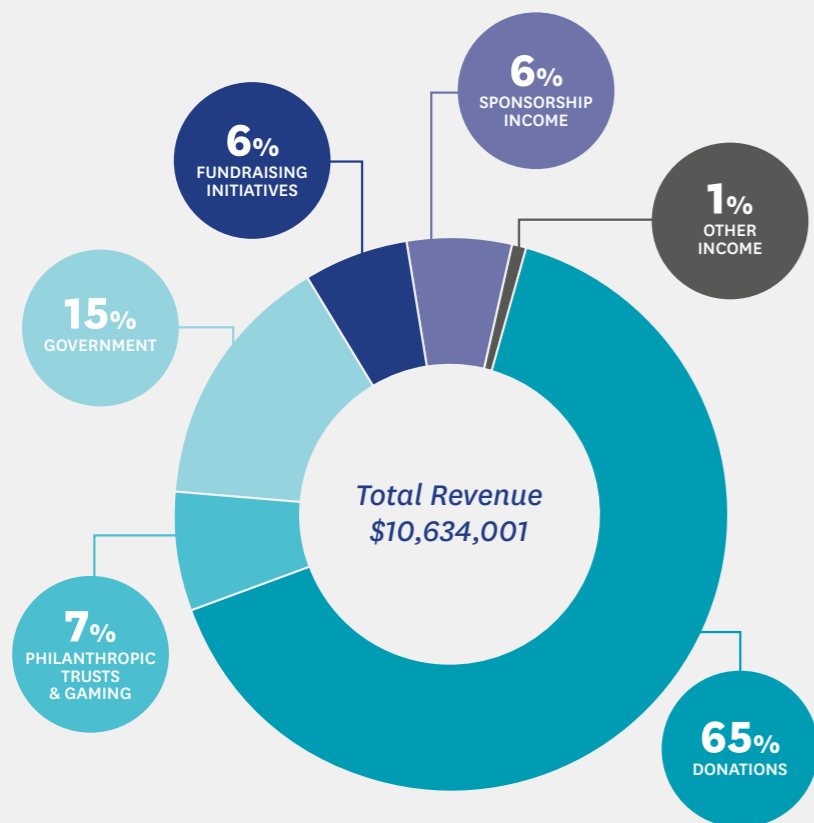
The Management Team of KidsCan Charitable Trust would like to provide some valuable insight into the financial position and the activities of the Trust.

The strong financial support for KidsCan in 2016 has been the key driver to enable the charity to extend its reach to a record number of children, from 105,000 in 2015 to 135,000 in 2016. In doing so, KidsCan is making a long term commitment to continue to meet these children's needs. This can only be achieved through the generosity of our highly valued supporters. Often these supporters are those who see their partnership as a long term one, understanding that when a school is taken off the waiting list the support will continue as long as the need exists. Historically, very few schools actually chose to opt out of the KidsCan programme once accepted. The need may shift between the children attending a particular school but sadly the overall need for support continues to grow.

Diversified funding streams help to ensure a more reliable flow of income and KidsCan enjoys acknowledging a wide range of supporters and continuing to partner with them in a meaningful way. The Government (Ministry of Social Development) contribution relates to the support of the KidsCan general programmes and the Nit Buster programme. In 2016, the general programme operated in 600 schools. The Nit Buster programme which employed over 40 dedicated staff members operated in 111 schools, providing over 42,000 checks and treatments to children, to assist in the eradication of nits.

Our In Our Own Backyard™ supporters have contributed 22% of the revenue for the charity. The thousands of very loyal In Our Own Backyard™ supporters are the backbone of the charity and in some cases have donated since its inception.

Below is a graph demonstrating the large and diversified support that KidsCan has received in 2016.



DONATIONS 65% COMPRISE:

- General Donations \$589,854
- Donations In Our Own Backyard™ \$2,326,038
- Legacies and Bequests \$75,299
- Donations In-Kind \$3,884,218

PHILANTHROPIC TRUSTS AND GAMING 7%

\$778,906

GOVERNMENT 15%

\$1,562,171

FUNDRAISING INITIATIVES 6% COMPRISE:

- KidsCan Fundraising Campaigns \$246,888
- KidsCan Community Fundraisers \$448,264

SPONSORSHIP INCOME 6%

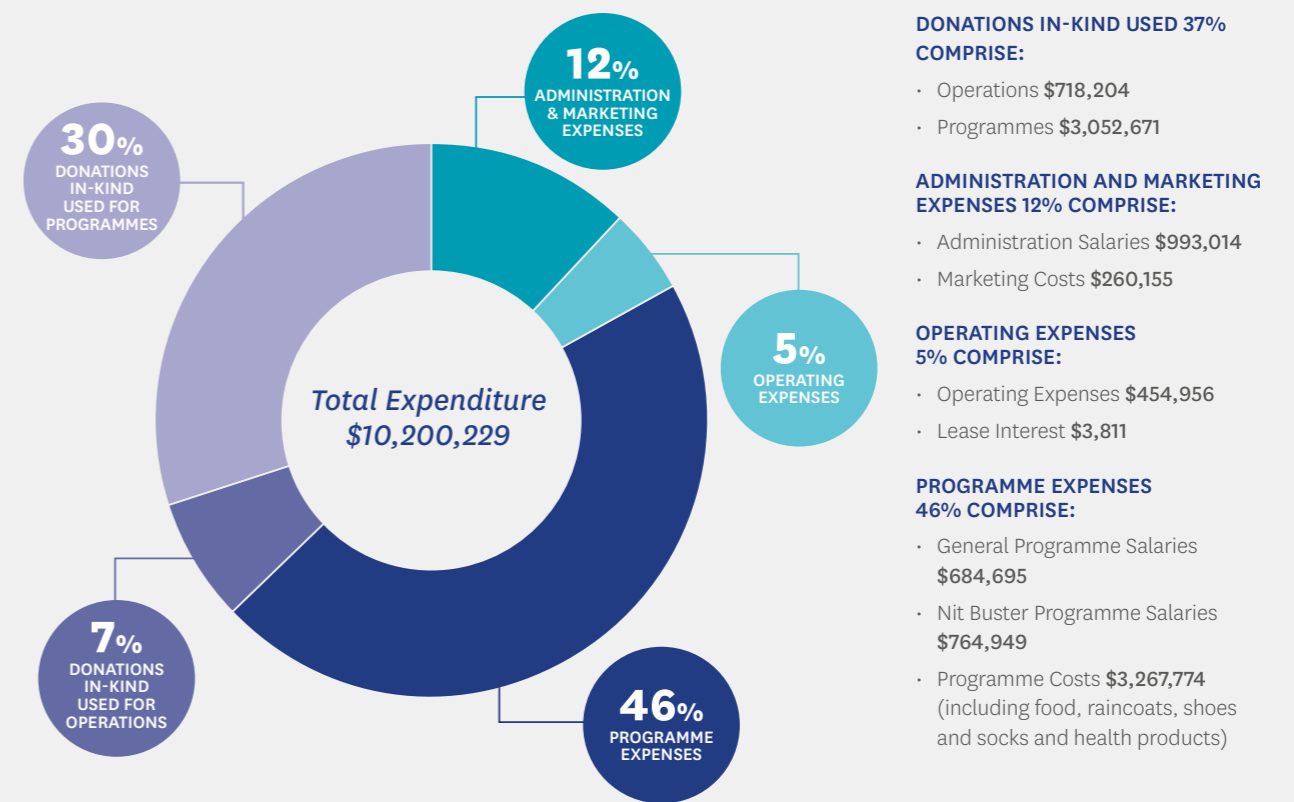
\$589,766

OTHER INCOME 1% COMPRISES:

- Interest Income \$117,633
- Other Income \$14,964

To ensure KidsCan can remain sustainable, funds need to be set aside to meet the ongoing investment required in food, clothing and health products. In 2017 more than \$5.8 million is budgeted to be spent on programme delivery. At the commencement of the year revenue targets are set and hopefully reached to ensure funds are available to support both programme delivery and operational costs. Should these revenue targets not be met in full or the timing delayed, KidsCan has reserves built up to ensure an uninterrupted flow of support to the children. Of the cash held at the end of the year 92% is tagged to specific programmes and earmarked for spending in future periods some of which are in line with formal contracts. The remaining funds are held to fund operational costs some of which include rent, insurance, wages and salaries, power and phone. 70% of the funds held at 31 December 2016 had been spent by 31 May 2017 with the balance due to be spent by the end of July 2017.

Below is a graph highlighting the investment in children's programmes.



DONATIONS IN-KIND USED 37% COMPRISE:

- Operations \$718,204
- Programmes \$3,052,671

ADMINISTRATION AND MARKETING EXPENSES 12% COMPRISE:

- Administration Salaries \$993,014
- Marketing Costs \$260,155

OPERATING EXPENSES 5% COMPRISE:

- Operating Expenses \$454,956
- Lease Interest \$3,811

PROGRAMME EXPENSES 46% COMPRISE:

- General Programme Salaries \$684,695
- Nit Buster Programme Salaries \$764,949
- Programme Costs \$3,267,774 (including food, raincoats, shoes and socks and health products)

Significant effort is made throughout the year to maximise the value of any donation to ensure the children KidsCan supports receive the highest possible return both in quantity and quality. This includes refining the raincoats to include a zip, strengthening shoes and negotiating better prices. A large component of in-kind is received, some of which supports operational costs but the vast majority relates to programmes including free or heavily discounted product. The generosity of in-kind partners allows thousands of high quality products including bread, yoghurt and hot meals to be distributed throughout the year to KidsCan partner schools across the country.

In 2017, with continued support, KidsCan will endeavour to remove schools off the waiting list, whilst continuing to support existing partner schools in a meaningful way. KidsCan will continue to work towards fulfilling its vision of improving educational opportunities for disadvantaged New Zealand children.

Financial Statements

KidsCan Charitable Trust Group

Statement of Group Comprehensive Revenue and Expenses

For the Year Ended 31 December 2016

	Notes	31.12.16 \$
REVENUE FROM NON-EXCHANGE TRANSACTIONS:		
General Donations	2(d)	589,854
Donations In Our Own Backyard™ Campaign	2(d)	2,326,038
Donations In-Kind	2(d)	3,884,218
Legacies & Bequests	2(d)	75,299
Philanthropic Trusts and Gaming	2(d)	778,906
Income from Government Contracts	2(d)	1,562,171
KidsCan Fundraising Campaigns	2(d)	246,888
KidsCan Community Fundraisers	2(d)	448,264
Sponsorship Income	2(d)	589,766
Other Income		14,964
REVENUE FROM EXCHANGE TRANSACTIONS:		
Finance Income - Interest	2(d)	117,633
Total Revenue		10,634,001
LESS EXPENSES:		
Administration Salaries	14	993,014
General Programme Salaries		684,695
Nit Buster Programme Salaries		764,949
Lease Interest		3,811
Marketing Costs		260,155
Programme Costs		3,267,774
Donations In-Kind used	2(d)	3,770,875
Other Operating Expenses		454,956
Total Expenses	15	10,200,229
Operating Surplus		433,772
Net Surplus for the year		433,772
Other Non Comprehensive Income		-
Total Comprehensive Revenue and Expense for the year		433,772

The accompanying notes form part of these financial statements




KidsCan Charitable Trust Group

Statement of Financial Position

As at 31 December 2016

	Notes	31.12.16 \$	01.01.16 \$
CURRENT ASSETS			
Cash	3	1,392,440	1,633,640
Short Term Investments	4	2,722,527	2,410,166
Trade and Other Receivables	5	258,502	251,108
Prepayments		244,084	350,239
Inventory	6	592,814	480,468
Total Current Assets		5,210,367	5,125,621
NON CURRENT ASSETS			
Investments	4	504,600	-
Plant and Equipment	7	98,787	100,294
Total Non Current Assets		603,387	100,294
Total Assets		5,813,754	5,225,915
CURRENT LIABILITIES			
Trade and Other Payables	8	79,729	56,727
Finance Leases	9	10,971	20,009
Employee Benefits Obligation	11	51,630	21,845
Income in Advance	12	110,318	-
Total Current Liabilities		252,648	98,581
Net Assets		5,561,106	5,127,334
EQUITY			
Trust Capital & Reserves		5,561,106	5,127,334
Total Equity		5,561,106	5,127,334

For and on behalf of the Board who authorised the issue of these Financial Statements

Chairman  Date 14/7/17

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 2016

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

KidsCan Charitable Trust Group

Statement of Cash Flows

For the Year Ended 31 December 2016

		2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash was provided from:	Receipts from non-exchange revenue	6,740,675
Cash was disbursed to:	Payments to staff	(2,412,873)
	Payments to suppliers and activities	(3,810,199)
		(6,223,072)
Net Cash Flows from Operating Activities		517,603
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash was provided from:	Interest received	112,032
Cash was applied to:	Investments in short term deposits	(816,961)
	Purchase of plant and equipment	(44,836)
		(861,797)
Net Cash used in Investing Activities		(749,765)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash was applied to:	Payment to finance lease liabilities	(9,038)
Net Cash used in Financing Activities		(9,038)
Net Increase / (Decrease) in cash held		(241,200)
Add cash at the beginning of the financial year		1,633,640
Cash at the end of the financial year		1,392,440
REPRESENTED BY		
Cash at Bank		1,392,440

KidsCan Charitable Trust Group

Notes to the Group Financial Statements

For the Year Ended 31 December 2016

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 2016. 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 14 July 2017.

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) First Time Adoption of PBE Accounting Standards

These are the first financial statements of the Group that have been presented in accordance with PBE standards. The Group has previously reported in accordance with old GAAP as defined by Financial Reporting Standards and applicable Statements of Standard Accounting Practice. The Group has taken advantage of the exemption for the first time application of PBE standards not to provide comparative values. Prior year audited financial statements can be found on KidsCan's website at www.kidscan.org.nz. The accounting policies adopted in these financial statements are consistent with those of the previous financial year, except for instances when the accounting or reporting requirements of a PBE standard are different to requirements under old GAAP as outlined below. The changes to accounting policies and disclosures caused by first time application of PBE accounting standards are as follows:

PBE IPSAS 1 – Presentation of Financial Statements: There are minor differences between PBE IPSAS 1 and the equivalent standard under old GAAP. These differences have an effect on disclosure only. The main changes in disclosure resulting from the application of PBE IPSAS 1 are the following: Receivables from exchange and non-exchange transactions – in the financial statements of the previous financial year, receivables were presented as a single total in the statement of financial position. However, PBE IPSAS 1 requires receivables from non-exchange transactions and receivables from exchange transactions to be presented separately in the statement of financial position.

PBE IPSAS 2 – Cash Flow Statements: A Statement of Cash Flows has been prepared.

PBE IPSAS 23 – Revenue from Non-Exchange Transactions: PBE IPSAS 23 requires revenue from non-exchange transactions, such as grants, to be recognised as revenue as they are received, unless the grant meets the definition of recognition criteria for a liability. Non-exchange revenue from grants can only be deferred and recognised as a liability if there is a condition attached to the grant that requires an entity to use the grant as specified or return the grant if the entity does not perform as specified.

The Group has made one adjustment to previously reported equity as a result of adopting these accounting standards. This relates to the recognition of income in advance only when there are repayment conditions attached to the specific grants.

d) 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.

KidsCan Charitable Trust Group

Notes to the Group Financial Statements

For the Year Ended 31 December 2016

1. OVERVIEW (CONTINUED)

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. 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.

KidsCan Charitable Trust Group

Notes to the Group Financial Statements

For the Year Ended 31 December 2016

2. ACCOUNTING POLICIES (CONTINUED)

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 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 Mufti Day. Revenue is recognised for 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.

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 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.

KidsCan Charitable Trust Group

Notes to the Group Financial Statements

For the Year Ended 31 December 2016

2. ACCOUNTING POLICIES (CONTINUED)

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 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.

	2016 \$
CASH AND CASH EQUIVALENTS INCLUDE THE FOLLOWING COMPONENTS:	
Committed for programmes	1,069,741
General	322,699
Total	1,392,440

By 31 March 2017, KidsCan have spent \$1,300,492 (31 March 2016 \$1,261,130) of the \$4,296,868 (2015 \$3,773,383) 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.

	2016 \$
Maturing with 12 months of balance date committed for programmes	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.

	2016 \$
NON-EXCHANGE TRANSACTIONS:	
Accounts receivable	196,753
Other receivables	51,593
EXCHANGE TRANSACTIONS:	
Interest accrual	10,156
Total	258,502

KidsCan Charitable Trust Group

Notes to the Group Financial Statements

For the Year Ended 31 December 2016

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 \$2,719,405.

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 assets' 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

	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.

	2016 \$
Trade Payables	51,461
Accrued Expenses	28,268
Total	79,729

KidsCan Charitable Trust Group

Notes to the Group Financial Statements

For the Year Ended 31 December 2016

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.

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

	2016 \$
OPERATING LEASES – OBLIGATIONS UNDER NON-CANCELLABLE	
Within one year	184,270
One to five years	56,023
Total	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.

	2016 \$
Holiday Pay Accrual	51,630
Total Employee Benefit Costs	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.

	2016 \$
Philanthropic Trusts and Gaming	110,318
Total	110,318

13. RELATED PARTY TRANSACTIONS

Related party transactions with controlled entries

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	2016 \$	2016 \$
Trustees Firm	Professional Services	-	-
Trustee	Commercial Services	18,320	4,200

KidsCan Charitable Trust Group

Notes to the Group Financial Statements

For the Year Ended 31 December 2016

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, 4 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 total \$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:

	2016 \$
Total remuneration	675,489
Number of person (FTE)	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.

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

During the reporting period, total remuneration of \$15,622 was provided by the Group to employees who are close family members of key management personnel, on an arm's length basis.

14. EMPLOYMENT EXPENSES

	2016 \$
Finance Salaries	438,857
Marketing Salaries	554,157
Total Administration Salaries	993,014

15. 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.

16. 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 2016 were uncalled and unpaid. In the event of a call on this unpaid capital, KidsCan Charitable Trust has a commitment of \$100.

17. CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities at 31 December 2016.

18. CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2016.

19. SUBSEQUENT EVENTS

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.

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 subsidiaries, which comprise:

- the consolidated statement of financial position as at 31 December 2016;
- the consolidated statement of comprehensive revenue and expense 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 2016, 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.

We have assisted in the transition to the new Public Benefit Entity Standards Reduced Disclosure Regime (PBE RDR) Standards. This involved providing assistance in assessing the impact and providing advice on the implementation of PBE RDR Standards. The provision of these other services has not impaired our independence as auditor of KidsCan Charitable Trust Group. Except in this regard, and other than in our capacity as auditor we have no relationship with, or interests in, KidsCan Charitable Trust Group.

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the Annual 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 is 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 this 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 17 / 07 / 2017

RSM Hayes Audit
Auckland

“Thank you for your generosity towards our school. We appreciate what you do for everyone. You gave us jackets when we were in need, so it can keep us warm and dry on cold, wet days. We also thank you for giving the school food.”

STUDENT
WOODVILLE SCHOOL



7 Beatrice Tinsley Crescent
Albany, Auckland 0632
New Zealand

PO Box 31646 Milford
Auckland 0741
New Zealand

info@kidscan.org.nz

kidscan.org.nz

(09) 478 1525

facebook.com/KidsCanNZ

twitter.com/KidsCanNZ

[linkedin.com/company/
kidscan-charitable-trust](https://linkedin.com/company/kidscan-charitable-trust)

instagram.com/kidscannz/

