

ROYAL NEW ZEALAND PLUNKET TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

PAGE

ROYAL NEW ZEALAND PLUNKET TRUST

Statement of Comprehensive Revenue and Expense	1
Statement of Changes in Net Assets / Equity	2
Statement of Financial Position	3
Statement of Cash Flows	5
Notes to the Financial Statements.....	7
Auditors' Report.....	16

ROYAL NEW ZEALAND PLUNKET TRUST
STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$000	2019 \$000
Income			
Contract Income	5	79,508	71,626
Sponsorship/Donations/Grants Income		7,850	8,130
Donated Goods and Services from Sponsors and Service Providers		2,359	2,260
Other Income		<u>1,903</u>	<u>2,531</u>
Total Income		91,620	84,547
Expenses			
Employee Costs		70,516	63,082
Donated Goods and Services from Sponsors and Service Providers		2,359	2,260
Information, Communication and Technology		4,442	3,971
Property and Equipment		4,418	4,409
Travel		3,514	3,738
Marketing and Promotion Costs		1,337	1,704
Education		332	230
Administration		1,057	1,049
Interest Expense		249	462
Professional Fees	6	1,030	802
Depreciation and Amortisation	8,9	3,467	5,495
Loss on Disposal of Assets	7	<u>883</u>	<u>35</u>
Total Expenses		<u>93,604</u>	<u>87,237</u>
OPERATING (DEFICIT) FOR THE PERIOD		(1,984)	(2,690)
Net Change in Fair Value of Available for Sale Financial Assets		<u>5</u>	<u>3</u>
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE PERIOD		<u>(1,979)</u>	<u>(2,687)</u>

The notes are an integral part of these financial statements.

ROYAL NEW ZEALAND PLUNKET TRUST
STATEMENT OF CHANGES IN NET ASSETS/EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	Accumulated Revenue and Expense 2020 \$000	Accumulated Revenue and Expense 2019 \$000
EQUITY BALANCE AT 30 JUNE 2019		<u>33,053</u>	<u>35,740</u>
Movements for the Period			
Operating (Deficit) for the Period		(1,984)	(2,690)
Net Change in Fair Value of Available for Sale Financial Assets		<u>5</u>	<u>3</u>
EQUITY BALANCE AT 30 JUNE 2020		<u>31,074</u>	<u>33,053</u>

The notes are an integral part of these financial statements.

ROYAL NEW ZEALAND PLUNKET TRUST
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Notes	June 2020 \$000	June 2019 \$000
CURRENT ASSETS			
Cash and Cash Equivalents	11	1,790	54
Receivables		565	833
Government Contract Exchange Receivable		3,350	680
Prepayments		333	532
Inventory		110	129
Income Accrued		<u>1,568</u>	<u>917</u>
TOTAL CURRENT ASSETS		<u>7,716</u>	<u>3,145</u>
 NON CURRENT ASSETS			
Property, Plant and Equipment	8	<u>39,102</u>	<u>41,845</u>
Intangible Assets	9	<u>8,421</u>	<u>8,883</u>
Other Receivable	10	<u>450</u>	<u>652</u>
Investments			
Fixed Interest Investments		111	140
Shares in Listed Companies		<u>97</u>	<u>91</u>
		<u>208</u>	<u>231</u>
TOTAL NON CURRENT ASSETS		<u>48,181</u>	<u>51,611</u>
 TOTAL ASSETS		 <u>55,897</u>	 <u>54,756</u>

The notes are an integral part of these financial statements.

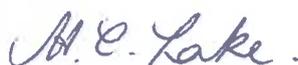
ROYAL NEW ZEALAND PLUNKET TRUST
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Notes	June 2020 \$000	June 2019 \$000
EQUITY			
TRUST'S FUNDS			
General Funds and Reserves		<u>31,074</u>	<u>33,053</u>
TOTAL FUNDS HELD		<u>31,074</u>	<u>33,053</u>
CURRENT LIABILITIES			
Cash and Cash Equivalents	11	0	195
Payables		3,086	2,498
Accruals		893	558
Employee Entitlements	12	7,908	6,305
Income Received in Advance	13	10,924	9,329
Lease Provision		0	19
Finance Leases	14	<u>881</u>	<u>903</u>
TOTAL CURRENT LIABILITIES		<u>23,692</u>	<u>19,807</u>
TERM LIABILITIES			
Finance Leases	14	531	1,296
Make Good Provision		<u>600</u>	<u>600</u>
TOTAL TERM LIABILITIES		<u>1,131</u>	<u>1,896</u>
TOTAL EQUITY AND LIABILITIES		<u>55,897</u>	<u>54,756</u>

The notes are an integral part of these financial statements.

For and on behalf of the Royal New Zealand Plunket Trust:

24 September 2020



Christine Lake
Chairperson



Alex Skinner
RAAC Chairperson

ROYAL NEW ZEALAND PLUNKET TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$000	2019 \$000
CASHFLOWS FROM OPERATING ACTIVITIES			
Cash Receipts		89,019	81,595
Interest and Dividends Received		41	50
Interest Paid		(19)	(187)
Cash Paid to Employees and Suppliers		<u>(84,492)</u>	<u>(79,371)</u>
NET CASH INFLOWS / (OUTFLOWS) FROM OPERATING ACTIVITIES		<u>4,549</u>	<u>2,087</u>
 CASHFLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property Plant and Equipment		227	1,334
Proceeds from Sale of Investments		232	106
Acquisition of Intangibles		(1,173)	(423)
Acquisition of Property Plant and Equipment		(763)	(577)
Acquisition of Investments		(1)	(1)
NET CASH INFLOWS / (OUTFLOWS) FROM INVESTING ACTIVITIES		<u>(1,478)</u>	<u>439</u>
 CASHFLOWS FROM FINANCING ACTIVITIES			
Repayment of Finance Lease Liabilities		<u>(1,140)</u>	<u>(1,445)</u>
NET CASH INFLOWS / (OUTFLOWS) FROM FINANCING ACTIVITIES		<u>(1,140)</u>	<u>(1,445)</u>
 NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS			
Add Cash at Beginning of Period		(141)	(1,221)
CASH AT END OF PERIOD	11	<u>1,790</u>	<u>(141)</u>

The notes are an integral part of these financial statements.

ROYAL NEW ZEALAND PLUNKET TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$000	2019 \$000
RECONCILIATION OF SURPLUS/(DEFICIT) TO NET CASH FLOW FROM OPERATING ACTIVITIES		
Surplus / (Deficit) for Period	<u>(1,984)</u>	<u>(2,690)</u>
Items not Involving Cash Flows		
Depreciation and Amortisation	3,467	5,496
Interest on Finance Leases	230	275
Realised Loss / (Profit) on Property Plant and Equipment	825	(460)
Realised (Profit) / Loss on Investments	<u>(0)</u>	<u>(17)</u>
	<u>4,522</u>	<u>5,294</u>
Impact of Changes in Working Capital Items	2,011	(517)
Net Cash Inflow / (Outflow) from Operating Activities	<u>4,549</u>	<u>2,087</u>

ROYAL NEW ZEALAND PLUNKET TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

1. REPORTING ENTITY

The Royal New Zealand Plunket Trust (the 'Trust') is a not-for-profit organisation registered under the Charities Act 2005, domiciled in New Zealand, and is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act (2013). The Trust's registered office and principal place of business is the Plunket Support Office based at 40 Mercer Street, Wellington.

The Trust is New Zealand's largest provider of support services for the development, health and wellbeing of children under five, and works together with families and communities. In the first 1000 days we make the difference of a lifetime. Through its volunteer network, the Trust and Plunket Groups maintain close and responsive links with communities throughout New Zealand. The complementary activities provided by the Plunket Groups include Early Childhood Education Centres, Family Centres, Toy Libraries, Playgroups and Parenting Education.

2. BASIS OF PREPARATION

a) Statement of Compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards (PBE Standards) and other applicable Financial Reporting Standards, as appropriate for Tier 1 not-for-profit public benefit entities. As a registered charity, the Trust is required to prepare financial statements in accordance with NZ GAAP as specified in standard XRB A1. The Trust has elected to report under the Tier 1 reporting standards.

The financial statements have been prepared on a going concern basis in accordance with the PBE Standards.

These financial statements were authorised for issue by the Board on 24 September 2020.

b) Measurement Basis

The financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position, which are measured at fair value:

- Available for sale financial instruments
- Long-term employee benefits

c) Functional and Presentation Currency

The financial statements are presented in New Zealand dollars (\$) which is the Trust's presentation currency, rounded to the nearest thousand.

3. USE OF JUDGEMENTS AND ESTIMATES

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

ROYAL NEW ZEALAND PLUNKET TRUST

Judgements

Judgements made in applying accounting policies that have had the most significant effects on the amounts recognised in the financial statements include the following:

- Recognition of Revenue – non-exchange revenue (conditions vs. restrictions)
- Valuation of Property, Plant and Equipment – realisable values of leasehold properties
- Valuation of Intangible Assets – remaining useful economic lives of non-cash generating assets

4. SIGNIFICANT ACCOUNTING POLICIES

The Trust has consistently applied the following significant accounting policies to all periods presented in these financial statements.

a) Revenue

Revenue is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to the Trust. Revenue is measured at the fair value of consideration received or receivable. The following specific recognition criteria in relation to the Trust's revenue streams must also be met before revenue is recognised.

i) Revenue from Exchange Transactions

Contract Income

Contract income is recognised in the period in which it relates, with any amounts owing at balance date being included as a current asset. A liability is recognised where contract income is received in advance of the provision of the services to which they relate and where there is an obligation to repay such funds if the services are not performed.

ii) Revenue from Non-Exchange Transactions

Non-exchange transactions are those where the Trust receives an inflow of resources (i.e. cash and other tangible or intangible items) without giving approximately equal value in exchange. Funding received from non-exchange transactions is recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same funding received. Liabilities are recognised in relation to funding received when there is a resulting present obligation to perform or satisfy a condition (or milestone), and the failure of which will result in the refund of any funding that has been received in relation to the specified condition (or milestone). The following are the recognition criteria in relation to the Trust's non-exchange transactions.

Sponsorship, Donations and Grants Income

The recognition of non-exchange revenue from *Sponsorship, Donations and Grants Income* depends on the nature of any stipulation attached to the inflow of resources received, and whether this creates a liability (i.e. use or return obligation) rather than the recognition of revenue.

Donated Goods and Services

The Trust has recognised donated goods and services as revenue and expenses when their fair value can be measured with reliability. The recognition of donated goods and services increases both recorded revenue and expenses, and has no impact on the deficit or surplus achieved. Donated services and other forms of assistance provided to the Trust are acknowledged elsewhere in the Annual Report. The donated goods and services received by the Trust include advertising, printing and promotion material, sample products and the use of equipment at no cost.

b) Employee Entitlements

A provision for employee entitlements is recognised for benefits earned by employees but not paid at reporting date. Employee benefits include salaries, wages, annual leave, long service leave and sick leave.

c) Property, Plant and Equipment (PP&E)

Items of PP&E, are stated at cost, less accumulated depreciation and impairment losses. The cost of PP&E is generally the purchase cost, together with any incidental costs of integration or acquisition.

ROYAL NEW ZEALAND PLUNKET TRUST

Depreciation

Depreciation is calculated so as to write off the cost amounts of PP&E, less any assigned residual value, on a straight-line basis over the expected useful economic lives of the asset.

The estimated useful lives or depreciation rates of assets are as follows:

- | | |
|---------------------------|------------------|
| • Buildings | 50 years |
| • Furniture and Equipment | 3 to 5 years |
| • Computer Equipment | 3 to 10 years |
| • Leasehold Improvements | 10 years |
| • Motor Vehicles | 25% per annum DV |

d) Intangible Assets

Intangible assets are measured at cost less accumulated amortisation. These intangible assets comprise of information systems, which are amortised using the straight line method over a period of 3 -10 years as appropriate for each system.

The ePHR asset is accounted for as three separate components: the front-end application component has an expected useful life of three years; the back end and integration layer components have expected lives of 10 years.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Trust intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in surplus or deficit as incurred.

e) Receivables

Receivables are recognised at the original invoice amount less impairment losses. Receivables are assessed for impairment at each balance date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Revenue and Expense.

f) Cash and Cash Equivalents

Cash and cash equivalents comprise short term deposits with banks and bank and cash balances. Deposits are included when they have a maturity of three months when invested.

g) Impairment of Assets

Management perform an annual assessment of financial assets for any indicators of impairment. Any impairment losses are recognised in "Other Financial Expenses" in the Statement of Revenue and Expense.

PP&E and Intangible Assets

All PP&E and intangible assets are non-cash generating assets as they are not held with the primary objectives of generating a commercial return. The Trust assesses at each reporting date whether there is an indication of impairment. If any indication exists, the Trust estimates the asset's recoverable service amount, which is the higher of the non-cash generating asset's fair value less cost to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its recoverable service amount.

h) Payables

Trade and other payables are usually settled within 30 days. Given their short term nature, the carrying values are considered a reasonable approximation of their fair values.

i) Income Tax

The Trust is wholly exempt from New Zealand income tax and gift duty having fully complied with all statutory conditions for these exemptions.

j) Goods and Services Tax

The financial statements have been prepared so that all components are stated exclusive of GST, with the exception of receivables and payables, which are stated inclusive of GST.

ROYAL NEW ZEALAND PLUNKET TRUST

k) Accounting Standards Not Yet Effective

There are no new, revised or amended standards that have been issued but are not yet effective that would have a significant impact on the Trust's financial statements except as disclosed below,

PBE FRS 48 Service Performance Reporting

This standard establishes requirements for Tier 1 and Tier 2 public benefit entities to select and present service performance information. This standard is effective for annual periods beginning on or after 1 January 2022. As a Tier 1 not-for-profit entity, the Trust will be required to present service performance information for the first time in its financial statements for the year ended 30 June 2023.

5. CONTRACT INCOME

	2020	2019
	\$000	\$000
Ministry of Health	65,999	57,811
Ministry of Education	2,196	2,589
District Health Boards	6,103	5,886
Oranga Tamariki - Ministry for Children	1,940	1,940
Other Contracts	<u>3,270</u>	<u>3,400</u>
	<u>79,508</u>	<u>71,626</u>

The core "Well Child Health" contract with the Ministry of Health expired on 30 June 2020. The Ministry of Health has renewed this contract for a three-year term expiring 30 June 2023.

6. AUDITOR'S EXPENSES

	2020	2019
	\$000	\$000
<i>Operating expenses include the following:</i>		
Auditor's Fees (for the audit of the financial statements)	58	60
Auditor's Fees (for other audit services)	4	0
Auditor's Fees (for the audit of the Early Childhood Centres)	<u>18</u>	<u>22</u>
	<u>80</u>	<u>82</u>

7. LOSS ON DISPOSAL OF ASSETS

	2020	2019
	\$000	\$000
Loss on Disposal of Assets	<u>883</u>	<u>35</u>
	<u>883</u>	<u>35</u>

During the year, four Early Childhood Education centres assets and operations were sold to alternative childcare providers for consideration less than book value. In February 2020, Paremata Creche was sold to He Whanau Manaaki o Tararua Free Kindergarten Association, and Matua Kindergarten to Inspired Kindergartens and Home Based Education. In June 2020, OPEYs Plunket Education and Care Centre and Mt Plunket Preschool were sold to Inspired Kindergartens and Home Based Education.

ROYAL NEW ZEALAND PLUNKET TRUST

8. PROPERTY PLANT AND EQUIPMENT

	Land and Buildings	Plant and Equipment	Total
	2020	2020	2020
	\$000	\$000	\$000
<u>Costs</u>			
Balance as at 1 July 2019	41,704	6,342	48,046
Additions	408	480	888
Disposals	<u>(1,960)</u>	<u>(1,084)</u>	<u>(3,044)</u>
Balance as at 30 June 2020	40,152	5,738	45,890
<u>Accumulated Depreciation and impairment deficits</u>			
Balance as at 1 July 2019	2,260	3,941	6,201
Depreciation	749	1,083	1,832
Disposals	<u>(193)</u>	<u>(1,052)</u>	<u>(1,245)</u>
Balance as at 30 June 2020	<u>2,816</u>	<u>3,972</u>	<u>6,788</u>
<u>Carrying Amounts</u>			
At 1 July 2019	<u>39,444</u>	<u>2,401</u>	<u>41,845</u>
At 30 June 2020	<u>37,336</u>	<u>1,766</u>	<u>39,102</u>
	Land and Buildings	Plant and Equipment	Total
	2019	2019	2019
	\$000	\$000	\$000
<u>Costs</u>			
Balance as at 1 July 2018	42,081	5,491	47,572
Additions	498	915	1,413
Disposals	<u>(875)</u>	<u>(64)</u>	<u>(939)</u>
Balance as at 30 June 2019	41,704	6,342	48,046
<u>Accumulated Depreciation and impairment deficits</u>			
Balance as at 1 July 2018	1,375	2,741	4,116
Depreciation	902	1,249	2,151
Disposals	<u>(17)</u>	<u>(49)</u>	<u>(66)</u>
Balance as at 30 June 2019	<u>2,260</u>	<u>3,941</u>	<u>6,201</u>
<u>Carrying Amounts</u>			
At 1 July 2018	<u>40,706</u>	<u>2,750</u>	<u>43,456</u>
At 30 June 2019	<u>39,444</u>	<u>2,401</u>	<u>41,845</u>

ROYAL NEW ZEALAND PLUNKET TRUST

9. INTANGIBLES ASSETS

Intangible assets comprise separately identifiable information systems;

	2020 \$000	2019 \$000
Period Ended 30 June		
At 1 July 2019, Net of Accumulated Amortisation		
Amortisation	8,883	11,804
Additions	1,173	423
Disposals	0	0
Amortisation Charge for the Period	(1,635)	(3,344)
At 30 June, Net of Accumulated Amortisation	<u>8,421</u>	<u>8,883</u>
As at 30 June		
Cost	21,577	21,879
Accumulated Amortisation and Disposals	(13,156)	(12,996)
Net Carrying Amount	<u>8,421</u>	<u>8,883</u>

Intangible assets predominantly relate to the resources required to establish a digital infrastructure. This includes; technical, policies, culture and processes to enable Plunket to improve its technology capability. This effort has provided Plunket with the following information systems; an Electronic Plunket Health Record (ePHR) database, a Human Resource Information System incorporating an in-house payroll system, an upgraded PlunketLine CRM, automated accounts payable system, improved intranet and internet capability that amongst several features has provided enhanced social media connection with clients.

The Intangible Assets have been progressively developed over the past five years. The Trust has recognised the effort of the cost of developing the above capability onto the balance sheet, as part of "intangible assets".

10. OTHER RECEIVABLE

The Trust holds a bond of \$450,000 which is pledged as collateral over the rental at Plunket Support Office, 40 Mercer Street, Wellington. As a result of the arrangement, the use of the funds is restricted until expiry of the lease in December 2025, or until the agreement is otherwise terminated.

11. CASH AND CASH EQUIVALENTS

	2020 \$000	2019 \$000
ASB	0	27
Forsyth Barr	71	27
BNZ	<u>1,719</u>	<u>(195)</u>
	<u>1,790</u>	<u>(141)</u>

12. EMPLOYEE ENTITLEMENTS

	2020 \$000	2019 \$000
Annual Leave	4,009	3,167
Salary and Wage Accrual	<u>3,899</u>	<u>3,138</u>
	<u>7,908</u>	<u>6,305</u>

ROYAL NEW ZEALAND PLUNKET TRUST

13. INCOME RECEIVED IN ADVANCE

	2020 \$000	2019 \$000
Contract Income – Ministry of Health	10,101	8,255
Other Contracts	297	99
Grants	<u>526</u>	<u>975</u>
	<u>10,924</u>	<u>9,329</u>

14. FINANCE LEASES

Finance lease liabilities are payable as follows:

	Future Minimum Lease Payments	Interest	Future Minimum Lease Payments	Interest
	2020 \$000	2020 \$000	2019 \$000	2019 \$000
Less than One Year	1,008	127	903	228
Between One and Five Years	585	54	1,296	158
More than Five Years	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>1,593</u>	<u>181</u>	<u>2,199</u>	<u>387</u>

15. FINANCIAL INSTRUMENTS

The Trust is risk averse and seeks to minimise its exposure to risks associated with financial assets and liabilities.

The main risks arising from the Trust's financial instruments are equity price, interest rate risk, liquidity risk, and credit risk.

Market Risk

A decrease of 100 basis points in interest rates at the reporting date would have (decreased) profit and loss by \$18,000. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Other Price Risk

Equity price risk arises from available-for-sale equity securities held by the Trust. It is estimated a 10% increase (decrease) in the market value of equity investments would have increased or decreased in Comprehensive Income by \$10,000. Investments are made in accordance with the Investment Policy, as endorsed by the Board. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Credit Risk

The Trust does not anticipate non-performance by counterparties and has no significant concentrations of credit risk. The Trust further minimises its credit exposure by using only registered banks and other nominated institutes approved by the Trust's Investment Policy.

Liquidity Risk

The Trust pays trade and other payables when they fall due.

ROYAL NEW ZEALAND PLUNKET TRUST

16. RELATED PARTY DISCLOSURE

Key Management Personnel – Remuneration

The total remuneration of members of the Board and the number of individuals receiving remuneration in this category are as follows.

	2020 \$000	2019 \$000
• Trustee remuneration	119	76
• Number of persons	9 persons	9 persons

The total number of meeting days involving Board Members held during the period was 11.

The total remuneration of the senior management group and the number of managers, on a full-time equivalent basis, receiving remuneration in this category are:

	2020 \$000	2019 \$000
• Senior Management	1,376	1,701
• Number of persons	7 persons	9 persons

17. CAPITAL COMMITMENTS AND LEASES

	2020 \$000	2019 \$000
Capital Commitments		
Capital expenditure contracted for at the end of the reporting period but not yet incurred for property, plant and equipment	<u>0</u>	<u>0</u>
Non-Cancellable Operating Leases		
Due within One Year	2,533	2,485
Due One to Two Years	2,111	1,682
Due Two to Five Years	3,450	2,226
Over Five Years	<u>920</u>	<u>214</u>
	<u>9,014</u>	<u>6,607</u>

The Trust has entered into commercial leases for rental properties, motor vehicles, and photocopiers where it is not in the best interest of the Trust to purchase these assets. These leases have an average life of between 1 and 5 years with renewal terms included in the contracts. The motor vehicle leases contain a variable element based on movements in fuel price and mileage.

18. CONTINGENT LIABILITIES

At the date of this report there are no known contingent liabilities for which the Trust may be liable.

19. SUBSEQUENT EVENTS

The Trust supported other medical providers during the Covid-19 pandemic. The Trust will be able to recover some costs of providing these services which has been estimated to total \$363,000.

20. COVID19 IMPACT ON PLUNKET

The major potential impacts of COVID19 were mitigated by the Government's response to ensure contracts were paid regardless of delivery volumes during the lockdown period. In return Plunket's workforce joined a system wide response, which included assistance with contract tracing, Community Based Assessment Centres and Homecare Medical.

ROYAL NEW ZEALAND PLUNKET TRUST

20. COVID19 IMPACT ON PLUNKET *(continued)*

Plunket Well Child services were considered essential during the lockdown, and a new prioritised virtual service delivery was developed with Ministry of Health support. Plunket's fundraising was impacted in 2020 and will be impacted further in 2021 as funders are faced with reduced revenue through venue closures and lower investment returns.



Independent Auditor's Report

To the beneficiaries of Royal New Zealand Plunket Trust

Report on the audit of the financial statements

Opinion

In our opinion, the accompanying financial statements of Royal New Zealand Plunket Trust (the 'trust') on pages 1 to 15:

- i. present fairly in all material respects the trust's financial position as at 30 June 2020 and its financial performance and cash flows for the year ended on that date; and
- ii. comply with Public Benefit Entity Standards (Not For Profit).

We have audited the accompanying financial statements which comprise:

- the statement of financial position as at 30 June 2020;
- the statements of comprehensive revenue and expenses, changes in net assets / equity and cash flows for the year then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the trust in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

Our firm has also provided an Agreed Upon Procedures report in relation to the transfer of Paremata Creche to a third party. Subject to certain restrictions, partners and employees of our firm may also deal with the trust on normal terms within the ordinary course of trading activities of the business of the trust. These matters have not impaired our independence as auditor of the trust. The firm has no other relationship with, or interest in, the trust.



Use of this independent auditor's report

This independent auditor's report is made solely to the beneficiaries as a body. Our audit work has been undertaken so that we might state to the beneficiaries those matters we are required to state to them in the independent 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 beneficiaries as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.



Responsibilities of the Trustees for the financial statements

The Trustees, on behalf of the trust, are responsible for:

- the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being Public Benefit Entity Standards (Not For Profit));
- implementing necessary internal control to enable the preparation of a set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent 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. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

This description forms part of our independent auditor's report.



KPMG
Wellington

24 September 2020