

Financial Statements

Philanthropy New Zealand
For the year ended 30 June 2020

Contents

3	Entity Information
5	Approval of Financial Report
6	Statement of Service Performance
8	Statement of Financial Performance
9	Statement of Financial Position
10	Statement of Cash Flows
11	Statement of Accounting Policies
13	Notes to the Performance Report

Entity Information

Philanthropy New Zealand
For the year ended 30 June 2020

Legal Name of Entity

Philanthropy New Zealand

Entity Type and Legal Basis

Philanthropy New Zealand is an entity registered under the Charitable Trusts Act 1957

Entity's Purpose or Mission

Our purpose - Growing effective giving

We do this through:

- Supporting **better** giving
- Inspiring **more** giving
- Building a **stronger** sector

Entity Structure

Charitable Trust

Registration Number

CC20346

Main Sources of Entity's Cash and Resources

Membership Fees, Event Fees, Advisory Services, Donations, Sponsorship

Entity's Reliance on Volunteers and Donated Goods or Services

We would like to thank the following organisations and people for their donated goods or services:

AMP Capital, Perpetual Guardian, Ernst & Young, Dentons Kensington Swan, Christchurch City Council, Russell Investment, Spark Foundation, Wellington City Council, Sue Barker, Dave Henderson, Genevieve Timmons, Vu Le, Emily Mason, Tanya Cook, Kate Frykberg and John McCarthy.

We would like to thank our board members who served during the year:

Ken Whitney, Terri Eggleton (BayTrust), Annette Culpan, Gemma Major, Seumas Fantham (Todd Foundation), Whetū Campbell (Wellington Community Trust), Murray Jones (Dove Charitable Trust), Rongo Kirkwood (Trust Waikato), Barry Baker (Grant Thornton), Christina Howard (Todd Foundation).

We would like to thank the PNZ Māori Advisory Committee (MAC) for their time:

Rongo Kirkwood (Trust Waikato), Cyril Howard (Tindall Foundation), Marama Takao (J R McKenzie Trust), Steve Merito (Rata Foundation), Seumas Fantham (Todd Foundation), Aroha Harris (Foundation North), Keri Wanoa (TSB Community Trust), and Whetū Campbell (Wellington Community Trust).

We would like to thank the Finance, Audit, and Risk Committee for their time:

Terri Eggleton (BayTrust), Barry Baker (Grant Thornton), Gemma Major, Lisa Tipping (Te Papa) and Ken Whitney who attends as Board chairperson.

Entity Information

Philanthropy New Zealand For the year ended 30 June 2020

We would like to thank the Youth Advisory Group:

Molly Allen, Gemma Major, Michaela Latimer, Nicole Lin, Cale Borell, Fale Andrew Lesā, Helen Anderson, Kii Small, Naisi Chen, Paige Sullivan, Shreya Rao, Levi Walford, Tui Williams, Kiran Patel, Edward Krishna.

Other people we would like to thank

We would like to thank Te Ati Awa kaumātua Pekaira Rei

We would like to thank our sponsors:

Platinum Sponsors: AMP Capital, Perpetual Guardian

Champion Member: Wayne Francis Charitable Trust

Gold Sponsor: Kiwi Invest

Silver Sponsor: Boardpro

Bronze Sponsors: Grant Thornton, Ackama

Physical Address

Level 2,
50 The Terrace, Wellington,
New Zealand 6140

Postal Address
PO Box 1521,
Wellington,
New Zealand 6140

Approval of Financial Report

Philanthropy New Zealand
For the year ended 30 June 2020

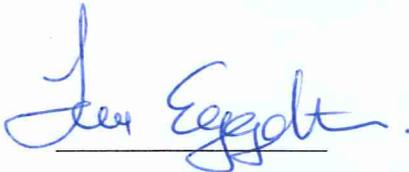
The Trustees are pleased to present the approved financial report including the historical financial statements of Philanthropy New Zealand for year ended 30 June 2020.

APPROVED



Ken Whitney
Chairperson of the Board

Date ... 8-10-2020



Terri Eggleton
Chairperson of the Finance Audit and Risk Committee

Date ... 8/10/2020

Statement of Service Performance

Philanthropy New Zealand
For the year ended 30 June 2020

Our Purpose:

Growing effective giving

We do this through:

- Supporting **better** giving
- Inspiring **more** giving
- Building a **stronger** section

How we made a difference in 2019/20:

*Inspiring **more** giving:*

Measure	This year	Last year
Unique visits to philanthropy.org.nz	29,251	28,861
PNZ Facebook group followers	2,184	2,177
PNZ Twitter followers	1,418	1,370
PNZ LinkedIn followers	1,171	557
PNZ Instagram followers	121	
Issues of Philanthropy News Magazines	3	3
Media Coverage- print, radio, online	36	15

*Supporting **better** giving:*

Measure	This year	Last year
Participants at PNZ training, workshops or seminars	211	707
Participants at Governance and Investment training rated the workshops "good", "very good" or "excellent"	100%	100%
29 issues of e-news 'Giving Matters' - average open rate	32%	31%

The measures included in the statement of service performance above have been revised in the current year to reflect the most recent key performance areas of the organisation, which is expected to evolve over time. Where possible comparative information has been included and is presented on a consistent basis.

Statement of Service Performance

Philanthropy New Zealand
For the year ended 30 June 2020

*Building a stronger **sector**:*

Measure	This year	Last Year
Participants at PNZ Funders' Networks (Youth Funders, Environment Funders, Family Foundations, Education Founders, Arts Funders, Business Giving, Regional Networks) and other events for members	122	187
PNZ convened high-level meetings between sector representatives and government officials	4	4
Weekly COVID-19 Policy and Research Bulletins during levels 4-2	9	
Philanthropy sector meetings convened due to COVID-19. Topics included Health, Food, Digital Divide, Arts, Maori/Pasifika, Youth, Ethnic groups, Investment, and Disability.	40 meetings held during levels 4-2 average of 22 participants per meeting	

Additional Commentary:

PNZ also delivered the following research that helped support better grantmaking and strengthened the philanthropic and grantmaking sector:

- Collaboration on the Time to Shine Report which reported on the impact of COVID-19 on the community sector
- Collaboration on the J B Were NZ Support Report measuring giving in New Zealand
- Production of our PNZ report: Impact of COVID-19 on philanthropic funding and Grantmaking
- Philanthropy New Zealand Stocktake of Environmental Funding Report
- Readiness, Response and Recovery: A Funders Guide, to help prepare for, respond to and support communities to recover from major events

The measures included in the statement of service performance above have been revised in the current year to reflect the most recent key performance areas of the organisation, which is expected to evolve over time. Where possible comparative information has been included and is presented on a consistent basis.

Statement of Financial Performance

Philanthropy New Zealand
For the year ended 30 June 2020

	NOTES	2020	2019
Revenue			
Donations, fundraising and other similar revenue	1	268,548	109,915
Fees, subscriptions and other revenue from members	1	340,582	311,993
Revenue from providing goods or services	1	68,806	35,099
Interest, dividends and other investment revenue	1	9,569	10,832
Conference Income	1	-	518,877
Total Revenue		687,505	986,716
Expenses			
Volunteer and employee related costs	2	463,731	348,702
Costs related to providing goods or service	2	228,812	348,326
Other expenses	2	4,363	3,989
Conference Expenses	2	-	229,768
Total Expenses		696,906	930,785
Surplus/(Deficit) for the Year		(9,401)	55,931

"The accompanying notes to the financial statements on pages 11-16 form part of and should be read in conjunction with this statement".

Statement of Financial Position

Philanthropy New Zealand

As at 30 June 2020

	NOTES	30 JUN 2020	30 JUN 2019
Assets			
Current Assets			
Bank accounts and cash	3	115,517	103,892
Debtors and prepayments	3	24,429	31,766
Term Deposits	3	273,651	267,771
Total Current Assets		413,597	403,429
Non-Current Assets			
Property, Plant and Equipment	5	5,913	3,766
Total Non-Current Assets		5,913	3,766
Total Assets		419,510	407,195
Liabilities			
Current Liabilities			
Creditors and accrued expenses	4	45,390	21,224
Employee costs payable	4	14,663	13,886
Unused donations and grants with conditions	4	31,358	34,585
Total Current Liabilities		91,411	69,695
Total Liabilities		91,411	69,695
Total Assets less Total Liabilities (Net Assets)		328,099	337,500
Accumulated Funds			
Accumulated surpluses or (deficits)	6	257,504	269,729
Reserves	7	70,595	67,771
Total Accumulated Funds		328,099	337,500

"The accompanying notes to the financial statements on pages 11-16 form part of and should be read in conjunction with this statement".

Statement of Cash Flows

Philanthropy New Zealand For the year ended 30 June 2020

	2020	2019
Cash Flows from/(to) Operating Activities		
Donations, fundraising and other similar receipts	265,320	114,929
Fees, subscriptions and other receipts from members	339,972	311,091
Receipts from providing goods or services	60,862	549,572
Interest, dividends and other investment receipts	9,092	9,963
Payments to suppliers and employees	(668,620)	(947,868)
GST	19,247	(23,119)
Total Cash Flows from/(to) Operating Activities	25,873	14,568
Cash Flows from Investing and Financing Activities		
Payment for purchase of investment	(7,999)	(101,710)
Payment for property, plant and equipment	(6,249)	(3,181)
Other cash items	-	-
Total Cash Flows from Investing and Financing Activities	(14,248)	(104,891)
Net Cash Flows	11,625	(90,323)
Cash Balances		
Cash and cash equivalents at beginning of period	103,892	194,215
Cash and cash equivalents at end of period	115,517	103,892
Net change in cash for period	11,625	(90,323)

"The accompanying notes to the financial statements on pages 11-16 form part of and should be read in conjunction with this statement".

Statement of Accounting Policies

Philanthropy New Zealand

For the year ended 30 June 2020

Basis of Preparation

The entity has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Goods and Services Tax (GST)

The entity is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Income Tax

Philanthropy New Zealand is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits).

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Specific Accounting Policies

The general accounting policies recognised as appropriate and used for the measurement and reporting of results and financial position under the historical cost method are shown below:

Grants, Donations and Sponsorship Revenue

Grants, donations and sponsorship are recognised as revenue when the cash is received, except when the revenue has "use or return" conditions attached. If the revenue has "use or return" conditions that lead to a liability, then the revenue shall initially be recorded as a liability until the condition has been met.

Fees, Subscriptions and other Revenue from members

Fees, subscriptions and other revenue from members are recognised as revenue when the cash is received, except when the revenue has "use or return" conditions attached. If the revenue has "use or return" conditions that lead to a liability, then the revenue shall initially be recorded as a liability until the condition has been met.

Property, Plant, and Equipment

All Property, Plant, and Equipment is recorded at cost less accumulated depreciation.

Statement of Accounting Policies

Philanthropy New Zealand
For the year ended 30 June 2020

Depreciation

Depreciation is provided on a straight-line basis on all tangible fixed assets at rates calculated to allocate the cost of the assets, less estimated residual value, over their estimated useful lives. The principal useful lives and depreciation rates are shown below:

Asset Category	Depreciation Rates
Furniture & Fittings	20%
Plant & Equipment	25.2%

Accounts Receivable

Accounts Receivable have been valued at estimated net realisable value after making provision for doubtful debt, where required.

Employee Entitlements

Employee entitlements to salaries and wages, annual leave and other benefits are recognised when they accrue to employees.

Foreign Currency Transactions

Any exchange gain or loss is recognised in the Statement of Financial Performance.

Notes to the Performance Report

Philanthropy New Zealand

For the year ended 30 June 2020

	2020	2019
1. Analysis of Revenue		
<u>Donations, fundraising and other similar revenue</u>		
Family of 5 Sponsorship	52,000	50,000
Grants	203,548	59,915
General Sponsorship	13,000	-
Total Donations, fundraising and other similar revenue	268,548	109,915
<u>Fees, subscriptions and other revenue from members</u>		
Membership Income	340,582	311,993
Total Fees, subscriptions and other revenue from members	340,582	311,993
<u>Revenue from providing goods or services</u>		
Event Income	58,917	34,690
PNZ Advisory Services	3,100	-
Other Income	6,789	409
Total Revenue from providing goods or services	68,806	35,099
<u>Interest, dividends and other investment revenue</u>		
Interest Income	9,569	10,832
Total Interest, dividends and other investment revenue	9,569	10,832
<u>Conference Income</u>		
Conference Income	-	518,877
Total Conference Income	-	518,877
	2020	2019
2. Analysis of Expenses		
<u>Volunteer and employee related costs</u>		
Employee Costs	463,731	348,702
Total Volunteer and employee related costs	463,731	348,702
<u>Costs related to providing goods or services</u>		
Event Expenses	45,762	49,954
Project Costs	23,471	44,481
PNZ Advisory Expenses	975	-
Other Costs	158,604	253,891
Total Costs related to providing goods or services	228,812	348,326
<u>Other expenses</u>		
Bank Costs	261	344
Loss on Disposal of Assets	45	-
Depreciation Expense	4,057	3,645
Total Other expenses	4,363	3,989

Notes to the Performance Report

Philanthropy New Zealand

For the year ended 30 June 2020

<u>Conference Expenses</u>		
Conference Expenses	-	229,768
Total Conference Expenses	-	229,768

2020 2019

3. Analysis of Assets

Bank accounts and cash	115,517	103,892
<u>Debtors and prepayments</u>		
Accounts Receivable	14,873	2,094
Accrued Income	2,494	5,440
GST	4,570	23,308
Prepayments	2,492	924
Total Debtors and prepayments	24,429	31,766

Investments

ANZ Term Deposits	203,056	200,000
Funded Reserve	70,595	67,771
Total Investments	273,651	267,771

2020 2019

4. Analysis of Liabilities

<u>Creditors and accrued expenses</u>		
Accounts Payable	30,622	17,329
Accruals	14,168	3,895
Income in advance	600	-
Total Creditors and accrued expenses	45,390	21,224

Employee costs payable

Holiday Pay Provision	14,663	13,886
Total Employee costs payable	14,663	13,886

Unused donations and grants with conditions

Grants in Advance	31,358	34,585
Total Unused donations and grants with conditions	31,358	34,585

2020 2019

5. Property, Plant and Equipment

Furniture and Fittings

Furniture and fittings owned	17,071	18,125
Accumulated depreciation - furniture and fittings owned	(17,071)	(18,125)
Total Furniture and Fittings	-	-

Plant and Equipment

Plant and equipment owned	36,065	36,899
Accumulated depreciation - plant and equipment owned	(30,152)	(33,133)
Total Plant and Equipment	5,913	3,766

Total Property, Plant and Equipment	5,913	3,766
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Notes to the Performance Report

Philanthropy New Zealand

For the year ended 30 June 2020

	2020	2019
6. Accumulated Funds		
Opening Accumulated funds	269,729	215,508
Current year earnings	(9,401)	55,931
Transfer to funded reserve	(2,824)	(1,710)
Total Accumulated Funds	257,504	269,729

	2020	2019
7. Breakdown of Reserves		
Opening Funded Reserve	67,771	66,061
Transfer from Accumulated Funds	2,824	1,710
Total Funded Reserve	70,595	67,771

As per our Reserves policy, the Funded Reserve has been provided to be used in the event of a severe emergency for the organisation or national calamity. It will be reviewed annually by the Board. It is represented by term deposit under note 3.

8. Commitments

There are no commitments as at 30 June 2020 (Last year - nil).

9. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 30 June 2020 (Last year - nil).

	2020	2019
10. Goods or Services Provided to the Entity in Kind		
Ernst & Young - Auditing annual accounts	-	-
Denton Kensington Swan - Legal services	-	-

	2020	2019
11. Grants Received		
Bay Trust	5,640	-
Community Trust South	4,560	-
Eastern & Central Community Trust	7,000	-
Foundation North	50,000	-
Hugh Green Foundation	22,500	-
J.R. McKenzie Trust	5,000	15,000
Otago Community Trust	8,400	-
Perpetual Guardian	12,500	-
Rata Foundation	21,000	-
Trust Waikato	11,400	-
TSB Community Trust	10,920	-
Wayne Francis Trust	30,000	-
Wellington Community Trust	6,120	8,000
West Coast Community Trust	240	-

Notes to the Performance Report

Philanthropy New Zealand

For the year ended 30 June 2020

Whanganui Community Foundation	5,040	-
Department of Internal Affairs - Community Leadership Fund	-	45,000
Lions Trust	-	10,000
Total Grants Received	200,320	78,000

12. Related Parties

Members of Philanthropy New Zealand Board are involved in organisations that may have supported Philanthropy New Zealand through donations, grants, or sponsorship.

13. Events After the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report (Last year - nil).

14. Ability to Continue Operating

The entity will continue to operate for the foreseeable future.

15. The effects of COVID-19 on Philanthropy New Zealand

On 11 March 2020, the World Health Organisation declared the outbreak of Covid-19 a pandemic and two weeks later the New Zealand Government declared a State of National Emergency. The country was in lockdown at Alert Level 4 from 26 March to 27 April, and then remained in lockdown at Alert Level 3 until 13 May.

The effect on our operations of COVID-19 is reflected in these financial statements, based on the information available to the date these financial statements are signed. To date there has not been a significant impact on Philanthropy New Zealand's financial performance or position.

Independent Auditor's Report

To the Members of Philanthropy New Zealand - Report on the Performance Report

We have audited the performance report of Philanthropy New Zealand (the "Charity") on pages 6 to 16, which comprises the Charity's information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 30 June 2020, the statement of financial position of the Charity as at 30 June 2020, and the statement of accounting policies and other explanatory information.

In our opinion:

- ▶ the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- ▶ the accompanying performance report on pages 6 to 16 presents fairly, in all material respects
 - ▶ the Charity information for the year ended 30 June 2020;
 - ▶ the service performance for the year then ended; and
 - ▶ the financial position of the Charity as at 30 June 2020, and its financial performance, and cash flows for the year then ended.

in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board.

This report is made solely to the members of the Charity, as a body. Our audit has been undertaken so that we might state to the Charity's members 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 Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for Opinion

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand), and the audit of the Charity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Performance Report section of our report.

We are independent of the Charity 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 we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other than in our capacity as auditor we have no relationship with, or interest in, the Charity. Partners and employees of our firm may deal with the Charity on normal terms within the ordinary course of trading activities of the business of the charity.

Impact of Covid-19

Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the Charity as set out in note 15 to the financial statements.

Information Other than the Performance Report and Auditor's Report

The Trustees are responsible for the Annual Report, which includes information other than the performance report and auditor's report.

Our opinion on the performance report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the performance report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the performance report or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information 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.

Trustees Responsibility for the Performance Report

The Trustees are responsible on behalf of the Charity for:

- ▶ Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- ▶ the preparation and fair presentation of the performance report on behalf of the entity which comprises
 - ▶ the Charity information;
 - ▶ the statement of service performance; and
 - ▶ the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report

in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board, and

- ▶ for such internal control as the Trustees determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Trustees are responsible on behalf of the Charity for assessing the Charity'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 the Charity either intends to liquidate the Charity or cease operations, or have no realistic alternative but to do so.

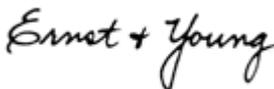
Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the performance report 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) and ISAE (NZ) 3000 (Revised) 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 economic decisions of users taken on the basis of this performance report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Charity to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We communicate with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Accountants
8 October 2020
Wellington