

2020 Communications Trust

Financial Statements

For The Year Ended 30 June 2015

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Statement of Financial Performance

For the Year Ended 30 June 2015

		Note	<u>2015</u>	<u>2014</u>
Project Management Income		3	\$69,479	\$55,000
Project Income		3	\$3,836,875	\$3,542,279
Other Grants		13	\$93,750	\$118,750
Interest Received			\$64,229	\$55,982
Total Revenue			<u>\$4,064,333</u>	<u>\$3,772,011</u>
Less Expenses:				
Accounting Services			\$22,568	\$21,121
Advertising/PR			\$11,308	\$12,118
Amortisation		8	\$4,715	\$119
Audit Fees			\$7,363	\$7,825
Bank Charges			\$283	\$188
Communications			\$7,729	\$9,940
Computer Support			\$3,694	\$3,938
Depreciation		7	\$10,109	\$75,664
Doubtful Debts			\$5,018	\$0
Honorarium		12	\$25,000	\$24,000
Insurance			\$1,475	\$1,475
Membership Fees			\$2,272	\$2,882
Meetings			\$2,199	\$2,050
Office Rent & Car Park			\$31,704	\$15,012
Office Supplies			\$16,228	\$10,800
Professional Fees			\$27,055	\$37,584
Salaries & Wages			\$39,934	\$0
Travel			\$19,659	\$10,902
Others			\$8,921	\$4,366
Project Expenses		3	\$3,833,469	\$3,525,743
Total Expenses			<u>\$4,080,703</u>	<u>\$3,765,727</u>
Net Surplus/(Deficit) for the Year			<u>(\$16,370)</u>	<u>\$6,283</u>

Statement of Movement In Equity

For the Year Ended 30 June 2015

	<u>Note</u>	<u>2015</u>	<u>2014</u>
Net Surplus/(Deficit) for the Year		<u>(\$16,370)</u>	<u>\$6,283</u>
Total Recognised Revenues and Expenses for the Year		<u>(\$16,370)</u>	<u>\$6,283</u>
Equity at the Start of the Year		\$141,893	\$135,610
Equity at the End of the Year	9	<u><u>\$125,523</u></u>	<u><u>\$141,893</u></u>


Statement of Financial Position

As at 30 June 2015

		<u>2015</u>	<u>2014</u>
	<u>Note</u>		
Current Assets			
Bank Accounts	4	\$1,016,483	\$1,040,673
Accounts Receivable	5	\$74,464	\$58,144
GST		\$100,424	\$45,552
Lease Receivable		\$74,545	\$58,267
Costs Carried Forward	6	\$16,195	\$4,079
Stock on Hand		\$11,063	\$0
		<u>\$1,293,174</u>	<u>\$1,206,715</u>
Current Liabilities			
Accounts Payable		\$342,251	\$157,370
Accruals		\$20,723	\$24,500
Income Received In Advance	6	\$843,299	\$910,389
		<u>\$1,206,273</u>	<u>\$1,092,260</u>
Working Capital (Deficit)		<u>\$86,901</u>	<u>\$114,455</u>
Non-Current Assets			
Fixed Assets	7	\$19,916	\$27,359
Intangible Assets	8	\$18,706	\$79
		<u>\$38,622</u>	<u>\$27,438</u>
Net Assets/(Liabilities)		<u>\$125,523</u>	<u>\$141,893</u>
Equity			
Trust Funds		\$61,131	\$77,501
Reserves - CIH Refugee		\$64,392	\$64,392
Accumulated Funds	9	<u>\$125,523</u>	<u>\$141,893</u>



Trustee



Trustee

28 September 2015

Date

BDO
BDO WELLINGTON

2020 Communications Trust

Notes to the Financial Statements – for the year ended 30 June 2015

1. Business

The principal activity of the 2020 Communications Trust is to build digital literacy amongst all New Zealanders.

2. Statement Of General Accounting Policies

Reporting Entity

2020 Communications Trust is registered with the Charities Commission (CC24748) and is exempt from income tax.

The financial statements of the trust have been prepared in accordance with generally accepted accounting practice.

Differential Reporting

The entity is not publicly accountable and is not large as defined by the New Zealand Institute of Chartered Accountants Differential Reporting Framework. It therefore qualifies for differential reporting in respect of accounting standards, and all appropriate exemptions have been applied except for SSAP 22: *Related Party Disclosures*.

Measurement Base

The financial statements have been prepared on the basis of historical cost.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of financial performance and financial position have been applied:

- **Accounts Receivable:** Accounts Receivable are valued at expected realisable value after providing for Doubtful Debts.
- **Fixed Assets and Depreciation:** Fixed Assets are recorded at cost less accumulated depreciation. Depreciation is provided at rates that reflect the assets useful economic life, as follows:
 - Office Equipment & Furniture: 18.00% - 48.00% Diminishing Value
 - Motor Vehicles: 50% Straight Line (for years 3 to 5 – 33.33% Straight Line of the written down book value of the DORA mobile classroom)
- **Intangible Assets and Amortisation:** Websites have a finite life. Website costs are capitalised and amortised over their estimated useful life. The rate for amortisation is 60% of Diminishing Value.
- **Work in Progress:** Assets under construction are recorded at cost and will be transferred to Fixed Assets on completion. Work in Progress is not depreciated until the asset is ready for use.
- **Stock on Hand:** Stock is recorded at the lower of cost or net realisable value.
- **Goods and Services Tax:** These statements are prepared on a G.S.T exclusive basis, except accounts receivable and accounts payable which are stated inclusive of GST.

Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

Notes to the Financial Statements

For the Year Ended 30 June 2015

3. Project Income & Expenses

Contract Name	Income	Expenses	Net Surplus (Deficit) 2015	Net Surplus (Deficit) 2014
Computers in Homes 2012 - 2013	\$175,735	\$175,735	\$0	\$0
Computers in Homes 2013 - 2014	\$317,745	\$317,745	\$0	\$0
Computers in Homes 2014 - 2015	\$2,844,393	\$2,844,393	\$0	\$1,516
Computers in Homes 2015 - 2016	\$7,533	\$7,533	\$0	\$0
CIH Refugee 2013 - 2014	\$7,998	\$7,998	\$0	\$8,505
CIH Refugee 2014 - 2015	\$91,253	\$91,253	\$0	\$0
ICDL Commercial	\$47,429	\$84,689	(\$37,260)	(\$41,088)
KiwiSkills Jobseeker	\$161,794	\$161,794	\$0	\$0
Living Heritage	\$5,000	\$25,060	(\$20,060)	(\$12,084)
Research	\$81,794	\$81,794	\$0	\$0
Special Projects	\$18,889	\$18,889	\$0	(\$11,023)
Stepping UP	\$16,586	\$16,586	\$0	\$0
Total	\$3,776,150	\$3,833,469	(\$57,319)	(\$54,173)
Add: Administration Management Income and Expenses	\$72,012			
Less: Project Management income	(\$69,479)		\$0	\$0
Less: DORA Depreciation	\$6,019	(\$6,019)		
Add: CIH BYOD unspent funds	\$52,174			
Total Projects	\$3,836,875	\$3,827,450	(\$57,319)	(\$54,173)
Less Doubtful debt provision	\$0			\$0
Total Projects (excl doubtful debts)	\$3,836,875	\$3,827,450	(\$57,319)	(\$54,173)

4. Bank Accounts

	2015	2014
ASB - Cheque Account	\$80,338	\$60,759
ASB - Fast Saver Account	\$0	\$1,149
ASB - Savings On-Call Account	\$246,205	\$0
ASB - Savings Plus Account	\$546,380	\$792,966
CIH AP Scheme	\$84,932	\$108,430
BYOD Equity Programme Account	\$58,627	\$77,369
	<u>\$1,016,483</u>	<u>\$1,040,673</u>

5. Accounts Receivable

	2015	2014
Accounts Receivable	\$29,857	\$58,144
Accounts Receivable - CIH AP Scheme	\$43,753	\$0
Accounts Receivable - BYOD Equity Programme	\$5,873	\$0
Less: Provision for Doubtful Debts (BYOD)	(\$5,018)	\$0
	<u>\$74,464</u>	<u>\$58,144</u>

Notes to the Financial Statements

For the Year Ended 30 June 2015

6. Income Received In Advance

	2015	2014
Contract Name		
Computers in Homes	\$562,485	\$786,446
Computers in Home Refugee	\$38,374	\$0
Computers in Homes Special Projects	\$3,526	\$27,627
KiwiSkills Jobseeker	\$129,694	\$0
Stepping Up	\$0	\$8,971
Special Projects	\$300	\$300
Computers in Homes AP Scheme	\$108,920	\$87,045
Total Income In Advance	\$843,299	\$910,389
Computers in Homes 2015 - 2016	(\$7,723)	\$0
ICT in Schools	\$0	(\$4,079)
Stepping Up (Including DORA)	(\$8,472)	\$0
Total Costs carried forward	(\$16,195)	(\$4,079)

7. Fixed Assets

	2015			2014
	Cost	Accumulated Depreciation	Depreciation	Book Value
Office Equipment	\$33,520	\$25,641	\$4,091	\$7,879
Motor Vehicles	\$144,449	\$132,412	\$6,018	\$12,037
	\$177,969	\$158,053	\$10,109	\$19,916
				\$27,360

At balance date the Trustees decided the estimated useful economic life of the DORA mobile classroom should be extended for another two years. The remaining depreciation will be allocated over three years, one of these is 2014-15. As a result, the depreciation charge for 2015 will be \$6,018 instead of \$18,055 if the asset had been fully depreciated.

8. Intangible Assets

	2015			2014
	Cost	Accumulated Amortisation	Amortisation	Book Value
Website Costs	\$32,462	\$13,756	\$4,715	\$18,706
	\$32,462	\$13,756	\$4,715	\$18,706
				\$79

Notes to the Financial Statements

For the Year Ended 30 June 2015

9. Trust Funds and Reserves

	Balance 2014	Movement for year	Balance 2015
Unallocated Funds	\$77,501	(\$16,370)	\$61,131
Reserves - CIH Refugee	\$64,392	\$0	\$64,392
	<u>\$141,893</u>	<u>(\$16,370)</u>	<u>\$125,523</u>

10. Commitments & Contingencies

At balance date there are no known contingent liabilities (2014: \$Nil). The Trust has not granted any securities in respect of liabilities payable by any other party whatsoever.

There were no capital commitments at balance date (2014: \$Nil).

11. Lease Obligations

At balance date there was a lease obligation for the office photocopier:

Current	\$913
Non-Current	1,845

12. Honoraria

The Trustees have recommended that honoraria be paid to the Trust officers for the 2014/15 financial year (2014: \$24,000) as follows:

Laurence Millar (Chair)	\$16,000
Selwyn Screen (Treasurer)	\$6,000
David Barrow (Secretary)	\$6,000
	<u>\$28,000</u>

The figure in the Statement of Financial Performance of \$25,000 differs from the above figure of \$28,000 due to the over accrual of \$3,000 for honoraria in 2014.

13. Related Parties

Barbara Craig is a trustee and was contracted during the year to provide research support for Computers in Homes - \$19,800 (2014: \$15,000).

14. Grants and project funding

Other grants income includes the following grants received:

1. \$93,750 (2014: \$118,750) from Internet NZ to contribute toward the Trust's operating costs.
2. \$10,000 (2014: \$10,692) grant from Dick Smith for Computers in Homes.
3. \$10,000 (2014: \$10,000) in value of computer equipment was donated by Dick Smith.

Notes to the Financial Statements

For the Year Ended 30 June 2015

15. Subsequent Events

Subsequent to balance date the Trust has been awarded further contracts:

2014-16 Ministry of Education – Computers in Homes (including Refugee programme). In 2014, the Ministry of Education contracted the Trust to deliver Computers in Homes to a total of 1950 families over the two-year period July 2014 to June 2016 as follows:

	2014-2015	2015-2016
Mainstream families	1500	250
Refugee families	100	100
TOTAL families	1600	350
Grant	\$3,162,000	\$662,000

In July 2015, the Ministry of Education signed a contract variation increasing the funding in 2015-16 by a further \$2,500,000 to support a further 1,250 families in the mainstream programme. This increased the total value of the 2-year contract to \$6,324,000.

INDEPENDENT AUDITOR'S REPORT
To the Trustees of 2020 Communications Trust

Report on the Financial Statements

We have audited the financial statements of 2020 Communications Trust on pages 3 to 10, which comprise the statement of financial position as at 30 June 2015, and the statement of changes in equity, and statement of comprehensive income for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Trustees, as a body, in accordance with the Trust Deed of 2020 Communications Trust. Our audit has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditors' 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 Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Board of Trustees' Responsibility for the Financial Statements

The Board of Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.


An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

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

Other than in our capacity as auditor we have no relationship with, or interests in, 2020 Communications Trust.

Opinion

In our opinion, the financial statements on pages 3 to 10, present fairly, in all material respects, the financial position of 2020 Communications Trust as at 30 June 2015, and its financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.

A handwritten signature in blue ink that reads 'BDO Wellington'.

BDO Wellington
28 September 2015
PO Box 10 340
Wellington 6143
New Zealand