

Annual Report

2020 Communications Trust
For the year ended 30 June 2017

Prepared by Southey Sayer Limited

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Directory

2020 Communications Trust For the year ended 30 June 2017

Trustees

Laurence Millar – Chair (14 November 2016 - 30 June 2017)
Sarah Bacon – Chair (1 July 2016 - 13 November 2016), Trustee (14 November 2016 - 30 June 2017)
Selwyn Screen – Treasurer (14 November 2016 - 30 June 2017)
David Barrow – Treasurer (1 July 2016 - 13 November 2016), Trustee (14 November 2016 - 30 June 2017)
Catherine Cotter – Trustee (23 May 2017 - 30 June 2017)
Angela Hauk-Willis – Trustee (1 July 2016 - 30 June 2017)
Michael Howden – Trustee (1 July 2016 - 23 May 2017)
Angela Lim – Trustee (1 July 2016 - 30 June 2017)
Alaelum Malesala – Trustee (21 March 2017 - 30 June 2017)

Management Team

Laurence Millar – Trustee / Acting Executive Director (retired as Acting Executive Director 14 November 2016)
Selwyn Screen – Trustee / Interim Financial Controller (retired as Interim Financial Controller 14 November 2016)
Stephen Carr – Executive Director (appointed 14 November 2016)
Anna Phipps – Business Services Manager (appointed 1 May 2017)
Laurence Zwimpfer – Operations Manager
Sue West – Auckland Area Manager (appointed 28 July 2016)
Sue Davidson – Product Manager - CiH & Area Manger (left 30 June 2017)
Sue Kini – Product Manager - Stepping UP & Area Manager
June Robinson – Product Manager - Kiwiskills
Shona Te Huki – Product Manager - Refugee Connect & Area Manager

Registration Numbers

Charity	CC24748
Incorporation	823267
IRD	066-778-274

Address

Level 5, Braemar Building
32, The Terrace
WELLINGTON

Nature of Business

The 20/20 Trust provides digital literacy leadership, working with local communities to deliver digital inclusion programmes that build New Zealanders' computer and online skills.

Date of Formation

Incorporated 11 September 1996, registered charity 23 May 2008

Accountants

Southey Sayer Limited
Chartered Accountants
RE Sayer
110 Dixon Street
MASTERTON

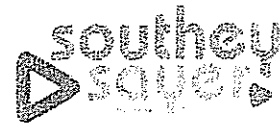


Bankers

ASB
WELLINGTON

Auditor

Grant Thornton New Zealand Audit Partnership
Level 15, Grant Thornton House
215 Lambton Quay
WELLINGTON



Approval of Financial Report

2020 Communications Trust
For the year ended 30 June 2017

The Trustees are pleased to present the approved financial report including the historical financial statements of 2020 Communications Trust for year ended 30 June 2017.

APPROVED

For and on behalf of the Trustees.

A handwritten signature in black ink, appearing to read "L. Millar", written over a horizontal line.

Laurence Millar - Chair

Date 25 Sept 2017

A handwritten signature in black ink, appearing to read "S. Screen", written over a horizontal line.

Selwyn Screen - Treasurer

Date 25 Sept 2017

Statement of Comprehensive Revenues and Expenses

2020 Communications Trust For the year ended 30 June 2017

	NOTES	2017	2016
Revenue			
Revenue from Non Exchange Transactions	1	4,412,801	4,099,730
Revenue from Exchange Transactions	2	57,827	50,665
Total Revenue		4,470,628	4,150,396
Expenses			
Cost of Goods & Services Delivered	3	4,052,573	3,830,568
Overhead & Administration	4	399,008	433,663
Total Expenses		4,451,581	4,264,230
Surplus/(Deficit) for the Year		19,047	(113,835)
Total Comprehensive Revenue & Expenses		19,047	(113,835)



These financial statements should be read in conjunction with the policies and notes to the financial statements.

Statement of Financial Position

2020 Communications Trust As at 30 June 2017

	NOTES	30 JUN 2017	30 JUN 2016
Assets			
Current Assets			
Cash & Cash Equivalents	5	1,013,386	989,240
Receivables from Exchange Transactions	6	6,842	14,904
Receivables from Non Exchange Transactions	6	118,582	45,059
Receivable GST		72,793	66,583
Accrued Interest		1,870	-
Prepayments		-	8,711
Inventories		946	939
Total Current Assets		1,214,419	1,125,436
Non-Current Assets			
Plant & Equipment	7	15,935	16,666
Intangibles	8	2,989	7,470
Total Non-Current Assets		18,924	24,136
Total Assets		1,233,343	1,149,572
Liabilities			
Current Liabilities			
Payables Under Exchange Transactions	9	309,042	243,915
Employee Entitlements	10	51,562	19,532
Revenue in Advance	11	647,019	691,771
Total Current Liabilities		1,007,623	955,218
Total Liabilities		1,007,623	955,218
Net Assets		225,720	194,354
Equity			
General Funds		211,286	194,354
Restricted Funds	13	14,434	-
Total Equity		225,720	194,354



These financial statements should be read in conjunction with the policies and notes to the financial statements.

Statement of Changes in Net Assets

2020 Communications Trust For the year ended 30 June 2017

	NOTES	2017	2016
Equity			
General Funds			
Opening Balance		194,354	61,747
Prior Period Adjustments	12	12,319	182,683
Surplus/(Deficit) for the Year		19,047	(113,835)
Transfers to Restricted Funds		(14,434)	63,759
Total General Funds		211,286	194,354
Restricted Funds			
Opening Balance		-	64,392
Transfers from General Funds	13	14,434	-
Restricted Funds Utilised during the Year	13	-	(22,740)
Restricted Funds Released	13	-	(41,652)
Total Restricted Funds		14,434	-
Total Equity		225,720	194,354



These financial statements should be read in conjunction with the policies and notes to the financial statements.

Statement of Cash Flows

2020 Communications Trust For the year ended 30 June 2017

	NOTES	2017	2016
Cash Flows			
Cash Flow from Operating Activities			
Receipts from Goods and Services Provided, Non Exchange Transactions		4,805,606	4,830,248
Receipts from Goods and Services Provided, Exchange Transactions		42,168	17,147
Overpayments to be Refunded		(8,794)	11,300
Payments to Suppliers & Employees		(4,681,098)	(4,764,098)
Interest Received		26,299	24,139
GST Refunded/(Paid)		(146,156)	(134,497)
Net Cash from /(used in) Operating Activities		38,025	(15,761)
Cash flow from Investing Activities			
Purchase of Plant & Equipment		(14,049)	(11,481)
Net Cash from/(used in) Investing Activities		(14,049)	(11,481)
Net Increase/(Decrease) in Cash & Cash Equivalents		23,976	(27,242)
Cash & Cash Equivalents at Beginning of the Year	5	989,240	1,016,483
Cash & Cash Equivalents at End of the Year		1,013,216	989,241



These financial statements should be read in conjunction with the policies and notes to the Financial Statements.

Statement of Accounting Policies

2020 Communications Trust For the year ended 30 June 2017

Statement of Accounting Policies

These are the financial statements of 2020 Communications Trust (the "Trust"). The Trust is domiciled in New Zealand. It is incorporated under the Incorporated Societies Act 1908 and is a registered charity under the Charities Act 2005.

Basis of Preparation

Statement of Compliance

The financial statements have been prepared in accordance with Tier 2 Public Benefit Entity (PBE) Financial Reporting Standards as issued by the New Zealand External Reporting Board (XRB). They comply with New Zealand equivalents to International Public Sector Accounting Standards Reduced Disclosure Regime (NZ IPSAS with RDR) and other applicable Financial Reporting Standards as appropriate to Not-for-profit Public Benefit Entities.

The Trust is eligible to report in accordance with Tier 2 PBE Accounting Standards on the basis that it does not have public accountability and annual expenditure does not exceed \$30 million. The Trust has taken advantage of all applicable RDR disclosure concessions.

The Trust is deemed a public benefit entity for financial reporting purposes, as its primary objective is to provide digital literacy leadership, working with local communities to deliver digital inclusion programmes that build New Zealanders' computer and online skills for social benefit rather than a financial return.

Measurement Base

The financial statements have been prepared on an historical cost basis, except as noted otherwise below.

The information is presented in New Zealand dollars and has been rounded to whole dollars, unless otherwise stated.

The accrual basis of accounting has been used unless otherwise stated and the financial statements have been prepared on a going concern basis.

Changes in Accounting Policies

There have been no changes in accounting policies, certain comparatives have been reclassified for comparison purposes.

In parallel with the implementation of XRB Framework, the opportunity was taken to implement a new chart of accounts from 1 July 2016. The change was made to simplify financial reporting, and involved reducing the number of general ledger accounts from 163 to 29. Expenditure for the 2015/16 year has been reported in alignment with the new chart of accounts.

Specific Accounting Policies

In the preparation of these financial statements, the specific accounting policies are as follows:

1. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Trust and revenue can be reliably measured. Revenue is measured at the fair value of consideration received.

The Trust assesses its revenue arrangements against specific criteria to determine if it is acting as the principal or agent in a revenue transaction. In an agency relationship only the portion of revenue earned on the Trust's own accord is recognised as gross revenue in the surplus or deficit.



These financial statements should be read in conjunction with the policies and notes to the financial statements.

Revenue from Non Exchange Transaction

A non-exchange transaction is where the Trust either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

When non-exchange revenue is received with conditions attached (funds are required to be used for a specific purpose, with a requirement to return unused funds), the asset is recognised with a matching liability. As the conditions are satisfied the liability is decreased and revenue recognised.

When non-exchange revenue is received with restrictions attached (funds are required to be used for a specific purpose), but no requirement to return the asset if not deployed as specified, then revenue is recognised on receipt.

Grants and Project Revenue

Grant and donation income is recognised as revenue when received and all associated obligations have been met. Where grants have been given for a specific purpose, or with conditions attached, income is not recognised until agreed upon goods, services and conditions have been satisfied. Government grants relating to income are recognised as income over the periods necessary to match them with the related services when performed. Grants received for which the requirements and services have not been met are treated as "Revenue in Advance" under current liabilities.

To the extent that there is a condition attached that would give rise to a liability to repay the grant amount or to return the granted asset, a deferred revenue liability is recognised instead of revenue. Revenue is then recognised only once the Trust has satisfied these conditions.

Sale of Goods and Services

This revenue has been received from families participating in the Trust's digital literacy programmes. Families are expected to contribute towards the cost of their training and the provision of equipment (computers) and services (internet). The value they received exceeds their contributions, and as a result, this revenue is treated as non-exchange transactions.

Professional Services Donated

Volunteer work is recognised as revenue as it can be measured reliably based upon the invoices received from the contracted team members who provide the service in kind.

Revenue from Exchange Transactions

Sales of Goods and Services

This revenue is received from the hiring out of Dora, the on charging of Stepping Up tutors and the sale of ICDL products at cost plus margin.

Interest Income

Interest is recognised as it accrues, using the effective interest method.

2. Operating Leases

An operating lease is a lease that does not transfer substantially all risks and rewards incidental to ownership of an asset. Payments made under operating leases are recognised in the surplus or deficit on a straight line basis over the term of the lease. Lease incentives received, as an integral part of the total lease expense, are recognised over the term of the lease. Associated costs, such as maintenance and insurance, are expenses as incurred.



These financial statements should be read in conjunction with the policies and notes to the financial statements.

3. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

4. Receivables

Receivables are stated at their estimated realisable value.

Bad debts are written off in the year in which they are identified.

An allowance for doubtful debts is established where there is objective evidence the Trust will not be able to collect all amounts due according to the original terms of the receivable.

5. Prepayments

Prepayments are recorded when a payment is made for goods or services that are still to be received in the near future at reporting date. Prepayments are recorded at cost.

6. Goods and Services Tax (GST)

These financial statements have been prepared on a GST exclusive basis with the exception of Receivables and Payables which are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of Receivables or Payables.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the Inland Revenue Department is classified as part of the operating cash flows.

7. Income Tax

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

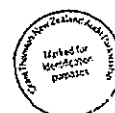
8. Plant & Equipment

All plant and equipment acquired is stated at cost less accumulated depreciation and any impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Additions & Subsequent Costs

Subsequent costs and the cost of replacing part of an item is recognised as an asset if, and only if, it is probable that future economic benefits or service potential will flow to the Trust and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

All repairs and maintenance expenditure is charged to the surplus or deficit when incurred.



These financial statements should be read in conjunction with the policies and notes to the financial statements.

Disposals

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits or services potential are expected from its use or disposal.

When an item is disposed of, the gain or loss recognised in the surplus or deficit is calculated as the difference between the net sale proceeds and the carrying amount of the asset.

Depreciation

Depreciation is recognised as an expense in the surplus or deficit and measured on a diminishing value (DV) or straight line (SL) basis on all plant and equipment that represents the assets estimated useful life. The following depreciation rates have been applied to each class of plant and equipment:

Furniture & Fittings	18% DV
Office Equipment	25% - 40% DV
Motor Vehicles	33% SL

The residual value, useful life, and depreciation methods of plant and equipment is reassessed annually.

9. Intangible Assets

Intangible assets acquired separately are initially recognised at cost.

Intangible Assets with Finite Useful Lives

Intangible assets acquired by the Trust, which have finite useful lives, are measured at cost less accumulated amortisation and any impairment. The Trust does not hold any intangible assets with indefinite useful lives.

Amortisation is recognised on a diminishing value basis over the estimated useful life of the asset, from the date it is available for use and expensed in the surplus or deficit. The following amortisation rates have been applied to each class of intangible assets:

Website	60% DV
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The residual value, useful life, and amortisation methods of intangible assets is reassessed annually. Intangible assets with finite useful lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Disposals

Gains or losses on derecognition of intangible assets are measure as the difference between the net disposal proceeds and the carrying amount of the asset and recognised in the surplus or deficit.



These financial statements should be read in conjunction with the policies and notes to the financial statements.

10. Impairment of Non-Financial Assets

At each reporting date, non-financial assets are classified into four categories: assets measured at fair value; assets currently available that the Trust intends to use to the end of their useful life; assets intended to be sold prior to the end of their useful life; and assets damaged or idle at reporting date.

Assets measured at fair value or assets the Trust intends to use to the end of their useful life are not reviewed for impairment at reporting date.

Assets intended to be sold prior to the end of their useful life or assets damaged or idle at reporting date are reviewed to determine if any indicators of impairment exist. If indicators exist the asset is tested for impairment to ensure that the carrying amount of the asset is recoverable.

If the recoverable amount of an asset is determined to be less than its carrying amount then the resulting difference is recognised as an impairment loss in the surplus or deficit.

11. Payables

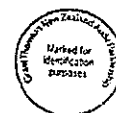
Payables are amounts owed to suppliers for goods and services. They are classified as current if they are due for payment within 12 months of reporting date. They are recorded at the amount due for payment and are normally non-interest bearing. Accrued expenses are amounts payable but have not been billed at reporting date. An estimate has been made of the amount due.

12. Employee Entitlements

Employee benefits, earned from past services, that the Trust expects to be settled within 12 months of reporting date are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to reporting date and annual leave earned, but not yet taken at reporting date.

13. Revenue in Advance

Revenue received for the delivery of specific services which have not been supplied at reporting date are recorded as revenue in advance.



These financial statements should be read in conjunction with the policies and notes to the financial statements.

14. Financial Instruments

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the financial instrument.

Financial Assets

Financial assets within the scope of NFP PDE IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through the surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

The categorisation determines subsequent measurement and whether any resulting revenue and expense is recognised in the surplus or deficit or in other comprehensive revenue and expenses. The Trust's financial assets include: cash and cash equivalents and receivables.

All financial assets are subject to review for impairment at least annually. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. The Trust's cash and cash equivalents and receivables fall into this category of financial instruments.

Impairment to Financial Assets

The Trust assesses at reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a '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, if there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate. The carrying amount of the asset is reduced with the use of an allowance account. The amount of the loss is recognised in the surplus or deficit.

Derecognition of Financial Assets

The Trust derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or the Trust 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;

- the Trust has transferred substantially all the risks and rewards of the asset; or
- the Trust has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the asset.

Financial Liabilities

The Trust's financial liabilities include trade and other creditors (excluding GST and PAYE), employee entitlements, and deferred revenue (in respect to grants whose conditions are yet to be complied with).

All financial liabilities are initially recognised at fair value (plus transaction costs for financial liabilities not at fair value through the surplus or deficit) and are measured subsequently at amortised cost using the effective interest method.



These financial statements should be read in conjunction with the policies and notes to the financial statements.

15. Equity

Equity is the community's interest in the Trust, measured as the difference between total assets and total liabilities. Equity is made up of the following components:

Accumulated Comprehensive Revenue and Expense

Accumulated comprehensive revenue and expenses is the Trust's accumulated surplus or deficit since its formation, adjusted for transfers to and from specific reserves.

Restricted Reserves

This is an equity reserve created by the Trust for financing special projects, such as capital replacement of certain significant assets. The use of these funds is restricted to the specific purpose of the projects.

Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements in conformity with PBE IPSAS (NZ) RDR 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. Where material, information on judgements, estimates and assumptions is provided in the relevant accounting policy or provided in the note disclosure.

The estimates and underlying assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances. Estimates are subject to ongoing review and actual results may differ from these estimates. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in future years affected.

The following are significant management judgements in applying the accounting policies of the Trust that have a significant effect on the financial statements:

Impairment

An impairment loss is recognised for the amount by which the asset or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances.

At reporting date the receivables are reviewed for collectability and those receivables considered uncollectable are provided for accordingly.

Revenue in Advance

An estimate is made at reporting date of the extent to which services are deferred under funding arrangements with conditions attached with the amount of the unexpired revenue retained on the Statement of Financial Position as Revenue in Advance.



These financial statements should be read in conjunction with the policies and notes to the financial statements.

Notes to the Financial Statements

2020 Communications Trust For the year ended 30 June 2017

	2017	2016
1. Revenue from Non Exchange Transactions		
Grants and Project Revenue		
Auckland Council	-	640
InternetNZ	90,000	78,750
Lottery Grants Board	652,860	370,032
Ministry of Education	3,186,317	3,294,277
NZ Post	4,400	4,400
Other Grants	75,385	-
Digital Tech in Schools	30,474	-
Total Grants and Project Revenue	4,039,436	3,748,099
Sale of Goods and Services		
Computers in Homes Family Contributions	258,338	350,086
Total Sale of Goods and Services	258,338	350,086
Donations	37,048	-
Professional Services Donated	77,979	1,546
Total Revenue from Non Exchange Transactions	4,412,801	4,099,730

Grant Revenue: For the 2016-17 financial year, the Trust received revenue from the Ministry of Education for the Computer in Homes projects (mainstream and refugee), the Lottery Grants Board for the KiwiSkills Jobseeker project and the Eastland Community Trust and Hauora Tairāwhiti for the DigiMama Computers in Homes programme. Funding was also received from corporate and government organisations to contribute towards to cost of the 2017 Digital Technologies in Schools report. The Ministry of Education, Lottery Grants Board and Eastland Community Trust required that the funds be used for stipulated purposes and that unused funds be returned. The grant revenue is non exchange revenue with conditions attached and as such the asset is recognised with a matching liability. As the conditions are satisfied the liability is decreased and revenue recognised.

Family Contributions Revenue: The Trust also received revenue from families participating in the Computers in Homes. This included a training contribution of \$50 per family and an internet contribution of \$10 per week for families selecting the 2Degrees subsidised internet option. These are considered as participation fees and do not reflect the value of the services provided (estimated at around \$4,000 per family).

Other Non Exchange Revenue: was received from NZ Post (community post envelopes and printing services). This income is recognised on receipt.

Donations and Other Grants: During the 2016-17 financial year grants were received from InternetNZ for supporting the Trust's delivery capability, The Warehouse and CA Pacific for supporting Computers in Homes families and Z Good in the Hood for a digital literacy project in Christchurch. This income is recognised as revenue when received and all associated obligations have been met.



These financial statements should be read in conjunction with the policies and notes to the financial statements.

	2017	2016
2. Revenue from Exchange Transactions		
Sale of Goods and Services		
DORA	600	600
Hutt City	21,000	11,990
ICDL	8,058	13,937
Total Sale of Goods and Services	29,658	26,527
Interest Received	28,169	24,139
Total Revenue from Exchange Transactions	57,827	50,665

DORA: The Trust has rental revenue for the use of DORA.

Hutt City Council: is for Stepping Up tutors that are charged to the Hutt City Council at full actual cost plus a margin.

ICDL: is for product sales to commercial clients at cost plus a margin.

	2017	2016
3. Cost of Goods & Services Delivered		
Computer Equipment	597,218	628,864
Contracted Team Members	956,161	1,403,380
Delivery Partners	917,829	70,086
DORA	9,071	6,298
Events & Meetings	33,378	54,474
ICDL Products	50,647	113,081
Internet	504,457	608,071
Printing & Copying	72,085	36,996
Professional Fees & Contracts for Services	40,429	36,380
Research	86,748	62,342
Salaries	457,632	103,908
Software Licences	7,957	9,668
Team Member Costs	8,506	33,594
Technical Support	56,190	220,572
Training	118,456	276,778
Travel & Accommodation	135,812	166,075
Total Cost of Goods & Services Delivered	4,052,573	3,830,568

	2017	2016
4. Overhead and Administration		
Accounting	14,345	16,777
Audit	22,661	7,138



These financial statements should be read in conjunction with the policies and notes to the financial statements.

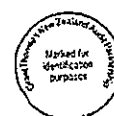
	2017	2016
Bad Debts	48,218	27,260
Board	2,881	5,862
Communications	12,995	33,047
Depreciation & Amortisation	19,261	25,967
Doubtful Debts	(16,718)	23,869
Honoraria	5,000	9,333
HR Costs	17,447	18,603
Marketing	33,351	7,204
Membership Fees	6,274	-
Office Expenses	12,672	15,146
Rent	57,374	56,190
Salaries	159,172	182,675
Other Expenses	4,075	4,590
Total Overhead and Administration	399,008	433,663

Doubtful debts are recognised when families participating in the Computers in Homes programme fall more than 90 days behind with their contributions.

	2017	2016
5. Cash & Cash Equivalents		
Cash at Bank and in Hand	163,386	139,528
Call Deposits	350,000	849,712
Short Term Deposits	500,000	-
Total Cash & Cash Equivalents	1,013,386	989,240

The carrying amount of cash and cash equivalents approximates their fair value.

	2017	2016
6. Receivables		
Receivables from Exchange Transactions		
Trade Debtors - 2020 Communications	6,842	14,904
Total Receivables from Exchange Transactions	6,842	14,904
Receivables from Non Exchange Transactions		
Trade Debtors - 2020 Communications	104,750	32,438
Trade Debtors - Computers in Homes AP Scheme & BYOD	18,477	36,491
less Provision for Doubtful Debts	(4,644)	(23,869)
Total Receivables from Non Exchange Transactions	118,582	45,059
Receivable GST	72,793	66,583
Total Receivables	198,217	126,547

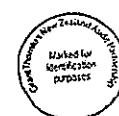


These financial statements should be read in conjunction with the policies and notes to the financial statements.

Trade debtors and other receivables are non-interest bearing and receipt is normally on 30 day terms. Therefore, the carrying value approximates their fair value.

As at reporting date all overdue receivables have been assessed for impairment and appropriate allowances made. All receivables are subject to credit risk exposure. The maximum exposure to credit risk at reporting date is the carrying amount of trade debtors and other receivables as disclosed above. The Trust does not hold any collateral as security.

	2017	2016
7. Plant & Equipment		
Furniture & Fittings		
At Cost		
Opening Balance	2,032	3,086
Additions	-	605
Disposals	-	(1,659)
Total At Cost	2,032	2,032
Accumulated Depreciation		
Opening Balance	928	1,112
Depreciation for the Year	199	242
Depreciation Written Back in Disposals	-	(426)
Total Accumulated Depreciation	1,127	928
Total Furniture & Fittings	905	1,104
Motor Vehicles		
At Cost		
Opening Balance	18,055	18,055
Total At Cost	18,055	18,055
Accumulated Depreciations		
Opening Balance	12,038	6,019
Depreciation for Year	5,958	6,019
Total Accumulated Depreciations	17,996	12,038
Total Motor Vehicles	59	6,017
Office Equipment		
At Cost		
Opening Balance	12,082	30,434
Additions	14,049	10,876
Disposals	-	(29,228)
Total At Cost	26,131	12,082
Accumulated Depreciation		
Opening Balance	2,537	24,528
Depreciation for the Year	8,623	2,513



These financial statements should be read in conjunction with the policies and notes to the financial statements.

Depreciation Written Back in Disposals	-	(24,504)
Total Accumulated Depreciation	11,160	2,537
Total Office Equipment	14,971	9,545
Total Plant & Equipment	15,935	16,666
	2017	2016

8. Intangible Assets

Website		
At Cost		
Opening Balance	23,342	32,462
Disposals	-	(9,120)
Total At Cost	23,342	23,342
Accumulated Depreciation		
Opening Balance	15,872	13,756
Amortisation for the Year	4,481	11,204
Amortisation Written Back on Disposals	-	(9,088)
Total Accumulated Depreciation	20,353	15,872
Total Website	2,989	7,470
Total Intangible Assets	2,989	7,470
	2017	2016

9. Payables Under Exchange Transactions

Trade Creditors	299,042	231,059
Accrued Expenses	10,000	12,856
Total Payables Under Exchange Transactions	309,042	243,915

Trade creditors and other payables are non-interest bearing and receipt is normally on 30 day terms. Therefore, the carrying value approximates their fair value.

	2017	2016
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10. Employee Entitlements

Wages Accrual	16,526	7,133
Annual Leave Entitlements	35,037	12,399
Total Employee Entitlements	51,562	19,532

Short-term employee entitlements represent the Trust's obligation to its current and former employees that are expected to be settled within 12 months of reporting date.



These financial statements should be read in conjunction with the policies and notes to the financial statements.

	2017	2016
11. Revenue in Advance		
Computers in Homes	436,289	369,839
Computers in Homes Refugee	10,000	46,271
Computers in Homes Special Projects	-	5,000
Digital Technologies in Schools	-	14,594
KiwiSkills	200,000	252,860
Stepping Up	-	3,207
Sundry	730	-
Total Revenue in Advance	647,019	691,771

12. Prior Period Adjustment

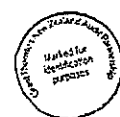
During the 2016-17 financial year, it was found that the income, expenditure, assets and liabilities relating to the BYOD project had not been included in the 2015-16 financial statements. After giving due consideration to the omission, the Board has now concluded that the amounts should be recognised as part of net assets, and this has resulted in a prior year adjustment being made as shown in the Statement of Changes in Net Assets. Due to the amount being immaterial it has been treated as a prior year adjustment rather than restating the comparatives.

The Board is satisfied that the balances reported within the closing Statement of Financial Position are supported with appropriate records and accordingly are of the view that a suitable opening Statement of Financial Position exists for the 2017-18 financial year such that no further adjustments of this nature are likely to arise going forward.

	2017	2016
13. Equity		
Restricted Funds		
Opening Balance	-	64,392
Transfers from General Funds	14,434	-
Restricted Funds Utilised during the Year	-	(22,740)
Restricted Funds Released	-	(41,652)
Total Restricted Funds	14,434	-

The additions to restricted funds relate to unspent funding that is tagged for specific expenditure but has no use or return condition attached.

	2017	2016
14. Operating Leases		
Operating leases are held for the office photocopier and a motor vehicle.	-	-
Non-cancellable operating leases payable as follows:	-	-
Less than one year	6,154	5,907
Between one and five years	5,902	12,112



These financial statements should be read in conjunction with the policies and notes to the financial statements.

More than five year	-	-
Total Operating Leases	12,056	18,019
	2017	2016

15. Financial Instruments

Financial Assets		
Cash and Cash Equivalents	1,013,386	989,240
Receivables	113,103	72,898
Total Financial Assets	1,126,489	1,062,138
Financial Liabilities		
Payables	267,392	211,053
Revenue in Advance	646,289	691,771
Total Financial Liabilities	913,681	902,824
Total Financial Instruments	212,808	159,314

16. Going Concern

The financial position of the Trust was discussed by Trustees at the Board meeting on 25 July 2017. Trustees noted that the Statement of Financial Position indicated cash in excess of \$1,000,000 at 30 June 2017. The budget for 2018 will include assumptions about revenue, and an understanding of the risk around the assumptions. If no confirmed funding is received by November, the budget will be reworked and reserves could be used should a rundown be necessary. Since reporting date, additional funding from the Tertiary Education Commission has been confirmed for 2017 and 2018. The 20/20 Trust continues to be financially solvent and operates as a going concern.

17. Contingent Asset and Contingent Liabilities

At reporting date there are no known, quantifiable contingent assets or contingent liabilities. 2020 Communications Trust has not granted any securities in respect of liabilities payable by any other party. (2016 : Nil)

18. Commitments

There are no material commitments at reporting date. (2016 : Nil)

19. Events after Balance Date

Subsequent to reporting date the Trust has been awarded the following contracts:
 2017-20 Ministry of Education (MOE) – Computers in Homes Refugee Programme. The contract provides support for 130 refugee families in each of three years (2017-18, 2018-19 and 2019-20). The annual value of the contract is \$157,000 +GST.
 2017-18 InternetNZ Strategic Partnership – year 2 grant of a three-year strategic partnership will fund \$100,000 during 2017-18.
 2017-18: Tertiary Education Commission (TEC) - \$747,147 for a new pilot digital literacy programme in Auckland – Family Connect.



These financial statements should be read in conjunction with the policies and notes to the financial statements.

20. Related Party Transactions

Related party transactions arise when an entity or person(s) has the ability to significantly influence the financial and operating policies of the Trust. The Trust has a related party relationship with its Trustees and other key management personnel.

Transactions with Related Parties

Two Trustees (Laurence Millar and Selwyn Screen) stood down last year as Trustees to undertake contract work for the Trust were reappointed during the year when their contract work was completed.

Trustee Honoraria

During the year, honoraria were paid to the Chair and Treasurer as follows:

- Laurence Millar – Chair (part-year) \$3,000
- David Barrow – Treasurer (part-year) \$1,000
- Selwyn Screen – Treasurer (part-year) \$1,000

Key Management Personnel

The key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are the Board of Trustees, and the members of the Management Team: Executive Director, Acting Executive Director, Interim Financial Controller, Contracts Director/National Operations and Development Manager (change of title during the year), National Coordinator, Computers in Homes, Auckland Area Manager, Central Area Manager, Southern Area Manager, Business Services Manager, KiwiSkills Manager, and SteppingUP Product Manager. Membership of the management team changed during the year as a result of the restructure. No remuneration is paid to ordinary members of the Board of Trustees. Trustee Officers, including the Chair and Treasurer, receive honoraria as disclosed above. The aggregate remuneration of key management personnel (excluding honoraria), and the number individuals, determined on a full-time equivalent basis, receiving remuneration is as follows:

	2017	2016
Key management personnel includes the following expenses		
Salaries, contract fees, and other short-term benefits in relation to management team roles	415,503	441,924
Number of FTEs recognised as key management personnel (11 persons)	4	3
Salaries, contract fees, and other short-term benefits in relation to other work for the Trust	343,287	270,315



These financial statements should be read in conjunction with the policies and notes to the financial statements.

Independent Auditor's Report

Audit

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To the Trustees of 2020 Communications Trust

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of 2020 Communications Trust (the "Trust") on pages 6 to 24 which comprise the statement of financial position as at 30 June 2017, and the statement of comprehensive revenues and expenses, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at 30 June 2017 and its financial performance and cash flows for the year then ended in accordance with the Public Benefit Entity International Public Sector Accounting Standards (Not-For-Profit) 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 Financial Statements* section of our report. We are independent of the Trust in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Other Information

The Trustees are responsible for the other information. The other information comprises a Directory and Approval of Financial Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially

inconsistent with the 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 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' Responsibilities for the Financial Statements

The Trustees are responsible on behalf of the Trust for the preparation and fair presentation of these financial statements in accordance with the Public Benefit Entity International Public Sector Accounting Standards (Not-For-Profit) issued by the New Zealand Accounting Standards Board, and for such internal control as those charged with governance determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, those charged with governance are responsible for assessing the Trust'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 Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the Audit of the Financial Statements

Our objectives are 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 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 economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the External Reporting Board's website at:

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

Restriction on use of our report

This report is made solely to the Trustees, as a body. Our audit work has been undertaken so that we might state to the Trustees, as a body, those matters which 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 Trust and the Trustees, as a body, for our audit work, for this report or for the opinion we have formed.

Grant Thornton New Zealand Audit Partnership



Brayden Smith

Partner

Wellington

25 September 2017