

# The Gift Trust Financial Statements 2021

The Gift Trust  
For the year ended 31 March 2021

# Contents

3	Entity Information
4	Approval of Performance Report
5	Statement of Service Performance
6	Statement of Financial Performance
7	Statement of Financial Position
8	Statement of Cash Flows
9	Statement of Accounting Policies
11	Notes to the Performance Report
16	Depreciation Schedule
17	Independent Auditor's Report
18	Independent Auditor's Report page 2

# Entity Information

## The Gift Trust

For the year ended 31 March 2021

### Legal Name of Entity

The Gift Trust

### Entity Type and Legal Basis

Charitable Trust and Registered Charity

### Registration Number

CC 40774

### Entity's Purpose or Mission

The Gift Trust's mission is to further philanthropy in New Zealand by helping our donors give to charitable causes easily and effectively. The Gift Trust offers donor-advised Gift Accounts to our clients, a form of charitable savings account. These accounts allow our donors to plan their charitable gifts to causes they care about more effectively. The Gift Trust provides premium philanthropic support, research and due diligence on the charities our donors support and advice on how to give more effectively.

### Entity Structure

The Gift Trust has a Board of Trustees of 6 members (all voluntary positions), who oversee the strategic direction of the Trust. The operational work of the Trust is undertaken by a staff team of 4 who cover the management, philanthropic support, finances, donor engagement and charity communication.

### Main Sources of Entity's Cash and Resources

The Gift Trust's main source of funds are donations from donors who wish to open Gift Accounts. Other sources of funds are investment revenue from investing these funds and fees that the Trust charges on Gift Accounts to cover its operational costs.

### Main Methods Used by Entity to Raise Funds

The Gift Trust is actively seeking to raise its profile and encourage donors to open new Gift Accounts. The Gift Trust raises funds for its own operational costs by charging a fee for its service on Gift Accounts and for philanthropic advice.

### Entity's Reliance on Volunteers and Donated Goods or Services

The Gift Trust Board of Trustees of 6 members volunteer their time for free to guide the Trust in strategic governance.

### Physical Address

Level 2, 275 Cuba Street, Wellington 6011

### Postal Address

PO Box 19-120, Marion Square, Wellington, New Zealand, 6141

### Contact Details

Phone: (04) 391-4438. E-mail: [info@thegifttrust.org.nz](mailto:info@thegifttrust.org.nz). Website: [www.thegifttrust.org.nz](http://www.thegifttrust.org.nz)

# Approval of Performance Report

## The Gift Trust For the year ended 31 March 2021

The Trustees are pleased to present the approved performance report including the historical financial statements of The Gift Trust for year ended 31 March 2021.

APPROVED



---

Glen Saunders, Chair

Date 08 / 06 / 2021 .....



---

Phil McKinstry, Trustee

Date 08 / 06 / 2021 .....

# Statement of Service Performance

## The Gift Trust

For the year ended 31 March 2021

### Description of Entity's Outcomes

The Gift Trust's mission is to further philanthropy in New Zealand by offering a premium service to donors to help them give with more confidence and deeper effect.

We do this by:

- Encouraging more generosity in New Zealand.
- Providing Gift Accounts - a philanthropic vehicle for charitable giving which we administer on behalf of organisations, families, or individuals. Generous donors donate funds into their Gift Account and can then make distributions to the charities that they care about.
- Providing philanthropic research and support to allow donors to make better informed decisions.
- Providing due diligence and grant research for our Gift Account holders.
- Distributing donations from Gift Accounts for charitable purposes in New Zealand and overseas, whether relating to the relief of poverty, the advancement of education, or any other purpose beneficial to the community.
- Providing a cost-effective service that reduces the need for new grant-making charities or private foundations to be set up. Ensuring lower overheads, which allows more funds to be channeled to charitable purposes.
- Maintaining and growing links with other philanthropic partners in NZ, to share knowledge and best practice.

	2021	2020
<b>Description and Quantification of the Entity's Outputs</b>		
Donation distributions made to charities	1,603,958	538,301
Average donation size	10,622	5,550
Number of donations made	151	97
Largest donation distributed	250,000	49,000
Amount held in donor funds	8,083,725	5,762,537
New donor funds received	3,005,832	916,857

### Description and Quantification of the Entity's Outputs

During the year ended 31 March 2021 The Gift Trust worked with our donors to distribute \$1,603,958 of funds for charitable purposes (31 March 2020: \$538,301). We made donations of \$1,385,771 to New Zealand charitable causes (31 March 2020: \$452,907) and \$218,187 to international charitable causes (31 March 2020: \$85,394).

Our service involves working with donors to provide due diligence, research, advice and support to ensure their donations have impact.

### Additional Output Measures

During 2020-2021 The Gift Trust has been focused on growth and attracting new donors, while supporting existing and potential donors with their giving. We received \$3,005,832 in new donations from donors either adding to existing accounts or opening new Gift Accounts (31 March 2020: \$916,857) and now manage a total of \$8,083,725 (31 March 2020: \$5,762,537).

# Statement of Financial Performance

## The Gift Trust

For the year ended 31 March 2021

'How was it funded?' and 'What did it cost?'

	NOTES	2021	2020
<b>Revenue</b>			
Interest, dividends and other investment revenue	2	1,137,349	149,408
Donations, fundraising and other similar revenue	2	130,000	-
Fees, subscriptions and other revenue	2	129,027	91,394
<b>Total Revenue</b>		<b>1,396,376</b>	<b>240,801</b>
<b>Expenses</b>			
Interest and other investment income paid on donor funds	1	1,134,308	147,056
Volunteer and employee related costs	1	107,426	105,603
Costs related to providing goods or service	1	43,096	57,844
Other expenses	1	20,891	13,977
<b>Total Expenses</b>		<b>1,305,722</b>	<b>324,481</b>
<b>Surplus/(Deficit) for the Year</b>		<b>90,654</b>	<b>(83,679)</b>
<b>Donor Funds</b>			
Donor funds distributed	1	(1,603,958)	(538,301)
Donor Funds Received	2	2,936,170	961,890
<b>Total Donor Funds</b>		<b>1,332,212</b>	<b>423,589</b>
<b>Surplus/ (Deficit) for the Year including Donor Funds</b>		<b>1,422,866</b>	<b>339,910</b>

This statement has been audited and should be read in conjunction with the Independent Audit Report.

# Statement of Financial Position

## The Gift Trust

As at 31 March 2021

'What the entity owns?' and 'What the entity owes?'

	NOTES	31 MAR 2021	31 MAR 2020
<b>Assets</b>			
<b>Current Assets</b>			
Bank Accounts and Cash	3	192,674	252,564
Cash held with Joint Venture	3	28,269	-
Debtors and prepayments	3	-	300
Other Current Assets	3	2,712,339	1,764,354
<b>Total Current Assets</b>		<b>2,933,283</b>	<b>2,017,218</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	245	491
Other Non-Current Assets	3	5,352,458	3,858,381
<b>Total Non-Current Assets</b>		<b>5,352,704</b>	<b>3,858,872</b>
<b>Total Assets</b>		<b>8,285,987</b>	<b>5,876,090</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Creditors and Accrued Expenses	4	10,938	12,884
<b>Total Current Liabilities</b>		<b>10,938</b>	<b>12,884</b>
<b>Total Liabilities</b>		<b>10,938</b>	<b>12,884</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>8,275,049</b>	<b>5,863,206</b>
<b>Accumulated Funds</b>			
Reserves: Accumulated Surpluses	6	191,324	100,669
Restricted Donor Funds	7	8,083,725	5,762,537
<b>Total Accumulated Funds</b>		<b>8,275,049</b>	<b>5,863,206</b>

This statement has been audited, and should be read in conjunction with the Independent Audit Report.

# Statement of Cash Flows

## The Gift Trust

For the year ended 31 March 2021

'How the entity has received and used cash'

	2021	2020
<b>Cash flows from operating activities</b>		
<b>Cash received</b>		
Fees received	122,606	91,189
Interest received	108,079	165,983
Donor funds received	2,893,802	977,857
Donations to TGT	130,000	-
<b>Total Cash received</b>	<b>3,254,487</b>	<b>1,235,028</b>
<b>Cash paid</b>		
Payments to suppliers and employees	(172,814)	(170,106)
Interest paid on donor funds	(62,774)	(147,056)
Donor funds distributed	(1,603,958)	(538,301)
<b>Total Cash paid</b>	<b>(1,839,546)</b>	<b>(855,464)</b>
<b>Total Cash flows from operating activities</b>	<b>1,414,940</b>	<b>379,564</b>
<b>Cash flows from investing and financing activities</b>		
Net term deposit (increase)/ decrease	(985,750)	3,303,978
Cash flows from other investing and financing activities	(489,183)	(3,550,437)
<b>Total Cash flows from investing and financing activities</b>	<b>(1,474,933)</b>	<b>(246,459)</b>
<b>Net increase/ (decrease) in cash</b>	<b>(59,993)</b>	<b>133,106</b>
<b>Cash Balances</b>		
Cash and cash equivalents at beginning of period	245,266	112,160
Cash and cash equivalents at end of period	185,273	245,266
Net change in cash for period	(59,993)	133,106

This statement has been audited, and should be read in conjunction with the Independent Audit Report.



# Statement of Accounting Policies

## The Gift Trust

### For the year ended 31 March 2021

'How did we do our accounting?'

#### 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. The figures in the performance report are rounded to the nearest dollar.

#### Goods and Services Tax (GST)

The entity is not registered for GST. Therefore all amounts are stated inclusive of GST (if any).

#### Income Tax

The Gift Trust is a registered charitable entity under the Charities Act 2005, and accordingly is exempt from income tax under sections CW41 and CW42 of the Income Tax Act 2007.

#### Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances but excludes the Notice Saver account.

#### Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets, and includes the cost of replacements that are eligible for capitalisation when these are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Upon derecognition, the asset revaluation reserve relating to the asset disposed shall be transferred to retained earnings.

#### Depreciation

Asset category	Method	Rate
Computer equipment	Diminishing value	50%

#### Revenue

The Gift Trust derives revenue from its investments, interest, dividends and account fees. Such revenue is recognised when earned and is reported in the period to which it relates.

## **Financial Instruments**

The Gift Trust's investments in FNZ Custodian Funds, which contain equities, bonds, and managed funds, are designated as financial assets at fair value through surplus or deficit, as they are classified as held for trading. Financial assets designated as fair value through profit and loss upon initial recognition, are measured at balance date at fair value at the closing price released by the investment manager. This is considered to be a reasonable approximation of fair value. Other Investments are recorded at cost.

## **Tier 2 PBE Accounting Standards Applied**

The trust has elected to adopt the standards PBE IPSAS 28 Financial Instruments: Presentation, PBE IPSAS 29 Financial Instruments: Recognition and Measurement, and PBE IPSAS 30 Financial Instruments: Disclosures for its investments in FNZ Custodian Funds class of financial assets.

The trust has also adopted PBE IPSAS 36: Investments in Associates and Joint Ventures, and PBE IPSAS 38: Disclosure of Interests in Other Entities, for its investment in the Joint Venture.

## **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.

# Notes to the Performance Report

## The Gift Trust

For the year ended 31 March 2021

	2021	2020
<b>1. Analysis of Expenses</b>		
<b>Volunteer and employee related costs</b>		
Salaries	101,534	100,695
Professional Development	2,883	1,983
KiwiSaver Employer Contributions	3,010	2,925
<b>Total Volunteer and employee related costs</b>	<b>107,426</b>	<b>105,603</b>
<b>Costs related to providing goods or services</b>		
Audit Fees	6,900	5,965
Advertising	399	-
Bank Fees	20	40
Conferences	(510)	550
Freight & Courier	303	306
General Expenses	1,116	633
Insurance	3,393	2,933
IT Expense	4,645	1,759
Marketing Expense	15,159	23,043
Office Expenses	362	133
Printing & Stationery	620	640
Rent	6,119	8,989
Subscriptions	1,834	798
Telephone & Internet	600	1,092
Travel - National	2,137	10,965
<b>Total Costs related to providing goods or services</b>	<b>43,096</b>	<b>57,844</b>
<b>Donor Funds Distributed</b>		
Non Donor Advised Donations	100	131
Donor Advised Donations	1,603,858	538,170
<b>Total Donor Funds Distributed</b>	<b>1,603,958</b>	<b>538,301</b>
<b>Interest and Investment gains/losses</b>		
Interest and other Investment Gain/ (Loss) on Donor Funds	1,134,308	(163,815)
Unrealised/ realised losses	-	310,871
<b>Total Interest and Investment gains/losses</b>	<b>1,134,308</b>	<b>147,056</b>
<b>Other expenses</b>		
Consulting & Accounting	7,881	12,969
Depreciation	245	491
Legal Expenses	12,765	518
<b>Total Other expenses</b>	<b>20,891</b>	<b>13,977</b>

2021 2020

**2. Analysis of Revenue****Donations, fundraising and other similar revenue**

Donor advised funds (net interest earned re-invested)	(69,662)	45,033
Donor advised funds introduced (new)	3,005,832	916,857
<b>Total Donations, fundraising and other similar revenue</b>	<b>2,936,170</b>	<b>961,890</b>

**Fees, subscriptions and other revenue from members**

Account Fee Income	129,027	91,394
<b>Total Fees, subscriptions and other revenue from members</b>	<b>129,027</b>	<b>91,394</b>

**Interest, dividends and other investment revenue**

Interest Income on Call Accounts	486	2,205
Interest Income on Term Deposits	69,828	147,202
Unrealised/ realised gains	1,067,034	-
<b>Total Interest, dividends and other investment revenue</b>	<b>1,137,349</b>	<b>149,408</b>

**Donations received by The Gift Trust**

Donations to TGT	130,000	-
<b>Total Donations received by The Gift Trust</b>	<b>130,000</b>	<b>-</b>

	2021	2020
<b>3. Analysis of Assets</b>		
<b>Bank accounts and cash</b>		
Cash on Call	185,273	245,266
Notice Account Saver	7,401	7,298
<b>Total Bank accounts and cash</b>	<b>192,674</b>	<b>252,564</b>
<b>Cash held with joint venture</b>		
Gift Collective	28,269	-
<b>Total Cash held with joint venture</b>	<b>28,269</b>	<b>-</b>
Accounts receivable due	-	300
<b>Other current assets</b>		
Accrued Interest	26,589	64,354
Term Deposits	2,685,750	1,700,000
<b>Total Other current assets</b>	<b>2,712,339</b>	<b>1,764,354</b>
<b>Property, plant and equipment</b>		
Computer Equipment	3,486	3,486
Less Accumulated Depreciation on Computer Equipment	(3,241)	(2,995)
<b>Total Property, plant and equipment</b>	<b>245</b>	<b>491</b>
<b>Other non-current assets</b>		
FNZ Custodian Funds	5,323,581	3,831,260
Adminis funds	28,877	27,121
<b>Total Other non-current assets</b>	<b>5,352,458</b>	<b>3,858,381</b>
	2021	2020

**4. Analysis of Liabilities****Creditors and accrued expenses**

Accounts Payable	10,938	12,884
<b>Total Creditors and accrued expenses</b>	<b>10,938</b>	<b>12,884</b>

	2021	2020
<b>5. Accumulated Funds</b>		
<b>Accumulated Funds</b>		
Opening Balance	5,863,206	5,834,168
Reserves: Accumulated surpluses or (deficits)	90,654	(83,679)
Restricted Donor Funds	2,321,188	112,718
<b>Total Accumulated Funds</b>	<b>8,275,049</b>	<b>5,863,206</b>
<b>Total Accumulated Funds</b>	<b>8,275,049</b>	<b>5,863,206</b>

	2021	2020
<b>6. Reserves: Accumulated surpluses</b>		
Opening Accumulated Surpluses	100,669	184,349
Surplus/ (Deficit) for Year	90,654	(83,679)
<b>Total Reserves: Accumulated surpluses</b>	<b>191,324</b>	<b>100,669</b>

	2021	2020
<b>7. Restricted Donor Funds</b>		
<b>Restricted Funds</b>		
Restricted Funds - Donor Advised	8,065,746	5,748,155
Restricted Funds - Non Donor Advised	17,980	14,382
<b>Total Restricted Funds</b>	<b>8,083,725</b>	<b>5,762,537</b>

*Restricted Funds - Donor advised:*

Funds available for charitable distribution. Donation advice provided by Donor adviser and approved by Trustees.

*Restricted Funds - Non donor advised:*

Funds available for charitable distribution as agreed by the Trustees.

## 8. Joint Venture

During the year, The Gift Trust entered into an unincorporated joint venture called The Gift Collective ("GCNZ), between Open Collective NZ Ltd ("OCNZ) and The Gift Trust ("TGT").

GCNZ offers fiscal sponsorship and fundholding to New Zealand charitable initiatives. The purpose of the Joint Venture is to allow charitable projects that have not incorporated as a charitable entity to set up an account to receive tax deductible donations and grants.

TGT receives funds for a Collective and holds these Funds for the use of the Collective (less any administrative charges, interest and expenses). OCNZ provides a platform for the display, tracking and management of funding for a Collective.

As set out in the GCNZ Terms, all money received by GCNZ on behalf of a Collective is reported as revenue of TGT.

Interest received on the GCNZ bank account is retained in the account to meet operational expenses and is also reported as revenue of TGT. Expenses and any revenue generated from the fees is split 50/50 between OCNZ and TGT.

The following transactions and balances relating to a CNZ are reported in the financial statements of TGT:

Donations received	79,206
Interest received	4
Total revenue	79,210
Donations paid	44,731
Legal fees reimbursed to TGT	6,210
Total expenses	50,941
Surplus	28,269
GCNZ Bank account	28,269
Restricted Donor Funds	34,475
Retained Earnings <i>(being legal fees less interest received)</i>	(6,206)

## 9. Commitments

There are no current funding commitments (31 March 2020: nil).

## 10. Related Parties

There were no transactions involving related parties during the year (31 March 2020: nil).

## 11. 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.

# Depreciation Schedule

## The Gift Trust

For the year ended 31 March 2021

NAME	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE
<b>Computer Equipment</b>						
Mac Book Air 13" + case	1,837	182	-	-	91	91
Macbook Air laptop for new Administrator	1,649	309	-	-	155	155
<b>Total Computer Equipment</b>	<b>3,486</b>	<b>491</b>	<b>-</b>	<b>-</b>	<b>245</b>	<b>245</b>
<b>Total</b>	<b>3,486</b>	<b>491</b>	<b>-</b>	<b>-</b>	<b>245</b>	<b>245</b>






# Independent auditor's report

## To the Trustees of The Gift Trust

### Opinion

We have audited the accompanying performance report of The Gift Trust on pages 3 to 14, which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 31 March 2021, the statement of financial position as at 31 March 2021, and the statement of accounting policies and notes to the performance report.

In our opinion the accompanying performance report presents fairly, in all material respects:

-  the entity information as at 31 March 2021
-  the financial position of The Gift Trust as at 31 March 2021, and its financial performance, and its cashflows for the year then ended; and
-  the service performance for the year ended 31 March 2021 in accordance with the entity's service performance criteria in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board.

### 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) (ISAs (NZ)) and the audit of the entity information and service performance information in accordance with the ISAs and New Zealand Auditing Standard (NZ AS) 1 *The Audit of Service Performance Information (NZ)*. 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 Gift 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 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 our capacity as auditor we have no relationship with, or interests in, The Gift Trust.

### Responsibilities of the Trustees for the performance report

The Trustees are responsible on behalf of the entity for:

- a) the preparation and fair presentation of the entity information, the statement of service performance, the statement of financial performance and statement of cash flows in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-for-profit) issued by the New Zealand Accounting Standards Board;
- b) service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-for-profit); and

- c) such internal control as the Trustees determines is necessary to enable the preparation of a 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 Gift Trust's for assessing The Gift 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 Gift Trust or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the performance report**

Our objectives are to obtain reasonable assurance about whether the performance report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 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 or collectively, they could reasonably be expected to influence the decisions of users taken on the basis of this performance report.

A further description of the auditor's responsibilities for the audit of the performance report is located at the XRB's website at

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-18/>

This report is made solely to the trustees of The Gift 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, for our audit work, for this report, or for the opinions we have formed.



### **Kendons Chartered Accountants Limited**

Alastair Lloyd • Associate Director

Qualified Auditors • Lower Hutt • New Zealand

8 June 2021