

# Financials

## Report from Chair of Risk Assurance and Audit Committee

The primary purpose of the Risk Assurance and Audit Committee is to assist the Board of the Royal New Zealand Plunket Trust (formerly the Royal New Zealand Plunket Society Inc) (Plunket) in fulfilling its risk assurance and audit responsibilities. The Committee carries out this purpose by overseeing and providing advice to the Board on Plunket's:

- risk management processes
- internal control mechanisms
- internal and external audit functions
- policies and processes adopted to ensure compliance with applicable legislation, regulations, codes of practice and government requirements
- financial information prepared by management for publication

The Committee meets three times a year with Plunket's Chief Executive Officer, Chief Commercial Officer and Chief Strategy & Performance Officer.

Risk Assurance and Audit Committee

### Royal New Zealand Plunket Society Inc. (to Dec 2017)

George Tuffin	Independent Chair
Andr�e Talbot	New Zealand President
Christine Lake	New Zealand Vice President
Matthew Harker	National Board
Lucy Hickman	National Board
Tammi Wilson Uluinayau	National Board

### Royal New Zealand Plunket Trust (from Jan 2018)

#### Committee Chairperson

Alex Skinner	Trustee
Christine Lake	Trustee
Nigel Kirkpatrick	Trustee

## Independent Auditor's Report

To the beneficiaries of Royal New Zealand Plunket Trust

### Report on the Summary Financial Statements

#### Opinion

In our opinion, the accompanying summary financial statements of Royal New Zealand Plunket Trust (the Trust) on page 18:

- Has been correctly derived from the audited Trust financial statements for the six month period ended on that date; and
- Is a fair summary of the Trust financial statements, in accordance with PBE FRS 43 Summary Financial Statements.

The accompanying summary financial statements comprises:

- the summary statement of financial position as at 30 June 2018;
- the summary statements of comprehensive revenue and expenses, changes in net assets/ equity and cash flows for the six month period then ended; and
- notes, including a summary of significant accounting policies and other explanatory information

#### Basis for opinion

We conducted our audit in accordance with International Standard on Auditing (New Zealand) (ISA (NZ)) 810 (Revised), Engagements to Report on Summary Financial Statements.

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

#### Use of this Independent Auditor's Report

This report is made solely to the beneficiaries as a body. Our audit work has been undertaken so that we might state to the beneficiaries those matters we are required to state to them in the Independent Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the beneficiaries as a body for our audit work, this report, or any of the opinions we have formed.

#### Responsibilities of the Trustees for the Summary Financial Statements

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

- the preparation and fair presentation of the summary financial statements in accordance with PBE FRS 43 Summary Financial Statements; and
- implementing necessary internal control to enable the preparation of a summary financial statements that is correctly derived from the audited financial statements.

#### Auditor's Responsibilities for the Summary Financial Statements

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with (or are a fair summary of) the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) (ISA (NZ)) 810 (Revised), Engagements to Report on Summary Financial Statements.

We expressed an unmodified audit opinion on the financial statements in our audit report dated 19 September 2018.

The summary financial statements does not contain all the disclosures required for a full financial statements under generally accepted accounting practice in New Zealand. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Trust.

KPMG

Wellington

19 September 2018

## Summary financial statements

Royal New Zealand Plunket Trust Summary Financial Statements for the six months ended 30 June 2018

**This is a summary of the Trust's audited financial statements. These are the first set of summary financial statements of the Trust. They cover the six month period between 1 January and 30 June 2018. These statements were authorised for issue on 19 September 2018 and the summary financial report has been extracted from the full audited statements dated 30 June 2018.**

The summary financial statements have been prepared in accordance with FRS-43 – Summary Financial Statements. The full financial statements have been prepared in accordance with generally accepted accounting practice and they comply with Public Benefit Entity International Public Sector Accounting Standards (PBE Standards) and other applicable Financial Reporting Standards, as appropriate for Tier 1 not-for-profit public benefit entities. The Trust has made an explicit and unreserved statement of compliance with Public Benefit Entity International Public Sector Accounting Standards (PBE Standards) in note 1 of the full financial statements.

Statement of Comprehensive Revenue and Expense for the six months ended 30 June 2018	Trust June 2018 (6 mths) \$000
Contract Income	34,025
Sponsorship/Donations/Grants Income	5,164
Other Income	1,219
	<b>40,408</b>
Salaries and Wages	30,868
Service Delivery Expenses	11,933
Depreciation and Amortisation	2,651
Other Expenses	1,694
	<b>47,146</b>
<b>Operating (Deficit) for Year</b>	<b>(6,738)</b>
Net Change in Fair Value of Available for Sale Financial Assets	(4)
Total Comprehensive Revenue and Expense for the Period	<b>(6,742)</b>

Statement of Changes in Net Assets/Equity for the Six Months Ended 30 June 2018	Trust June 2018 (6 mths) \$000
<b>Opening Equity Balance</b>	<b>0</b>
Operating (Deficit) for the Year	(6,742)
Net Assets transferred from Royal New Zealand Plunket Society Incorporated	42,482
<b>Total Comprehensive Revenue and Expense</b>	<b>35,740</b>
<b>Closing Equity Balance</b>	<b>35,740</b>

The financial statements are presented in New Zealand dollars because that is the currency of the primary economic environment in which the Trust operates.

The summary financial report cannot be expected to provide as complete an understanding as provided by the full financial statements of financial performance, financial position, recognised income and expenses and cash flows of the Trust. A copy of the full financial statements can be obtained from our website [www.plunket.org.nz](http://www.plunket.org.nz) or by writing to The Royal New Zealand Plunket Trust at PO Box 5474 Wellington 6140. The Trust is a not for profit organisation.

The auditor has examined the summary financial report for consistency with the audited financial statements and has the opinion the information reported in the summary financial report complies with FRS-43 Summary Financial Statements and is consistent in all material respects, with the full financial report from which it is derived.

Statement of Financial Position as at 30 June 2018	Trust 2018 \$000
<b>Current Assets</b>	
Accounts Receivable	1,405
Inventory and Other Current Assets	1,569
<b>Total Current Assets</b>	<b>2,974</b>
<b>Non Current Assets</b>	
Property, Plant and Equipment	43,456
Intangible Assets	11,804
Other Receivable	652
Investments	316
<b>Total Non Current Assets</b>	<b>56,228</b>
<b>Total Assets</b>	<b>59,202</b>
<b>Current Liabilities</b>	
Overdraft	1,221
Payables	2,785
Employee Entitlements	6,664
Income Received in Advance	9,569
Lease Provision	42
Finance Leases	972
<b>Total Current Liabilities</b>	<b>21,253</b>
<b>Non Current Liabilities</b>	
Lease Provision	19
Finance Leases	1,562
Make Good Provision	628
<b>Total Non Current Liabilities</b>	<b>2,209</b>
<b>Total Liabilities</b>	<b>23,462</b>
<b>Net Equity</b>	<b>35,740</b>
<b>Total Liabilities and Equity</b>	<b>59,202</b>

Statement of Cash Flows for the Six Months Ended 30 June 2018	Trust June 2018 (6 mths) \$000
Net Cash Flows from Operating Activities	(2,107)
Net Cash Flows from Investing Activities	1,460
Net Cash Flows from Financing Activities	(574)
<b>Net Decrease in Cash Held</b>	<b>(1,221)</b>

## How does our performance compare with the prior year

The table below provides a view of Plunket's financial performance over the last two years. The Society Inc. financial performance for the six months ended 31 December 2017, shown below, have been independently reviewed by KPMG but not audited. The 2017 results are for the Society Inc. financial year ended 30 June 2017, and are taken from the 2017 Annual Report.

2017 Audited \$000		Society Inc. Dec 2017 (6 mths) Unaudited \$000	Trust June 2018 (6 mths) Audited \$000	2018 \$000
65,555	Contract Income	34,127	34,025	68,152
10,714	Sponsorship/Donations/Grants Income	5,099	5,164	10,263
5,904	Area Society Funded Services	0	0	0
2,132	Investment Income	378	0	378
651	Other Income	1,240	1,219	2,459
84,956		<b>40,844</b>	<b>40,408</b>	<b>81,252</b>
61,510	Salaries and Wages	30,803	30,868	61,671
24,739	Service Delivery Expenses	11,073	11,933	23,006
1,183	Amortisation – Computer Equipment	2,122	2,190	4,312
251	Depreciation – Property and Vehicles	383	461	844
3,065	Other Expenses	780	1,694	2,474
90,748		<b>45,161</b>	<b>47,146</b>	<b>92,307</b>
(5,792)	Operating (Deficit) for Year	(4,317)	(6,738)	(11,055)
(1,260)	Transition Related Expenditure	0	0	0
8,487	Integration of Area Societies' Net Assets	27,819		27,819
(1,222)	Net Change in Fair Value of Available for Sale Financial Assets	9	(4)	5
213	<b>Total Comprehensive Revenue and Expense for the Period</b>	<b>23,511</b>	<b>(6,742)</b>	<b>16,769</b>

### Key points to note include:

- 2017 Area Society Funded Services: Historically the Area Societies have contributed to the funding of salaries for community services staff, these contributions totalled \$5.904 million in 2016/17.
- 2018 Amortisation – Computer Equipment has increased primarily due to the amortisation of the Electronic Plunket Health Record (ePHR), the system Plunket has invested in to record each child's Well Child checks, which was fully operational in 2017/18.
- 2018 Depreciation – Property and Vehicles has increased due to the additional properties now in the Trust's balance sheet.
- On 1 July 2017, the remaining net assets of Plunket's area societies were integrated into the Society Inc. (\$27.819 million). Further information on these transfers is included in the 2017 Annual Report which is available on the Plunket website [www.plunket.org.nz](http://www.plunket.org.nz).

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