



STORYTIME™
FOUNDATION

Annual Report

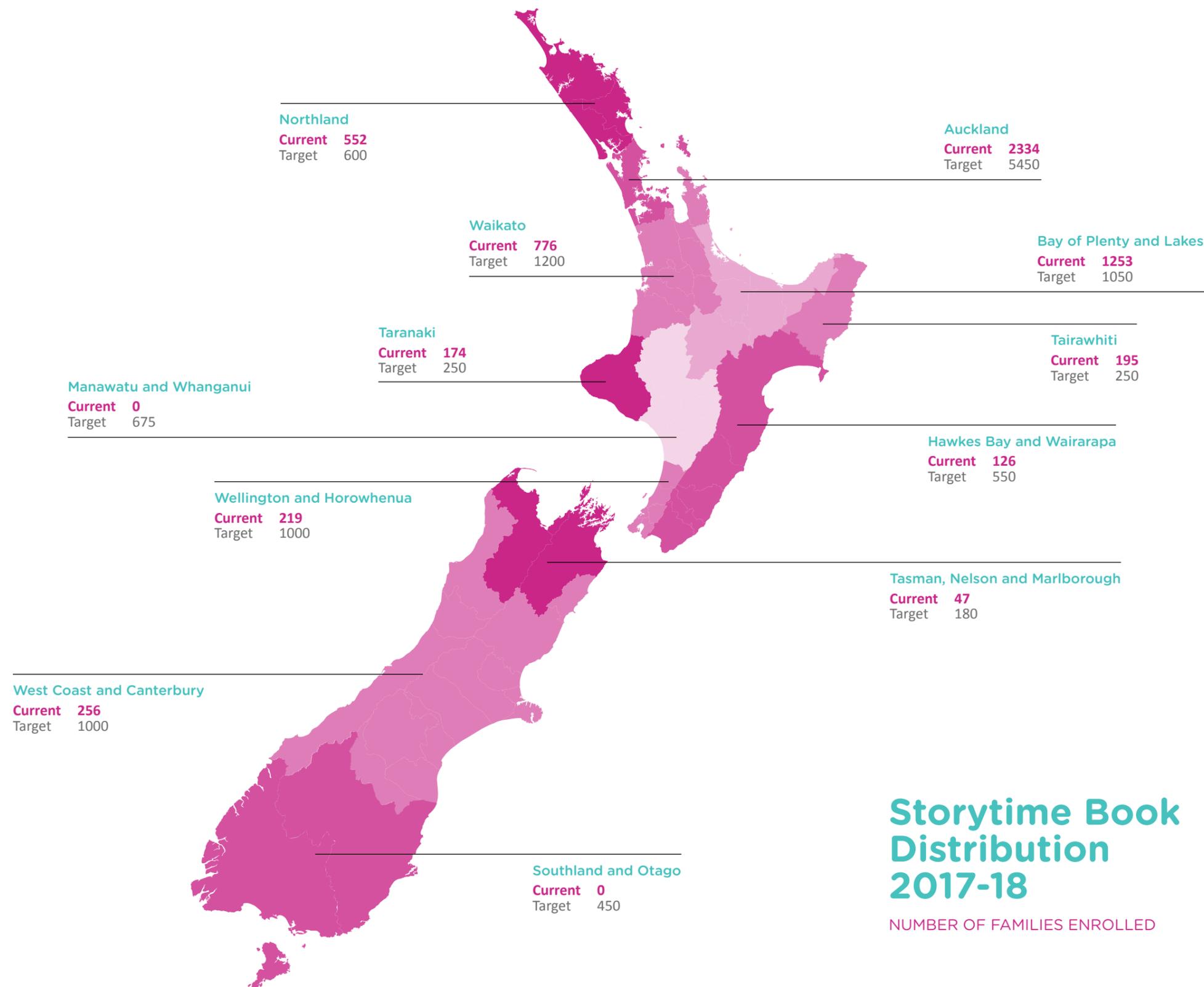
For year end 30 June 2018

Annual Report

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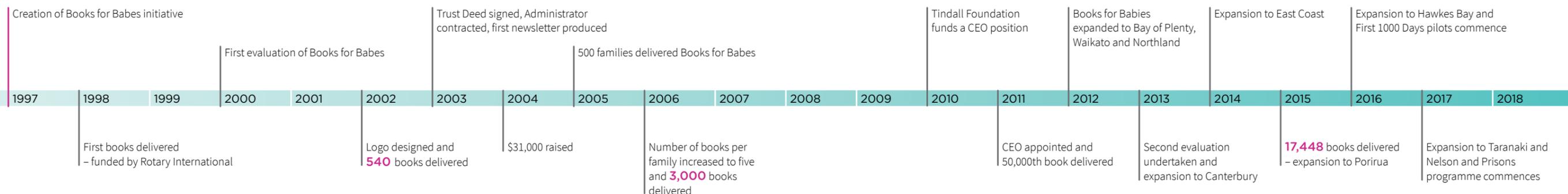
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Storytime Book Distribution 2017-18

NUMBER OF FAMILIES ENROLLED





Chairman's Report

On behalf of the Storytime Foundation Board of Trustees it is my pleasure to present this Annual Report.

The past year of operations has seen 5319 new families enrol in our Books for Babies programme. At the end of the financial year we were delivering books to newborns throughout Auckland and in Northland, Waikato, Bay of Plenty, Tairāwhiti, Hawkes Bay, Taranaki, Manawatu/Whanganui, Wellington, Canterbury, Otago and the West Coast. We now look forward to including other New Zealand communities as funding and resources permit including Wairarapa and Southland.

Our key national partner in the Books for Babies programme is Plunket. Over the course of the year we have also partnered with several other organisations including Tamariki Ora providers, libraries, DHBs, Family Start, Early Start and others, and the Board expresses its thanks to the management of all these organisations for their participation and support.

Five pilot programmes trialing an extension of Books for Babies have continued to develop this year, and through the generosity of Bay Brighter Futures we have commenced rolling out this initiative in the Bay of Plenty. This initiative, known as Books for Babies: First 1000 Days, builds on the success of Books for Babies with the participation of families from the third trimester of pregnancy until the child is three years of age. First 1000 Days provides additional opportunity to help parents to continue to read, talk and play with their children from the earliest age. We have been supported in this endeavor with funding from Tindall Foundation, JR McKenzie Trust and Cognition Education Trust. We look forward to progressing this initiative in the coming year.

We commenced a new service this year known as Taonga mō ngā Tamariki (Treasures for our Children). This new initiative, delivered in cooperation with the Department of Corrections and Ministry of Education assists inmates at Ngāwha Men's and Wiri Women's prisons as they prepare for release, to strengthen the bond with their children and is designed to reduce recidivism. Results to date have been highly encouraging.

The Board thanks the Chief Executive Tony Culliney and his team for their efforts through the year and all of those that volunteered their time from Well Child frontline staff and Family Start support workers to the Advisory Board and Research Group.

We finish the year with great plans for the future and the knowledge that Books for Babies has reached over 50,000 families since 2003 – that represents more than 180,000 books and over 95,000 individual family members! My sincere thanks to all our supporters and partners for making 2017/18 such a successful year.

Ian Leader
Chairman

Chief Executive's Report

The past year has been particularly exciting as we have experienced several developments and successes.

Not only has the number of families enrolled in Books for Babies increased this year to 5319 but we have also had just under 1000 families participate in Books for Babies: First 1000 Days, we have commenced a roll out of this initiative in the Bay of Plenty and successfully completed 6 months of delivery of Taonga mō ngā Tamariki into Ngāwha and Wiri prisons.

While Books for Babies remains our "flagship" programme we are delighted to be able to engage with a wider community of families that experience disadvantage through our new initiatives, and to work with them to help strengthen attachment with their children, to develop a love of reading and build early language skills.

We have engaged Point Research to undertake ongoing evaluation of our programmes and the early results are very positive across all services.

Our funders and donors have been very supportive again this year, donating over \$360,000 towards our programmes.

Among the highlights of the year was the commencement of Books for Babies in Manawatu/Whanganui, Nelson/Malborough and in Otago. We now deliver in Northland, Auckland, BOP, Waikato, Hawkes Bay, Tairāwhiti, Taranaki, Manawatu/Whanganui, Wellington Region, Canterbury, West Coast and Otago, and we will continue the expansion in the coming year.

Another highlight was the continued development of the First 1000 Days initiative, piloting Books for Babies: First 1000 Days in the Far North, Manukau, Rotorua, Porirua and Christchurch. This initiative engages with families from the third trimester of pregnancy until the child reaches three years of age. We have commenced a roll out of the initiative in the Bay of Plenty and we look forward to seeing this extension of Books for Babies being gradually extended to other communities.

The financial results for the year show a deficit of \$90,256. The deficit is explained by two factors. Firstly the First 1000 days pilot programs received grants that were recognised as income during the previous year but where the expenditure occurred during the 2018 year. Secondly the Trust has undertaken a program to reduce the number of books held in inventory. The Trust's continuing operations remain financially viable.

Much of the organisation's success this year, as in past years, is due to the tireless work of the staff, contractors and volunteers and I thank them and acknowledge their dedication to the programmes.

We have enjoyed working with our partners: Libraries, Plunket, Tamariki Ora providers, midwives, Health service providers, Family Start and District Health Boards, and have again joined with new organisations and networks to allow delivery of our services to the highest need families as we have expanded into new areas.

We are grateful to the members of our expert Advisory Board for their advice and support. Membership includes Dr Greg Morgan, Peter Mullins, Dr Cameron Grant and Dr Phil Coogan. We also acknowledge the support provided by Children's Commissioner and Principal Youth Court Judge Andrew Becroft, Johann Moreau at Lakes DHB, Plunket Head Office staff and all of our volunteers.

I look forward to working with the Storytime Foundation Board, our partners, volunteers, funders and staff in the coming year.



Tony Culliney
Chief Executive

Our Work

Each and every day, babies are born into New Zealand families where parents are ill-equipped, supported or resourced to adequately provide their children with the attention they need and deserve.

Sadly, many of these babies go on to do badly at play, at school and at work. Accordingly, Storytime Foundation is focused on providing opportunities for these families to bond with their babies and to engage with their communities, to develop the confidence and parenting skills so important in a child's early years.

Working collaboratively with Well Child/Tamariki Ora providers, libraries, DHBs, Family Start providers, midwives and others we create a home environment in which children thrive, achieve and belong. Using books and storytelling as a medium, Books for Babies fosters **stronger families and a better society; for today and tomorrow.**

A strong bond between a caregiver and child during the **first 1000 days** significantly improves outcomes in life for the child and family unit (eg., *Bowlby, 1958; Growing Up in NZ 2014*).

Every baby is born ready to learn, however brain development and a baby's capacity for learning and loving is heavily dependent on early life experiences. We know from national and international evidence that close parental interaction in the early stages of a baby's development stimulates the frontal lobe and increases early learning opportunities.

In the Books for Babies programme families benefit from learning how to read to their baby and the benefits of engaging with baby through talking, reading, singing and playing with their baby. They learn more about what is happening to their baby's development, and especially frontal lobe activity, critical in the early stages

of a child's development. Some families do not recognise the importance of these activities although we know that babies respond to their mother's voice even before the birth.

This year Storytime Foundation continued piloting an extension of Books for Babies to cover the first 1000 days of a child's life in five centres and commenced rolling out this initiative in the Bay of Plenty. Our goal is that every parent knows the importance of reading and storytelling with their children, and that New Zealand children grow up healthy and nurtured in homes rich in language and love.

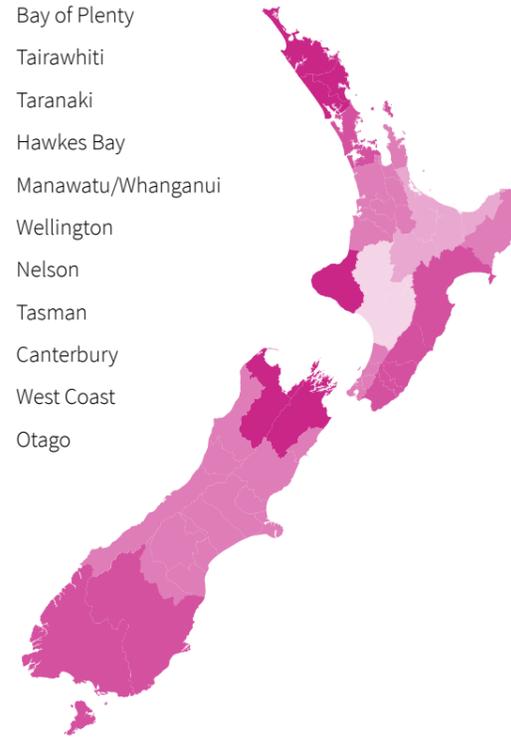
We have engaged Point Research to evaluate our services. Early results from their work have shown that we reach a high percentage of Māori (68%) and Pasifika children (34%), and that we enrol particularly disadvantaged families; one in five (18%) of parents said they were seldom or never read to as a pre-schooler, 29% could not remember having been read to as a pre-schooler; one quarter of families (27%) had no children's books in their homes at enrolment and that there was a marked increase in books in homes following participation. As a result of Storytime Foundation's programme parents say they:

- Read more often to their children (69%)
- Understand more about the benefits of reading (77%)
- Visit the library more often (44%)
- We also discovered that there was an increase in the percentage of families singing or telling stories to their toddler daily (25% - 41%) as a result of participation.

Key Facts

The Storytime Foundation has been supporting New Zealand families since 1997. Originally established in Auckland, we now support children and families in:

- Northland
- Auckland
- Waikato
- Bay of Plenty
- Tairāwhiti
- Taranaki
- Hawkes Bay
- Manawatu/Whanganui
- Wellington
- Nelson
- Tasman
- Canterbury
- West Coast
- Otago



In this time...

50,000 families have benefited from our flagship activity 'Books for Babies'

185,435 books have been delivered to 'Books for Babies' children and their families

Over **300** Well Child professionals have been trained to deliver Books for Babies

Over **\$2.2million** has been raised to benefit some of New Zealand's most needy children and families

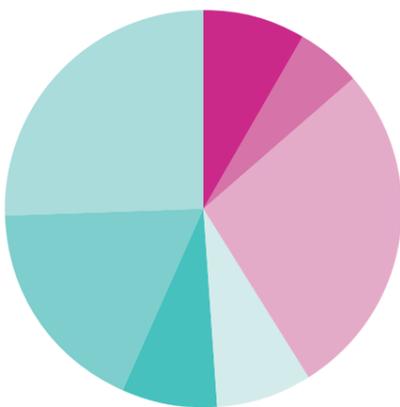
Storytime Foundation equips parents to take time to read with, talk with and tell stories to their child.

185,435

Total number of Storytime Books delivered all-time to 30 June 2018

27,298

Storytime Books delivered in the financial year from 1 July 2017 to 30 June 2018



Income & Expenditure

01 July 2017 to 30 June 2018

Income

- Targeted Income for First 1000 Days
- BBF - Targeted Income for First 1000 Days
- NET Income

Expenditure

- Books - Storage/Delivery/Admin
- Pilot Programmes
- Books - Purchase cost/Insurance
- Overheads

Why would Storytime Foundation get involved in delivering programmes into prisons?

Well...

How do prison reform, rates of recidivism, and reading to children all fit together? These might seem like odd things to all pull into the same sentence, but increasingly there is a convincing body of evidence suggesting that, along with other kinds of family contact, reading to and engaging in literacy education with their children may help prisoners break the cycle of reoffending following their release.

Got your attention? Great! But first we need to back up a bit. As various international studies have shown over many years, there's compelling evidence to suggest that contact with family and friends is profoundly important not only for prisoners' wellbeing, but also for reducing their rates of reoffending once they're released. As prison reform advocate Lord Farmer (2017) puts it, "We cannot ignore the reality that a supportive relationship with at least one person is indispensable to a prisoner's ability to get through their sentence well and achieve rehabilitation. Supportive relationships with family members and significant others give meaning and all important motivation to other strands of rehabilitation and resettlement activity."

This conclusion is so well backed up by the research that in the UK, changes to prison policy have been put in place in order to make the prison experience less isolating, fostering family links as the most effective means of ensuring crime-free resettlement post-prison. But not all family contact is created equal: although most studies show unequivocal links between increased contact with loved ones and reduced recidivism, results become more complicated in the case of incarcerated fathers receiving visits from their children. In one high-quality study (*Bales and Mears, 2008*), a

higher frequency of child visits was associated with higher rates of reoffending among male prisoners, and as the researchers put it, "it may be that such visitation imposes greater strain on inmates by leading them to become more viscerally aware of their inability to parent their children, leading to increased offending" (p. 314).

"Supportive relationships with family members and significant others give meaning and all important motivation to other strands of rehabilitation and resettlement activity."

That's where the reading-to-children part comes in. While the data on child visits seem to suggest there may be circumstances in which the overall effect of children's visits on their incarcerated fathers' desistance from crime can be negative, some studies have looked specifically at structured programmes in which children's visits are conducted within a larger context involving parenting education or an emphasis on helping children with their literacy. The overwhelming conclusion from these studies is that such programmes can be enormously beneficial not just in helping male prisoners feel more connected to their children, but also in giving them a sense of educational achievement themselves – something sadly lacking from the histories of many prisoners.

An example of such a programme is FLiP (Family Literacy in Prisons), a UK project documented by Nutbrown et al (2017)

in which prisoners were brought together in small groups to learn about child literacy and discuss ways to engage children in activities involving words, rhymes, book sharing, and early writing. After the workshops, a series of six family literacy-related visits were conducted, and as the authors report, many prisoners found it motivating to see their children in a different context from usual, with some fathers acknowledging that the workshops were an effective tool to help them relate better to their children (p. 7). As Farmer (2017) has noted in his review of the UK prison system, being expected to help children with their homework can be a powerful motivator for prisoners' own learning, since it can "provide a significant fillip to men inside, some of whom feel they have never achieved anything in their lives that would make their children proud of them" (p.68). Along similar lines, positive results have been found for programmes that focus on teaching male prisoners parenting skills and providing them with education on fathering.

All in all, what's clear from the research is that reform is needed in prison systems around the world in order for prisoners' reintegration into society and desistance from crime post-release to be better supported. One of the key ways this can be achieved is through strengthening the bonds between prisoners and their loved ones and, in the case of incarcerated fathers, making sure the effects of their children's visits are positive via prison parenting programmes that increase their sense of themselves as having something to offer their children. One ideal way this can be done – and it has the added benefit of providing these fathers with a sense of educational achievement themselves – is to involve them directly in their children's literacy learning.

"...being expected to help children with their homework can be a powerful motivator for prisoners' own learning."



Statement of Service Performance

The purpose of this Statement of Service Performance is to report on the activities of Storytime Foundation Trust Board over the F2018 year.

Legal Name Storytime Foundation Trust Board

Type of Entity Charitable Trust, Registered Charity

Registration No. CC22735

Certificate of Incorporation No. 1487114

Entity Structure

- Under our Trust Deed the number of Trustees shall be no less than three nor more than six. We currently have five trustees including a Chairman and Treasurer
- Our operations are managed by a CEO with part time staff and consultants
- Volunteers support us with our activities throughout the year
- We operate collaboratively with a number of agencies

Main Sources of Cash and Resources

Storytime Foundation receives income from a variety of philanthropic Trusts, Foundations and donors to purchase books and to cover operational expenses, and a small portion of income from Government contracts related to prison inmates and released prisoners in the community

Main Methods Used to Raise Funds

Funds are raised through application to philanthropic Trusts and Foundations and by negotiation with Government Departments

Reliance on Volunteers and Donated Goods/Services

We work collaboratively with Plunket, Tamariki Ora agencies, Family Start providers, DHBs, Corrections services, Ministry of Education and others. These agencies assist with the delivery of our services

Vision

New Zealand children thriving in supportive home environments.

Mission

The Storytime Foundation Trust is committed, in partnership with Plunket, Tamariki Ora providers, Family Start, libraries and others to building the ongoing wellbeing of children and their families by increasing bonding through reading, talking and more positive engagement in the home.

Outputs

Storytime Foundation delivers books, information and a range of resources to high need families with children from birth to 3 years of age to improve early bonding and attachment through our Books for Babies programme.

Research indicates that a strong bond between a caregiver and child during the first 1000 days significantly improves outcomes in life for the child and the wider family unit. It also has positive effects on literacy. We therefore:

- deliver books and information into New Zealand's most deprived homes to enhance early attachment, build cohesive families and improve social outcomes
- teach parents to take time to read to their child—especially as a baby—this remains a key determinant of early bonding and attachment

We are the only agency delivering Books for Babies directly into the home through Well Child providers.

In F2018 we achieved the following:

1. Enrolled 5319 new families in the Books for Babies programme
2. Enrolled 1297 families in the First 1000 Days pilots
3. Delivered 27,298 books
4. Delivered hundreds of resources such as brochures, fridge magnets, table mats and useful information to support parents as they work closely with their child.
5. Commenced delivery of a programme into Ngawha and Wiri prisons to help improve the bond between the incarcerated parent and the child and to reduce recidivism



Outcomes

We provided opportunities for high need families with newborns and young children- particularly Maori and Pacific - to engage with their communities, develop confidence and parenting skills critical in the early years, and provide a better future for their children thereby reducing disparities in social and developmental outcomes. Our programmes target the highest need families to improve bonding between parent/caregiver and child, to encourage the families/whanau to understand and better value reading and talking to their children, and to become more aware of the benefits of providing a nurturing environment.

We support families to understand baby and toddler developmental needs using books as the catalyst, to achieve improved bonding and child development and to help parents develop their child's early language skills.

We support parents prior to leaving prison to better understand their child's development and provide resources for parent and child to share.

Additional Information: Feedback

We receive feedback from participating parents regarding the benefits to them of participation, and we have contracted an independent research company, Point Research to undertake a formal evaluation of the expanded Books for Babies: First 1000 Days programme. To date the feedback has been very positive, parents feel that the programme has benefited them and their child, they report that they feel more confident as parents in reading and talking with their child and they are more likely to visit their local library than before participating.

Through the Point Research evaluation work this year we have found that:

- One in five (18%) parents said they were seldom or never read to as a pre-schooler
- A further 29% could not remember having been read to as a pre-schooler
- Around one-quarter (28%) said they were read to daily or more often
- There has been a marked increase in the number of children's books in the homes of those participating in the initiative
- While a quarter (27%) of homes had no children's books prior to the programme, this was no longer the case. There was a significant increase in the number of books in homes which appears to be more than the number of books provided
- 69% reported that they read more often to their children
- 79 % said that they understand more about the benefits of reading
- 44% visit the library more often



Storytime
Foundation
Trust Board



Special Purpose Financial Report

For the Year ended 30 June 2018

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF STORYTIME FOUNDATION

Report on the Financial Information

Opinion

We have audited the performance report of Storytime Foundation Trust Board (the "Trust"), which comprises the statement of service performance, the statement of financial performance and statement of cashflows for the year ended 30 June 2018, the statement of financial position as at 30 June 2018 and the statement of accounting policies and other explanatory information.

In our opinion:

- a. the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b. the accompanying performance report presents fairly, in all material respects:
 - the entity information for the year ended 30 June 2018
 - the service performance for the year then ended; and
 - the financial position of the Trust as at 30 June 2018, and its financial performance, and cash flows for the year then ended

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

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 statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("ISAE (NZ) 3000 (Revised)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Performance Report* section of our report. We are independent of the 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 obtained at the date of this auditor's report is information contained in the annual report, but does not include the performance report and our auditor's report thereon.

Our opinion on the performance report 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 performance report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the performance report or our knowledge obtained 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.

Responsibilities of the Board of Trustees for the Performance Report

The Board of Trustees are responsible for:

- a. Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- b. the preparation and fair presentation of the performance report on behalf of the Trust which comprises:
 - the entity information;
 - the statement of service performance; and
 - the statement of financial performance, statement of accounting policies and notes to the performance reportin accordance with Public Benefit Entity Simple Format Reporting -Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board; and
- c. such internal control as the Board of Trustee's determine necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Board of Trustees are responsible on behalf of the Trust 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 Board of Trustee's 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 Performance Report

Our objectives are to obtain reasonable assurance about whether the performance report is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this performance report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise

professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trusts ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

However, future events or conditions may cause the Trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

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

Who we Report to

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

BDO Auckland

BDO Auckland
Auckland
New Zealand
15 November 2018



Storytime Foundation Trust Board
Statement of Financial Performance
For the Year ended 30 June 2018

	Note	2018 \$	2017 \$
REVENUE			
Grants Received	4	354,352	481,680
Donations	14	7,257	9,206
Revenue from Provision of Services	14	29,574	-
Investment Income	5	<u>2,018</u>	<u>2,178</u>
Total Revenue		393,201	493,064
EXPENSES			
Costs Relating to Provision of Goods	6	169,424	139,548
Employee Related Costs	7	141,057	122,768
Administrative Costs	8	171,156	156,549
Depreciation & Impairment	11	<u>1,820</u>	<u>1,290</u>
Total Expenses		483,457	420,154
NET SURPLUS/(DEFICIT) FOR THE YEAR		<u>(90,256)</u>	<u>72,909</u>

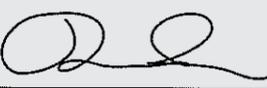
Storytime Foundation Trust Board
Statement of Financial Position
As at 30 June 2018

	Note	2018 \$	2017 \$
CURRENT ASSETS			
Bank Accounts and Cash		151,165	230,616
GST Refund Due		9,479	-
Debtors & Prepayments		13,448	568
Investments	10	55,381	53,532
Inventories	9	<u>113,002</u>	<u>139,666</u>
Total Current Assets		342,475	424,382
NON-CURRENT ASSETS			
Property Plant & Equipment	11	<u>1,958</u>	<u>3,778</u>
Total Non-Current Assets		1,958	3,778
TOTAL ASSETS		344,433	428,160
CURRENT LIABILITIES			
Creditors and Accrued Expenses		24,115	36,172
Employee Costs Payable		24,255	24,954
Unused Donations and Grants with Conditions	4	<u>52,888</u>	<u>33,602</u>
Total Current Liabilities		101,258	94,729
TOTAL LIABILITIES		101,258	94,729
NET ASSETS		<u>243,176</u>	<u>333,432</u>
Represented by:			
Accumulated Funds			
Accumulated Surpluses		<u>243,176</u>	<u>333,432</u>
ACCUMULATED FUNDS	13	<u>243,176</u>	<u>333,432</u>

The accompanying notes form part of these Financial Statements and should be read in conjunction with the reports contained herein.

On Behalf of the Trust:

 Chairman

 Trustee

Date: 8 November 2018

Storytime Foundation Trust Board
Statement of Cashflows
For the Year ended 30 June 2018

	Note	2018 \$	2017 \$
Cashflows from Operating Activities			
Cash was provided from:			
Donations, Fundraising and Other Similar Receipts		363,702	496,508
Receipts from Providing Services		29,574	32
Interest, Dividends & Other Investment Receipts		2,018	2,178
Cash was applied to:			
Payments to Suppliers, Employees & Others		(472,896)	(403,592)
Donations or Grants Paid		-	(15,000)
Net Cash Flows from Operating Activities		(77,602)	80,126
Cashflows from Investing Activities			
Cash was applied to:			
Purchase of Property, Plant & Equipment		-	(3,476)
Purchase of Investments		(1,849)	(1,673)
Net Cash Flows from Investing Activities		(1,849)	(5,149)
Net Increase/ (Decrease) in Cash Held		(79,451)	74,977
Bank Accounts and Cash at the start of the year		230,616	155,639
Bank Accounts and Cash at the end of the year		151,165	230,616

Storytime Foundation Trust Board
Notes to the Financial Statements
For the Year ended 30 June 2018

1. STATEMENT OF ACCOUNTING POLICIES

Basis of Preparation

Storytime Foundation Trust Board (the Trust) has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that its total annual expenditure is less than two million dollars and it has no public accountability.

All transactions are reported using the accrual basis of accounting.

Going Concern Basis

In preparing these financial statements, consideration was given to the on-going funding of the Trust and possible outcomes of negotiations for additional grants and donations. These financial statements have been prepared on a going concern basis, the validity of which depends upon future funding being available. It is the considered view of the Board of Trustees that on-going funding will continue to satisfy the operational requirements of the Trust. If the Trust is unable to continue its operational existence in the foreseeable future, adjustments may have to be made to reflect the fact that assets and liabilities may need to be realised at amounts other than those at which they are currently recorded in the Statement of Financial Position and the Trust may have to provide for further liabilities that may arise.

Specific Accounting Policies

(a) **Revenue Recognition**

Revenue from donations and grants without "use or return" conditions attached is recognised as revenue when the cash or significant assets are received.

Revenue from donations and grants with "use or return" conditions attached is deferred until the conditions are met.

(b) **Property, Plant & Equipment**

All property, plant and equipment is initially recorded at cost with depreciation being deducted on all tangible fixed assets other than freehold land, in accordance with depreciation rates issued by the Inland Revenue Department.

These rates range from 30.00% to 67.00% and are applied on a straight line basis.

(c) **Intangible Assets**

All identifiable intangible assets are initially recorded at cost with amortisation being deducted in accordance with depreciation rates issued by the Inland Revenue Department.

The rate of 10.00% has been applied for all identifiable intangible assets on a straight line basis.

(d) **Inventories**

Inventory consists of both purchased and donated books. These books are given away in the ordinary course of the Trust's business. The value of inventory reflected in the financial statements is the donated value or cost of the books.

(e) **Leased Assets**

Operating leases are those where all the risks and benefits incidental to ownership are retained by the lessor. Operating lease payments are expensed in the periods that the amounts are payable.

(f) **Receivables**

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

(g) **Changes in Accounting Policies**

All policies have been applied on bases consistent with those used in the previous year.

2. **AUDIT**

These financial statements have been subject to audit, please refer to the audit report.

3. **CONTINGENT LIABILITIES**

At balance date there are no known contingent liabilities (30 June 2017: Nil). Storytime Foundation Trust Board has not granted any securities in respect of liabilities payable by any other party whatsoever.

4. **GRANTS RECEIVED**

	2018 \$	2017 \$
The Trust gratefully acknowledges the support of the following, along with all other donors who have aided the Trust in achieving its charitable goals.		
Foundation North	50,000	50,000
Auckland Airport Community Trust	-	32,816
Bay of Plenty Community Trust	10,000	13,124
BBF - Bay Trust	10,000	-
BBF - Lottery Grant Board - Community	28,333	-
BBF - Rotorua Energy Trust	15,000	-
Cognition Education Trust	15,000	30,000
Community Organisation Grants Scheme - Far North	2,500	2,500
Community Organisation Grants Scheme - Tairāwhiti	-	2,500
Eastern & Central & Community Trust	6,000	4,000
First Sovereign Trust	14,105	-
Four Winds Foundation	6,500	10,000
Infinity Foundation	-	5,000
J R McKenzie	70,000	70,000
Ministry of Education	6,200	-
Mt Wellington Foundation	-	5,000
NZ Lottery Grants Board	20,000	30,000
Oxford Sports Trust	6,000	-
Rotorua Energy Charitable Trust	10,000	10,000
RATA Foundation	-	9,000
The Southern Trust	10,000	10,000
The Tindall Foundation	-	90,000
The Todd Foundation	75,000	78,000
The Trusts Community Foundation Limited	10,000	16,362
Trust Waikato	5,000	5,000
TSB Trust	-	9,000
WEL Energy Trust	4,000	5,000
Less: Current Year Grants Received in Advance	(52,888)	(33,602)
Add: Prior Year Grants Received in Advance	33,602	27,980
Total Grants Income	<u>354,352</u>	<u>481,680</u>

Storytime Foundation Trust Board
Notes to the Financial Statements
For the Year ended 30 June 2018

5. INVESTMENT INCOME

	2018	2017
	\$	\$
Interest Received on Bank Deposits	169	506
Interest Received on Term Deposits	1,849	1,673
Total Investment Income	2,018	2,178

6. COSTS RELATING TO PROVISION OF GOODS

	2018	2017
	\$	\$
Opening Stock	139,666	123,492
Distribution & Inventory Contract	22,856	17,312
Grants Paid	-	15,000
Purchases	119,904	123,410
Closing Stock	(113,002)	(139,666)
Total Costs relating to Book Distribution	169,424	139,548

7. EMPLOYEE RELATED COSTS

	2018	2017
	\$	\$
Accident Compensation Levy	329	319
Staff Training	749	674
Subcontractors	30,957	-
Wages & Salaries	109,022	121,775
Total Employee Related Costs	141,057	122,768

8. ADMINISTRATIVE COSTS

	2018	2017
	\$	\$
The following expenses are included within administrative costs:		
Administration Contract & Support	41,800	33,663
Audit Fees	3,645	3,792
Consultancy - First 1,000 Days Pilot	62,981	64,523
Travel	15,535	12,439
Accounting Services Donated	5,000	5,000

9. INVENTORIES

	2018	2017
	\$	\$
Stock on Hand	113,002	138,266
Goods in Transit	-	1,400
Total Inventories	113,002	139,666

10. INVESTMENTS

	2018	2017
	\$	\$
Term Deposits maturing within twelve months	55,381	53,532
Total Investments	55,381	53,532

At balance date, the deposit was invested for a term of 183 days at an interest rate of 3.25% (2017: 3.50%).

Storytime Foundation Trust Board
Notes to the Financial Statements
For the Year ended 30 June 2018

11. PROPERTY PLANT & EQUIPMENT

	2018	2017
	\$	\$
Computer Equipment & Software		
At Cost	5,418	2,954
Add:		
Additions	-	3,476
Less		
Disposals	-	1,012
Accumulated Depreciation	1,640	571
Current Year Depreciation	1,820	1,069
Total Depreciation	3,460	1,640
Closing Book Value	1,958	3,778
Closing Book Value of Property, Plant & Equipment	1,958	3,778

12. TAXATION

The Trust is exempt from taxation on interest and dividends and generally exempt from income tax under Section CW 42 of the Income Tax Act 2007.

13. ACCUMULATED FUNDS

	2018	2017
	\$	\$
Accumulated Surpluses / (Deficits)		
Opening Balance	333,432	260,522
Current Year Movement	(90,256)	72,909
Balance at End of Year	243,176	333,432
Total Accumulated Funds	243,176	333,432

14. RELATED PARTIES

Storytime Foundation Trust Board has a related party relationship with one its Trustees. Thomas Bendall is a Trustee of Storytime Foundation and also a Director of Bendall and Cant Limited that has provided accounting services of \$5,000 (2017: \$5,000) to Storytime Foundation for no charge. This has been accounted for through donations in kind as part of the Donations balance.



STORYTIME™
FOUNDATION



Storytime Foundation

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