

**The Kind
Foundation™**

Mō tātou katoa. For all of us.

Annual Consolidated Financial Statements

The Kind Foundation

For the year ended 31 January 2026

Contents

3	Directory
4	Statement of Service Performance
7	Consolidated Statement of Comprehensive Revenue and Expenses
8	Consolidated Statement of Changes in Equity
9	Consolidated Statement of Financial Position
10	Consolidated Cash Flow Statement
11	Notes to the Consolidated Financial Statements
27	Independent Audit Report

Directory

The Kind Foundation For the year ended 31 January 2026

Board of Trustees

Jon Purdue Chair

Josie Ogden Schroeder

Ed Heald

Emily Walton (resigned 26 January 2026)

Liam Conaghan Deputy Chair

Angela Williams (resigned 28 April 2025)

Rob Campbell (resigned 30 March 2026)

Simon Markham (appointed 28 May 2025)

Chief Executive Officer

Josie Ogden Schroeder

Registered Office

12 Hereford Street
Christchurch

Bankers

ANZ Bank New Zealand Limited

ASB Bank Limited

Solicitors

Cavell Leitch (Clare O'Neill)

Charities Commission

Registration number The Kind Foundation Group CC59865

Registration number The Kind Foundation CC32107

Registration number The Kind Foundation Arts Trust CC52341

Registration number Arthurs Pass Outdoor Education Centre CC29708

New Zealand Business Number

9429042983743

Independent Auditors

Moore Markhams Auckland Audit

Statement of Service Performance

The Kind Foundation

For the year ended 31 January 2026

As a Charitable Trust, our purpose is to deepen understanding of humanitarian values and put them into practice in everyday life. We honour the dignity of each person and support their development in body, mind, and spirit. Through this work, we help strengthen our community by encouraging care, justice, freedom, and peace.

The organisation has served the Christchurch community since 1862, when it began as YMCA Christchurch.

The Kind Foundation's mission and core values remain closely connected to our proud past as a member of the YMCA movement. While our affiliation with the YMCA has ended, we still focus our core work on supporting and helping individuals, families, and communities, with a particular charitable focus on young people and others who need greater support. All our programmes and services either help fund our charitable work or directly meet community needs that contribute to a stronger society. Our core values are Honesty, Responsibility, Inclusion, and Kindness.

We acknowledge Ngāi Tahu as mana whenua of the areas in which we work and seek to honour the values and partnership expectations embodied in Te Tiriti o Waitangi.

Objective and Strategic Intent

Our short- to medium-term goals are set out in the Strategic Intent Statement on our website. Governance reviews these goals at least every four years to inform management and the public about the organisation's priorities. For 2023–2027, our main focus is responding to community need by ensuring our services remain relevant to the people we serve. We measure this by tracking attendance and participation over time. Our other organisational goals are to strengthen financial independence and security, create social enterprise opportunities that support charitable investment, and tell our story in a way that inspires our financial stakeholders, participants, and staff.

Description of Entity's Outcomes

We operate throughout Christchurch and the Selwyn District, including our site in Arthurs Pass, and provide education, recreation, outdoor adventure, arts programmes, facilities, catering, and accommodation.

The figures below show only part of the scale and reach of our services. Equally important are the outcomes that are harder to quantify, reflected in participant feedback about the value of our programmes in building friendships, strengthening social connection, growing confidence, developing new skills, and improving health and wellbeing.

We are a charitable trust operating under a social enterprise model. Revenue from some programmes and services is intentionally reinvested to reduce barriers to participation and respond to changing community needs.

Volunteers play a vital role in our work. Our governance members volunteer their time, and many young people support our holiday programmes. These youth volunteers gain employment skills, connect with like-minded peers, and build a sense of purpose and wellbeing, while also helping us deliver programmes at lower cost.

Some programmes are provided free to the community, while others are heavily subsidised through philanthropic donations, grants, and volunteer support, helping keep them affordable.

Hotel Give is a major commercial contributor to the cost of delivering many of our programmes, making them more affordable and accessible to more people.

The Kind Foundation engages in some way with an estimated one in three Canterbury families, and we approach this work with a strong social conscience. Hotel Give not only helps fund many of our free charitable programmes for young people, but also works to reduce barriers to accessing accommodation and to operate as sustainably as possible.

Key examples of this impact during the year include:

- A wide range of free programmes for young people that help them build employment skills, strengthen wellbeing and resilience, and contribute to the community through volunteering.
- Helping to recycle 35,834 bottles (2025:30,882) into bedding used in Hotel Give through our engagement with the Dream Green Environmentally Sustainable bedding initiative.

Compared to Previous Year

Financial performance and growth have improved steadily across all programme and service areas. Social outputs have remained stable, while our focus has been on strengthening financial sustainability to support long-term success.

Over recent years, philanthropic support has declined, increasing our reliance on social enterprise income. During more challenging economic periods, this directly affects our ability to invest in free and subsidised programmes.

Changes in our local environment have also been positive. Ranui House opened a new facility in 2025, increasing capacity for outpatient accommodation. As a result, this need will become less pressing over time, allowing us to direct more investment to other community priorities.

Our focus over the next few years will be on financial sustainability so we can deliver this work more effectively and with greater impact.

Description and Quantification of the Entity's Outputs

	2026	2025
Hotel Give Bed Nights	56,305	49,778
Hotel Give Occupancy	73%	66%
Camp Bed Nights	16,435	16,923
Camp Facility Occupancy	56%	55%
Climbing Wall Visits	51,214	48,212
Fitness Members at Balance Date	1,717	1,777
Additional Output Measures: Children & Young People*	2026	2025
Children's Sport & Recreation	3,101	2,674
Early Learning	150	109
One-on-One Youth Development	321	187
Wainui Camp	5,785	6,103
Arthurs Pass Camp	798	957
Total Children & Young People	10,155	10,030

* These are unique individuals (not attendances) who attend programmes throughout the year, often weekly or more

Charitable Programmes and Subsidies Provided by The Kind Foundation

Reducing and subsidising costs:	Accommodation for young people, community groups, hospital outpatients and their family members
	Fitness memberships for young people, vulnerable people and older adults
	Holiday programme fees
	Wainui and Arthurs Pass camp fees
	Climbing events and opportunities for schools, community groups and young people at our Adventure Centre
	Recreation and sports for children and young people
	Access to our facilities and venues for not-for-profit and community groups
	Programmes that support whānau and hapū
	Provision of facilities for adults with special needs and disabilities
Our unique value offering:	A hotel that re-invests profit into charitable activities – socially sustainable business
	Licensed Pre-school for shift workers in the central city (for Christchurch Hospital and Christchurch Police)
	Special programmes for older adults to support fitness, health, social connection and wellbeing
	Accommodation for large groups that support disability access
	Technology maker-space in the central city for young people
For young people (free):	Provision of a technology maker-space that is open year round, 24/7 for young people
	Youth events that specifically engage young people with entrepreneurial projects and skills for self-employment
	Youth mentoring and support
	Arts events for young people
	Volunteering and work experience opportunities

Consolidated Statement of Comprehensive Revenue and Expenses

The Kind Foundation
For the year ended 31 January 2026

	NOTES	2026	2025
Revenue from Exchange Transactions			
Sales & Services	6	10,146,929	9,205,757
Rent Received		302,249	279,173
Insurance Proceeds		1,903	-
Interest Received		445	15,241
Total Revenue from Exchange Transactions		10,451,526	9,500,171
Revenue from Non Exchange Transactions			
Community Grants	6	136,310	234,932
Donations	6	186,429	1,121,605
Government Grants	6	1,399,828	842,991
Total Revenue from Non Exchange Transactions		1,722,566	2,199,527
Total Revenue		12,174,092	11,699,698
Less Expenditure			
Employee Benefits Cost	6	7,184,417	6,645,885
Other Operating Expenses	6	4,561,766	4,264,509
Finance Cost		315,871	386,001
Total Less Expenditure		12,062,053	11,296,395
Operating Surplus/(deficit) before Depreciation		112,039	403,303
Depreciation			
Depreciation	9	1,367,068	1,355,305
Total Depreciation		1,367,068	1,355,305
Net Operating Surplus/(Deficit) before other Gains/(Losses)		(1,255,029)	(952,002)
Other Gains/(Losses)			
Gain/(Loss) from Sale of Property, Plant & Equipment		(7,359)	652
Total Other Gains/(Losses)		(7,359)	652
Net Surplus (Deficit) for the Year		(1,262,387)	(951,350)
Total Comprehensive Revenue and Expenses		(1,262,387)	(951,350)

This statement should be read in conjunction with the following notes.


Consolidated Statement of Changes in Equity

The Kind Foundation
For the year ended 31 January 2026

	2026	2025
Movement in Accumulated Funds		
Opening Balance	28,083,879	29,035,229
Total Comprehensive Revenue and Expenses for the year		
Current Year Earnings	(1,262,387)	(951,350)
Total Total Comprehensive Revenue and Expenses for the year	(1,262,387)	(951,350)
Total Movement in Accumulated Funds	26,821,492	28,083,879
Accumulated Funds at 31 January	26,821,492	28,083,879
Movement in Special Funds		
Opening balance as at 1 February		
Opening Balance	1,263,624	1,341,864
Net Transfers from (to) Accumulated Funds		
Bequest - Gordon Ayson Smith	(87,256)	(78,240)
Special Funds at 31 January	1,176,368	1,263,624
Total Equity as at 31 January	27,997,860	29,347,503

For and on behalf of the Trustees, who authorised the issue of these financial statements on the 29th June 2026.

Chair 
Liam Conaghan

Chief Executive Officer 
Josie Ogden Schroeder

This statement should be read in conjunction with the following notes.

Consolidated Statement of Financial Position

The Kind Foundation As at 31 January 2026

	NOTES	31 JAN 2026	31 JAN 2025
Assets			
Current Assets			
Cash and Cash Equivalents	8	355,862	-
Receivables from Exchange Transactions		344,724	198,465
Receivables from Non Exchange Transactions		147,480	122,602
Prepayments		494,539	486,680
Inventories		41,879	52,838
Total Current Assets		1,384,484	860,584
Non-Current Assets			
Property, Plant and Equipment	9	59,158,865	60,390,115
Total Non-Current Assets		59,158,865	60,390,115
Total Assets		60,543,349	61,250,699
Liabilities			
Current Liabilities			
Cash and Cash Equivalents	8	-	10,902
Accounts Payable and Bonds	10	829,326	552,434
Employee Entitlements	11	588,584	585,619
Income in Advance - Exchange Transactions		430,462	370,007
Income in Advance - Non Exchange Transactions		149,628	62,831
Current Portion of Term Liabilities	12	1,130,965	1,099,373
Retentions Owing		92,523	133,836
Total Current Liabilities		3,221,488	2,815,002
Non-current Liabilities			
Loans	12	29,324,000	29,088,194
Total Non-current Liabilities		29,324,000	29,088,194
Total Liabilities		32,545,488	31,903,196
Net Assets		27,997,860	29,347,503
Equity			
Accumulated Funds		26,821,492	28,083,879
Special Funds	7	1,176,368	1,263,624
Total Equity		27,997,860	29,347,503

This statement should be read in conjunction with the following notes.

Consolidated Cash Flow Statement

The Kind Foundation
For the year ended 31 January 2026

	2026	2025
Cashflow		
Cash Flows from Operating Activities		
Cash was provided from:		
Receipts from Non Exchange Transactions	1,697,230	1,930,299
Receipts from Exchange Transactions	10,452,904	9,439,238
Interest Received	445	31,645
Total Cash was provided from:	12,150,579	11,401,182
Cash was applied to:		
Payments to Suppliers and Employees	(11,566,928)	(10,780,002)
Interest Paid	(315,910)	(390,063)
Total Cash was applied to:	(11,882,838)	(11,170,065)
Total Cash Flows from Operating Activities	267,741	231,117
Cash Flows from Investing Activities		
Cash was provided from:		
Proceeds from Sale of Property, Plant & Equipment	583	652
Total Cash was provided from:	583	652
Cash was applied to:		
Purchase of Property, Plant & Equipment	(195,890)	(2,630,621)
Total Cash was applied to:	(195,890)	(2,630,621)
Total Cash Flows from Investing Activities	(195,307)	(2,629,969)
Cash Flows from Financing Activities		
Cash was provided from:		
Loan Drawdowns	4,325,000	820,357
Total Cash was provided from:	4,325,000	820,357
Cash was applied to:		
Repayment of Loans	(4,030,670)	(122,194)
Total Cash was applied to:	(4,030,670)	(122,194)
Total Cash Flows from Financing Activities	294,330	698,163
Net Increase/Decrease in Cash Held	366,764	(1,700,689)
Add Opening Cash Brought Forward	(10,902)	1,689,787
Cash and Cash Equivalents as at 31 January	355,862	(10,902)

Notes to the Consolidated Financial Statements

The Kind Foundation

For the year ended 31 January 2026

1. Reporting Entity

The Kind Foundation (the Trust) is domiciled in New Zealand and is a charitable organisation registered under the Charities Act 2005. The Trust is a public benefit entity for the purposes of financial reporting.

The financial statements have been prepared in accordance with the requirements of the Charities Act 2005.

These consolidated financial statements comprise the controlling entity, The Kind Foundation and its controlled entities. The Kind Foundation's controlled entities are the Kind Foundation Arts Trust and the Arthur's Pass Outdoor Education Centre Trust.

Control of the Arthur's Pass Outdoor Education Centre Trust commenced on 1 July, 2017 when it was acquired by The Kind Foundation.

2. Basis of Preparation

The consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-for-Profit entities.

For the purposes of complying with NZ GAAP, the Group is a public benefit, not for profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large.

The Board has elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions. This was elected on the basis that the Group's annual expenses for the preceding two years were between \$5 million and \$33 million and it does not have public accountability.

3. Basis of Measurement

The consolidated financial statements are prepared on a historical cost basis.

The consolidated financial statements are presented in New Zealand dollars (\$) which is the functional currency, rounded to the nearest dollar. There has been no change in the functional currency of the Group during the year.

4. Summary of Material Accounting Policies

4.1 Change in Accounting Standards

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements. There have been no changes in accounting policies during the financial year.

4.2 Basis of Consolidation

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

Controlled entities

Controlled entities are entities controlled by The Kind Foundation, being where the Trust has power to govern the financial and operating policies of another entity so as to benefit from that entity's activities. The financial statements of the Trust's controlled entities are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Subsequent changes in a controlled entity that do not result in a loss of control are accounted for as transactions with controllers of the controlling entity in their capacity as controllers, within net assets/equity.

The group measures gain at acquisition date at the fair value of the consideration transferred less the fair value of the net identifiable assets acquired, and liabilities assumed. Any gain on bargain purchase is recognised immediately in surplus or deficit.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

4.3 Revenue

Revenue transactions are classified either as "exchange" transactions or "non-exchange" transactions:

Revenue from Exchange Transactions

Exchange transactions are transactions where the Group receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange. Revenue from exchange transactions is accounted for when it is probable that the economic benefits or service potential associated with the transaction will flow to the Group and the amount of revenue can be measured reliably, regardless when the payment is made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer.

Sale of Services

Revenue from services rendered (health and fitness memberships and programmes, adventure centre memberships and programmes and holiday programmes) is recognised in proportion to the stage of completion of the transaction at balance date. Stage of completion is measured by reference to the term of the membership or programme, and when the services are to be provided. Amounts received in advance for services to be provided in future periods are recognised as a liability until such time as the service is provided.

Wainui and Arthur's Pass Outdoor Education Centre Camp Revenue

Revenue from services rendered is recognised in proportion to the stage of completion of the transaction at balance date. The stage of completion is assessed by reference to the accommodation/programme services provided at balance date. Amounts received in advance for services to be provided in future periods are recognised as a liability until such time as the service is provided.

Rental Revenue

Rental income is recognised on a straight line basis over the term of the lease.

Interest Revenue

Interest revenue is recognised as it accrues in surplus or deficit, using the effective interest method.

Interest earned by funds held in relation to the Kind Foundation Arts Trust and Arthur's Pass Outdoor Education Centre Trust is treated as interest revenue.

Revenue from Non-Exchange Transactions

In a non-exchange transaction the Group either receives value from another entity without directly giving approximately equal value in exchange, or gives values to another entity without directly receiving approximately equal value in exchange. The Group's non-exchange revenue transactions include donations, grants, endowments and bequests as the Group does not provide value in exchange. Government contract revenue is also accounted for as a non-exchange revenue transaction as the value is not provided directly, but to a third party.

Donated Assets

Where a physical asset is donated for nil consideration the asset received is recognised at fair value and the amount of the donation is recognised as non-exchange revenue. Assets vested in the Group are recognised as revenue when control through ownership over the asset is obtained.

Donations, Grants, Endowments and Bequests, Government Contracts and Funding

Revenue from non-exchange transactions with the Government and Government agencies, donations, grants and bequests is recognised when the Group obtains control of the transferred asset and:

- it is probable that the economic benefits or service potential related to the asset will flow to the Group and can be measured reliably; and
- the transfer is free from conditions that require the asset to be refunded or returned to the funder if the conditions are not fulfilled.

Revenue is measured at the fair value of the assets transferred over to the Group at the time of transfer.

4.4 Employee Benefits

Liabilities for wages and salaries (including non monetary benefits) and annual leave are recognised in surplus or deficit during the period in which the employee rendered the related services, and are generally expected to be settled within 12 months of reporting date. The liabilities for these short term benefits are measured at the amount expected to be paid when the liabilities are settled. These include salaries and wages accrued up to reporting date, annual leave earned to, but not yet taken at reporting date. Accumulating sick leave has not been expensed, as this is not a legal liability and the amount payable within 12 months of reporting date is unable to be reliably estimated. Expenses for sick leave are recognised when the leave is taken and are measured at the rates paid or payable. Provision is made for benefits accruing to employees in respect of long service leave only when the employee has completed the number of years service and is entitled to the leave. Provisions made in respect of employee benefits are measured at the amounts expected to be paid when the liabilities are settled.

4.5 Prepayments

Prepayments represent amounts paid in advance for goods or services to be received in future periods. These are recognised as a current asset where the benefit is expected to be consumed within 12 months of reporting date.

Prepayments are initially recognised at cost and subsequently carried at the amount expected to be consumed or realised. They are expensed to surplus or deficit over the period to which the underlying goods or services relate.

Prepayments primarily include amounts paid in advance for items such as insurance, rates and subscriptions. These are recognised as an expense over the period to which they relate. At each reporting date, prepayments are reviewed for impairment. Where it is no longer probable that the associated economic benefits or service potential will be received, the carrying amount of the prepayment is written down accordingly.

4.6 Income in Advance- Exchange Transactions

Income received in advance for goods or services to be provided in future periods is recognised as a liability in the Statement of Financial Position.

Such amounts arise where the Group receives consideration prior to transferring the associated goods or services to the customer. These amounts are recognised as revenue in the surplus or deficit as the goods or services are provided, in accordance with the stage of completion of the related transaction.

Income in advance primarily includes amounts received for items such as accommodation bookings, programme services, memberships, and deposits for services yet to be delivered.

The liability is reduced and revenue recognised progressively as the Group satisfies its performance obligations over the period to which the services relate.

4.7 Borrowing Costs

Borrowing costs are expensed in the period they occur unless they directly relate to acquisition, construction of qualifying assets. Interest is expensed on an accruals basis.

4.8 Financial Instruments

Recognition and Derecognition

Financial instruments are recognised in the Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the contractual rights to the cash flows expire, or when the asset is transferred and substantially all the risks and rewards of ownership are transferred.

Financial liabilities are derecognised when the obligation is discharged, cancelled, or expires.

Initial Measurement

Financial instruments are initially recognised at fair value.

Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities (other than those measured at fair value through surplus or deficit) are included in the initial measurement.

Transaction costs relating to instruments measured at fair value through surplus or deficit are recognised immediately in surplus or deficit.

Financial Assets

Classification

Financial assets are classified into the following categories:

- Financial assets at amortised cost
- Financial assets at fair value through surplus or deficit (FVTSD), where applicable
- Financial assets at fair value through other comprehensive revenue and expense (FVOCRE), where applicable

Given the nature of the entity's activities, financial assets are generally classified at amortised cost.

Subsequent Measurement – Amortised Cost

Financial assets are measured at amortised cost when:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

Such assets are subsequently measured at amortised cost using the effective interest method.

Financial assets at amortised cost include:

- Cash and cash equivalents
- Trade and other receivables
- Term deposits

Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses (ECL) on financial assets measured at amortised cost.

-For trade receivables, the entity applies the simplified approach, recognising a loss allowance based on lifetime expected credit losses.

-For other financial assets, a loss allowance is recognised for 12-month expected credit losses unless there has been a significant increase in credit risk since initial recognition, in which case lifetime expected credit losses are recognised.

Expected credit losses are recognised in surplus or deficit, with a corresponding allowance recorded against the carrying amount of the financial asset.

Financial Liabilities

Financial liabilities are classified as financial liabilities at amortised cost.

Financial liabilities include:

- Trade and other payables
- Accrued expenses- Borrowings

Financial liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Fair Value Measurement

For financial instruments not traded in an active market, fair value is determined using appropriate valuation techniques. For financial instruments with short-term maturities, the carrying amount approximates fair value due to the short-term nature of the instruments.

4.9 Property, Plant & Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at date of acquisition.

Depreciation is charged on a straight line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost of the asset over its remaining useful life.

Land is measured at cost less accumulated depreciation and impairment losses.

Buildings are assessed for impairment by comparing the current Government valuations to previous Government valuations in conjunction with signs of material physical deterioration.

Assets	Economic Lives	Rates
Buildings	10-100 years	1%-50% SL
Landscaping	25-50 years	2%-4% SL
Plant & Equipment	2-20 years	5%-50% SL
Furniture & Fittings	2-20 years	5%-50% SL
Motor Vehicles	2-10 years	10%-50% SL

The assets residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate at each year end.

4.10 Classification of Cash-Generating and Non-Cash Generating Assets

Cash generating assets are assets that are held with the primary objective of generating a commercial return. All of the Group's property, plant and equipment are considered to be non cash generating assets as the primary objective of all assets is to provide goods or services for community and social benefit.

4.11 Leases

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Group. Operating lease payments are recognised as an operating expense in surplus or deficit on a straight-line basis over the lease term.

4.12 Income Tax

As a charity the Group is exempt from New Zealand income tax so no income tax expense has been provided for.

4.13 Goods and Services Tax (GST)

All amounts are recorded exclusive of GST, except for payables and receivables which are stated inclusive of GST (if any). The net GST paid to, or received from the IRD, including the GST relating to financing and investing activities, is classified as an operating cash flow in the statement of cash flows.

4.14 Significant Judgments and Estimates

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements, are noted below:

- Deferred revenue recognition.
- The properties held at Hereford Street, Rolleston Avenue, Bishopdale and Wainui are accounted for at cost less accumulated depreciation and impairment. To enable users of the financial statements to determine the effect of recent valuations of the properties owned by the Trust, council valuations and independent valuers' valuations have been included as a separate disclosure in these financial statements set out in Note 9.
- The property and assets of the Arthur's Pass Outdoor Education Centre Trust are recognised at fair value and subsequent measurement, the donated assets are measured at cost less accumulated depreciation.

5. The Kind Foundation Group Information

The Kind Foundation Arts Trust

The Kind Foundation Arts Trust was formed on 1 May 2015 and is registered with the Charities Commission. The Kind Foundation Arts Trust changed its name from the YMCA Arts Trust on 2nd December 2023. The purpose of the Kind Foundation Arts Trust is to provide a range of Arts related programmes and services, and to reduce barriers to participation in the Arts, for people of Christchurch. The majority of the Kind Foundation Arts Trust activities take place in the Kind Foundation's Christchurch facilities and are delivered by Kind Foundation staff.

	2026	2025
The Kind Foundation Arts Trust		
Opening Balance	10,083	10,536
Grants & Donations Received	38,200	51,475
Plus: Interest Received	81	379
Less: Contribution to Expenses	(38,000)	(52,307)
Closing Balance	10,364	10,083
Represented by: ASB Bank Account	10,364	10,083

Arthur's Pass Outdoor Education Centre Trust (APOEC)

The APOEC Trust was formed on 31 May 1991 and is registered with the Charities Commission. The purpose of the APOEC Trust is to create a fund for the purpose of providing opportunities for schools and other community groups to participate in outdoor educational and recreational activities. There were no transactions during the year (PY:nil).

6. Income and Expenditure

	2026	2025
Included in sales and service revenue		
Adventure Centre Climbing	862,329	930,731
Accommodation	3,809,588	3,578,057
Area Rentals	105,948	64,457
Catering Receipts	220,781	299,562
Child Care Fees	589,510	261,924
Holiday Programmes, Holiday Camps & Ski Camp	353,036	341,721
Health & Fitness Memberships	1,334,090	1,049,647
Programme Services	312,791	391,798
Sales F&B	1,597,123	1,471,597
Stadium Income	135,895	158,875
Venue Hire	247,042	125,859
Other Revenue	578,798	531,529
Total Included in sales and service revenue	10,146,929	9,205,757
	2026	2025
Included in operating expenditure		
Audit Fees	23,188	20,927
Bad Debts	325	837
Cleaning	244,442	242,250
Commission Expense	318,818	258,702
Insurance	598,469	677,172
Laundry	265,433	223,778
Power	366,866	354,148
Promotion	179,849	166,706
Rates	206,419	153,838
Rebranding	-	8,767
Repairs & Maintenance	312,587	194,900
Cost of Leasing & Renting	217,229	204,014
Other Expenses	1,828,141	1,758,471
Total Included in operating expenditure	4,561,766	4,264,509

	2026	2025
Included in employee benefit costs		
Salaries and wages	6,911,341	6,407,667
Kiwi Saver Employer Contrib	176,781	157,342
Health Insurance	62,413	51,667
Accident Compensation	33,882	29,210
Total Included in employee benefit costs	7,184,417	6,645,885
	2026	2025
Community Grants		
The Kind Foundation		
Air Rescue Services Ltd	-	7,025
Ara Taiohi	159	500
Blue Sky Community Trust Limited	-	2,000
Christchurch City Council	16,770	29,835
Kiwi Gaming Foundation	5,654	3,150
New Zealand Community Trust (NZCT)	30,000	-
NZ Lottery Grants Board	-	73,332
Pub Charity	4,680	5,000
Rata Foundation	26,664	45,000
Rotary Clubs	3,000	2,800
Sport Canterbury	7,033	1,000
Trillian Trust	817	4,390
The Trusts Community Foundation	-	10,000
Total The Kind Foundation	94,777	184,032
The Kind Foundation Arts Trust		
Aotearoa Gaming Trust	8,000	7,200
Christchurch City Council	13,333	10,000
IHC Foundation	-	6,000
Lions Foundation	3,000	-
Mainland Foundation	-	4,500
NZ Community Trust	7,200	7,200
Pub Charity	10,000	10,000
Sport Canterbury	-	6,000
Total The Kind Foundation Arts Trust	41,533	50,900
Total Community Grants	136,310	234,932

	2026	2025
Donations		
D & N Diggs - Carols by Candlelight	15,000	12,000
Estate of Gordon Ayson Smith	142,205	78,240
The JI Urquhart Family Trust	-	1,000,000
Other Individuals/Businesses	29,224	31,365
Total Donations	186,429	1,121,605

	2026	2025
Government Contracts		
Ministry of Education - Preschool	1,267,508	751,335
Ministry of Social Development - MYD Grant	69,968	51,380
Ministry of Social Development - Oscar Subsidy	62,352	40,276
Total Government Contracts	1,399,828	842,991

7. Special Funds

Movement:

Opening Balance	1,263,624	1,341,864
Bequest - Gordon Ayson Smith	(87,256)	(78,240)
Total Movement:	1,176,368	1,263,624

Special Funds:

Bequest - Estate DR Murray	117,265	117,265
Bequest - Gordon Ayson Smith	1,020,435	1,107,691
Boys Gordon Hall Fund	38,669	38,669
Total Special Funds:	1,176,368	1,263,624

The amount received from the Estate of DR Murray is to be used for widowers' children to attend Wainui camps, the amount transferred from The Boys Gordon Hall Fund is to be used for the purposes of developing young people in line with the original intention of the Boys Gordon Hall bequest. The bequest from Gordon Ayson Smith is to be used for improvements to programmes and facilities at Wainui Camp.

	2026	2025
8. Cash and Cash Equivalents		
Cash at Bank	342,998	(157,278)
Cash at Bank - Shovel Ready Funds	-	133,836
Cash on Hand	2,500	2,457
Cash at Bank - The Kind Foundation Arts Trust	10,364	10,083
Total Cash and Cash Equivalents	355,862	(10,902)

The Trust has a credit facility of \$500,000. The interest rate is 5.76%. The facility is secured over the property at 13A Bishopdale Court, Christchurch.

9. Property, Plant & Equipment

	Land	Buildings	Furniture & Fittings	Plant & Equipment	Motor Vehicles	Total \$
Cost 1/2/25	3,380,896	60,278,022	2,868,543	3,801,497	117,552	70,446,510
Additions		13,100	13,440	117,219		143,759
Disposals			(1,994)	(165,455)		(167,449)
Cost at 31/1/26	3,380,896	60,291,122	2,879,989	3,753,261	117,552	70,422,820
Opening Accumulated Depreciation	19,004	6,537,272	1,187,212	2,233,476	79,431	10,056,395
Depreciation on Assets Disposed			(1,601)	(157,907)		(159,508)
Current Year Depreciation	34,966	860,410	238,317	225,499	7,876	1,367,068
Closing Accumulated Depreciation	53,970	7,397,682	1,423,928	2,301,068	87,307	11,263,955
Book Value as at 31/1/26	3,326,926	52,893,440	1,456,061	1,452,193	30,245	59,158,865

	Land	Buildings	Furniture & Fittings	Plant & Equipment	Motor Vehicles	Total \$
Cost 1/2/24	1,768,315	60,093,965	2,793,486	3,615,208	118,991	68,389,965
Additions	1,612,581	184,057	75,057	214,262		2,085,957
Disposals				(27,973)	(1,439)	(29,412)
Cost at 31/1/25	3,380,896	60,278,022	2,868,543	3,801,497	117,552	70,446,510
Opening Accumulated Depreciation	217	5,678,672	939,084	2,041,830	70,699	8,730,502
Depreciation on Assets Disposed				(27,973)	(1,439)	(29,412)
Current Year Depreciation	18,787	858,600	248,128	219,619	10,171	1,355,305
Closing Accumulated Depreciation	19,004	6,537,272	1,187,212	2,233,476	79,431	10,056,395
Book Value as at 31/1/25	3,361,892	53,740,750	1,681,331	1,568,021	38,121	60,390,115

Property Valuations

All Kind Foundation properties are insured for replacement values based on regular insurance valuations. Earthquake peril excesses are 5% of sum insured, with Arthurs Pass being 10% because of greater risk. Market valuations of Kind Foundation properties are undertaken periodically to inform lenders.

12 Hereford Street/4 Rolleston Avenue book value:	48,164,893	Bishopdale book value:	6,171,756
12 Hereford Street/4 Rolleston Avenue Government valuation:	43,150,000	Bishopdale Government valuation:	10,500,000
Wainui Park Government valuation:	5,990,000	Arthur's Pass book value	362,210
Wainui Park book value:	1,521,508	Arthur's Pass Government valuation	490,000

2026 2025

10. Accounts Payable and Bonds

Accounts Payable	436,043	369,214
GST	89,746	85,746
National YMCA	-	97,474
PAYE Liability	158,886	-
CCC Rates Instalment	144,650	-
Total Accounts Payable and Bonds	829,326	552,434
	2026	2025

11. Employee Benefit Liabilities

Annual leave accrual	362,628	324,931
Long service leave accrual	11,319	8,567
Accrued expense	214,637	252,121
Total Employee Benefit Liabilities	588,584	585,619
	2026	2025

Movement in Employee Benefit Liabilities

Opening balance	585,619	518,124
Amounts used during the year	(585,619)	(518,124)
Additional provision recognised during the year	588,584	585,619
Closing balance	588,584	585,619

12. Loans

	\$	\$	\$	\$	\$	\$	
	2026	2026	2026	2025	2025	2025	
	Current	Term	Total	Current	Term	Total	Interest Rate
ASB Bank Limited					3,826,489	3,826,489	(2025: 7.54%)
ANZ Bank New Zealand Limited	360,000	3,875,000	4,235,000				5.66%
Rata Foundation	221,984		221,984	326,087		326,087	2.5%
UDC Finance Limited	16,705		16,705	6,046	16,705	22,751	9.95%
Crown Infrastructure Partners Limited	51,000	25,449,000	25,500,000	255,000	25,245,000	25,500,000	0%
AIB Premium Funding	481,276		481,276	512,240		512,240	13%
Total	1,130,965	29,324,000	30,454,965	1,099,373	29,088,194	30,187,567	

The ASB loan was refinanced during the year with a loan from ANZ.

ANZ loan principal repayments are \$30,000 per month. The loan is secured by a registered mortgage over the property at 13A Bishopdale Court, Bishopdale, Christchurch.

The loan from the Rata Foundation will be repaid in December 2026, principal repayments are \$20,433 per month. The interest rate of 2.5% is fixed over the term of the loan.

The UDC Finance Limited loan is for a term of 47 months. The repayment date is July 2026. Repayments are \$670 per month with a final payment of \$14,041 in July 2026. The loan is secured over the Ford Focus PJR684.

The Crown Infrastructure Loan was used to build a new community facility, Papa Hou at Rolleston Avenue. Quarterly principal repayments start in January 2027 with a final payment in January 2044. The interest rate is 0%. The loan is secured over the property at 12 Hereford Street/4 Rolleston Avenue, Christchurch.

The AIB Premium Funding loan is for a total term of 12 months. Repayments are \$56,688 per month, the final payment is due in October 2026.

	2026	2025
13. Financial Instruments		
Financial assets at amortised cost		
Cash and cash equivalents	355,862	-
Trade and other receivables	492,204	321,067
Total Financial assets at amortised cost	848,066	321,067
Financial liabilities at amortised cost		
Cash and cash equivalents	-	10,902
Accounts Payable	580,693	466,688
Loans	30,454,965	30,187,567
Total Financial liabilities at amortised cost	31,035,658	30,665,157
	2026	2025

14. Lease Commitments**Leases as lessee: Lease commitments under non-cancellable operating leases at balance date were:**

Not later than one year	159,854	238,102
Later than one year but not later than two years	102,944	156,824
Later than two years but not later than five years	70,269	163,312
Greater than five years	514	-
Total Leases as lessee: Lease commitments under non-cancellable operating leases at balance date were:	333,581	558,238

Leases as lessor: The future minimum lease payments under non-cancellable leases are as follows:

Not later than one year	155,294	204,191
Later than one year but not later than two years	141,471	145,295
Later than two years but not later than five years	90,000	211,471
Greater than five years	-	-
Total Leases as lessor: The future minimum lease payments under non-cancellable leases are as follows:	386,765	560,957

The Trust leases health and fitness equipment, office equipment and premises at Waltham Road.

The Trust leases out spaces in its Rolleston Avenue and Bishopdale buildings.

15. Related Parties

Description of Related Party Relationship	Description of the transaction	2026 Value of Transactions \$	2025 Value of Transactions \$	2026 Amount Outstanding \$	2025 Amount Outstanding \$
Josie Ogden Schroeder is the CEO and a Board member. She was also a member of the Ara Taiohi Board up until January 2025.	Staff training provided to Kind Foundation staff	-	1,700	-	-
	Membership fees paid	-	550	-	633
	Youth Week Grant received	-	500	-	-
	Youth Programme services provided by Kind Foundation staff	-	4,480	-	-
	Travel expenses to attend Board meetings reimbursed by Ara Taiohi	-	1,088	-	-

Key management personnel

The Board considers key management personnel includes the Trustees and staff in senior management positions.

	Full Time Equivalent	\$ 2026	Full Time Equivalent	\$ 2025
Senior management employees	9	1,029,195	11	1,080,148

Trustees perform their roles on a voluntary basis.

16. Volunteer Services

The Kind Foundation recognises that volunteers are an integral part of its operations. Volunteers assist in fundraising, as leaders of holiday programmes, as camp staff at Wainui, running events, supporting recreation programmes and as Trustees providing Governance oversight.

The value of volunteer services has not been included in the statement of Consolidated Financial Position or the Consolidated Statement of Comprehensive Revenue & Expense.

During the year, volunteers donated an estimated 11,688 hours of their time (24,300: 2025) to The Kind Foundation Group, across governance, holiday programmes, fitness, events and art programmes.

17. Significant Events During the Year

There were no significant events during the year.

18. Fundraising Costs

A Giving and Sponsorship Lead is employed for 16 hours a week, this role as well as fundraising includes a range of communications and marketing tasks.

Direct costs other than time are minimal and include things such as printing of a regular donor newsletter, costs relating to fundraising events such as Carols by Candlelight, the Charity Golf Tournament and donor thank you functions.

19. Events After Balance Date

The Trustees are not aware of any additional events after balance date that will materially affect the 2026 consolidated financial statements.

20. Capital Commitments

There are no capital commitments at balance date. (2025: nil).

21. Contingent Assets and Liabilities

There were no known contingent assets or liabilities at balance date (2025:nil).

22. Liquidity and Going Concern

The organisation recognises funds received in advance as current liabilities. These include income in advance of \$580,090, relating to gym memberships, booking deposits and donations.

Other current liabilities comprise annual leave of \$362,628 and borrowings totalling \$1,130,965, which are being repaid under agreed terms. A Crown loan repayment of \$51,000 is repayable in January 2027.

At balance date, current liabilities exceed current assets by \$1,837,004. However, the organisation has net assets of \$27,997,860 (2025: \$29,347,503).

Management has prepared cash flow forecasts indicating that the organisation will be able to meet its obligations as they fall due for at least the next 12 months. Existing lending facilities are expected to continue in the normal course of business.

Accordingly, the financial statements have been prepared on a going concern basis.

Independent auditor's report

To the Trustees of The Kind Foundation

Opinion

We have audited the consolidated financial report of The Kind Foundation (the Group) which comprise the consolidated financial statements, and the consolidated statement of service performance on pages 4 to 26. The complete set of consolidated financial statements comprise the consolidated statement of financial position as at 31 January 2026, and the consolidated statement of comprehensive revenue and expenses, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

- the consolidated financial position of the Group as at 31 January 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended; and
- the consolidated service performance for the year ended 31 January 2026 in that the service performance information is appropriate and meaningful, and prepared in accordance with the Group's measurement basis or evaluation methods

in accordance with Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR) issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the consolidated service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standards (NZ AS) 1 (Revised) *The Audit of Service Performance Information*. Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Report' section of our report.

We are independent of the entity in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standard) (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 Group.

Other Information

The Trustees are responsible for the other information. The other information comprises the Directory on page 3, but does not include the consolidated financial report and our auditor's report thereon.

Our opinion on the consolidated financial report does not cover the other information and we do not express any form of opinion of assurance conclusion thereon.

In connection with our audit of the consolidated financial report, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on our work we have performed, 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 Trustees for the Consolidated Financial Report

The Trustees are responsible on behalf of the Group for:

- The preparation, and fair presentation of the consolidated financial report in accordance with the applicable financial reporting framework;
- The selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present service performance information that is appropriate and meaningful in accordance with the applicable financial reporting framework;
- The preparation and fair presentation of service performance information in accordance with the entity's measurement bases or evaluation methods, in accordance with the applicable financial reporting framework;
- The overall presentation, structure and content of the service performance information in accordance with the applicable financial reporting framework; and
- Such internal control as Trustees determine is necessary to enable the preparation of a consolidated financial report that is free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial report, Trustees are responsible for assessing the Group'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 Trustees either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial 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 (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 or collectively, they could reasonably be expected to influence the decisions of users taken on the basis of this consolidated financial report.

A further description of the auditor's responsibilities for the audit of the consolidated financial report is located at the XRB's website at <https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-17-1/>

This description forms part of our auditor's report.

Who We Report To

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

A handwritten signature in blue ink, appearing to read "Moore Markhams".

Moore Markhams Auckland Audit | Qualified Auditors, Auckland, New Zealand
30 June 2026