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Connecting goodwill to action

CEO & CHAIR'S FOREWORD





Nau mai, haere mai, welcome to our year in review.

2020 was the year investment in nature flourished. With the world at a standstill, we retreated from our workplaces and stepped into our wilderness spaces. For many New Zealanders, our newly limited view – whether of the backyard, the local park, or the city block – brought the importance of Aotearoa's unique biodiversity into focus.

When everyone was locked inside, we saw nature thrive.

Whether it's the dedication of our volunteer planter groups, the commitment of our corporate sponsors or the advocacy of our in-house team, we have a lot to be proud of this year.

Project Crimson's long-standing reputation as a trusted charity served us well during a time of great uncertainty. New Zealanders channelled their generosity though our programme Trees That Count, with more than 5,000 native trees funded or gifted during lockdown alone.

One standout achievement was the way in which our marketing team worked to bring nature into living rooms across the country. Quick thinking and some stunning creative work meant New Zealanders stuck inside – and at risk of being overwhelmed by COVID-19 updates – were offered a window into nature with a simple call to action to gift a native tree via our online marketplace: 'If you can't give someone a hug, give them a tree.'

'If you can't give someone a hug, give them a tree.'

The message struck a chord, with an astonishing 170% increase in the number of people gifting native trees during the lockdown period, which we put down to the strong Kiwi values of generosity and manaakitanga even in times of crisis.

The support of New Zealanders from every corner of the country saw Trees That Count



reach an important milestone: we have now supported the planting of half a million native trees – a massive achievement for our small not-for-profit charity, the environment, and for all our supporters.

We were proud to see this work recognised with Trees That Count named as a finalist in the Community category of the New Zealander of the Year awards. This category recognises a ropū (group) of people that together have made an outstanding difference to their community.

As a finalist, we were acknowledged for fostering a strong sense of kotahitanga – community spirit. The recognition of this effort was not ours alone: it celebrated every planter, business or person who has supported our journey so far.

Amongst our greatest champions are our governance team, a group of seven businesspeople, environmentalists, and passionate New Zealanders who help guide the Trust's direction.

This year we farewelled longstanding trustee Ruud Kleinpaste after an immense 24-year contribution to Project Crimson. Ruud remains an ambassador for the TREEmendous programme, now run by our partners at Mazda, and we are sure his significant contribution to environmental education in Aotearoa will continue.

We also welcomed Dr Andrea Byrom to the Board, and are extremely grateful to be benefitting from her extensive science and research expertise in 2020 and beyond.

Given the momentum of the first half of 2020 and the demonstrated success of our native tree marketplace, the second half of the year was focused on our mission to scale up and support bigger planting projects.

To increase native tree cover across Aotearoa and preserve New Zealand's indigenous biodiversity we needed to think big. That meant advocating for native planting with government, with business, and with the wider philanthropic sector.

We have demonstrated our ability to deliver and bring communities, planters, and funders together. We know we have the digital and social infrastructure that is needed to connect investors with native planting projects at scale: and that is our mission for the year ahead.

Mā whero, mā pango ka oti ai te mahi. With red and black the work will be complete.

Adele Fitzpatrick

CEO

Joris De Bres CHAIR

Our strategic plan 2020-2022

STRATEGIC OBJECTIVE

The fundamental objective for Project Crimson is to increase the number of native trees/volume of indigenous forestry planted in New Zealand. To achieve this, we must engage all New Zealanders and enable them to act in a positive way for the benefit of our environment.

OUR PURPOSE

To support New Zealanders to plant and care for millions more native trees to make a measurable impact on New Zealand's climate, biodiversity and to inspire the next generation of Kiwis to care for our precious environment.

VISION:

New Zealanders actively connected to nature.

MISSION:

Creating a culture of restoring, planting and protecting native trees.



THE STRATEGIC GOALS THAT ARE CRUCIAL TO THE SUCCESS OF THE TRUST AND IN ACHIEVING OUR OBJECTIVE ARE:

GOAL 1: Making it easy

New Zealanders have the tools, knowledge and resources to protect, plant and care for native trees (this is also a principle of how we work with each other and others).

GOAL 2: Inspiring the young

Children experience, understand and act to protect their natural environment.

GOAL 3: Saying it with trees

Creating a cultural shift where planting/gifting trees for occasions is the Kiwi thing to do.

GOAL 4: Being a sustainable organisation

We are relevant to our stakeholders and adapt as their needs change.

LONGER TERM GOALS

What we look like in 4 years' time:

- Self-sufficient with \$5 million per annum revenue into the marketplace for trees.
- Realising revenue from using the marketplace differently, i.e. trading of credits and brokering trees.
- Our marketplace technology will be robust and automated to reduce the risks of operating at scale (technology enables our success).
- We will be known as a smart charity that is operating commercially for the benefit of New Zealand.
- Our technology subsidiary will be operating with the mandate to develop and scale.
- Government policy recognises the value of our biodiversity credit.
- Trees That Count is a trusted broker of native trees, providing certainty to the nursery sector and a reliable supply of stock to planters and investors through robust future planting data.

What we look like in 7 years' time:

- Every tourist to New Zealand funds a tree thanks to our tourism programme, government policy and support from the sector.
- Revenue from the technology subsidiary matches revenue from the marketplace.
- Market for biodiversity credits is active in New Zealand, positive impact is visible in terms of funding flowing into worthy projects and a subsequent positive socioeconomic effect, the impact is measurable.
- Rate of native seedlings being propagated increases based on data from tree brokering service/marketplace.

What we look like in 10 years' time:

- · National count has exceeded 200 million.
- Biodiversity credits are the credit of choice for climate change in New Zealand and five other countries.
- We have created a movement across the country and it's now the 'Kiwi way' to plant and/or invest in native trees.

BUSINESS AS USUAL

BIG ROCK 1: The Trees That Count

marketplace

The marketplace is our key asset, with verifiable, measurable and transparent data. We will continue to build its reputation and technical robustness.

BIG ROCK 2: Reputation

Our aim is to be known as a charity whose activities are making a demonstrable difference to Aotearoa's biodiversity, and a trusted delivery partner for public and private sectors.

BIG ROCK 3: The Count

Our count of native trees planted is one of the most compelling ways we can illustrate the collective impact of New Zealand planters. It will eventually become much less dependent on user generated data.

DEVELOPMENT AREAS

BIG ROCK 4: Flagship Planting Projects

We aim to be integrally involved in driving and assisting large scale, flagship native planting projects for multiple biodiversity benefits in collaboration with various regional and national partners including funders, iwi, nursery suppliers, government agencies and contractors.

BIG ROCK 5: Inspiring the Young

We continue to work with cross-agency initiatives to ensure a cohesive and coordinated environmental education programme across New Zealand.

OPPORTUNITIES TO DISRUPT

BIG ROCK 6: Biodiversity Credits

The possible advent of Biodiversity Credits for Trees That Count has far reaching and game changing implications for the native planting movement and corporates who want certified climate action. When developed, a biodiversity credit will be awarded for a project, activity or investment that has a positive impact on biodiversity.

BIG ROCK 7: Broker of Trees

We want to ensure the nursery market operates effectively to ensure the most beneficial planting outcomes. We believe we could extend the marketplace to act as a broker of trees where large projects would provide data of species, quantity, timing and location of future planting projects.

What we stand for

Make things better

We strive to improve, rejuvenate, rebuild, enrich and breathe new life.



WHAT?

People, neighbourhoods & communities

The ngahere (forest) & rākau (trees)

Waterways, air quality & ecosystems The future Aotearoa, for our mokopuna

HOW?

Responsiveness & agility

Technology & innovation

Storytelling & communication

OUR VALUES EXPLAINED

Be brave

We are innovators who forge our own path. We're solution focused & retain a distinctive positive voice.

Connect

We work in partnership, creating a collective & succeeding together. We work toward a common goal, navigating to the same stars.

Grow

We actively nurture and grow. We are supportive and kind. We act with integrity.

THE STORY OF TANE - OUR INSPIRATION

Tāne, god of rākau (trees), brought the world into being, and maintains the lush and diverse resources of the earth. He is brave and bold, persistent and determined, co-operative and level headed. Tāne obtained three kete (baskets): knowledge, wisdom, and understanding. He is true, loyal, and authentic. We do our best to emulate these qualities.

Awards

2020 EFFIE AWARDS AOTEAROA

In October, Trees That Count and our media agency, MBM, took away the only award in the Charity/Not-for-Profit category at the 2020 Effies for our Love Native Trees campaign. The Effie Awards Aotearoa celebrates creative achievement in meeting and exceeding marketing objectives. We were awarded a Bronze Effie in recognition of Love Native Trees, our biggest campaign to date. Love Native Trees was hugely effective in growing brand awareness around Trees That Count and reminding Kiwis of the many reasons to plant and donate native trees. The campaign saw an increase of 170% of tree donations compared to 2018, and visits to our website doubled during the time of the campaign compared to the previous year.

KIWIBANK NEW ZEALANDER OF THE YEAR AWARDS 2021

At the Kiwibank New Zealander of the Year Awards 2021, Trees That Count was named as a finalist for the Mitre 10 New Zealand Community of the Year Award – Ngā Pou Whirinaki o te Tau. This award recognises groups that have worked together to make an outstanding difference to the community through a sense of Kotahitanga. Our nomination was accepted in 2020, and we were named as finalists alongside Christchurch Mosque Victims Group and Te Puea Memorial Marae Indigenous Homeless Service Delivery Model in early 2021.

TVNZ MARKETING AWARDS 2020

2020 also saw Trees That Count's marketing team place as finalists in the TVNZ Marketing Awards in two categories: Best In-House Marketing, and Best Brand Transformation.

Our short and sweet Valentine's Day campaign caught the attention of judges at the TVNZ Marketing Awards and saw us come away as finalists. A tongue in cheek campaign that encouraged gifting native trees for Valentine's Day was the basis of our nomination for Best In-House Marketing and

was a great success.
On a small budget,
this campaign cut
through the noise
of Valentine's Day
and increased the
number of native
trees gifted by
incorporating media
such as out of home



Miro 256 I'm so popular with the birds, I can't keep them off my berries.

street posters, Tinder display advertising, and Facebook and Instagram stories and carousel ads.

In the Best Brand Transformation category, the judges were looking for marketing that led to the transformation of a market category, brand, or business. Trees That Count's Love Native Trees campaign was nominated for this category and placed as a finalist. The campaign was rolled out in three phases, each phase vital in building awareness around the importance of native trees and what Trees That Count do and creating a cultural shift in New Zealand around gifting native trees.

FROM 2016 TO 2020 TREES THAT COUNT HAS SUPPORTED A TOTAL OF

WITH

THE 2020 PLANTING SEASON SAW

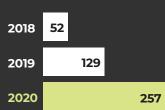
planting projects funded

217,681

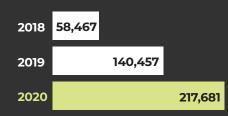
native trees planted with marketplace funding

WE'RE GROWING EVERY YEAR

LANDOWNER APPLICATIONS RECEIVED 2018 69 175 2019 2020 367 LANDOWNER **APPLICATIONS APPROVED**



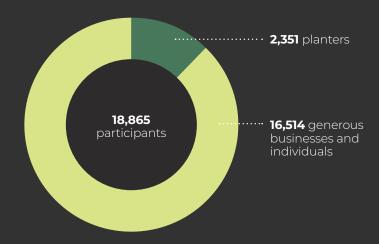
NUMBER OF NATIVE TREES FUNDED



NATIVE TREES DONATED AND GIFTED THROUGH THE MARKETPLACE IN 2020

265,346

PARTICIPANTS IN THE MARKETPLACE AS OF 31 DECEMBER 2020



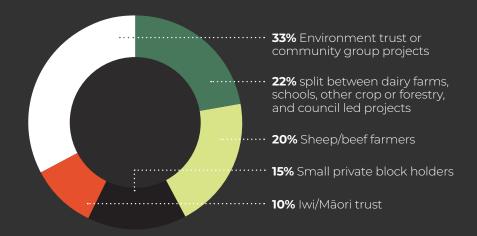
THE NATIVE TREES WE PLANTED TOGETHER IN 2020 HAVE THE POTENTIAL TO REMOVE

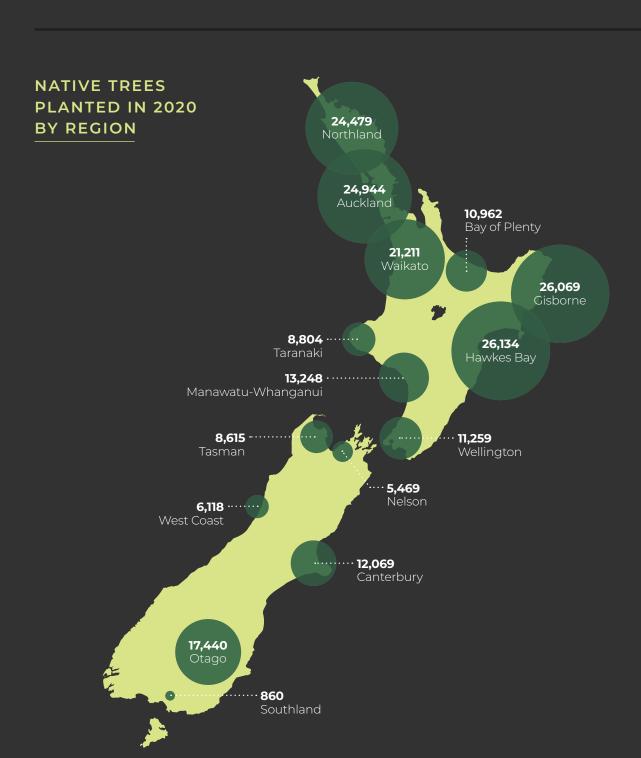
58,687.54*

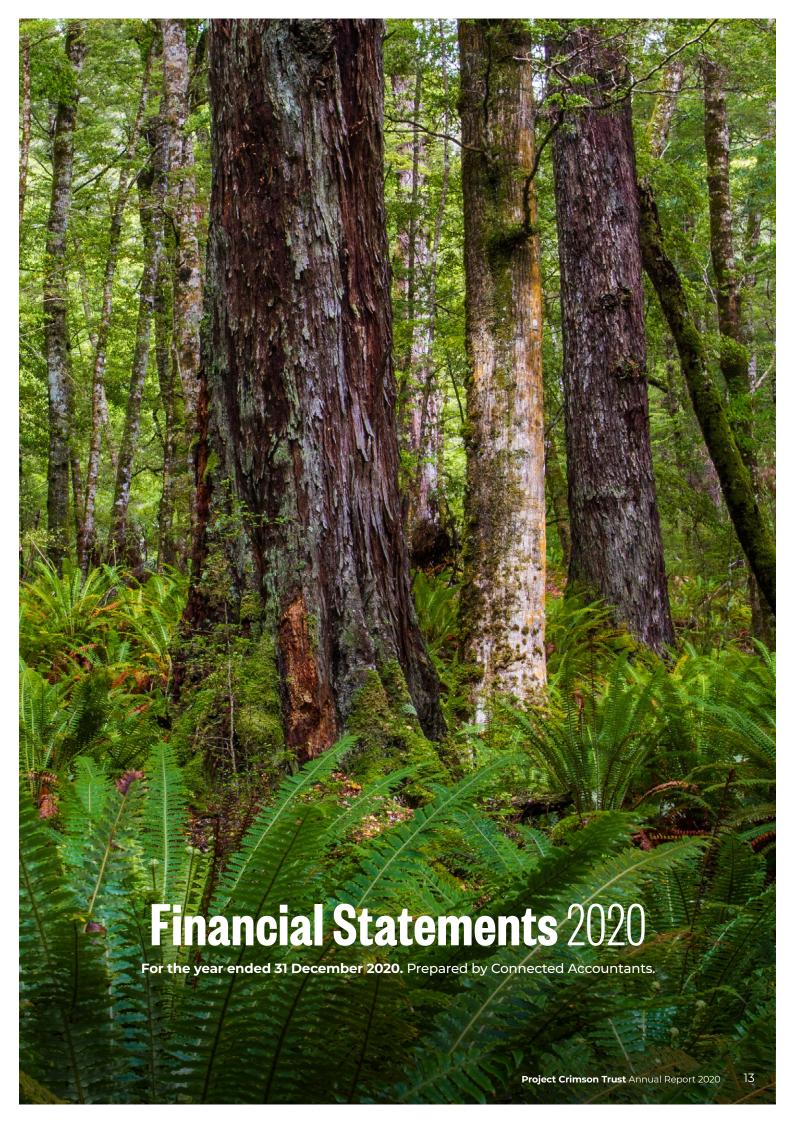
TONNES OF CO₂ FROM THE ATMOSPHERE AFTER 50 YEARS

*Projection based on Tāne's Tree Trust national carbon calculator

TYPE OF PROJECTS WE SUPPORTED IN 2020







Approval of Financial Report

THE PROJECT CRIMSON TRUST

For the year ended 31 December 2020

The Trustees are pleased to present the approved financial report including the historical financial statements of The Project Crimson Trust for year ended 31 December 2020.

APPROVED

Joris De Bres

CHAIR

4 May 2021

Gill Cox

TREASURER

(1) G.C

4 May 2021

Statement of Comprehensive Income

The Project Crimson Trust

For the year ended 31 December 2020

| | NOTES | 2020 | 2019 |
|--|-------|-----------|-----------|
| Revenue | | | |
| Revenue from Exchange Transactions | | | |
| Revenue from providing goods or services | | 8,054 | 144,307 |
| Investment revenue | | 14,648 | 17,179 |
| Total Revenue from Exchange Transactions | | 22,702 | 161,486 |
| Revenue from Non-Exchange Transactions | | | |
| Grants, Donations, fundraising and other similar revenue | 1 | 4,491,854 | 3,711,277 |
| Total Revenue from Non-Exchange Transactions | | 4,491,854 | 3,711,277 |
| Total Revenue | | 4,514,556 | 3,872,762 |
| Expenses | | | |
| Volunteer and employee related costs | 2 | 1,535,004 | 1,565,619 |
| Costs related to providing goods or service | 2 | 2,433,110 | 1,975,702 |
| Other expenses | 2 | 216,188 | 155,372 |
| Total Expenses | | 4,184,302 | 3,696,693 |
| Total Surplus/(Deficit) for the Year | | 330,254 | 176,069 |
| Total Comprehensive Revenue and Expenses | | 330,254 | 176,069 |

Statement of Financial Position

The Project Crimson Trust

As at 31 December 2020

| | NOTES | 31 DEC 2020 | 31 DEC 2019 |
|--|-------|-------------|-------------|
| Assets | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | 3 | 1,503,298 | 445,733 |
| Receivables from Non-Exchange Transactions | 3 | 0 | 61,870 |
| GST Receivable | | 78,074 | 21,014 |
| Investments | 3 | 0 | 700,000 |
| Inventory | 3 | 4,869 | 6,134 |
| Prepayments | 3 | 69,457 | 27,911 |
| Total Current Assets | | 1,655,698 | 1,262,663 |
| Non-Current Assets | | | |
| Intangible Assets | 4 | 270,362 | 249,680 |
| Fixed Assets | 5 | 4,102 | 0 |
| Total Non-Current Assets | | 274,464 | 249,680 |
| Total Assets | | 1,930,162 | 1,512,342 |
| Liabilities | | | |
| Current Liabilities | | | |
| Income in Advance | | 107,841 | 0 |
| Trade and Other Creditors | 7 | 243,185 | 263,460 |
| Total Current Liabilities | | 351,026 | 263,460 |
| Total Liabilities | | 351,026 | 263,460 |
| Net Assets | | 1,579,136 | 1,248,883 |
| Equity | | | |
| Capital contributed by owners or members | | 100 | 100 |
| Accumulated Comprehensive Income | 6 | 1,071,457 | 915,204 |
| Tree Planting Reserve | 6 | 507,579 | 333,579 |
| Total Equity | | 1,579,136 | 1,248,883 |

Statement of Changes in Net Assets

The Project Crimson Trust

For the year ended 31 December 2020

| | 2020 | 2019 |
|-----------------------------------|-----------|-----------|
| Equity | | |
| Opening Balance | 1,248,883 | 1,072,814 |
| Increases | | |
| Surplus/(Deficit) for the year | 330,254 | 176,069 |
| Retained Earnings | 174,000 | 333,579 |
| Transfer to Tree Planting Reserve | (174,000) | (333,579) |
| Total Increases | 330,254 | 176,069 |
| Total Equity | 1,579,136 | 1,248,883 |

Statement of Cash Flows

The Project Crimson Trust

For the year ended 31 December 2020

| | 2020 | 2019 |
|---|-------------|-------------|
| Cash Flows from Operating Activities | | |
| Grants, Donations, fundraising and other similar receipts | 4,512,178 | 3,817,091 |
| Interest revenue | 14,648 | 17,179 |
| Cash receipts from other operating activities | 115,895 | 18,764 |
| CST | (52,251) | (107,180) |
| Payments to suppliers and employees | (4,007,316) | (3,507,398) |
| Total Cash Flows from Operating Activities | 583,154 | 238,455 |
| Cash Flows from Investing and Financing Activities | | |
| Payments to acquire Intangible Assets | (225,589) | (125,838) |
| Payments to purchase investments | 700,000 | (399,541) |
| Total Cash Flows from Investing and Financing Activities | 474,411 | (525,379) |
| Net Increase/(Decrease) in Cash | 1,057,565 | (286,924) |
| Cash Balances | | |
| Cash and cash equivalents at beginning of period | 445,733 | 732,657 |
| Cash and cash equivalents at end of period | 1,503,298 | 445,733 |
| Net change in cash for period | 1,057,565 | (286,924) |

Statement of Accounting Policies

The Project Crimson Trust

For the year ended 31 December 2020

REPORTING ENTITY

The reporting entity is The Project Crimson Trust ("Project Crimson"). Project Crimson is domiciled in New Zealand and is a charitable organisation registered under the Incorporated Societies Act 1908 and the Charities Act 2005. The financial statements comprising of The Project Crimson Trust are presented for the year ended 31 December 2020. These financial statements and the accompanying notes summarise the financial results of activities carried out by Project Crimson.

The registered office is located at: Level 2, 39-41 Ghuznee Street, Te Aro, Wellington, New Zealand, 6011.

The Trust is a charitable trust created by deed dated 20 October 1995, and the operations and principle activities are to encourage and undertake the protection, conservation and restoration of New Zealand native trees and Pohutakawa and Rata especially.

STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with Public Benefit Entity Accounting Standards Reduced Disclosure Regime ("PBE RDR") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Tier 2 Not-For-Profit entities.

For the purposes of complying with NZ GAAP, the entity 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 of Trustees 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.

The financial statements have been prepared on the assumption that the entity will continue to operate in the foreseeable future.

SUMMARY OF ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these financial statements as set out below have been applied consistently to both years presented in these financial statements.

1. BASIS OF MEASUREMENT

These financial statements have been prepared on historical cost basis.

2. FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in New Zealand Dollars (NZD), which is the entity's functional currency.

3. CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies this year. Policies have been applied on a consistent basis with those from the previous reporting period.

4. REVENUE

Revenue is accounted for as follows:

Donations and Grants

Donations and Grants are accounted for depending on whether they have been provided with a "use or return" condition attached or not. Where no use or return conditions are attached to the donation or grant, revenue is recorded as income when the resources are controlled by the entity. Where donations and grants include a use or return condition, the donation or grant is initially recorded as a liability on receipt. The donation or grant is subsequently recognised within the Statement of Financial Performance as the performance conditions are met.

Donated goods or services (other than donated assets) are not recognised. Where significant donated assets are received with useful lives of 12 months or more, and the fair value of the asset is readily obtainable, the donation is recorded at the value of the asset obtained. Where the fair value of the asset is not readily obtainable, the donation is not recorded. Donated assets with useful lives less than 12 months are not recorded.

Revenue from providing goods and services Income

Revenue from providing goods and services income is recognised when a sale is made.

Interest income

Interest income is recognised as it is earned on an accruals basis.

Other income

All other income is accounted for on an accruals basis and accounted for in accordance with the substance of the transaction.

5. BANK ACCOUNTS AND CASH

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

6. DEPRECIATION & AMORTISATION OF NON CURRENT ASSETS

Depreciation is charged at a rate equivalent to the estimated economic life. Depreciation is charged to surplus or deficit. The following rates have been used:

Web Development 33% SL Office Furniture 16% SL

7. INTANGIBLE ASSETS

Acquired software classified as an intangible asset has a finite useful life, and is measured at cost less accumulated amortisation and impairment losses.

8. FINANCIAL INSTRUMENTS

The entity classifies its financial instruments in the following categories: loans and receivables, and financial liabilities measured at amortised cost. The classification of instruments depends on the purpose for which the instruments were acquired.

Management determines the classification of its financial instruments at initial recognition and re-values this designation at each reporting date. Financial assets and liabilities are recognised initially at fair value plus transaction costs, except for those classified as available-for-sale, which are measured at fair value.

A financial instrument is recognised when the entity becomes party to the contractual provisions of the instruments. Financial assets are derecognised if the contractual right to the cash flows from the financial assets expires or if the entity transfers the financial assets to another party without retaining control or substantially all risks and rewards of the asset. A financial liability is derecognised when it is extinguished, discharged, cancelled, or expires.

Loans and Receivables

Loans and receivables are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. They arise when the entity provides money, goods, or services directly to a debtor with no intention of selling the receivable. They are included in the current assets, except for those with maturities greater than twelve months after the date of the Statement of Financial Position which are classified as non-current assets. The entities loans and receivables comprise 'trade and other receivables', 'cash and cash equivalents' and 'term deposits'. Loans and receivables are measured at their cost less impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and term deposits with original maturities of 90 days or less, and bank overdrafts. The face value of cash and cash equivalents represents fair value.

Trade and other receivables

Trade and other receivables are measured at amortised cost, less uncollectable amounts. Collectability of trade and other receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. Uncollectable amounts are recognised in surplus or deficit and are deducted from trade receivables in the Statement of Financial Position.

Term Deposits

Term Deposits comprise deposits with original maturities of more than 90 days. Deposits maturing more than 12 months after year-end are recognised as non-current assets in the Statement of Financial Position. The face value of term deposits represents the fair value.

Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost using the effective interest method are non-derivative financial instruments and comprise trade and other payables.

9. TAXATION

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

10. GOODS AND SERVICES TAX (GST)

The entity is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

11. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. These estimates and assumptions might differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities in the next financial year are:

 useful lives of the intangible assets (refer accounting policy 6 and note 4)

12. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

Management has exercised the following critical judgements in applying accounting policies:

- recognition of non-exchange revenue (refer note 1)
- recognition of expenses (refer note 7)

13. CHANGES TO PRIOR YEAR FIGURES

Prior period figures did not recognise GST in the Statement of Cash Flows. Prior period figures have been restated in Statement of Cash Flows to align with the current year. No other reclassifications have been made.

Notes to the Financial Statements

The Project Crimson Trust

For the year ended 31 December 2020

1. Analysis of Revenue from non-exchange transactions

| | 2020 | 2019 |
|--|-----------|-----------|
| Other Revenue | 500 | 3,608 |
| Flagships | 92,159 | 0 |
| Treemendous | | |
| Mazda – Treemendous | 66,087 | 45,000 |
| Total Treemendous | 66,087 | 45,000 |
| Trees That Count | | |
| DOC & MfE Education Manager Funding | 0 | 56,660 |
| The Warehouse Group Carbon Programme | 0 | 4,313 |
| The Tindall Foundation | 262,500 | 300,000 |
| Marketplace Funding for Trees | 1,810,608 | 966,696 |
| Total Trees That Count | 2,073,108 | 1,327,668 |
| Te Uru Rākau Funding | 2,260,000 | 2,335,000 |
| Total Analysis of Revenue from non-exchange transactions | 4,491,854 | 3,711,277 |

2. Analysis of Expenses

| | 2020 | 2019 |
|--|-----------|-----------|
| Volunteer and employee related costs | | |
| ACC Levy | 6,966 | 0 |
| BYO Tech Allowance for Permanent Employees | 52,656 | 19,158 |
| Contractors & Employees – Project Crimson | 1,447,009 | 1,528,929 |
| Kiwisaver | 28,373 | 17,533 |
| Total Volunteer and employee related costs | 1,535,004 | 1,565,619 |
| Costs related to providing goods or services | | |
| Accounting Fees | 7,760 | 8,455 |
| Apparel | 0 | 15,415 |
| Annual Audit | 14,963 | 11,424 |
| Auditors' Fees – Other Services | 0 | 380 |
| Bank Fees | 580 | 426 |
| Donation Expenses | 1,607 | 2,089 |
| Event Costs | 43,492 | 52,657 |
| Flagship Expenses | 400 | 0 |
| Insurance | 1,236 | 7,017 |
| Internet | 1,134 | 0 |
| IT Support | 300 | 7,710 |
| Legal | 21,173 | 23,838 |
| Marketing | 1,074,180 | 1,038,281 |
| OMV Expenses | 66,323 | 0 |
| Office Expenses | 61,510 | 50,976 |
| Tax Penalties | 303 | 0 |
| Travel & Accommodation | 57,302 | 122,938 |
| Trees That Count | 1,080,847 | 634,097 |
| Total Costs related to providing goods or services | 2,433,110 | 1,975,702 |
| Other expenses | | |
| Amortisation | 200,805 | 155,330 |
| Interest Expense | 49 | 43 |
| Subscriptions | 15,334 | 0 |
| Total Other expenses | 216,188 | 155,372 |

3. Analysis of Current Assets

| | 2020 | 2019 |
|---|-----------|---------|
| Bank accounts and cash | | |
| BNZ – Trust Account | 1,166,746 | 67,648 |
| BNZ – Donations | 235,841 | 77,506 |
| BNZ – Treasury Call Account | 100,711 | 100,579 |
| Term Deposits Maturing in 90 days or less | 0 | 200,000 |
| Total Bank accounts and cash | 1,503,298 | 445,733 |
| Debtors and prepayments | | |
| Accounts Receivables | 0 | 61,870 |
| Prepayments | 69,457 | 27,911 |
| Total Debtors and prepayments | 69,457 | 89,781 |
| Investments | | |
| Term Deposits Maturing in more than 90 Days | 0 | 700,000 |
| Total Investments | 0 | 700,000 |
| Inventory | | |
| Inventory | 4,869 | 6,134 |
| Total Inventory | 4,869 | 6,134 |

There have been no bad debt write offs in the year nor any provision for uncollectable debts.

4. Intangible Assets

| | 2020 | 2019 |
|--------------------------|-----------|-----------|
| Original Cost | 773,634 | 552,503 |
| Accumulated Amortisation | (503,272) | (302,823) |
| Net Book Value | 270,362 | 249,680 |

Reconciliation of the carrying amount at the beginning and end of the period:

| | 2020 | 2019 |
|--------------------|-----------|-----------|
| Opening Book Value | 249,680 | 305,014 |
| Additions | 221,131 | 99,995 |
| Amortisation | (200,449) | (155,330) |
| Net Book Value | 270,362 | 249,680 |

5. Fixed Assets - Office Equipment

| | 2020 |
|--------------------------|-------|
| Original Cost | 4,458 |
| Accumulated Depreciation | (356) |
| Net Book Value | 4,102 |

6. Accumulated Funds & Reserves

| | 2020 | 2019 |
|-------------------------------------|-----------|-----------|
| Accumulated Funds | | |
| Opening Balance | 915,304 | 1,072,814 |
| Transfer to Tree Planting Reserve | (174,000) | (333,579) |
| Accumulated surpluses or (deficits) | 330,254 | 176,069 |
| Total Accumulated Funds | 1,071,557 | 915,304 |
| Reserves | | |
| Tree Planting Reserve | 507,579 | 333,579 |
| Total Reserves | 507,579 | 333,579 |
| Total Accumulated Funds & Reserves | 1,579,136 | 1,248,883 |

Tree Planting Reserve

The Tree Planting Reserve represents the expected future cost of trees donated through the marketplace, which have not yet been purchased. The future cost of trees has been determined based on quoted average cost per tree for 2020 planting.

7. Analysis of Liabilities

| | 2020 | 2019 |
|--------------------------------------|---------|---------|
| Creditors and accrued expenses | | |
| Accounts Payable | 201,126 | 237,997 |
| Credit Card Balance | 2,748 | 2,137 |
| Sundry Accruals | 39,311 | 23,326 |
| Total Creditors and accrued expenses | 243,185 | 263,460 |

8. Commitments

Trees That Count has committed to funding 212,354 native trees for planting groups to plant in 2021. Based on the quotes received and estimated tree prices the financial commitment is estimated to be \$887,150.71 as at 31 December 2020.

Rental Commitment

| | 2020 |
|--|--------|
| Less than one year | 42,240 |
| Later than one year and not later than 5 years | 17,600 |
| | 59,840 |

Project Crimson Trust leases its premises at Level 2, 39-41 Ghuznee Street, Wellington. The lease commenced 1 August 2020, with a lease term of 2 years. There is one right of renewal for a possible further 2 years.

9. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 December 2020 (Last year - nil).

10. Related Parties

| Description | 2020 | 2020 | 2019 | 2019 |
|--|--------------------------|-------------------------|--------------------------|-------------------------|
| | Value of Transactions | Owing at 31 December | Value of Transactions | Owing at 31 December |
| Adele Fitzpatrick – Contract Fees – CEO | - | | \$39,930 | |
| David Bergin – Science/Technical advisor fees | + | | \$56,925 | |
| Michael Bergin (David's Son) – Science/Technical advisor fees | + | | \$22,256.25 | |
| Ruud Kleinpaste – Treemendous – Specialist Fees | \$4,000 | | \$5,000 | |
| Total | \$4,000 | | \$124,111.25 | |

11. Key Management Personnel

Transactions with key management personnel

Key management personnel include the Chief Executive, Finance and Administration Manager, Head of Marketing and Partnerships, Head of Product and Manager of Regional Programme at Project Crimson Trust.

| | 2020 | 2019 |
|------------------------------|---------|---------|
| Salaries | 690,618 | 464,876 |
| Full-time equivalent members | 4.75 | 4 |

12. Events After the Balance Date

There were no events after balance date.

13. Impact of Covid-19

During 2020 the COVID-19 pandemic occurred. Due to the uncertainty around the generation of funding in light of the pandemic during the year, management responded by adjusting its strategies and marketing campaigns. This has resulted in an increase in funding received through the marketplace and a new flagship project secured for annual funding up to and including 2024. Management is currently negotiating with potential funders to secure more flagship projects.

There was little operational impact as the team are all able to work remotely. Under government restrictions the Regional Advisors were not able to make site visits and some planting events were postponed to a later date in the year. In the event of any future government restrictions, the same approach will be followed.

The potential future implications of COVID-19 is a complex and uncertain area, however management are confident any future challenges resulting from the pandemic can continue to be managed effectively.

Auditor's Report

For the year ended 31 December 2020

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INDEPENDENT AUDITOR'S REPORT

To the Trustees of The Project Crimson Trust

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Project Crimson Trust ('the Trust') on pages 15 to 28, which comprises the statement of financial position as at 31 December 2020, and the statement of comprehensive income, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial report, including significant accounting policies.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Trust as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ('PBE Standards RDR').

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Trust in accordance with Professional and Ethical Standard 1 (Revised) International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 Project Crimson Trust.

Baker Tilly Staples Rodway Audit Limited, incorporating the audit practices of Christchurch, Hawkes Bay, Taranaki, Tauranga, Waikato and Wellington.

Baker Tilly Staples Rodway Audit Limited is a member of the global network of Baker Tilly International Limited, the members of which are separate and independent legal entities.



Responsibilities of the Trustees for the Financial Report

The Trustees are responsible on behalf of the Trust for the preparation and fair presentation of the financial report in accordance with PBE Standards RDR, and for such internal control as the Trustees determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the 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 Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the 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) 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 financial report.

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

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

BAKER TILLY STAPLES RODWAY AUDIT LIMITED

Baker Tilly Staples Rodway

Wellington, New Zealand

4 May 2021



To every New Zealand individual, family or business – big and small – who has funded or gifted a native tree to Aotearoa in 2020, tēnā rawa atu koutou.

We couldn't have done it without you.

projectcrimson.org.nz

treesthatcount.co.nz



