

ANNUAL REPORT STATEMENT

I am pleased to report that it has been another exciting and positive year for ChildFund New Zealand. We have successfully grown our base of sponsors allowing us to help more needy children throughout the world.

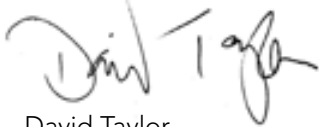
I particularly want to acknowledge the wonderful support we get from our existing sponsors. Without you, there would be no ChildFund New Zealand. Your continued commitment is a vital lifeline to thousands of children and I trust their relationship with you is as rewarding.

One of the key developments that has taken place in the past 12 months is the growth in ChildFund New Zealand's relationship with the New Zealand Government's International Aid and Development Agency, NZAID. We were successful in securing over \$900,000 of NZAID grants allowing us to further strengthen our long-term community development programs around the world.

ChildFund New Zealand has also increased its focus on assisting with emergency relief, particularly in countries where we have existing programs. Through the generosity of our supporters, we raised over \$180,000 for the Kenyan famine, and more recently with NZAID, we have taken a lead role in helping the children of East Timor to recover from the civil violence and resulting humanitarian crisis.

The Board of Directors would like to thank you on behalf of the children whose lives you have changed for the better. Our thanks also go to our dedicated and talented management and staff for making ChildFund New Zealand a success. As reflected in our summarised statement of accounts, we have every reason to go forward into the next year with confidence. The Board is pleased with the results that have been achieved and feel sure that we are doing our best to fulfill our purpose and make our supporters proud.

I look forward to another positive and fulfilling year ahead.



David Taylor
Chairman

ChildFund New Zealand supports community development programs through child sponsorship in:

Angola, Bolivia, Brazil, East Timor, Ecuador, Ethiopia, Gambia, Guatemala, Honduras, India, Indonesia, Kenya, Mexico, Philippines, Senegal, Sierra Leone, Sri Lanka, Thailand, Uganda, West Indies, Zambia.

During the last year ChildFund New Zealand, through NZAID and other supporter donations, has funded the following projects:

East Timor	Child Centered Spaces in Internally Displaced Persons camps
Kenya	Water, HIV/AIDs prevention and awareness, Food security
Liberia	Food security
Sri Lanka	Rain water harvesting tanks
Uganda	Maternal health, Gender based violence prevention



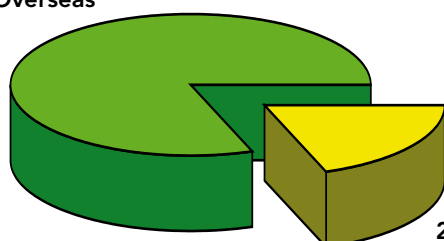
HELPING KIWIS TOUCH THE LIVES OF CHILDREN IN NEED

CHILDFUND NEW ZEALAND LIMITED
SUMMARISED STATEMENT OF ACCOUNTS*
YEAR ENDING 30 JUNE 2006

Income	\$000s
Child Sponsorship	
Total received	8,975
Remitted overseas	7,180
Gifts specifically pledged for children	
Total	620
Remitted overseas	620
Donations and Other Income	
Special appeals	470
Project Liberty	154
Government grants	911
Total	1,535
Remitted overseas	1,297
Other funding designated to be spent in New Zealand	
Grants	142
Donations and bequests	870
Investment and sundry	265
Total	1,277
Total income	
	12,407
Net income available for expenditure in New Zealand	
	3,310
Expenditure	
Administration	835
Operating expenses	277
ChildFund International	159
Supporter communications	125
Fundraising	1,918
Total	3,314

Allocation of Child Sponsorship Income

80% Remitted Overseas



20% Retained in NZ

* The above information has been extracted and summarised from the 2006 audited accounts of ChildFund New Zealand Limited, which has been audited by KPMG Chartered Accountants. A full set of accounts is available upon request from the Auckland Office of ChildFund New Zealand Limited.



**Independent
Report to the
Members of
ChildFund
New Zealand**

We have audited the summarised statement of accounts of ChildFund New Zealand for the year ended 30 June 2006.

In our opinion, the information reported in the summarised statement of accounts is consistent with the annual statutory financial report dated 14 August 2006 and upon which we expressed an unqualified audit opinion in our report, dated 14 August 2006.

For a better understanding of the scope of our audit, this report should be read in conjunction with our audit report in the annual statutory financial report.

KPMG

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