

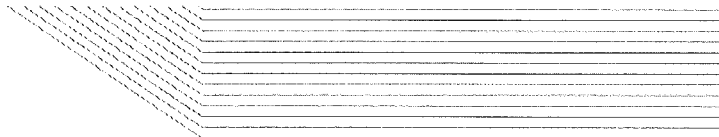
# Performance Report

Te Karaka Foundation

For the year ended 30 June 2017

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**INDEPENDENT ASSURANCE PRACTITIONER'S REVIEW REPORT**

To the Trustees of: Te Karaka Foundation

**Phone** +64-6 769 6080  
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PO Box 649  
7 Liardet Street  
New Plymouth 4340  
New Zealand

Members of the New Zealand  
Institute of Chartered Accountants

**Report on the Performance Report**

We have reviewed the accompanying performance report of Te Karaka Foundation on pages 9 to 17, which comprise the statement of financial position as at June 30, 2017, and the statement of financial performance and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Trustees Responsibility for the Performance Report**

The Trustees are responsible on behalf of the entity for:

- a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- b) the preparation and fair presentation of the performance report which comprises:
  - the entity information;
  - the statement of service performance; and
  - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit), and
- c) for such internal control as the Trustees determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

**Assurance Practitioner's Responsibility**

Our responsibility is to express a conclusion on the performance report. We conducted our review of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standard on Review Engagements (New Zealand) (ISRE (NZ)) 2400 (Revised), Review of Historical Financial Statements Performed by an Assurance Practitioner who is not the Auditor of the Entity. The standard requires us to conclude whether anything has come to our attention that causes us to believe that the performance report, taken as a whole, is not prepared in all material respects in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit). Those standards also require that we comply with the ethical requirements.

A review of the performance report in accordance with ISRE (NZ) 2400 (Revised) is a limited assurance engagement. We will perform procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained. The procedures selected depend on our judgement, including the areas identified where a material misstatement is likely to arise and includes performing procedures to obtain evidence and evaluating whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly, we do not express an audit opinion on this performance report.

Other than in our capacity as assurance practitioner we have no relationship with, or interests in, Te Karaka Foundation.


**Other information**

The trustees are responsible on behalf of the trust for the other information. The other information comprises the statement of service performance and entity information but does not include the financial statements and our review report thereon.

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

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the performance report does not present fairly, in all material respects, the financial position of Te Karaka Foundation as at June 30, 2017, and its financial performance and cash flows for the year then ended, in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit).



**VANBURWRAY**  
PO Box 649  
Taranaki Mail Centre  
New Plymouth 430  
12 October 2017

# Entity Information

## Te Karaka Foundation For the year ended 30 June 2017

### Legal Name of Entity

Te Karaka Foundation Incorporated

### Entity Type and Legal Basis

Registered Charity (CC51935)  
Incorporated Charitable Trust (2632391)

### Entity's Purpose or Mission

**Purpose:** Te Karaka Foundation is a charitable community foundation, which provides Taranaki people with a personal and enduring way to support the causes close to their home and close to their heart.

**Vision:** A thriving Taranaki - an outstanding place to live, learn, work and play - now and for generations to come.

**Mission:** To inspire and enable giving for a thriving Taranaki.

### Entity's Operational Structure

Te Karaka Foundation has a Board of ten Trustees to provide leadership and governance to the Foundation. In addition, Committees provide specialist advice to the Board. The Foundation also contracts two part-time Executive Officers to carry out the day-to-day operations and activities.

### Main Sources of Entity's Cash and Resources

Income comes from donations from individuals, families and other organisations; grants from charitable organisations (such as the TSB Community Trust and Tindall Foundation); sponsorship from local businesses; and income from investments.

Endowment fund donations are received from local donors to support their community. Donations are pooled and invested - the capital then remains intact, and the investment income is used to make distributions annually to charities and community groups primarily in the Taranaki region, in line with each donor's wishes.

Donors can leave a gift in their will; and/or donate during their lifetime and have the pleasure of seeing their money make a difference (and receive 33.3% tax credit). Donors are also invited to make an establishment donation towards the operating expenses of Te Karaka Foundation.

### Main Methods Used by Entity to Raise Funds

Funds are raised through direct contact with potential donors, professional advisors, and businesses in the Taranaki community; and applications to grant funding organisations.

Our business supporters provide substantial assistance each year, allowing Te Karaka Foundation to administer the donor funds and continue to build the profile of the Foundation and encourage other potential donors to set up a fund.

### Entity's Reliance on Volunteers and Donated Goods or Services

All Trustees and Committee Members are volunteers. Te Karaka Foundation is very appreciative of the support of the Taranaki business community for providing goods and services to the Foundation at no cost, or at a significantly discounted fee.

## Acknowledgements

Te Karaka Foundation is very grateful to the following people and organisations who gave their time and resources generously during the year:

**TRUSTEES:**

Ken Horner (Chair)  
Paul Goldsmith (Deputy Chair)  
Anne Barron  
Bridget Burke  
Ross Fulton  
David Marshall  
Debbie McCallum  
Kelvin Squire  
Puna Wano-Bryant  
Craig Williamson

**INVESTMENT COMMITTEE:**

Maurice Betts  
Kevin Landrigan

**GRANT FUNDERS:**

Pelorus Trust  
The Tindall Foundation  
TSB Community Trust

**BUSINESS SUPPORTERS:**

Ahu Ahu Beach Villas  
BDO Taranaki  
Billings Lawyers  
Boon Goldsmith Bhaskar Brebner Team Architects  
Craigs Investment Partners  
Halliwells Lawyers  
HTL Insurance  
Jago Print & Graphics  
Little Rocket  
Lysaght-Watt Trust  
NZME  
Sutherland Governance  
Tucker Media  
Vospers Funeral Services

**FOUNDING DONORS/FUNDS:**

Harry & Helen Bayliss Fund  
Billings Lawyers Fund  
Terry & Angela Boon Fund  
Dr BF Clarke Fund  
Hinton Family Investment  
Ken & Jennifer Horner Fun  
Winifred Knight Trust  
Lysaght-Watt Fund  
Debbie McCallum Fund  
Purangi Kiwi & Kokako Project  
Taranaki Retreat Fund  
Valerie Webber Fund

# Approval of Performance Report

**Te Karaka Foundation**

**For the year ended 30 June 2017**


The Trustees are pleased to present the approved Performance report including the historical financial statements of Te Karaka Foundation for year ended 30 June 2017.

APPROVED

  
Ken Horner, Chair

Date

12/10/17

  
Paul Goldsmith, Deputy Chair

Date

12/10/17

# Statement of Service Performance

## Te Karaka Foundation

For the year ended 30 June 2017

### Description of Entity's Outcomes

- To build a strong and viable community foundation to serve Taranaki.
- To inspire and enable Taranaki people to give to create a lasting legacy.
- To distribute grants in a way which helps recipients reach their full potential.
- To partner with community leaders, so Taranaki can continue to thrive for many generations to come.

### Description & Quantification of Entity's Outputs

Outputs	Cumulative Total	Actual This Year	Actual Last Year
Value of operating grants, donations & sponsorship received	\$225,014	\$112,356	\$112,658
New named endowment funds established	13	7	6
New donors giving during their lifetime (living giving)	10	5	5
Value of endowment donations received	\$473,767	\$260,945	\$212,822
Value of living giving donations pledged but not yet received (net change)	\$526,733	\$(945)	\$527,687
Total living giving pledged & received	\$1,000,500	\$260,000	\$740,500
Number of bequests pledged	4	2	2
Value of bequests received	\$-	\$-	\$-
Number of distributions/grants made	8	8	0
Value of distributions/grants made	\$12,525	\$12,525	\$0

# Statement of Financial Performance

Te Karaka Foundation

For the year ended 30 June 2017

	NOTES	2017	2016
<b>Revenue</b>			
Donations, fundraising and other similar revenue	1	375,780	325,480
Revenue from providing goods or services	1	3,471	-
Interest, dividends and other investment revenue	1	10,222	308
<b>Total Revenue</b>		<b>389,473</b>	<b>325,788</b>
<b>Expenses</b>			
Volunteer and employee related costs	2	86,304	79,774
Other expenses	2	35,795	19,108
<b>Total Expenses</b>		<b>122,099</b>	<b>98,882</b>
<b>Total Surplus/(Deficit) for the Year</b>		<b>267,374</b>	<b>226,906</b>

# Statement of Financial Position

Te Karaka Foundation

As at 30 June 2017

	NOTES	30 JUN 2017	30 JUN 2016
<b>Assets</b>			
<b>Current Assets</b>			
Bank accounts and cash	3	82,177	72,406
Debtors and prepayments	4	18,334	7,827
<b>Total Current Assets</b>		<b>100,511</b>	<b>80,233</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	5	667	1,467
Investments	6	404,243	194,749
<b>Total Non-Current Assets</b>		<b>404,910</b>	<b>196,216</b>
<b>Total Assets</b>		<b>505,421</b>	<b>276,449</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Creditors and accrued expenses	7	11,141	49,543
<b>Total Current Liabilities</b>		<b>11,141</b>	<b>49,543</b>
<b>Total Liabilities</b>		<b>11,141</b>	<b>49,543</b>
<b>Net Assets</b>		<b>494,280</b>	<b>226,906</b>
<b>Accumulated Funds</b>			
Endowment funds	8	472,700	212,592
Accumulated surpluses or (deficits)	8	21,580	14,314
<b>Total Accumulated Funds</b>		<b>494,280</b>	<b>226,906</b>

# Statement of Cash Flows

Te Karaka Foundation

For the year ended 30 June 2017

	2017	2016
<b>Cash Flows from Operating Activities</b>		
Donations, fundraising and other similar receipts	320,591	319,480
Interest, dividends and other investment receipts	10,611	235
GST	(3,396)	(712)
Payments to suppliers and employees	(91,709)	(80,189)
Cash flows from other operating activities	(27,479)	(9,465)
<b>Total Cash Flows from Operating Activities</b>	<b>208,618</b>	<b>229,348</b>
<b>Cash Flows from Investing and Financing Activities</b>		
Receipts from sale of investments	41,686	6,000
Payments to acquire property, plant and equipment	-	(2,000)
Payments to purchase investments	(240,533)	(200,942)
Cash Flows from Other Investing and Financing Activities	-	40,000
<b>Total Cash Flows from Investing and Financing Activities</b>	<b>(198,848)</b>	<b>(156,942)</b>
<b>Net Increase/ (Decrease) in Cash</b>	<b>9,771</b>	<b>72,406</b>
<b>Cash Balances</b>		
Cash and cash equivalents at beginning of period	72,406	-
Cash and cash equivalents at end of period	82,177	72,406
Net change in cash for period	9,771	72,406

# Statement of Accounting Policies

## Te Karaka Foundation

For the year ended 30 June 2017

### Basis of Preparation

The entity has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

### Presentation Currency

The Performance Report is presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$.

### Revenue Recognition

Donations and grants with no "use or return" condition attached are recorded as revenue when cash is received.

Donations and grants with a "use or return" condition attached are recorded as a liability when cash is received, and as the conditions are met the liability is reduced and revenue is recorded.

Donated assets that are significant and have useful lives of 12 months or more are recorded on receipt at readily obtainable values. Other donated assets are not recorded.

Donated goods or services are not recorded.

Fundraising revenue is recorded when cash is received.

Interest income is recorded as it is earned.

Dividend income is recorded when the revenue is receivable.

### 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.

### Trade Receivables

Trade receivables are initially measured at the amount owed. When it is likely that the amount owed, or some portion, will not be collected, an impairment adjustment is recorded. Interest charged on overdue amounts are added to the individual debtor balance.

### Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less any accumulated depreciation and impairment losses.

Historical cost includes expenditure directly attributable to the acquisition of assets, and includes cost of replacements that are eligible for capitalisation when these incurred.

Depreciation is calculated on a straight line or diminishing value basis over the estimated useful life of the asset using the rates published by Inland Revenue.

**Investments**

Investments are recorded at cost when purchased and are carried at cost less any impairment. If it appears that the carrying amount of the investment will not be recovered, it shall be written down to the current market price. Any impairment expense is recorded in the Statement of Financial Performance.

**Provisions**

Provisions are recognised when the entity has an obligation which can be reliably measured at balance date as a result of a past event and it is probable that the company will be required to settle the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the obligation at balance date. Movements in the best estimate are recorded in the Statement of Financial Performance.

**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.

**Income Tax**

Te Karaka Foundation is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

# Notes to the Performance Report

## Te Karaka Foundation

For the year ended 30 June 2017

	2017	2016
<b>1. Analysis of Revenue</b>		
<b>Donations, fundraising and other similar revenue</b>		
<b>Donations &amp; fundraising - operating account</b>		
Donations	108,485	102,658
Sponsorship	400	10,000
<b>Total Donations &amp; fundraising - operating account</b>	<b>108,885</b>	<b>112,658</b>
<b>Donations - endowment funds</b>		
Donations - Named Endowment Funds	260,945	212,822
Donations - Pass Through Funds	5,950	-
<b>Total Donations - endowment funds</b>	<b>266,895</b>	<b>212,822</b>
<b>Total Donations, fundraising and other similar revenue</b>	<b>375,780</b>	<b>325,480</b>
<b>Revenue from providing goods or services</b>		
<b>Service revenue - operating account</b>		
Endowment Administration Income	3,471	-
<b>Total Service revenue - operating account</b>	<b>3,471</b>	<b>-</b>
<b>Total Revenue from providing goods or services</b>	<b>3,471</b>	<b>-</b>
<b>Interest, dividends and other investment revenue</b>		
<b>Investment revenue - operating account</b>		
Interest received	274	198
<b>Total Investment revenue - operating account</b>	<b>274</b>	<b>198</b>
<b>Investment revenue - endowment funds</b>		
Interest received	3,867	110
Dividends Received - Endowment Funds	6,470	-
Share of Forestry partnership profit/(loss)	(389)	-
<b>Total Investment revenue - endowment funds</b>	<b>9,948</b>	<b>110</b>
<b>Total Interest, dividends and other investment revenue</b>	<b>10,222</b>	<b>308</b>
	<b>2017</b>	<b>2016</b>

## 2. Analysis of Expenses

### Volunteer and employee related costs

#### Volunteer and employee related costs - operating account

Contracted Staff	83,235	75,892
Training Costs	642	1,252
Travel & Accom - National	2,427	2,630
<b>Total Volunteer and employee related costs - operating account</b>	<b>86,304</b>	<b>79,774</b>
<b>Total Volunteer and employee related costs</b>	<b>86,304</b>	<b>79,774</b>

**Other expenses****Other expenses - operating account**

Accounting & Legal Fees	2,746	1,388
Audit or Review Fees	1,750	-
Bank Fees	182	13
Depreciation	800	533
Fixed Assets under \$500	151	278
Functions & Community Events	388	8,216
General Expenses	496	391
Marketing & Advertising	8,839	4,587
Printing, Stationery & Postage	1,609	1,705
Subscriptions & Memberships	1,544	1,045
Telephone & Internet	554	611
<b>Total Other expenses - operating account</b>	<b>19,061</b>	<b>18,768</b>

**Other expenses - endowment funds**

Distributions - Endowment	10,075	-
Distributions - Pass Through Funds	2,450	-
Investment Management Fees	380	74
Te Karaka administration fee	3,471	-
Realised Gain or Loss on Sale of Investments	358	266
<b>Total Other expenses - endowment funds</b>	<b>16,735</b>	<b>340</b>

<b>Total Other expenses</b>	<b>35,795</b>	<b>19,108</b>
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	<b>2017</b>	<b>2016</b>
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**3. Bank accounts and cash**

TSB Bank - Operating Account	10,282	59,490
TSB Bank - Endowment Funds	21,738	12,917
TSB Bank - Endowment Saving	50,157	-
<b>Total Bank accounts and cash</b>	<b>82,177</b>	<b>72,406</b>

	<b>2017</b>	<b>2016</b>
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**4. Debtors and prepayments**

Accounts Receivable	13,471	6,000
GST	4,863	1,364
Prepayments	-	463
<b>Total Debtors and prepayments</b>	<b>18,334</b>	<b>7,827</b>

	<b>2017</b>	<b>2016</b>
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**5. Property, plant & equipment**

Website Development	2,000	2,000
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Less Accumulated Depreciation on Website	(1,333)	(533)
<b>Total Property, plant &amp; equipment</b>	<b>667</b>	<b>1,467</b>
	<b>2017</b>	<b>2016</b>

**6. Investments**

Craigs Investment Partners (at cost)	393,443	194,749
Patete Forestry Investment (at cost)	10,800	-
<b>Total Investments</b>	<b>404,243</b>	<b>194,749</b>

The Craigs managed portfolio is held at the cost value of \$393,443. However the market value of the portfolio is \$402,662 which reflects an increase of \$9,219 in the portfolio value. The portfolio's return for the 12 months to 30 June 2017 was 7.89% and the return since inception is 6.21%.

	<b>2017</b>	<b>2016</b>
<b>7. Creditors and accrued expenses</b>		
Accounts Payable	(11,141)	(9,543)
Income in Advance	-	(40,000)
<b>Total Creditors and accrued expenses</b>	<b>(11,141)</b>	<b>(49,543)</b>
	<b>2017</b>	<b>2016</b>

**8. Accumulated Funds**

<b>Accumulated Funds</b>		
Opening Balance	226,906	-
Accumulated operating surpluses or (deficits)	267,374	226,906
<b>Total Accumulated Funds</b>	<b>494,280</b>	<b>226,906</b>
<b>Total Accumulated Funds</b>	<b>494,280</b>	<b>226,906</b>
	<b>2017</b>	<b>2016</b>

**Endowment funds**

<b>Opening balance</b>		
Opening Balance	212,592	-
<b>Total Opening balance</b>	<b>212,592</b>	<b>-</b>
<b>Income</b>		
Dividends Received - Endowment Funds	6,470	-
Donations - Named Endowment Funds	260,945	212,822
Donations - Pass Through Funds	5,950	-
Interest received	3,867	110
Share of Forestry partnership profit/(loss)	(389)	-
<b>Total Income</b>	<b>276,843</b>	<b>212,932</b>

	2017	2016
<b>Expenses</b>		
Distributions - Endowment	10,075	-
Distributions - Pass Through Funds	2,450	-
Investment Management Fees	380	74
Realised Gain or Loss on Sale of Investments	358	266
Te Karaka administration fee	3,471	-
<b>Total Expenses</b>	<b>16,735</b>	<b>340</b>
<b>Total Endowment funds</b>	<b>472,700</b>	<b>212,592</b>

## 9. Endowment Funds

Endowment funds are gifted to Te Karaka Foundation for the purpose of supporting charitable projects and causes in the Taranaki community. The endowment funds are invested with a proportion of the net income distributed by the Foundation as grants to charitable causes, in line with each donor's wishes.

Endowment donations totalling \$260,946 were received during the year. Donated funds are not subject to any conditions which would give rise to the recognition of a liability in the financial statements.

## 10. Commitments

During the year Te Karaka Foundation awarded a scholarship of \$1,000 to a teacher training student. This will be paid upon proof of completion of the first year of study.

## 11. Related Parties

A number of Trustees and Officers of the Te Karaka Foundation have established endowment funds or made donations of cash or services to the Foundation.

## 12. Events After the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report.