

Performance Report

Te Karaka Foundation

As at 30 June 2018

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INDEPENDENT ASSURANCE PRACTITIONER'S REVIEW REPORT

To the Trustees of: Te Karaka Foundation

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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, 2018, 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, and the review of the entity information and statement of services performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Those standards require 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.

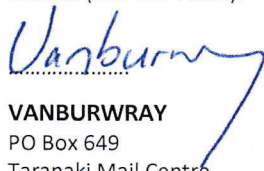
Other information

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, 2018, and its financial performance and cash flows for the year then ended, in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit).



VANBURWRAY
PO Box 649
Taranaki Mail Centre
New Plymouth 430
09 November 2018

Entity Information

Te Karaka Foundation

For the year ended 30 June 2018

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
Sandy Smith

GRANT FUNDERS:

The Tindall Foundation
TSB Community Trust

DISTRIBUTION COMMITTEE:

Shaun Biesek
Loretta Robinson

INVESTMENT COMMITTEE:

Maurice Betts
Kevin Landrigan

BUSINESS SUPPORTERS:

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

FOUNDING DONORS/FUNDS:

Billings Lawyers Fund
Debbie McCallum Fund
Dr BF Clarke Fund
Harry & Helen Bayliss Fund
Hinton Family Investment
Ken & Jennifer Horner Fund
NPGHS Endowment Fund
Purangi Kiwi & Kokako Project
Spotswood College Fund
Taranaki Hauora Fund
Taranaki Retreat Legacy Fund
Terry & Angela Boon Fund
Te Karaka Endowment Fund
The Lysaght-Watt Fund
The Swingiest Fund for Generations of Art Lovers
Valerie Webber Fund
Waitara High School Fund
Winifred Knight Trust

This year we have Gifted Taranaki people and organisations \$52,937:

Hearing and Visually Impaired People – 9 Gifts
Community – 6 Gifts
Education – 14 Gifts
At Risk Youth – 2 Gifts
Young People – 3 Gifts
The Arts – 2 Gifts

Te Karaka Foundation is proud to partner with the Tindall Foundation to allocate funding in Taranaki and made the following funding recommendations for the 2018 funding period, which were approved by The Tindall Foundation:

Pregnancy Help Taranaki Inc
Central Taranaki Blue Light Ventures
Taranaki Toy Library
New Plymouth Positive Ageing Trust
Hawera Budget Advisory Service
On the House
New Plymouth Emergency Shelter

Total: \$23,000.00

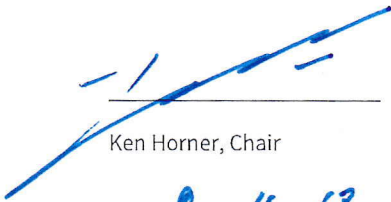
Approval of Performance Report

Te Karaka Foundation

For the year ended 30 June 2018

The Trustees are pleased to present the approved Performance report including the historical financial statements of Te Karaka Foundation for year ended 30 June 2018.

APPROVED



Ken Horner, Chair

8.11.18
Date



Paul Goldsmith, Deputy Chair

08.11.18
Date

Statement of Service Performance

Te Karaka Foundation

For the year ended 30 June 2018

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.
- To provide visionary leadership, to identify changing needs and concerns in Taranaki, and to collaborate with others to generate long-term sustainable solutions.

Description & Quantification of Entity's Outputs

Outputs	Cumulative Total 2018	Actual This Year	Cumulative Total 2017
Value of operating grants, donations & sponsorship received	\$311,934	\$86,919	\$225,014
New pass-through agreements signed	2	0	2
New named endowment funds established	18	5	13
New donors giving during their lifetime (living giving)	15	5	10
Value of pass through donations received	\$71,422	\$65,472	\$5,950
Value of endowment donations received	\$718,523	\$244,756	\$473,767
Value of living giving donations pledged but not yet received (net change)	\$783,108	\$256,375	\$526,733
Total living giving pledged & received	\$1,501,631	\$501,131	\$1,000,500
Number of bequests pledged	5	1	4
Value of bequests received	\$-	\$-	\$-
Number of distributions/grants made	30	22	8
Value of distributions/grants made	\$65,462	\$52,937	\$12,525

Statement of Financial Performance

Te Karaka Foundation

For the year ended 30 June 2018

	NOTES	2018	2017
Revenue			
Donations, fundraising and other similar revenue	1	391,793	375,780
Revenue from providing goods or services	1	5,355	3,471
Interest, dividends and other investment revenue	1	16,711	10,222
Total Revenue		413,858	389,473
Expenses			
Volunteer and employee related costs	2	81,141	86,304
Other expenses	2	80,158	35,795
Total Expenses		161,298	122,099
Total Surplus/(Deficit) for the Year		252,560	267,374

This statement should be read with the Notes to the Performance Report.

Statement of Financial Position

Te Karaka Foundation

As at 30 June 2018

	NOTES	30 JUN 2018	30 JUN 2017
Assets			
Current Assets			
Bank accounts and cash	3	57,458	60,439
Debtors and prepayments	4	5,321	18,334
Total Current Assets		62,779	78,773
Non-Current Assets			
Property, Plant and Equipment	5	-	667
Investments	6	693,108	425,981
Total Non-Current Assets		693,108	426,648
Total Assets		755,887	505,421
Liabilities			
Current Liabilities			
Creditors and accrued expenses	7	9,047	11,141
Total Current Liabilities		9,047	11,141
Total Liabilities		9,047	11,141
Net Assets		746,840	494,280
Accumulated Funds			
Endowment funds	8	739,671	472,700
Accumulated surpluses or (deficits)	8	7,169	21,580
Total Accumulated Funds		746,840	494,280

This statement should be read with the Notes to the Performance Report.

Statement of Cash Flows

Te Karaka Foundation

For the year ended 30 June 2018

	2018	2017
Cash Flows from Operating Activities		
Donations, fundraising and other similar receipts	401,376	320,591
Interest, dividends and other investment receipts	10,013	10,611
GST	56	(3,396)
Payments to suppliers and employees	(90,035)	(91,709)
Cash flows from other operating activities	(72,472)	(27,479)
Total Cash Flows from Operating Activities	248,939	208,618
Cash Flows from Investing and Financing Activities		
Receipts from sale of investments	184	41,686
Payments to purchase investments	(30,000)	(240,533)
Cash Flows from Other Investing and Financing Activities	-	-
Total Cash Flows from Investing and Financing Activities	(29,816)	(198,848)
Net Increase/ (Decrease) in Cash	219,123	9,771
Cash Balances		
Cash and cash equivalents at beginning of period	82,177	72,406
Cash and cash equivalents at end of period	301,300	82,177
Net change in cash for period	219,123	9,771

Statement of Accounting Policies

Te Karaka Foundation

For the year ended 30 June 2018

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 2018

	2018	2017
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Donations & fundraising - operating account		
Donations	76,565	108,485
Sponsorship	5,000	400
Total Donations & fundraising - operating account	81,565	108,885
Donations - endowment funds		
Donations - Named Endowment funds	244,756	260,945
Donations - Pass Through Funds	65,472	5,950
Total Donations - endowment funds	310,228	266,895
Total Donations, fundraising and other similar revenue	391,793	375,780
Revenue from providing goods or services		
Service revenue - operating account		
Endowment Administration Income	5,355	3,471
Total Service revenue - operating account	5,355	3,471
Total Revenue from providing goods or services	5,355	3,471
Interest, dividends and other investment revenue		
Investment revenue - operating account		
Interest received	1,190	274
Total Investment revenue - operating account	1,190	274
Investment revenue - endowment funds		
Interest received	5,528	3,867
Dividends Received	9,060	6,470
Other Portfolio Income	568	-
Share of Forestry partnership profit/(loss)	365	(389)
Total Investment revenue - endowment funds	15,521	9,948
Total Interest, dividends and other investment revenue	16,711	10,222
	2018	2017

2. Analysis of Expenses

Volunteer and employee related costs		
Volunteer and employee related costs - operating account		
Contracted Staff	72,914	83,235
Recruitment costs	6,470	-
Training Costs	323	642

Travel & Accom - National	1,433	2,427
Total Volunteer and employee related costs - operating account	81,141	86,304
Total Volunteer and employee related costs	81,141	86,304

Other expenses

Other expenses - operating account		
Accounting & Legal Fees	7,309	2,746
Audit or Review Fees	2,000	1,750
Bank Fees	139	182
Depreciation	667	800
Fixed Assets under \$500	-	151
Functions & Community Events	513	388
General Expenses	575	496
Marketing & Advertising	4,149	8,839
Printing, Stationery & Postage	2,792	1,609
Subscriptions & Memberships	2,607	1,544
Telephone & Internet	629	554
Total Other expenses - operating account	21,380	19,061

Other expenses - endowment funds

Distributions - Endowment	4,300	10,075
Distributions - Pass Through Funds	48,637	2,450
Investment Management Fees	753	380
Te Karaka administration fee	5,355	3,471
Realised (Gain) or Loss on Sale of Investments	(267)	358
Total Other expenses - endowment funds	58,778	16,735
Total Other expenses	80,158	35,795

2018 2017

3. Bank accounts and cash

TSB Bank - Operating Account	34,546	10,282
TSB Bank - Saving	22,912	50,157
Total Bank accounts and cash	57,458	60,439

2018 2017

4. Debtors and prepayments

Accounts Receivable	479	13,471
GST	4,842	4,863
Total Debtors and prepayments	5,321	18,334

2018 2017

5. Property, plant & equipment

Website Development	2,000	2,000
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Less Accumulated Depreciation on Website	(2,000)	(1,333)
Total Property, plant & equipment	-	667

2018 2017

6. Investments

TSB Bank - Endowment Funds	243,842	21,738
Craigs Investment Partners (at cost)	438,099	393,443
Patete Forestry Investment (at cost)	11,167	10,800
Total Investments	693,108	425,981

The Craigs managed portfolio is held at the cost value of \$438,099. However the market value of the portfolio is \$480,924 which reflects an increase of \$42,825 in the portfolio value. The portfolio's return for the 12 months to 30 June 2018 was 12.44%.

2018 2017

7. Creditors and accrued expenses

Accounts Payable	9,047	11,141
Total Creditors and accrued expenses	9,047	11,141

2018 2017

8. Accumulated Funds

Accumulated Funds		
Opening Balance	494,280	226,906
Accumulated operating surpluses or (deficits)	252,560	267,374
Total Accumulated Funds	746,840	494,280
Total Accumulated Funds	746,840	494,280

2018 2017

Endowment funds

Opening balance		
Opening Balance	472,700	212,592
Total Opening balance	472,700	212,592

Income

Dividends Received	9,060	6,470
Donations - Named Endowment Funds	244,756	260,945
Donations - Pass Through Funds	65,472	5,950
Interest received	5,528	3,867
Other Portfolio Income	568	-
Share of Forestry partnership profit/(loss)	365	(389)
Total Income	325,749	276,843

Expenses

Distributions - Endowment	4,300	10,075
Distributions - Pass Through Funds	48,637	2,450

