

# Performance Report

Te Karaka Foundation  
For the year ended 30 June 2019

Prepared by Tandem Group Limited

# Contents

3	Entity Information
5	Approval of Financial Report
6	Statement of Service Performance
10	Statement of Financial Performance
11	Statement of Financial Position
12	Statement of Cash Flows
13	Statement of Accounting Policies
14	Notes to the Performance Report
18	Review Report

# Entity Information

## Te Karaka Foundation For the year ended 30 June 2019

### Legal Name of Entity

Te Karaka Foundation

### Entity Type and Legal Basis

Registered Charity and Incorporated Charitable Trust

### Registration Number

CC51935

### 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 Structure

Te Karaka Foundation has a Board of 5-12 Trustees to provide leadership and governance to the Foundation. In addition, Committees provide specialist advice to the Board. The Foundation also contracts 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.

Entity Information

**Physical Address**

27 Eliot Street, NEW PLYMOUTH

**Postal Address**

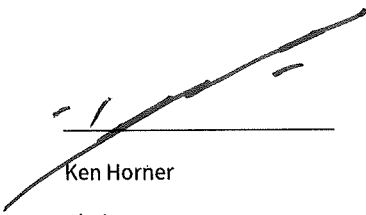
PO Box 719, Taranaki Mail Centre, NEW PLYMOUTH, 4340

# Approval of Financial Report

## Te Karaka Foundation For the year ended 30 June 2019

The Trustees are pleased to present the approved financial report including the historical financial statements of Te Karaka Foundation for year ended 30 June 2019.

APPROVED



Ken Horner

Chair

Date 24.10.19



Paul Goldsmith

Deputy Chair

Date 24.10.19

# Statement of Service Performance

## Te Karaka Foundation For the year ended 30 June 2019

### 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 and Quantification of the Entity's Outputs

Outputs	Cumulative Total 2019	Actual This Year	Cumulative Total 2018
Value of operating grants, donations & sponsorship received	\$403,538	\$91,604	\$311,934
New pass-through agreements signed	4	2	2
New named endowment funds established	24	6	18
New donors giving during their lifetime (living giving)	20	5	15
Value of pass through donations received and distributed	\$105,719	\$34,297	\$71,422
Value of endowment donations received	\$842,529	\$124,006	\$718,523
Value of living giving donations pledged but not yet received (net change)	\$1,009,102	\$225,994	\$783,108
Total living giving pledged & received	\$1,851,631	\$350,000	\$1,501,631
Number of bequests pledged	7	2	5
Value of bequests received	\$-	\$-	\$-
Number of distributions/grants made	59	29	30
Value of distributions/grants made	\$142,727	\$77,265	\$65,462

### Acknowledgements

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

**Trustees:**

**Volunteers**

KenHorner (Chair)

PaulGoldsmith (Deputy Chair)

AnneBarron

BridgetBurke

CraigWilliamson

DebbieMcCallum

KelvinSquire

RossFulton

SandySmith

**Grant Funders:**

The Tindall Foundation

TSB Community Trust

**Distribution Committee:**

**Volunteers**

Shaun Biesek

Loretta Roberts

**Investment Committee:**

**Volunteers**

Kevin Landrigan

Maurice Betts

**Business and In-kind Partners:**

Ahu Ahu Beach Villas

BDO Taranaki

Billings Lawyers

Boon Goldsmith Bhaskar Brebner Team Architects

Craigs Investment Partners

Taylor Dental Dentist Practice

EnergyworksLimited

Favour the Brave

Halliwells Lawyers

HTL Insurance

Jago Print & Graphics

Little Rocket

Lysaght-WattTrust

Nagel Consultants Ltd

New Zealand Media and Entertainment

Sutherland Governance

Tucker Media

Vospers Funeral Services

**Founding Donors/Endowment Funds:**

Billings Lawyers Endowment Fund  
 Debbie McCallum Fund  
 Dr BF Clarke Fund  
 Harry & Helen Bayliss Fund  
 Hinton Family Investment  
 Hospice Taranaki Incorporated Fund  
 J1 Fund (Anonymous)  
 Ken & Jennifer Horner Fund  
 New Plymouth Riding For The Disabled Fund  
 NPGHS Endowment Fund  
 NPBHS Endowment Fund  
 Purangi Kiwi & Kokako Project  
 Spotswood College Fund  
 Taranaki Hauora Fund  
 Taranaki Retreat Legacy Fund  
 Terry & Angela Boon Fund  
 The Conductive Education Taranaki Fund  
 Te Karaka Endowment Fund  
 Te Karaka Taranaki Community Fund  
 The Lysaght-Watt Fund  
 The Puke Ariki Endowment Fund  
 The Swingiest Fund for Generations of Art Lovers  
 Valerie Webber Endowment Fund  
 Waitara High School Fund  
 Winifred Knight Charitable Trust

**Pass-Through Funds:**

Nancy and Hugh Mills Fund  
 JC Fund (Anonymous)  
 George Mason Fund

**This year we have Gifted Taranaki people and organisations \$77,265 supporting:**

Hearing and Visually Impaired People  
 Community Development  
 Underprivileged Children  
 Elderly  
 Health and Wellbeing  
 Children and Adults with Disabilities  
 Education  
 At Risk Youth  
 Young People  
 The Arts and Culture  
 Environment  
 Employment  
 Sport and Recreation



**Te Karaka Foundation is proud to partner with the Tindall Foundation** to allocate funding in Taranaki and made the following funding recommendations for the 2019 funding period, which were approved by The Tindall Foundation:

Taranaki Young Peoples Trust  
 The Parenting Place Inc  
 South Taranaki Women's Centre  
 Taranaki Women's Refuge  
 Stratford Parents Centre Inc  
 Tūtaki Youth Incorporated Trust  
 New Plymouth Budget Advisory Service Inc  
 Migrant Connections Taranaki  
 Women's Centre New Plymouth Inc  
 Great Fathers  
 Victim Support Taranaki  
 Zeal Education Taranaki  
 Prisoners Aid & Rehabilitation Society  
 Hawera Budget Advisory Service  
 NorthTaranaki Community House Trust  
 New Plymouth Community Food Bank

**Total: \$54,100.00**

# Statement of Financial Performance

Te Karaka Foundation  
For the year ended 30 June 2019

	NOTES	2019	2018
<b>Revenue</b>			
Donations, fundraising and other similar revenue	1	234,980	391,793
Revenue from providing goods or services	1	14,927	5,355
Interest, dividends and other investment revenue	1	23,328	16,711
<b>Total Revenue</b>		<b>273,236</b>	<b>413,858</b>
<b>Expenses</b>			
Volunteer and employee related costs	2	86,404	81,141
Other expenses	2	119,093	80,158
<b>Total Expenses</b>		<b>205,497</b>	<b>161,298</b>
<b>Surplus/(Deficit) for the Year</b>		<b>67,739</b>	<b>252,560</b>

The accompanying notes form part of these financial statements and should be read in conjunction with the attached Review Report.

# Statement of Financial Position

Te Karaka Foundation  
As at 30 June 2019

	NOTES	30 JUN 2019	30 JUN 2018
<b>Assets</b>			
<b>Current Assets</b>			
Bank accounts and cash	3	27,952	57,458
Debtors and prepayments	3	9,623	5,321
<b>Total Current Assets</b>		<b>37,575</b>	<b>62,779</b>
<b>Non-Current Assets</b>			
Investments	3	813,249	693,108
<b>Total Non-Current Assets</b>		<b>813,249</b>	<b>693,108</b>
<b>Total Assets</b>		<b>850,824</b>	<b>755,887</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Creditors and accrued expenses	4	21,796	9,047
Other current liabilities	4	14,449	-
<b>Total Current Liabilities</b>		<b>36,245</b>	<b>9,047</b>
<b>Total Liabilities</b>		<b>36,245</b>	<b>9,047</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>814,579</b>	<b>746,840</b>
<b>Accumulated Funds</b>			
Endowment Funds	6	836,239	739,671
Accumulated surpluses or (deficits)	6	(21,660)	7,169
<b>Total Accumulated Funds</b>		<b>814,579</b>	<b>746,840</b>

The accompanying notes form part of these financial statements and should be read in conjunction with the attached Review Report.

# Statement of Cash Flows

## Te Karaka Foundation For the year ended 30 June 2019

	2019	2018
<b>Cash flows from operating activities</b>		
<b>Cash was received from:</b>		
Donations, Fundraising and other similar receipts	247,173	401,376
Interest, Dividends and other Investment receipts	1,533	10,013
GST	(2,044)	56
	<b>246,662</b>	<b>411,445</b>
<b>Cash was applied to:</b>		
Payments to Suppliers and Employees	98,621	90,035
Cash Flows from other Operating Activities	86,611	72,472
	<b>185,232</b>	<b>162,507</b>
<b>Total Cash Flows from Operating Activities</b>	<b>61,430</b>	<b>248,939</b>
<b>Cash Flows from Investing and Financing Activities</b>		
<b>Cash was received from:</b>		
Receipts from Sale of Investments	-	184
	-	<b>184</b>
<b>Cash was applied to:</b>		
Payments to Purchase Investments	250,000	30,000
	<b>250,000</b>	<b>30,000</b>
<b>Total Cash Flows from Investing and Financing Activities</b>	<b>(250,000)</b>	<b>(29,816)</b>
<b>Net Increase / (Decrease) in Cash</b>	<b>(188,570)</b>	<b>219,123</b>
<b>Cash Balances</b>		
Cash and Cash equivalents at beginning of period	301,300	82,177
Cash and Cash equivalents at end of period	112,730	301,300
<b>Net change in Cash for period</b>	<b>188,570</b>	<b>219,123</b>

The accompanying notes form part of these financial statements and should be read in conjunction with the attached Review Report.

# Statement of Accounting Policies

## Te Karaka Foundation For the year ended 30 June 2019

### 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.

### Revenue

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.

### 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.

### 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

### Income Tax

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

### 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.

### Changes in Accounting Policies

Pass Through Funds unspent at balance date have been recorded as a current liability for 2019:\$14,449. In the previous reporting period, unspent Pass Through Funds formed part of Endowment Funds recorded in accumulated funds. (2018:\$20,667)

All other policies have been applied on a consistent basis with those of the previous reporting period.

# Notes to the Performance Report

## Te Karaka Foundation For the year ended 30 June 2019

	2019	2018
<b>1. Analysis of Revenue</b>		
<b>Donations, fundraising and other similar revenue</b>		
<b>Operating</b>		
Donations	55,438	76,565
Sponsorship	21,239	5,000
<b>Total Operating</b>	<b>76,677</b>	<b>81,565</b>
<b>Endowment</b>		
Donations - Named Endowment Funds	124,006	244,756
Donations - Pass Through Funds	34,297	65,472
<b>Total Endowment</b>	<b>158,303</b>	<b>310,228</b>
<b>Total Donations, fundraising and other similar revenue</b>	<b>234,980</b>	<b>391,793</b>
<b>Revenue from providing goods or services</b>		
<b>Operating</b>		
Administration Allocation from Endowment Funds	14,927	5,355
<b>Total Operating</b>	<b>14,927</b>	<b>5,355</b>
<b>Total Revenue from providing goods or services</b>	<b>14,927</b>	<b>5,355</b>
<b>Interest, dividends and other investment revenue</b>		
<b>Operating</b>		
Interest received	282	1,190
<b>Total Operating</b>	<b>282</b>	<b>1,190</b>
<b>Endowment</b>		
Interest received	9,632	5,528
Dividends Received	10,060	9,060
Portfolio Income	3,533	568
Share of Forestry partnership profit/(loss)	(180)	365
<b>Total Endowment</b>	<b>23,046</b>	<b>15,521</b>
<b>Total Interest, dividends and other investment revenue</b>	<b>23,328</b>	<b>16,711</b>
	2019	2018
<b>2. Analysis of Expenses</b>		
<b>Volunteer and employee related costs</b>		
Contracted Staff	85,036	72,914
Recruitment costs	-	6,470
Training Costs	195	323
Travel & Accom - National	1,173	1,433
<b>Total Volunteer and employee related costs</b>	<b>86,404</b>	<b>81,141</b>

**Other expenses**
**Operating**

Accountancy Fees	11,640	7,309
Audit or Review Fees	2,000	2,000
Bank Fees	236	139
Computer Expenses	350	-
Depreciation	-	667
Functions & Community Events	7,002	513
General Expenses	915	575
Marketing & Advertising	1,230	4,149
Printing, Stationery & Postage	2,691	2,792
Subscriptions & Memberships	7,668	2,607
Telephone & Internet	578	629
<b>Total Operating</b>	<b>34,311</b>	<b>21,380</b>

**Endowment**

Distributions - Endowment	22,300	4,300
Distributions - Pass Through Funds	54,965	48,637
Investment Management Fees	1,123	753
Te Karaka administration fee	14,927	5,355
Realised (Gain) or Loss on Sale of Investments	(8,533)	(267)
<b>Total Endowment</b>	<b>84,783</b>	<b>58,778</b>

**Total Other expenses**

119,093      80,158

2019      2018

**3. Analysis of Assets**
**Bank accounts and cash**

TSB Bank - Operating Account	27,823	34,546
TSB Bank - Saving	129	22,912
<b>Total Bank accounts and cash</b>	<b>27,952</b>	<b>57,458</b>

**Debtors and prepayments**

Accounts Receivable	2,737	479
GST	6,886	4,842
<b>Total Debtors and prepayments</b>	<b>9,623</b>	<b>5,321</b>

**Investments**

Craigs Investment Partners (at cost)	717,483	438,099
Patete Forestry Investment (at cost)	10,988	11,167
TSB Bank - Endowment Funds	84,778	243,842
<b>Total Investments</b>	<b>813,249</b>	<b>693,108</b>

The Craigs managed portfolio is held at the cost value of \$717,483. However the market value of the portfolio is \$787,369 which reflects an increase of \$69,886 in the portfolio value. The portfolio's return for the 12 months to 30 June 2019 was 9.18%.

	2019	2018
<b>4. Analysis of Liabilities</b>		
<b>Creditors and accrued expenses</b>		
Accounts Payable	21,796	9,047
<b>Total Creditors and accrued expenses</b>	<b>21,796</b>	<b>9,047</b>
<b>Other current liabilities</b>		
Pass Through Funds	14,449	-
<b>Total Other current liabilities</b>	<b>14,449</b>	<b>-</b>

#### Pass Through Funds

Pass Through funds are received for immediate distribution (within 12 months) by the foundation in accordance with the donors wishes. A donation is recorded when a distribution has been made, and any funds unspent at balance date are recorded as a current liability. 10% of the value of pass through funds received are recorded as a donation towards operating costs at the time funds are received.

	2019	2018
<b>5. Property, Plant and Equipment</b>		
<b>Other Fixed Assets</b>		
Owned fixed assets	2,000	2,000
Accumulated depreciation - fixed assets owned	(2,000)	(2,000)
<b>Total Other Fixed Assets</b>	<b>-</b>	<b>-</b>
<b>Total Property, Plant and Equipment</b>	<b>-</b>	<b>-</b>

#### 6. Accumulated Funds

	2019	2018
<b>Accumulated Funds</b>		
Opening Balance	746,840	494,280
Accumulated surpluses or (deficits)	67,739	252,560
<b>Total Accumulated Funds</b>	<b>814,579</b>	<b>746,840</b>
<b>Total Accumulated Funds</b>	<b>814,579</b>	<b>746,840</b>

#### 7. Commitments

There are no commitments as at 30 June 2019 (Last year - nil).

	2019	2018
<b>8. Endowment Funds</b>		
<b>Opening Balance</b>		
Opening Balance	739,671	472,700
Less Opening Balance of Pass Through Funds	(20,667)	-
<b>Total Opening Balance</b>	<b>719,004</b>	<b>472,700</b>
<b>Income</b>		
Dividends Received	10,060	9,060
Donations - Named Endowment Funds	124,006	244,756
Donations - Pass Through Funds	-	65,472
Interest received	9,632	5,528



	2019	2018
Share of Forestry partnership profit/(loss)	(180)	365
Portfolio Income	3,533	568
<b>Total Income</b>	<b>147,052</b>	<b>325,749</b>
<b>Expenses</b>		
Te Karaka administration fee	14,927	5,355
Distributions - Endowment	22,300	4,300
Distributions - Pass Through Funds	-	48,637
Investment Management Fees	1,123	753
Realised (Gain) or Loss on Sale of Investments	(8,533)	(267)
<b>Total Expenses</b>	<b>29,817</b>	<b>58,778</b>
<b>Total Endowment Funds</b>	<b>(836,239)</b>	<b>(739,671)</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 \$124,006 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.

The Te Karaka Foundation Fund is included within Endowment Funds. The Board may make capital distributions from this Fund to support its operational activities when required.

## 10. 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.

## 11. 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 (Last year - nil).

## 12. Ability to Continue Operating

The entity will continue to operate for the foreseeable future.

**INDEPENDENT ASSURANCE PRACTITIONER'S REVIEW REPORT**

To the Trustees of: Te Karaka Foundation

**Phone** +64-6 769 6080  
**Fax** +64-6 758 6691

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 10 to 17, which comprise the statement of financial position as at June 30, 2019, 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, 2019, 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  
24 October 2019