

Performance Report

Te Karaka Foundation
For the year ended 30 June 2020

Prepared by Tandem Group Limited

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Entity Information

Te Karaka Foundation For the year ended 30 June 2020

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 contracted a part-time Executive Officer to carry out the day-to-day operations and activities. The current contract ended 30 June 2020.

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.

Physical Address

27 Eliot Street, NEW PLYMOUTH

Postal Address

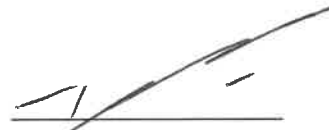
PO Box 719, Taranaki Mail Centre, NEW PLYMOUTH, 4340

Approval of Financial Report

Te Karaka Foundation For the year ended 30 June 2020

The Trustees are pleased to present the approved financial report including the historical financial statements of Te Karaka Foundation for year ended 30 June 2020.

APPROVED



Ken Horner

Chair

Date 14.12.20.



Paul Goldsmith

Deputy Chair

Date 11.12.20.

Statement of Service Performance

Te Karaka Foundation For the year ended 30 June 2020

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 2020	Actual This Year	Cumulative Total 2019
Value of operating grants, donations & sponsorship received	\$457,376	\$53,838	\$403,538
New pass-through agreements signed	7	3	4
New named endowment funds established	27	3	24
New donors giving during their lifetime (living giving)	22	2	20
Value of pass through donations received and distributed	\$172,823	\$67,104	\$105,719
Value of endowment donations received	\$999,642	\$157,113	\$842,529
Value of living giving donations pledged but not yet received (net change)	\$1,059,989	\$42,887	\$1,009,102
Total living giving pledged & received	\$2,051,163	\$200,000	\$1,851,631
Number of bequests pledged	8	1	7
Value of bequests received	\$-	\$-	\$-
Number of distributions/grants made	90	31	59
Value of distributions/grants made	\$221,202	\$78,475	\$142,727

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 (retired during the year)
 Bridget Burke
 Bryce Barnett (appointed during the year)
 Craig Williamson
 Debbie McCallum
 Kelvin Squire

Mark Bowden (appointed during the year)
Ross Fulton (retired during the year)
Sandy Smith

Grant Funders:

The Tindall Foundation
TSB Community Trust

Business and In-kind Partners:

Billings Lawyers
BOON Ltd
Craigs Investment Partners
Energyworks Limited
Favour the Brave
Halliwells Lawyers
HTL Group
Jago Print & Graphics
Little Rocket
Lysaght-Watt Trust
Nagel Consultants Ltd
New Zealand Media and Entertainment
Tandem Group Chartered Accountants
Tucker Media
Vospers Funeral Services

Founding Donors/ Endowment Funds:

Billings Lawyers Endowment Fund
Club R&R Endowment Fund
Debbie McCallum Fund
Dr BF Clarke Fund
Fran Horner Memory 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
Te Karaka Endowment Fund
Te Karaka Taranaki Community Fund
The Conductive Education Taranaki Fund
The Hawera High School 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:

Craigs Investment Partners
George Mason Fund
JCFund (Anonymous)
Nancy and Hugh Mills Fund
Surfing Taranaki
Taranaki Community Fund 2020
Tindall Foundation (Pass Through Donation - Covid-19)

This year we have Gifted Taranaki people and organisations \$78,475 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 2020 funding period, which were approved by The Tindall Foundation:

Taranaki Blue Light
The Parenting Place Inc
City Life Church
Taranaki Women's Refuge
Toy Library
Tūtaki Youth Incorporated Trust
New Plymouth Budget Advisory Service Inc
New Plymouth Emergency Shelter Trust
Roderique Hope Trust
Hawera Budget Advisory Service

Total: \$50,628

Statement of Financial Performance

Te Karaka Foundation For the year ended 30 June 2020

	NOTES	2020	2019
Revenue			
Donations, fundraising and other similar revenue	1	260,170	234,980
Revenue from providing goods or services	1	17,885	14,927
Interest, dividends and other investment revenue	1	26,724	23,328
Total Revenue		304,778	273,236
Expenses			
Volunteer and employee related costs	2	64,256	86,404
Other expenses	2	139,489	119,093
Total Expenses		203,745	205,497
Surplus/(Deficit) for the Year		101,033	67,739

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 2020

	NOTES	30 JUN 2020	30 JUN 2019
Assets			
Current Assets			
Bank accounts and cash	3	8,247	27,952
Debtors and prepayments	3	9,226	9,623
Total Current Assets		17,473	37,575
Non-Current Assets			
Investments	3	903,028	813,249
Total Non-Current Assets		903,028	813,249
Total Assets		920,501	850,824
Liabilities			
Current Liabilities			
Creditors and accrued expenses	4	4,889	21,796
Other current liabilities	4	-	14,449
Total Current Liabilities		4,889	36,245
Total Liabilities		4,889	36,245
Total Assets less Total Liabilities (Net Assets)		915,612	814,579
Accumulated Funds			
Endowment Funds	6	953,351	836,239
Accumulated surpluses or (deficits)	6	(37,739)	(21,660)
Total Accumulated Funds		915,612	814,579

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 2020

	2020	2019
Cash flows from operating activities		
Cash was received from:		
Donations, Fundraising and other similar receipts	259,210	247,173
Interest, Dividends and other Investment receipts	900	1,533
GST	1,123	(2,044)
	261,233	246,662
Cash was applied to:		
Payments to Suppliers and Employees	51,442	98,621
Cash Flows from other Operating Activities	148,815	86,611
	200,257	185,232
Total Cash Flows from Operating Activities	60,976	61,430
Cash Flows from Investing and Financing Activities		
Cash was received from:		
Receipts from Sale of Investments	-	-
	-	-
Cash was applied to:		
Payments to Purchase Investments	150,000	250,000
	150,000	250,000
Total Cash Flows from Investing and Financing Activities	(150,000)	(250,000)
Net Increase / (Decrease) In Cash	(89,024)	(188,570)
Cash Balances		
Cash and Cash equivalents at beginning of period	112,730	301,300
Cash and Cash equivalents at end of period	23,706	112,730
Net change in Cash for period	89,024	188,570

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 2020

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

There have been no changes in accounting policies.

All 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 2020

	2020	2019
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Operating		
Donations	19,214	55,438
Sponsorship	16,739	21,239
Total Operating	35,953	76,677
Endowment		
Donations - Named Endowment Funds	157,113	124,006
Donations - Pass Through Funds	67,104	34,297
Total Endowment	224,217	158,303
Total Donations, fundraising and other similar revenue	260,170	234,980
Revenue from providing goods or services		
Operating		
Administration Allocation from Endowment Funds	17,885	14,927
Total Operating	17,885	14,927
Total Revenue from providing goods or services	17,885	14,927
Interest, dividends and other investment revenue		
Operating		
Interest received	14	282
Total Operating	14	282
Endowment		
Interest received	11,413	9,632
Dividends Received	13,323	10,060
Portfolio income	1,587	3,533
Share of Forestry partnership profit/(loss)	386	(180)
Total Endowment	26,709	23,046
Total Interest, dividends and other investment revenue	26,724	23,328
	2020	2019

2. Analysis of Expenses

Volunteer and employee related costs

Contracted Staff	63,040	85,036
Training Costs	165	195
Travel & Accom - National	1,051	1,173
Total Volunteer and employee related costs	64,256	86,404

Other expenses

Operating

	2020	2019
Accountancy Fees	6,000	11,640
Audit or Review Fees	2,000	2,000
Bad Debts Written Off	5,417	-
Bank Fees	177	236
Computer Expenses	-	350
Functions & Community Events	-	7,002
General Expenses	1,133	915
Insurance	1,645	-
Marketing & Advertising	649	1,230
Printing, Stationery & Postage	1,749	2,691
Subscriptions & Memberships	6,616	7,668
Telephone & Internet	786	578
Total Operating	26,172	34,311
Endowment		
Distributions - Endowment	11,370	22,300
Distributions - Pass Through Funds	67,104	54,965
Investment Management Fees	1,574	1,123
Te Karaka administration fee	17,885	14,927
Realised (Gain) or Loss on Sale of Investments	15,385	(8,533)
Total Endowment	113,317	84,783
Total Other expenses	139,489	119,093
	2020	2019

3. Analysis of Assets

Bank accounts and cash

TSB Bank - Operating Account	8,117	27,823
TSB Bank - Saving	130	129
Total Bank accounts and cash	8,247	27,952

Debtors and prepayments

Accounts Receivable	3,463	2,737
GST	5,763	6,886
Total Debtors and prepayments	9,226	9,623

Investments

Craigs Investment Partners (at cost)	876,194	717,483
Patete Forestry Investment (at cost)	11,375	10,988
TSB Bank - Endowment Funds	15,459	84,778
Total Investments	903,028	813,249

The Craigs managed portfolio is held at the cost value of \$876,194. However the market value of the portfolio is \$1,007,384 which reflects an increase of \$131,190 in the portfolio value. The portfolio's return for the 12 months to 30 June 2020 was 8.91%.

	2020	2019
4. Analysis of Liabilities		
Creditors and accrued expenses		
Accounts Payable	4,889	21,796
Total Creditors and accrued expenses	4,889	21,796
Other current liabilities		
Pass Through Funds	-	14,449
Total Other current liabilities	-	14,449

Pass Through Funds

Pass Through funds are received for distribution (within 3 years) 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 a donation towards operating costs at the time funds are received.

	2020	2019
5. Property, Plant and Equipment		
Other Fixed Assets		
Owned fixed assets	2,000	2,000
Accumulated depreciation - fixed assets owned	(2,000)	(2,000)
Total Other Fixed Assets	-	-
Total Property, Plant and Equipment	-	-

	2020	2019
6. Accumulated Funds		
Accumulated Funds		
Opening Balance	814,579	746,840
Accumulated surpluses or (deficits)	101,033	67,739
Total Accumulated Funds	915,612	814,579
Total Accumulated Funds	915,612	814,579

7. Commitments

There are no commitments as at 30 June 2020 (Last year - nil).

	2020	2019
8. Endowment Funds		
Opening Balance		
Opening Balance	850,688	739,671
Less Opening Balance of Pass Through Funds	(14,449)	(20,667)
Total Opening Balance	836,239	719,004
Income		
Dividends Received	13,323	10,060

	2020	2019
Donations - Named Endowment Funds	157,113	124,006
Donations - Pass Through Funds	67,104	-
Interest received	11,413	9,632
Share of Forestry partnership profit/(loss)	386	(180)
Portfolio income	1,587	3,533
Total Income	250,926	147,052
Expenses		
Te Karaka administration fee	17,885	14,927
Capital Distribution from TKF Fund	20,000	-
Distributions - Endowment	11,370	22,300
Distributions - Pass Through Funds	67,104	-
Investment Management Fees	1,574	1,123
Realised (Gain) or Loss on Sale of Investments	15,385	(8,533)
Total Expenses	133,318	29,817
Total Endowment Funds	(953,848)	(836,239)

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 \$157,113 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

On March 11, 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its' COVID-19 alert level to level 4 and a nationwide lockdown commenced. At the date of issuing the financial statements, the Trust has been able to absorb the majority of the impact from the nationwide lockdown (Last year - nil).

12. Ability to Continue Operating

The entity will continue to operate for the foreseeable future.

	2020	2019
13. Community Foundations of New Zealand Disclosure		
Equity Funds		
Endowment Funds	953,351	836,239

	2020	2019
Administration Funds	(38,235)	(21,660)
Total Equity Funds	915,116	814,579
Pass-through Funds	-	14,449
Total Community Foundations of New Zealand Disclosure	915,116	829,028

Endowment Funds

Donated funds held in perpetuity or with a donor-directed pay down period of three or more years from the date the donation is made.

Administration Funds

Funds held for the running of the foundation and not held for charitable distribution purposes.

Pass-through Funds

Funds donated with the intention that the funds be fully paid out to charitable purposes within three years of the date of the donation.

Review Report

Te Karaka Foundation

For the year ended 30 June 2020