

FOUNDATION
for
nz

/23

HOKU FOUNDATION
PERFORMANCE REPORT
2022/23



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About Hoku Foundation

Trustees

Rowan Simpson
Emily Simpson
David Randal

Registration Number

CC41946

Our Purpose

The Hoku Foundation is a private philanthropic foundation. We support organisations in New Zealand to understand their impact, and improve and grow.

Sources of Funds

Distributions from Kimo Investment Trust and revenue from investments.

Contact Details

PO Box 3210
Wellington
New Zealand 6140

Chartered Accountants

The Advisory Group
Level 9, 55 Shortland Street
Auckland
www.theadvisorygroup.nz



Statement of Service Performance

Our Journey

We care deeply about a high performing charities sector and are delighted to support organisations that share that aspiration.

FY23 was the final year of our 3-year strategy to support New Zealand based charities to measure, improve and grow their impact. We have done this by providing grants to a wide spectrum of partner organisations to help them get their data in order, understand their drivers of impact, identify potential improvements and then to take action and learn.

Working alongside our charity partners, our small team have learned a lot about the challenges and opportunities in doing this mahi and this has informed our next strategy. We are grateful to all of them for being open to our approach and willing to undertake this work together.

From FY24 onwards we will be changing what we fund and our approach to giving. Measurement and learning remain central to our view of what enables effective organisations to have impact. Further, informed by the NZ Index of Multiple Deprivation and a range of stakeholders, our funding will focus on improving outcomes in youth employability and community housing. We will partner with a small group of high potential organisations to provide flexible, longer-term funding.



Highlights

Total Distributions

\$919,900

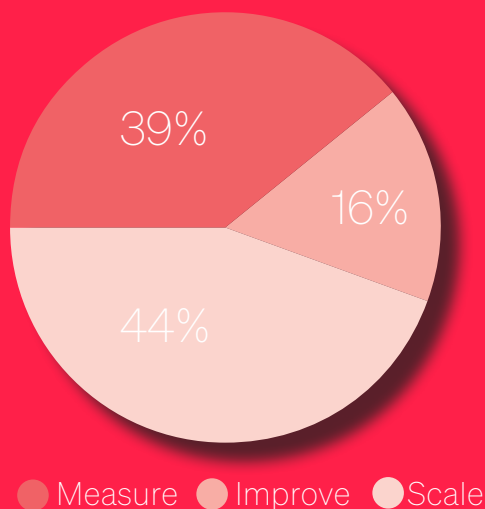
▲ 56% YoY

Average Grant

\$61,326

▲ 56% YoY

Grant Purpose



Our Partners

In 2023 we supported fifteen for-purpose organisations who worked across youth support, education, health, housing, disabilities, and environmental waste.

These organisations shared a commitment to understanding more about the change their work was creating and how these insights could help them learn and grow.

On the following pages are three stories we would love to share with you.

No. of Charities Supported

15



Aotearoa Food Rescue Alliance

The Aotearoa Food Rescue Alliance (AFRA) was launched in March 2021 and provides national support for 33 local food rescue organisations. An estimated 571,000 tonnes of food waste is generated in NZ annually, and it's estimated that 60% of the food that's going to landfill is edible. AFRA members are working hard to reduce this waste by redirecting food into communities in need.

In the two years since January 2021, AFRA members have rescued 15.5 million kgs of food and distributed 20 million kgs - the equivalent of 56 million meals. That means that 41 thousand tonnes of CO2 equivalent emissions have been avoided.

We have funded AFRA for the last three years to complete their Data Impact Project. AFRA has built a platform that enables members to capture standardised, transactional data about incoming and outgoing food and waste.

The insights from this data have enabled operational improvements at the member level, as well as supporting advocacy for great government support for our national food rescue sector.

We continue to be impressed by AFRA's commitment to understanding the social and environmental impact, and - in delivering this project - the data capability built amongst members.



Grandparents Raising Grandchildren

Grandparents Raising Grandchildren (GRG) provides specialist support services to grandparents and other whānau care families who raise young people in Aotearoa. These services are focused on strengthening and empowering these caregivers so that they can raise resilient and healthy tamariki and rangatahi.

We first funded GRG in 2021 to measure and understand the social value of their programmes, and have since made additional grants to enable expansion of a key offering; advocacy services.

Advocacy support was one of the most requested services by GRG members in 2021. The team provides clients with advice and support on parenting, guardianship, care and protection, housing, special needs, mental health, education and accessing income support entitlements such as the Unsupported Child Benefit.

These are highly specialised roles, given the complexity of navigating government processes and the challenging circumstances for many grandparents taking on the responsibility for raising mokopuna. In 2021, the small team successfully facilitated over half a million dollars in arrears payments for 36 families. In 2022 the payments were over \$620,000 and in 2023 it was \$1.2 million.



Ngā Hoe a Kupe

Ngā Hoe a Kupe Pathfinder Scholarships are aimed at growing tertiary education participation and success of Māori and Pasifika students, and those from refugee and underserved communities in Lower Hutt and Porirua.

Unlike pure academic scholarships, this programme also incorporates significant wrap-around support; from the initial recruitment and application phase, through to university onboarding, accommodation on campus and ongoing pastoral care throughout the study programme.

We have supported this Te Herenga Waka—Victoria University of Wellington scholarship programme since 2021, providing both grants for additional programme participants, as well as funding to support social impact measurement.

The programme recognises the challenges for many rangatahi in transitioning from school to university, and fosters an active partnership between the cohort of 12 students, their whānau and the university. The programme is beginning to see encouraging results around increased retention and completion rates for scholarship recipients.



Statement of Financial Performance

For the year ended 31 March 2023

| Revenue | Notes | 2023 | 2022 |
|---|-------|------------------|------------------|
| Distributions Received | | 250,000 | 1,500,000 |
| Investment Income | 1 | 5,274 | (10,241) |
| Total Revenue | | 255,274 | 1,489,759 |
| Expenses | | | |
| Operating Expenses | 2 | 297,428 | 192,392 |
| Total Expenses | | 297,428 | 192,392 |
| Distributions | | | |
| Distributions Made | | 919,900 | 587,400 |
| Total Distributions | | 919,900 | 587,400 |
| Net Surplus (Deficit) for the Year | | (962,053) | 709,967 |



Statement of Financial Position

As at 31 March 2023

| Assets | Notes | 2023 | 2022 |
|---------------------------|-------|---------|-----------|
| Current Assets | | | |
| Bank Accounts | 3 | 568,784 | 481,306 |
| Investments | 3 | 100,000 | 390,351 |
| Accrued Income | 3 | 1,739 | 2,319 |
| Related Party Loan | 6 | 250,000 | 1,000,000 |
| Total Current Assets | | 920,523 | 1,873,976 |
| Non-Current Assets | | | |
| Fixed Assets | 7 | 2,373 | 2,507 |
| Total Non-Current Assets | | 2,373 | 2,507 |
| Total Assets | | 922,896 | 1,876,483 |
| Liabilities | | | |
| Current Liabilities | | | |
| Accounts Payable | | 11,534 | 3,068 |
| Total Current Liabilities | | 11,534 | 3,068 |
| Total Liabilities | | 11,534 | 3,068 |
| Net Assets | | 911,362 | 1,873,415 |
| Accumulated Funds | | | |
| Accumulated Surpluses | 8 | 911,362 | 1,873,415 |
| Total Accumulated Funds | | 911,362 | 1,873,415 |



Statement of Cash Flows

For the year ended 31 March 2023

| Cash Flows from Operating Activities | 2023 | 2022 |
|---|--------------------|------------------|
| Cash was received from: | | |
| Distribution Received | - | 1,000,000 |
| Investment Income | 11,117 | 7,428 |
| Cash was applied to: | | |
| Distributions Made | (919,900) | (587,400) |
| Operating Expenses | (286,842) | (188,996) |
| Total Cash Flows from Operating Activities | (1,195,625) | 231,032 |
| Cash Flows from Investments and Financing Activities | | |
| Cash was received from: | | |
| Fixed Asset Sales | 608 | - |
| Investments Sold | 284,867 | 571,284 |
| Loan Repayment Received | 1,000,000 | - |
| Total Cash was received from | 1,285,475 | 571,284 |
| Cash was applied to: | | |
| Fixed Assets Purchased | (2,372) | (2,499) |
| Investments Purchased | - | (350,000) |
| Total Cash was applied to | (2,372) | (352,499) |
| Total Cash Flows from Investments and Financing Activities | 1,283,103 | (218,875) |
| Net Cash Flows | 87,478 | 449,818 |
| Cash Balances | | |
| Cash and cash equivalents at beginning of period | 481,306 | 31,488 |
| Cash and cash equivalents at end of period | 568,783 | 481,306 |
| Net change in cash for period | 87,478 | 449,818 |



Statement of Accounting Policies

Basis of Preparation

Hoku Foundation has elected to apply Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) (PBE SFR-A (NFP)) 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 Statement of Financial Performance are reported using the accrual basis of accounting. The Statement of Financial Performance is prepared under the assumption that Hoku Foundation will continue to operate in the foreseeable future.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Goods and Services Tax (GST)

Hoku Foundation is not registered for GST, therefore all amounts are stated inclusive of GST (if any).

Income Tax

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

Bank Accounts

Bank accounts in the Statement of Cash Flows comprise bank balances (including short term deposits) with original maturities of 90 days or less.

Fixed Assets

Hoku Foundation has the following classes of fixed assets, depreciated annually at the following rates:

Computer Equipment 50% DV



Notes to the Performance Report

| 1. Analysis of Revenue | 2023 | 2022 |
|-----------------------------------|-------------|-------------|
| Investment Income | | |
| Gains | (5,263) | (19,938) |
| PIE Distributions | 8,986 | 9,565 |
| Interest Income | 1,552 | 132 |
| Total Investment Income | 5,274 | (10,241) |
| 2. Analysis of Expenses | 2023 | 2022 |
| Operating Expenses | | |
| ACC Levy | 231 | 185 |
| Accounting | 4,428 | 4,140 |
| Administration | 1,431 | 1,991 |
| Depreciation | 1,978 | 1,049 |
| Entertainment | 2,287 | 825 |
| Investment Management Fees | 221 | 1,462 |
| Legal Fees | - | 1,138 |
| Loss/(Gain) on Disposal of Assets | (79) | - |
| Other Expenses | 5,383 | 1,455 |
| Salaries & Wages | 219,121 | 124,463 |
| Software & Hosting | 664 | 3,026 |
| Utilities | 1,500 | 840 |
| Travel | 6,075 | 819 |
| Trustee Fees | 5,000 | 5,000 |
| Professional Services | 49,188 | 46,000 |
| Total Operating Expenses | 297,428 | 192,392 |



3. Analysis of Assets

| | 2023 | 2022 |
|----------------------------|----------------|----------------|
| Bank Accounts | | |
| BNZ Accounts | 568,784 | 481,539 |
| KiwiWealth Accounts | - | 53 |
| Total Bank Accounts | 568,784 | 481,306 |
| Investments | | |
| KiwiWealth Portfolio | - | 290,351 |
| WB Horowhenua Limited | 100,000 | 100,000 |
| Total Investments | 100,000 | 390,351 |

4. Commitments

| | 2023 | 2022 |
|---|------|------|
| There are no capital commitments arranged by the Foundation at balance date (2022: Grant of \$100,000 payable to Gandhi Nivas). | | |

5. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees given as at 31 March 2023 (2022: Nil).

6. Related Party Advance

| | 2023 | 2022 |
|---|----------------|------------------|
| Money Owing from Related Parties | | |
| Kimo Investment Trust | 250,000 | 1,000,000 |
| Total Money Owing from Related | 250,000 | 1,000,000 |

The Trustees of the Foundation are also the directors of Hoku Group Trustee Limited, the Trustee of Kimo Investment Trust.

7. Fixed Assets

| | 2023 | 2022 |
|---------------------------------|--------------|--------------|
| Computer Equipment | | |
| At Cost | 4,871 | 4,805 |
| Less: Accumulated Depreciation | (2,498) | (2,298) |
| Total Computer Equipment | 2,373 | 2,507 |
| Total Fixed Assets | 2,373 | 2,507 |

8. Accumulated Funds

| | 2023 | 2022 |
|------------------------------------|----------------|------------------|
| Accumulated Surpluses | | |
| Opening Balance | 1,873,415 | 1,163,448 |
| Net Surplus (Deficit) | (962,053) | 709,967 |
| Total Accumulated Surpluses | 911,362 | 1,873,415 |
| Total Accumulated Funds | 911,362 | 1,873,415 |



Compilation Report

To the Trustees of Hoku Foundation

Scope

On the basis of information provided and in accordance with Service Engagement Standard 2 Compilation of Financial Information, we have compiled the financial statements of Hoku Foundation for the year ended 31 March 2023. These statements have been prepared in accordance with the accounting policies described in the Notes to these financial statements.

Responsibilities

The Trustees are solely responsible for the information contained in this financial report and have determined that the accounting policies used are appropriate to meet your needs and for the purpose that the financial statements were prepared. The financial statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the financial statements.

No Audit or Review Engagement Undertaken

Our procedures use accounting expertise to undertake the compilation of the financial statements from information you provided. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

Disclaimer

We have compiled these financial statements based on information provided which has not been subject to an audit or review engagement. Accordingly, we do not accept any responsibility for the reliability, accuracy or completeness of the compiled financial information contained in the financial statements. Nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on this financial report.



The Advisory Group
Level 9, 55 Shortland Street
Auckland
21 July 2023

Approval of Performance Report

The Trustees are pleased to present the approved performance report including the historical financial statements of Hoku Foundation for year ended 31 March 2023.

Approved by:



Rowan Simpson
Trustee

Date: 19 September 2023



Emily Simpson
Trustee

Date: 19 September 2023



David Randal
Trustee

Date: 18 September, 2023



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INDEPENDENT ASSURANCE PRACTITIONER'S REVIEW REPORT

To the Trustees of Hoku Foundation

We have reviewed the accompanying Performance Report of Hoku Foundation, which comprises Entity Information, Statement of Service Performance, the Statement of Financial Position as at 31 March 2023, and the Statement of Financial Performance and Cash Flows for the year then ended, and Notes to the Performance Report including material accounting policy information and other explanatory information.

Trustees' Responsibility for the Performance Report

The Trustees are responsible for the preparation and fair presentation of this Performance Report in accordance with the Tier 3 (NFP) Standard, for the selection of service performance information, and quantification of this information to the extent practicable and for such internal control as the Trustees determine is necessary to enable the preparation of a 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 accompanying Performance Report. We conducted our review in accordance with International Standard on Review Engagements (New Zealand) (ISRE (NZ)) 2400, Review of Historical Financial Statements Performed by an Assurance Practitioner who is not the Auditor of the Entity. ISRE (NZ) 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the Performance Report, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of the Performance Report in accordance with ISRE (NZ) 2400 is a limited assurance engagement. The Statement of Service Performance was reviewed in accordance with ISAE (NZ) 3000 (Revised). The assurance practitioner performs procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

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 the Performance Report.

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

Other Matter

The Performance Report for the year ended 31 March 2022 was not Reviewed. Our report has not been modified as we have been able to obtain sufficient information to confirm opening balances.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that:

- a) the reported service performance information, and quantification of that information, to the extent practicable, are not suitable;
- b) the accompanying performance report does not present fairly, in all material respects:
 - the financial position of Hoku Foundation as at 31 March 2023, and of its financial performance and cash flows for the year then ended; and
 - the entity information and its service performance for the year then ended in accordance with the Tier 3 (NFP) Standard.



Dellow Financial Services Limited
30 June 2025
Auckland