

Performance Report. FY2025

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Hoku Foundation.

For the year ended 31 March 2025.

Hoku Foundation is a private philanthropic foundation. In accordance with our Trust Deed, we support organisations in Aotearoa New Zealand to improve and grow their impact in youth employment, community housing and waste reduction.

LEGAL NAME OF ENTITY

Hoku Foundation

ENTITY IDENTIFIER

CC41946

TYPE OF ENTITY

Charitable Trust

ENTITY STRUCTURE

We are a stand-alone charitable foundation.

TRUSTEES

Rowan Simpson
Emily Simpson
David Randal

CONTACT DETAILS

PO Box 3210, Wellington,
New Zealand, 6140

CHARTERED ACCOUNTANTS

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

ENTITY GOVERNANCE ARRANGEMENTS

Key decisions for our foundation are made by Trustees including strategic direction and funding.

SOURCE OF FUNDS

Distributions from Kimo Investment Trust, N7 Limited and revenue from investments.

**ENTITY'S RELIANCE ON VOLUNTEERS
AND DONATED GOODS / SERVICES**

The foundation benefits from donated operational support from employees of a related entity. These services are an important part of the foundation's ability to carry out its work.

ROUNDED TO

The nearest dollar.

We fund organisations because of the challenges they work on and the impact they have.

Hoku Foundation is a private philanthropic foundation. We support organisations in Aotearoa New Zealand to improve and grow their impact in youth employment, community housing and waste reduction. FY25 was the second year of our funding strategy focused on these three areas. We are clear on the outcomes we're aiming for, the approach we're taking to get there, and how we'll track progress over time.

We now have some early impact data and lessons from our work so far.

Thank you to all our partners for your leadership, collaboration and commitment.



Eve Jolly

Foundation Director



Clemmie Baker

Foundation Manager

Pathways to Impact.

We are proud of our partners and the incredible mahi they do.

As a funder, our ultimate impact is through their hard work and dedication. We are grateful to them for helping us learn, adapt and be a better funder.



Acknowledgement:

We are grateful to Buddle Findlay for their support in helping us structure flexible, impact-focused finance.

Our Theory of Change.

Our theory of change focuses on the impact our partners deliver over the medium and long term, as well as how we enable them to deliver it.

We focus on three specific funding areas.

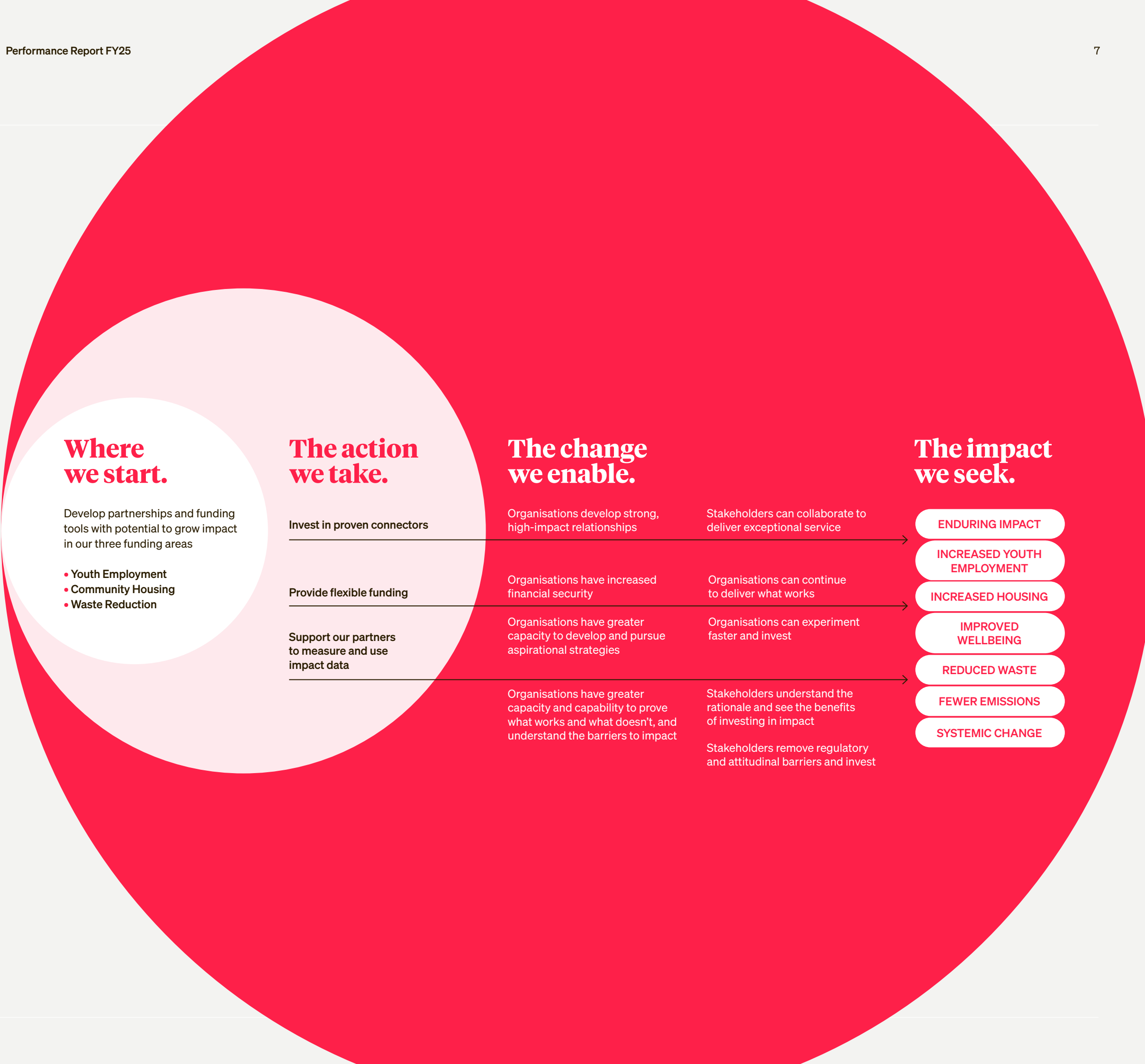
We aim to enable people - especially rangatahi - to improve their wellbeing, financial independence, and ability to shape their own futures. We also work to ensure our environment and communities benefit from less waste, a stronger circular economy, and fewer greenhouse gas emissions.

We support organisations and teams that build networks - those who demonstrate they can collaborate with others to deliver high-quality services - make a greater collective impact than they could alone.

We believe that flexible, multi-year funding creates financial security, allowing our partners to focus on their work. This freedom enables them to pursue bold, strategic initiatives; adapt as they learn; and grow their impact.

We value partners who understand and measure their impact. We know that experimentation and building evidence drive improvement, revealing what works and what doesn't. Good data attracts funding and informs advocacy for policy and behaviour change, while ensuring clients and communities shape the services that affect them.

This is a living theory. The following sections share our progress and lessons so far.



Where we start.

Focus on three specific funding areas.

Identify where we think we can contribute
to meaningful and long-term change.

Develop partnerships and funding tools
that have the potential to grow impact.

1



Youth Employment.

Around 13% of young people aren't in employment, education or training. The percentage who face serious barriers to getting a good job is far higher.

We prioritise ways to remove barriers and grow pathways to employment for those furthest from the labour market.

In FY25 we partnered with six organisations delivering youth employment programmes that include real work experience, direct engagement with employers and aspirational pathways.

Rangatahi that these organisations support often need more than just a job opportunity; they need a range of services to overcome crisis and build trust, confidence and skills. They also need support to connect meaningfully with employers well beyond placement. Many make huge strides when they are exposed to new possibilities that expand their career aspirations.

[See our Case Study](#)

2



Community Housing.

There are more than 19,000 people on the government's official waitlist for public housing. Many of them are living in cars, overcrowded accommodation or otherwise untenable situations and moving into a secure, affordable, quality home would be life-changing.

Community Housing Providers (CHPs) work hard to address this challenge. Often the fundamental constraint for them is how to access low-cost finance to build at scale.

In FY25 we partnered with other investors to provide early capital - debt and equity - to establish the Community Housing Funding Agency. Lowering the borrowing costs for CHPs allows them to build more homes, faster.

All returns from this investment are recycled to provide additional funding for other organisations we support

[See our Case Study](#)

3



Waste Reduction.

New Zealand produces more waste per capita than the OECD average, and the vast majority goes straight to landfill.

Keeping materials in circulation for longer means less carbon is needed to produce new goods and reduces emissions from landfill.

In FY25 we partnered with four resource recovery organisations who divert both organic and inorganic materials for reuse or repurpose.

This is essential infrastructure for a circular economy. It ensures that “re-thinking” product design and consumption is matched by systems that are capable of extending the life of materials that have already been extracted and used in manufacturing and supply chains.

[See our Case Study](#)

The action we take.

Provide flexible finance to proven network connectors - and help them to better measure and understand their impact.

In FY25 our strategic partners grew from four to 11.

Our finance was a mixture of grants, debt and equity. We made multi-year commitments to our partners.

TOTAL FINANCE DEPLOYED
TOWARDS IMPACT

\$4,474,068

DISTRIBUTIONS
(GRANTS)

\$974,000

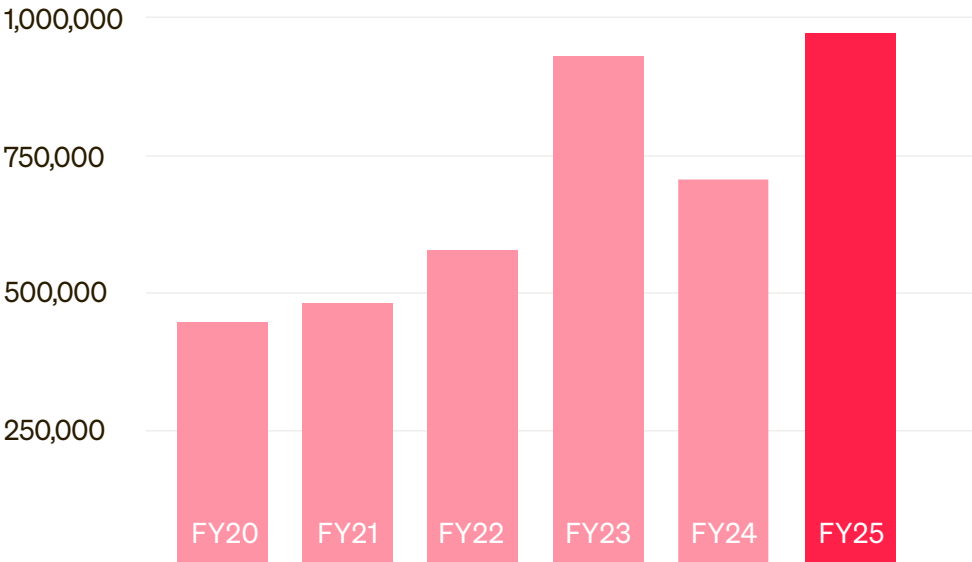
IMPACT INVESTMENTS
(DEBT, EQUITY)

\$3,500,068

AVERAGE GRANT SIZE
(CURRENT STRATEGY)

\$97,667

TOTAL DISTRIBUTIONS
PER YEAR



The change we enable.

In FY25 we have observed the following positive changes:

Flexible funding unlocking strategic progress.

This includes multi-year commitments and a range of finance options (grants, debt, equity). All our multi-year partners have advanced strategic ambitions, investing in capability and adapting as they learn.

Proven network builders develop relationships and collaborate for impact.

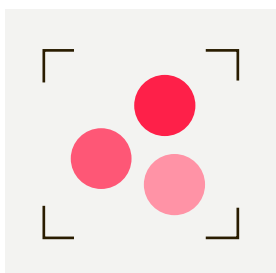
Around 90% of our partners have stronger and more diverse relationships and collaborations that are enhancing their ability to deliver high quality services.

Greater commitment and capability to measure impact.

All our partners have created or strengthened their theory of change, improved data collection and/or used insights to inform their work.

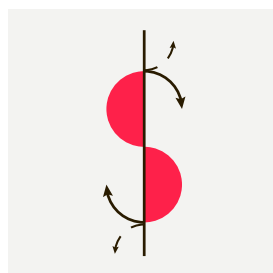
Our lessons so far.

We reflect on what we are learning, what's shifting around us, and how it can inform our approach:



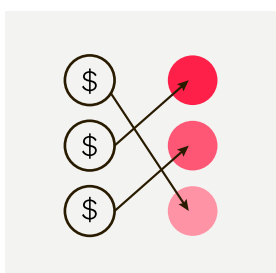
1. Focus builds depth of understanding

Concentrating on three specific funding areas allows us to identify opportunities and gaps, learn from experts and create a shared library of indicators that make it easier to track progress and impact.



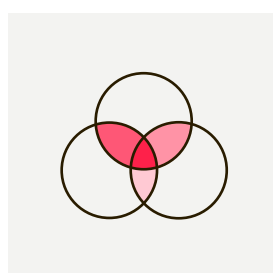
2. Unrestricted funding empowers our partners

Rather than limiting expenditure and reporting to a specific project or output, flexible funding, grounded in mutual trust and accountability, enables organisations to deliver long-term impact by pursuing priorities that matter most to them.



3. Different impact areas require different funding styles

For example, social housing requires larger amounts of long-term capital; waste reduction benefits from a blend of grants and lending in a competitive environment; while youth employment mostly requires grants to organisations that can learn from each other.



4. Our focus areas overlap more than we expected

For example, stable housing supports youth employment, and waste reduction creates job pathways, revealing opportunities where combined investments can be more powerful than siloed ones.

Three Partner Case Studies.

Here are three stories we're delighted to share.

1. Youth Employment.



2. Community Housing.



3. Waste Reduction.



LIFT Youth Foundation.



Lift is an innovative youth development organisation based in Hastings. Lift works with young people who are not in employment, education, or training and supports them into employment.

Their evidence-based programme supports young people to develop trusted relationships and identify their values and goals. Through achievement within the programme, rangatahi gain confidence, skills, and resilience. Rangatahi are inspired and motivated to take the first steps into employment with the knowledge that it is putting them on a path to achieve their goals. By addressing barriers and providing tailored guidance, Lift is achieving measurable impact shifting young people into sustainable career pathways.

We are proud to be in the second year of a multi-year partnership with Lift. This partnership enables us to walk alongside their team as they refine and scale their approach. Over the past year, Lift has continued to strengthen its programme and is progressing the development of a dedicated 'job coach' service, which will provide intensive one-to-one support for young people entering the workforce.



Number of rangatahi registered	90
Proportion into training or employment	76%

Community Housing Funding Agency.



The Community Housing Funding Agency is designed to unlock efficient finance at scale to support community housing providers to address New Zealand's social and affordable housing deficit.

CHFA aggregates the finance requirements of leading CHPs and pools capital from investors to lower the overall borrowing costs of delivering long-term social and affordable housing to people on low and moderate incomes. This approach draws on proven international models.

We provided patient capital - debt and equity - to help establish CHFA with the right capital and liquidity. The team at CHFA are proven network builders who understand the problem and the solution. We co-invested alongside other early supporters ahead of government commitment.

CHFA was launched in November 2024. Lending commenced in December 2024. By the end of March 2025, CHFA had secured endorsement and \$150 million financial support from government and had advanced over \$100 million to community housing providers. An anchor bond issuance to financial markets is planned for FY26. Their forecast lending is expected to exceed over half a billion dollars, helping to lower the cost of existing debt through refinancing whilst also enabling hundreds of new affordable homes nationwide.



Number of CHPs
financed or refinanced

10

Total finance
advanced to CHPs

\$100 million

To learn more visit
www.chfa.co.nz

All Heart Charitable Trust.



All Heart NZ is a resource recovery social enterprise that partners with corporates to redirect unwanted goods and materials away from landfill and into community use.

All Heart NZ's key strength lies in their nationwide logistics capability which enables them to collect, store, and distribute a wide range of materials from office furniture to construction materials. This enables businesses to adopt circular practices easily and cost-effectively, while ensuring surplus items create real value for grassroots organisations.

To date, All Heart NZ has collected over 7 million kg of corporate items and has diverted 90.7% of all items from landfill. This has resulted in fewer emissions from landfill, and less carbon emitted in the production of new replacement items. It has also meant over \$20 million dollars worth of resources have been redistributed to hundreds of community groups. Their unique ability to combine operational efficiency with the achievement of measurable social and environmental outcomes makes them a leader in New Zealand's circular economy.

We are in year two of a multi-year partnership. All Heart is working in partnership with one of our other youth employment charity partners to offer paid work experience opportunities for rangatahi in their warehouse and logistics operations. This collaboration is helping young people develop practical skills in a supportive environment, while strengthening the circular economy and community wellbeing.

To learn more visit
www.allheartnz.org.nz



Waste diversion rate

90.7%

Value of resources
to community groups

\$20 million

Statement of Service Performance.

Description of medium to long term objectives

FY25 is the second year of Hoku Foundation's strategy focused on Youth Employment, Community Housing and Waste Reduction. Our strategy has both social and environmental objectives for the medium and longer-term.

We aim to enable people - especially rangatahi - to improve their wellbeing, financial independence and ability to shape their own futures. We also aim for our environment and communities to benefit from less waste, a stronger circular economy and fewer greenhouse gas emissions.

Description of significant activities

To advance our social and environmental objectives, Hoku Foundation provides finance to charities and for-purpose organisations that operate within and across the Youth Employment, Community Housing and Waste Reduction sectors.

Significant activities	2025	2024
Providing finance		
Total finance deployed	\$4,474,068	\$702,000
Distributions (grants)	\$974,000*	\$702,000**
Impact investments (debt, equity)	\$3,500,068	\$0
Number of organisations financed	12*	9*

*FY25 is the final stage of transition from our previous strategy to our current strategy. So this year around 10% of distributions (grants) were made to support two organisations to measure, improve and grow their impact and 90% to support organisations to take action aligned to our new strategy.

**FY24 was the first year of transition from our previous strategy to our current strategy. Around 57% of distributions (grants) were made to support organisations to measure, improve and grow their impact and 43% to support organisations to take action aligned to our new strategy.



Our financials.

Statement of Financial Performance.

For the year ended 31 March 2025

Revenue	Notes	2025	2024
Donations and distributions	1	4,665,000	1,000,000
Interest, dividends and other investment revenue	1	109,498	23,778
Total Revenue		4,774,498	1,023,778
Expenses			
Employee remuneration and other related expenses	2	291,481	312,414
Grants and donations made		974,000	702,000
Other expenses	2	68,436	53,276
Total Expenses		1,333,917	1,067,690
Surplus/(Deficit) for the Year		3,440,580	(43,912)

Statement of Financial Position.

As at 31 March 2025

Assets	Notes	2025	2024
Current Assets:			
Accrued Income		36,121	1,884
Cash and short-term deposits	3	312,737	29,855
Income tax receivable	4	7,907	-
Investments	3	500,000	-
Related party advances	5	-	750,000
Total Current Assets		856,764	781,739
Non-Current Assets:			
Property, plant and equipment	6	2,403	2,328
Investments	3	3,600,068	100,000
Total Non-Current Assets		3,602,470	102,328
Total Assets		4,459,234	884,067
Liabilities			
Current Liabilities:			
Creditors and accrued expenses		11,329	11,971
Employee costs payable		4,876	4,646
Related party loans	5	135,000	-
Total Current Liabilities		151,204	16,617
Total Liabilities		151,204	16,617
Net Assets		4,308,030	67,450
Accumulated Funds			
Accumulated Surpluses	7	4,308,030	867,450
Total Accumulated Funds		4,308,030	867,450



Statement of Cash Flows.

For the year ended 31 March 2025

Cash Flows from Operating Activities	2025	2024
Cash received:		
Donations and distributions	4,665,000	250,000
Interest, dividends and other investment receipts	67,354	23,633
Total Cash received	4,732,354	273,633
Cash payments:		
Employee remuneration and other related payments	(281,252)	(303,076)
Grants and donations paid	(974,000)	(702,000)
Other payments	(77,554)	(55,168)
Total Cash payments	(1,332,806)	(1,060,244)
Total Cash Flows from Operating Activities	3,399,548	(786,611)
Cash Flows from Other Activities		
Cash received:		
Sale of property, plant and equipment	-	660
Repayments of loans to other parties	750,000	250,000
Cash received from loans from other parties	135,000	-
Total Cash received	885,000	250,660
Cash payments:		
Payments to acquire property, plant and equipment	(1,599)	(2,978)
Payments to purchase investments	(4,000,068)	-
Total Cash payments	(4,001,667)	(2,978)
Total Cash Flows from Other Activities	(3,116,667)	247,682
Net Cash Flows	282,882	(538,929)
Cash Balances		
Cash and cash equivalents at beginning of period	29,854	568,783
Cash and cash equivalents at end of period	312,736	29,854
Net change in cash for period	282,882	(538,929)



Statement of Accounting Policies.

For the year ended 31 March 2025

Basis of Preparation

This performance report is prepared in accordance with the XRB's Tier 3 (NFP) Standard. The entity is eligible to apply these requirements as it does not have public accountability and has total annual expenses of less than \$5million. All transactions in the performance report are reported using the accrual basis of accounting. This performance report is prepared under the assumption that the entity is a going concern and will continue to operate for the foreseeable future.

This performance report is rounded to the nearest dollar.

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)

The entity 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.

Cash and Short-term Deposits

Cash and short-term deposits in the Statement of Financial Position and Statement of Cash Flows comprise cash balances and bank balances (including short-term deposits) with original maturities of 90 days or less.

Investments

Investments are recorded at cost.

Property, Plant and Equipment

The entity has the following classes of property, plant and equipment, depreciated annually at the following rates:

Computer Equipment	50% DV
Office Equipment	67% DV

Notes to the Performance Report.

For the year ended 31 March 2025

1. Analysis of Revenue

	2025	2024
Donations and distributions:		
Donations Received	815,000	-
Distributions Received	3,850,000	1,000,000
Total Donations and distributions	4,665,000	1,000,000
Interest, dividends and other investment revenue		
Interest Income	61,433	16,937
Limited Partnership Distributions	40,645	-
PIE Distributions	7,420	6,841
Total Interest, dividends and other investment revenue	109,498	23,778

2. Analysis of Expenses

Employee remuneration and other related expenses:		
Other Expenses	1,100	1,012
Salaries & Wages	280,382	301,402
Trustee Fees	10,000	10,000
Total Employee remuneration and other related expenses	291,481	312,414
Other expenses:		
Accounting	4,830	4,140
Administration	1,805	2,460
Depreciation	1,524	2,034
Entertainment	779	2,709
Legal Fees	1,179	1,545
Loss on Disposal of Assets	-	329
Other Expenses	478	4,761
Professional Services	51,362	29,045
Travel	4,871	4,721
Utilities	1,609	1,532
Total Other expenses	68,436	53,276



Notes to the Performance Report.

For the year ended 31 March 2025

3. Analysis of Assets	2025	2024
Cash and short-term deposits:		
BNZ Bank Accounts	312,737	29,855
Total Cash and short-term deposits	312,737	29,855
Investments:		
Current Assets		
BNZ Bank Term Deposit 04 - Maturity Date 25 November 2025	500,000	-
Total Current Assets	500,000	-
Non-Current Assets:		
Community Housing Investment Fund Limited Partnership - 3,000,000 Units (2024: Nil Units)	3,000,000	-
Positive Capital Limited - 4,500 Ordinary Shares (2024: Nil Shares)	500,068	-
WB Horowhenua Limited - 100,000 Ordinary Shares (2024: 100,000 Ordinary Shares)	100,000	100,000
Total Non-Current Assets	3,600,068	100,000

Interest rate on BNZ Bank Term Deposit is 4.40% (2024: \$Nil).

4. Analysis of Income Tax		
Income tax receivable:		
Resident Withholding Tax Paid	7,907	-
Total Income tax receivable	7,907	-

5. Related Party Advances/Loans		
Money Owing from Related Party:		
Loan to Kimo Investment Trust	-	750,000
Total Money Owing from Related Party	-	750,000
Money Owing To Related Party:		
Loan from N7 Limited	135,000	-
Total Money Owing To Related Party	135,000	-



The Trustees of the Foundation are also the directors of Hoku Group Trustee Limited, the Trustee of Kimo Investment Trust. Kimo Investment Trust is the shareholder of N7 Limited. The loans are unsecured, interest-free, and repayable in New Zealand dollars.

Notes to the Performance Report.

For the year ended 31 March 2025

6. Property, Plant and Equipment

Current Year

Asset Class	Opening Carrying Amount	Purchases	(Disposals)	(Loss)	(Depreciation)	Closing Carrying Amount
Computer Equipment	1,785	-	-	-	(892)	893
Office Equipment	543	1,599	-	-	(632)	1,510
Total	2,328	1,599	-	-	(1,524)	2,403

Last Year

Asset Class	Opening Carrying Amount	Purchases	(Disposals)	(Loss)	(Depreciation)	Closing Carrying Amount
Computer Equipment	2,373	1,749	(660)	(329)	(1,348)	1,785
Office Equipment	-	1,229	-	-	(686)	543
Total	2,373	2,978	(660)	(329)	(2,034)	2,328

Notes to the Performance Report.

For the year ended 31 March 2025

7. Accumulated Funds	2025	2024
Accumulated Surpluses:		
Opening Balance	867,450	911,362
Net Surplus/(Deficit)	3,440,580	(43,912)
Total Accumulated Surpluses	4,308,030	867,450
Total Accumulated Funds	4,308,030	867,450

8. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees given at balance date (2024: \$Nil).

9. Commitments

On 17 December 2024, Hoku Foundation entered into a Loan Agreement to provide a loan facility of up to \$500,000 to Localised Limited. The first drawdown of \$100,000 occurred on 26 May 2025 (2024: \$Nil).

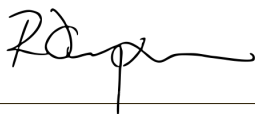
10. Events After the Balance Date

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



Approval of Performance Report.

This performance report has been approved by those charged with governance.



23 September 2025

Rowan Simpson
Trustee

Date



23 September 2025

Emily Simpson
Trustee

Date



23 September 2025

David Randal
Trustee

Date





james@dellows.com

www.dellows.co.nz

(027) 587-0099

P O Box 20172, Glen Eden, Auckland 0602

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 2025, 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.

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 2025, 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



James Dellow
Auckland

