



## Performance Report

FINANCIAL YEAR  
2024

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# Hoku Foundation. For the year ended 31 March 2024.

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.

## Trustees

Rowan Simpson  
Emily Simpson  
David Randal

## Contact Details

PO Box 3210  
Wellington  
New Zealand 6140

## Registration Number

CC41946

## Chartered Accountants

The Advisory Group  
Level 9, 55 Shortland Street  
Auckland

## Sources of Funds

Distributions from Kimo Investment  
Trust and revenue from investments.

[www.theadvisorygroup.nz](http://www.theadvisorygroup.nz)

# Why we fund.



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

FY24 marks the beginning of our new funding strategy focused on youth employment, community housing and waste reduction. Our decision to focus on these areas was informed by data about the socio-economic and environmental challenges facing Aotearoa New Zealand and the benefits that can be achieved by striving to address them.

## 1. Youth Employment



## 2. Community Housing



## 3. Waste Reduction



# 1

## Why Youth Employment?

12.8% of young New Zealanders are not in employment, education or training<sup>1</sup> with rates increasing faster than any other group of New Zealanders.

Supporting them into meaningful work can lead to higher future wages and financial security, reduced criminal activity and increased wellbeing.



# 2

## Why Community Housing?

There are more than 22,000 people waiting for public housing<sup>2</sup> and many more living in damp, unaffordable and otherwise unsuitable dwellings.<sup>3</sup>

Helping people access stable, affordable and quality housing can lead to increased engagement at school, more stable employment and improved health and wellbeing.



# 3

## Why Waste Reduction?

New Zealand has a high rate of waste per capita within the OECD.<sup>4</sup> We produce around 17.49 million tonnes of waste per year and around 12.59 million tonnes goes to landfill.<sup>5</sup> These rates have been increasing over the last few years.

Reducing waste and keeping materials in circulation for longer can reduce greenhouse gas emissions, minimise leaching in soil and support employment and resilient communities.



# Our approach to funding.

An aerial photograph of a road intersection, overlaid with a semi-transparent red filter. The road curves from the bottom left towards the top right, meeting a road that runs vertically. The surrounding landscape consists of agricultural fields and some trees. The overall tone is dark and monochromatic due to the red overlay.


# We seek to learn, align on outcomes and fund flexibly over multiple years.

We work with a small number of organisations each year. We seek out leaders with a growth mindset and who share our aspirations for a high performing charities sector. We recognise it takes an entire organisation to deliver impact and that our partners know their field of work better than we do. So we seek to learn, align on their outcomes, and fund them flexibly over multiple years.

We also believe that achieving maximum impact requires active management. This means regularly collecting and reviewing data (of all kinds), analysing and drawing insights, and using this to make decisions and improvements to programmes and services.

To manage our own impact and support our charity partners to do the same, we work alongside them to develop an 'impact plan' which comprises 2-3 goals. This guides our funding relationship; our charity partners own the plan and we stay close so that we can learn about what it takes to be effective across our funding areas. As we learn and grow our understanding in these areas, we will be happy to share with other stakeholders.


Grants made in FY24 reflect the transition from our previous strategy to our new strategy. Around 57% of funding was focused on supporting charities to measure, improve and grow their impact; and 43% to support charities to take action aligned to our new three focus areas.



TOTAL DISTRIBUTIONS FY24

**\$702,000**


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NO. OF CHARITIES SUPPORTED FY24

**9**


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AVERAGE GRANT UNDER NEW STRATEGY FY24

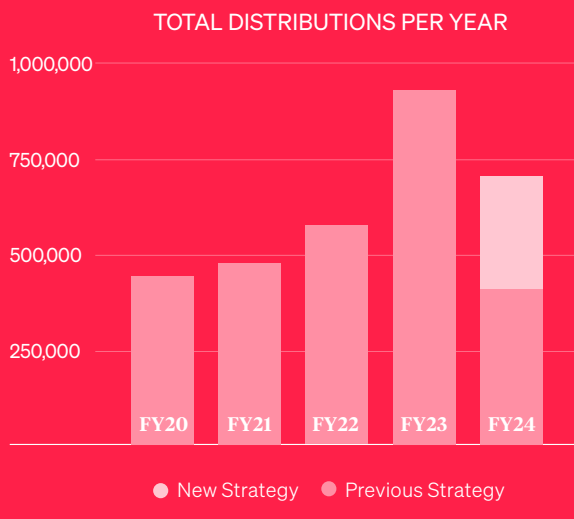
**\$100,000**

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AVERAGE GRANT UNDER OLD STRATEGY (FY20-FY24)

**\$52,423**



# Who we fund.



**We are proud of our partners and the incredible mahi they do. Here are three stories we're delighted to share.**

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YOUTH EMPLOYMENT



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COMMUNITY HOUSING



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WASTE REDUCTION






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**YOUTH EMPLOYMENT**

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- Based in Rodney • Established 2002
- 

Youth participant programme success

**~70%**

Decrease in Youth Justice referrals in North Rodney

<b>336</b>	<b>134</b>
2008-2009	2012-2013

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Springboard, based in Rodney’s iconic Sheepworld, creates opportunities for young people that reduce risk factors and develop pathways to success, including transitioning into employment.

Springboard takes an integrated and holistic approach which places young people at the centre of a web of supportive family and community members. It offers a range of programmes from alternative education and parenting courses to counselling and work transition initiatives. Springboard is reporting good impact with approximately 70% of youth employability participants having a successful outcome.

In FY24 we began a multi-year partnership with Springboard. Our objective is to fund them at a pivotal time to increase their organisational capacity so that they can take advantage of new opportunities. Their fantastic Sheepworld site offers training and accommodation potential and, with an increasingly supportive local community, we believe Springboard has great potential to grow its impact.

Together Springboard and Hoku identified initial opportunities for them to grow their impact, including strengthening staff retention policies and improving communication with external stakeholders. These are critical features of an organisation that works with young people over many months to support them into meaningful employment - yet they aren’t the things that are typically seen as important to fund. Flexible funding is allowing Springboard to focus on the things that matter and direct Hoku’s grant where it will have the most impact.



**WATCH TO LEARN MORE**




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COMMUNITY HOUSING

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- Based in Auckland • Established 1987
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Fewer nights in hospital beds	Properties on record	Total people housed
<b>92% Avg.</b>	<b>428</b>	<b>591</b>

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CORT Community Housing provides good homes to people who need them. They offer permanent housing and a supportive landlord service to people and whanau on low incomes in Auckland. Many CORT tenants, including those whose lives have been disrupted by mental ill health, have faced challenges in the past in accessing and maintaining suitable housing in the private market.

In FY24 we funded CORT to better understand the social outcomes and social value of its housing services to people with mental health needs, and identify ways to improve. Data and learning demonstrate that these tenants who are housed for one or more years have an average of 92% fewer bed nights in hospital. This highlights that improving the quality and stability of housing also supports improved mental and physical health and wellbeing, as well as a reduction in health spending.

CORT is part of a vibrant community housing sector that provides New Zealanders with a range of stable, affordable and quality housing.



**LEARN MORE ABOUT CORT**

 A small video thumbnail showing a woman and a child. The text on the thumbnail reads "Good homes for people who...".




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**WASTE REDUCTION**

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- Based in Auckland • Established 2019
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Resource recovery space	Waste diversion rate	Rehomed reusables
<b>16,486m<sup>2</sup></b>	<b>~82%</b>	<b>431T</b>

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Localised operates resource recovery facilities that divert waste from landfill and keep materials in circulation for longer. At these facilities, a range of unwanted items, materials and other inorganic goods are sorted, repaired and on-sold. Localised has ambition to build a nationwide network of community-led resource recovery sites.

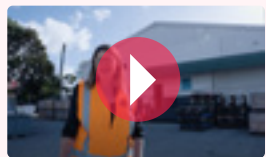
Localised has been operating for around 5 years and has fast become a leader in the sector due to its strategic partnerships with community organisations, councils and businesses who work together to reduce waste.

We funded Localised to help develop its pipeline of community-led resource recovery sites and hone its model for scale. Localised helps community organisations secure large council contracts for resource recovery and provide ongoing governance and operational support for the sites.

Localised and its joint-ventures have generated significant impact in FY24. During this time Localised secured or extended Council contracts and now has six significant contracts and operates eight hubs with a total resource recovery space of 16,486m<sup>2</sup>. They achieve an ~82% waste diversion rate and have rehomed 431 tonnes of reusables.



**LEARN MORE ABOUT LOCALISED**



# Our financials.



# Statement of Financial Performance.

For the year ended 31 March 2024

<b>Revenue</b>	<b>Notes</b>	<b>2024</b>	<b>2023</b>
Distributions Received		1,000,000	250,000
Investment Income	1	23,778	5,274
<b>Total Revenue</b>		<b>1,023,778</b>	<b>255,274</b>
<b>Expenses</b>			
Operating Expenses	2	365,690	297,428
<b>Total Expenses</b>		<b>365,690</b>	<b>297,428</b>
<b>Distributions</b>			
Distributions Made		702,000	919,900
<b>Total Distributions</b>		<b>702,000</b>	<b>919,900</b>
<b>Net Surplus (Deficit) for the Year</b>		<b>(43,912)</b>	<b>(962,053)</b>

# Statement of Financial Position.

As at 31 March 2024

<b>Assets</b>	<b>Notes</b>	<b>2024</b>	<b>2023</b>
<b>Current Assets</b>			
Accrued Income		1,884	1,739
Bank Accounts	3	29,855	568,784
Related Party Loan	6	750,000	250,000
<b>Total Current Assets</b>		<b>781,739</b>	<b>820,523</b>
<b>Non-Current Assets</b>			
Fixed Assets	7	2,328	2,373
Investments	3	100,000	100,000
<b>Total Non-Current Assets</b>		<b>102,328</b>	<b>102,373</b>
<b>Total Assets</b>		<b>884,067</b>	<b>922,896</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable		16,617	11,534
<b>Total Current Liabilities</b>		<b>16,617</b>	<b>11,534</b>
<b>Total Liabilities</b>		<b>16,617</b>	<b>11,534</b>
<b>Net Assets</b>		<b>867,450</b>	<b>911,362</b>
<b>Accumulated Funds</b>			
Accumulated Surpluses	8	867,450	911,362
<b>Total Accumulated Funds</b>		<b>867,450</b>	<b>911,362</b>

# Statement of Cash Flows.

For the year ended 31 March 2024

<b>Cash Flows from Operating Activities</b>	<b>2024</b>	<b>2023</b>
Cash was received from:		
Distribution Received	250,000	-
Investment Income	23,633	11,117
Cash was applied to:		
Distributions Made	(702,000)	(919,900)
Operating Expenses	(358,244)	(286,842)
<b>Total Cash Flows from Operating Activities</b>	<b>(786,611)</b>	<b>(1,195,625)</b>
<b>Cash Flows from Investments and Financing Activities</b>		
Cash was received from:		
Fixed Assets Sold	660	608
Investments Sold	-	284,867
Loan Repayment Received	250,000	1,000,000
<b>Total Cash was received from</b>	<b>250,660</b>	<b>1,285,475</b>
Cash was applied to:		
Fixed Assets Purchased	(2,978)	(2,372)
<b>Total Cash was applied to:</b>	<b>(2,978)</b>	<b>(2,372)</b>
<b>Total Cash Flows from Investments and Financing Activities</b>	<b>247,682</b>	<b>1,283,103</b>
<b>Net Cash Flows</b>	<b>(538,929)</b>	<b>87,478</b>
<b>Cash Balances</b>		
Cash and cash equivalents at beginning of period	568,783	481,306
Cash and cash equivalents at end of period	29,854	568,783
<b>Net change in cash for period</b>	<b>(538,929)</b>	<b>87,478</b>

# Statement of Accounting Policies.

For the year ended 31 March 2024

## Basis of Preparation

The entity 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 the entity 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)

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.

## 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

The entity has the following classes of fixed assets, 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 2024

## 1. Analysis of Revenue

	2024	2023
Investment Income:		
Gains	-	(5,263)
PIE Distributions	6,841	8,986
Interest Income	16,937	1,552
Total Investment Income	23,778	5,274

## 2. Analysis of Expenses

Operating Expenses:		
ACC Levy	441	231
Accounting	4,140	4,428
Administration	2,460	1,431
Depreciation	2,034	1,978
Loss / (Depreciation Recovery) on Disposal of Assets	329	(79)
Entertainment	2,709	2,287
Investment Management Fees	-	221
Legal Fees	1,545	-
Other Expenses	4,761	5,383
Salaries & Wages	301,402	219,121
Software & Hosting	571	664
Utilities	1,532	1,500
Travel	4,721	6,075
Trustee Fees	10,000	5,000
Professional Services	29,045	49,188
Total Operating Expenses	365,690	297,428

# Notes to the Performance Report.

For the year ended 31 March 2024

<b>3. Analysis of Assets</b>	<b>2024</b>	<b>2023</b>
Bank Accounts:		
BNZ Accounts	29,855	568,784
Total Bank Accounts	29,855	568,784
Investments:		
WB Horowhenua Limited	100,000	100,000
Total Investments	100,000	100,000

## **4. Commitments**

There are no capital commitments arranged by the Foundation at balance date (2023: \$ Nil).

## **5. Contingent Liabilities and Guarantees**

There are no contingent liabilities or guarantees given at balance date (2023: \$Nil).

## **6. Related Party Advance**

Money Owing from Related Parties		
Kimo Investment Trust	750,000	250,000
Total Money Owing from Related Parties	750,000	250,000

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

# Notes to the Performance Report.

For the year ended 31 March 2024

<b>7. Fixed Assets</b>	<b>2024</b>	<b>2023</b>
Computer Equipment		
At Cost	4,121	4,871
Less: Accumulated Depreciation	(2,336)	(2,498)
Total Computer Equipment	1,785	2,373
Office Equipment		
At Cost	1,229	-
Less: Accumulated Depreciation	(686)	-
Total Office Equipment	543	-
Total Fixed Assets	2,328	2,373

## **8. Accumulated Funds**

Accumulated Surpluses		
Opening Balance	911,362	1,873,415
Net Deficit	(43,912)	(962,053)
Total Accumulated Surpluses	867,450	911,362
Total Accumulated Funds	867,450	911,362

# Compilation Report.

For the year ended 31 March 2024 | 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 2024.

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.

## Independence

We have no involvement with Hoku Foundation other than for the preparation of performance reports and offering advice based on the financial information provided.

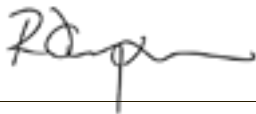
## Disclaimer

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.

# 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 2024.

**Approved by:**



10 September 2024

Rowan Simpson  
Trustee

Date



10 September 2024

Emily Simpson  
Trustee

Date



10 September 2024

David Randal  
Trustee

Date

# References.

1. [Statistics NZ](#)
2. [New Zealand Housing Register as at June 2024](#), Ministry of Social Development
3. See, for example, [StatsNZ](#)
4. Te Rautaki Para, Waste Strategy, Ministry for the Environment, 2023
5. Regulatory Impact Statement, Ministry for the Environment, 2023

