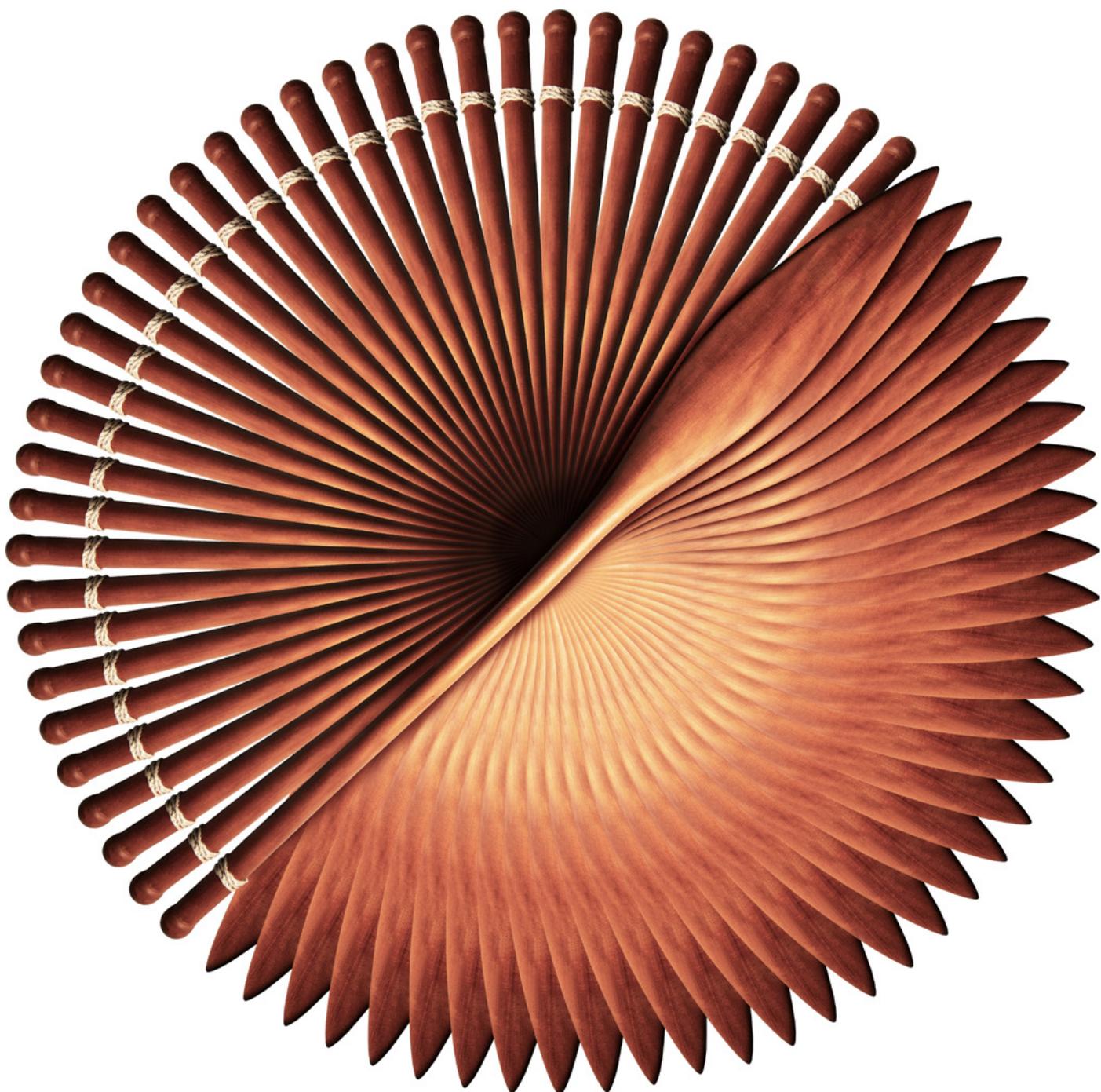


Kia kotahi te hoe

Paddling in unison





Journey together Achieve together

The theme of our report is embodied visually by a very special taonga - this hoe | paddle which was kindly gifted several years ago to Foundation North.



Ngātahi

Hoe | Paddle: Named 'Rangimarie' (peace, aroha and treasured). This Kauri Taonga was presented to Foundation North by Sir Hekenukumaingaiwi Busby KNZM MBE, also known as Sir Hector Busby of the Waka Ngātokimatawhaorua (Waitanga) and Mataatua (Taipa). It symbolises leadership which engenders peace, wisdom and confidence.

Whakatauki

Unuhia te rito o te harakeke,
Kei hea ke te kōmako e kō, Whakatairangitia,
Rere ki uta,
Rere ki tai,
Ui mai koe ki ahau e aha te mea nui o te ao,
Māku e kī atu,
He tāngata, he tāngata, he tāngata,
Tihei mauri ora
If you should tear out the heart of the flax bush,
Where will the bellbird be,
Will it fly around aimlessly,
Will it fly inland,
Or fly out to sea.
But if you should ask me what
is the greatest thing on Earth,
I will tell you,
It is people, it is people, it is people.

Whakatauki attribution:
Mere Ngaroto, Te Aupōuri

Nau mai, haere mai

Welcome to our Annual Report 2019/20

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We are grateful for the wisdom and guidance of our kaumātua Kevin Prime, who gifts us these words about our report's theme this year.

Ko te tohu o te hoe

Kia hoe ngātahi ngā kaihoe

Kia tōtika te waka

Kia tere te waka

Kia tae tika ki te whāinga

The symbolism of the paddle is,
That the paddlers pull in unison
That the waka sails true
That the waka moves quickly
To reach the destination

Chair's Foreword

John Slater
ONZM, JP



Our 15-year strategy, implemented from April 2018, provides direction for how we aim to achieve our moemoeā | vision of Enhanced Lives. This evidence-informed strategy outlined the priorities that guided our grantmaking in 2019/20 and the outcomes, or impact, that we wanted this work to contribute to within our rohe | region of Tāmaki Makaurau and Tai Tokerau.

Drawing on our purpose 'kaitiakitanga, i mua, aianeī, a muri | guardianship past, present and future', the Board undertook a strategy refresh at the end of 2019 with the aim of sharpening our strategic intention. To maximise opportunities to address systemic social and environmental issues in our region and have greater impact, we have channelled our priorities and outcomes into four ngā hua | focus areas that now give direction to our work from 1 April 2020: Increased Equity, Social Inclusion, Regenerative Environment and Community Support.

Grants

Over the year to 31 March 2020, the Foundation approved 677 grants to not-for-profit organisations and community initiatives. The value of this support was \$46.6m (\$37.6m in the 2018/19 year).

Trustees authorized an additional commitment of \$5m (funded from the Foundation's Iconic Reserve) to our Gulf Innovation Fund Together (G.I.F.T) initiative, which supports entrepreneurs and innovators to test, scale and create new systems to restore the mauri of the Hauraki Gulf.

Foundation North also created a special pilot fund (Community Innovation Fund for South Auckland \$5m) to support innovative projects that intend to improve lives and opportunities in South Auckland communities, now and for future generations. A first 'prototype' phase was undertaken in 2019, uncovering organisations and teams with potential to innovate to enhance equity in South Auckland. 36 grants totalling \$3.4 million were made to support their work, ranging from food sovereignty and digital storytelling, to youth-led enterprise and design.

Capital, Investments and Reserves

Impacts from the global Covid-19 crisis saw our investment portfolio reduce from \$1.397b (at year end 2018/19) to \$1.347b at 31 March 2020.

For the financial year, the Foundation's investment portfolio returned 0.6% (net of fees) relative to a -2.8% return of the benchmark composite return (outperformance of 3.4% over the financial year).

Share markets reached all-time highs in early February 2020 but subsequently plunged in late February and through most of March 2020 as investors reacted to the global spread of COVID-19.

It is pleasing to note that while the market fluctuations impacted the year end investment valuations significantly, approximately 71% of the losses incurred in March 2020 had been recovered in the two months to 31 May 2020 (\$1.415b).

Over the financial year, there was little change made to Foundation North's diversified investment portfolio which has been designed to weather market volatility. As a long-term sustainable investor, the Foundation considers long-term performance and the ten-year return to 31 March 2020 (net of fees) was 6.5% against the benchmark composite return of 5.4%. Overall, the investment portfolio remains well-positioned.

The portfolio is invested in line with our Statement of Investment Policy & Objectives that includes our Responsible Investment policy. We are a signatory to the United Nations Principles for Responsible Investment (UNPRI), and our performance against the Principles is measured. In the latest assessment against the UNPRI, the Foundation received an A rating for Strategy and Governance and A ratings across all assessed asset classes.

Our Trustees

In June 2019 we welcomed Naisi Chen, Maxine Shortland, Vanushi Walters and David Whyte to the Board. As new Trustees join the Foundation, each brings a range of experience, connections and insights to our work as a whole. This ensures that the discussions around the board table remain robust as Trustees continually assess how effectively we are fulfilling our responsibility as kaitiaki | guardians of our endowment for future generations, and how well we are responding to the current and emerging needs of our Auckland and Northland communities.

Our new Trustees replaced Lyn Lim (my predecessor as Chair), Alastair Bell, Precious Clark and Toni Millar who we farewelled at the end of May 2019. Thank you for your significant contributions to the Foundation in your roles as governors.

Our Team

We welcomed our new CEO, Peter Tynan, in August 2019. Peter came to us from the Royal College of General Practitioners where he was Interim Chief Executive and prior to that Southern Cross Health Society and Kaipara District Council. We were delighted when Peter decided to take the role, and less than twelve months in the Foundation is benefitting from a number of strategic and developmental initiatives that he has spearheaded.

I join my fellow Trustees in showing our appreciation also to Chloe Harwood, formerly the Foundation's Strategy and Innovation Manager, who resigned from her position in March 2020. Chloe had been with the Foundation for 15 years and was closely involved in the organisation's continuing efforts to become a more strategic grantmaker.

My thanks to my fellow Trustees, Foundation management and staff, and our wider community of grantees and partners. You all contribute to enhancing the lives of all of us lucky enough to live in our region.

CEO's Report Peter Tynan



Having joined Foundation North as CEO in August 2019, I can describe the game so far as definitely having two halves!

Initially, given our excellent returns and strong granting programmes, much of the focus was on getting to know our staff, Trustees and Kaumātua Kevin Prime, the communities we serve, others in the philanthropic sector and continuing operating 'as usual'. As with the rest of Aotearoa, that changed in March 2020, when our investment returns took a hit and the entire staff team moved to working remotely for over thirteen weeks. It was no longer the case of 'business as usual', but of shifting gear to ensure our mahi | work was adjusting to the emerging 'new normal' and we continued to enhance lives across our rohe | region.

We are fortunate our investment portfolio is well diversified, which gives us some resilience to continue granting despite the ups and downs of the markets. Furthermore, the addition of impact investment in the Foundation's investment portfolio widens the set of tools available for creating positive impact.

We are privileged to serve our communities, and to enable the hundreds of organisations we support to do their impactful mahi across Tāmaki Makaurau and Tai Tokerau. This year, 677 grants with a total value of \$46.6 million have been provided to 656 organisations, contributing to our vision of Enhanced Lives.

We are proud to whakamana | celebrate and uplift the variety and diversity of our kaikōkiri | grantees and our mahi in this report.

Towards the end of 2019, we began to discuss with our Board sharpening the focus of our funding strategy. The aim was to channel our support more intentionally to have greater, intergenerational impact towards the realisation of our vision. As a result, our Strategic Plan was refreshed to identify four focus areas going forward: Increased Equity, Social Inclusion, Regenerative Environment and Community Support.

I am particularly excited that the Foundation has started two very important ako | learning journeys together: to discover and embed our organisational values, and to enhance and grow our cultural competence so that we engage and work with Māori in a manner consistent with a Treaty-based relationship.

To me, the theme of our report this year 'Kia kotahi te hoe' means achieving as a team internally and seeing our impactful mahi with communities as teamwork. Nowhere has this more amply been demonstrated this year than by our response, and the community's response, to the COVID-19 crisis.

As CEO you never want to have to use your Business Continuity Plan. Having a sound one that works well when you need to put it into action, is testament to the staff and Trustees who have developed this over time.

Similarly, we have seen how community-led groups and organisations across our rohe acted as 'first-responders' - understanding and addressing immediate and emerging needs selflessly, with energy and manaaki. Our own grants response, taking lessons from our innovation programmes to respond flexibly, quickly and as seamlessly as possible, has been able to assist many of these groups.

My gratitude goes to our Trustees - your workload is considerable, your engagement with community is high, and you have steered a challenging course in terms of our investments this year.

My final mihi is to our staff - you paddle our waka together in time: me mahi i roto te tika, te pono, me te aroha | doing the right thing with respect and care for each other and for those we serve.

Mauri ora.

Moemoeā Our vision:

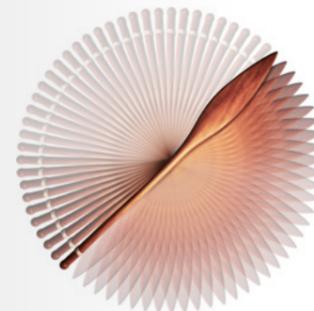
Whatitike oranga
Enhanced lives

Tā tātou whāinga Our purpose:

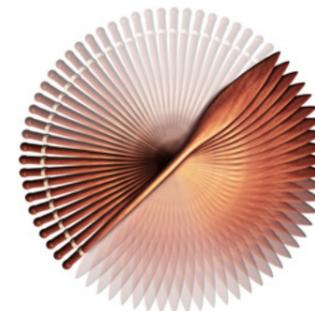
**Kaitiakitanga, i mua, āiane, ā muri.
Titiro whakamuri kia haere whakamua.**

Our guardianship, in the past, at present and in the future. Looking back to move forward. To enhance the lives of the people of our region by being responsive to changing community needs and aspirations, focusing our mahi in order to have greater impact.

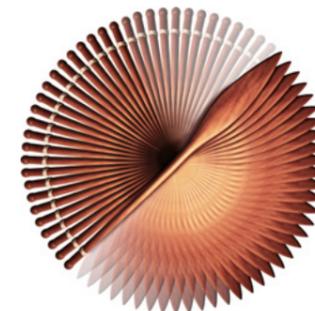
Ngā ūara Our values



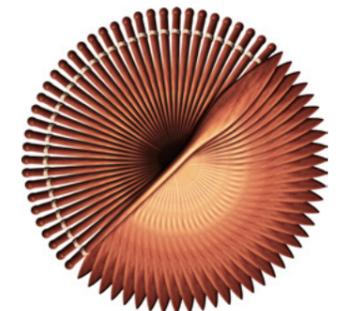
Kia kotahi te hoe
Paddling in unison



Whakamana
Enabling, uplifting,
and reinforcing



Ako
Listening, learning
and understanding



**Me mahi i roto te tika,
te pono, me te aroha**
Doing the right thing
with respect and care

46.6M Approved / \$37.6M, 18/19

656 Organisations funded / 586, 18/19

851 Applications processed / 772, 18/19

\$1.35B Invested at year end / \$1.39B 18/19

Addressing persistent inequalities

136 grants totalling \$10,528,643

107 grants totalling \$6,391,105 (18/19)

Strengthening social cohesion

48 grants totalling \$3,039,778

26 grants totalling \$953,420 (18/19)

Positive intergenerational outcomes for children & young people

77 grants totalling \$5,885,086

87 grants totalling \$6,452,983 (18/19)

Enabling community economic development

13 grants totalling \$1,494,839

14 grants totalling \$3,247,533 (18/19)

Conserving and enhancing our environment

48 grants totalling \$6,979,582

34 grants totalling \$1,873,085 (18/19)



Enabling 10 young Pacific leaders to design and run a prototype fund for Pacific communities in South Auckland



Supporting the development of the Inclusive Aotearoa Collective in partnership with other funders

Partnership with Creative NZ to support organisations under the Auckland Diversity Fund and the Staff Placement Fund - 3 grants totalling \$100K approved

Data mapping using applicant and Stats NZ data to better understand ethnic communities



Supporting Ngā Kaitiaki o Te Ahi, an innovative marae-based learning programme for young people, underpinned by kaupapa Māori and Māori environmental concepts

Partnering with I Have A Dream Charitable Trust over many years to achieve intergenerational change and create future leaders

Strengthening the youth sector by improving standards of practice and enhancing connections between youth providers with Ara Taiohi



Funding sustainable ecological, social and educational enterprise and employment for young people through Te Whangai Trust

Supporting Shakti's upcycling shop and workshops to create entrepreneurial and empowerment opportunities for women from migrant backgrounds

Involving Māori communities in economic activities as part of the Pou Herenga Tai Twin Coast Cycle Trail, Northland



Celebrating 3 years of our Gulf Innovation Fund Together (G.I.F.T), restoring the mauri of the Hauraki Gulf \$3.8M approved

5 years of supporting Reconnecting Northland, co-funded with The Tindall Foundation

Developing guidelines for ethical approaches for building relationships with Iwi Māori & Mana Whenua, via G.I.F.T

Supporting 4 organisations to be ready to take impact investment

\$2.5M approved to develop facilities at 5 marae

Supporting capacity-building for Pacific organisations via partners ACE Aotearoa and LEAD Centre for NFP Governance & Leadership

Note: Not all funding applications require a priority to be selected, therefore the sum in this area may be less than the total for all funding.

Where we fund Locations



Location	Approved
Auckland	\$22,590,762
Far North	\$4,285,381
Franklin	\$583,919
Kaipara	\$1,006,226
Manukau	\$6,232,959
North Shore	\$928,710
Papakura	\$1,880,230
Rodney	\$1,250,396
Waitakere	\$2,578,079
Whangārei	\$5,287,447

Funding approved By programme

Community Funding Programmes

Quick Response Grants	346	\$5,089,119
Community Grants	269	\$31,965,601
Partnerships	7	\$1,906,977
Total Approved		\$38,961,697

Impact Funding Programmes

Innovation for Impact	43	\$3,904,309
Gulf Innovation Fund Together	12	\$3,758,103
Total Approved		\$7,662,412

Grand Total 677 \$46,624,109

Strategic Framework

Our 15-year strategy, implemented from April 2018, provides direction for how we aim to achieve our moemoeā | vision of Enhanced Lives.

This evidence-informed strategy implemented from 1 April 2018 continued to focus our work in 2019-20 on responding to community aspirations and providing strengths-based opportunities to:

Address the persistent inequalities affecting Northland and South Auckland, and Māori and Pacific communities

Strengthen social cohesion within and between our diverse communities, particularly for refugee and migrant-background communities

Achieve positive outcomes for children and young people, to disrupt intergenerational disadvantage

Enable community-led economic development, particularly for the communities most affected by income inequalities

Conserve and enhance our natural environment for the benefit of all communities in our region.

As Te Kaitiaki Pūtea o Tāmaki o Tai Tokerau in perpetuity, we are able to take an intergenerational view of the needs and aspirations of our rohe | region. Our size and scale allow us to support a broad range of community organisations and initiatives and to take risks and support innovative new solutions. More than just a grant maker, we work strategically and collaboratively with others, grow capacity and readiness and the potential for impact, prototype new approaches and ways of working, and focus on reflection and learning.

Our values of: Kia kotahi te hoe (Paddling in unison), Whakamana (Enabling, uplifting, and reinforcing), Ako (Listening, learning and understanding) and Me mahi i roto te tika, te pono, me te aroha (Doing the right thing with respect and care) guide our actions and behaviours and all our interactions.

Our Strategic Focus

Motivated by our purpose kaitiakitanga, i mua, āianeī, ā muri | Guardianship, in the past, at present and in the future, we have sharpened our strategic intention onto four ngā hua | focus areas that direct our mahi for greater impact:



Hāpai te օritetanga Increased Equity

We will support approaches that achieve the aspirations of Māori and Pacific communities and address systemic and intergenerational inequalities in South Auckland and Northland. Children and young people will be our priority.



Whakauru mai Social Inclusion

We will support approaches that reduce discrimination, racism and social exclusion. Former refugees, new migrants, the Rainbow community and people with disabilities will be our priority.



Whakahou taiao Regenerative Environment

We will support holistic approaches that conserve, preserve and restore the natural environment in our region. Initiatives proposed by tangata whenua that connect social and environmental practices will be our priority.



Hāpori awhina Community Support

We will support participation in positive activities that support overall wellbeing; to bring communities together, enhance skills and creativity and build a sense of pride.

Our Funding Approach

Foundation North's vision is one of enhanced lives. We seek to enhance the lives of the people of Auckland and Northland by being responsive to changing community needs and aspirations and focusing our mahi in order to have greater impact. Our funding approaches include:



Quick Response Grants
Designed to meet immediate needs easily, in a time-responsive way



Community Grants
Helping community organisations with larger funding needs over the medium term



Partnership Grants
Longer-term strategic and regional partnerships



Innovation Funding
Supporting new solutions with potential to address significant challenges through grants or other funding mechanisms.

Your Stories. Our Stories.



The Raukatauri Music Therapy Trust Community Grant

We are proud to have contributed

\$129,623

For operating costs for Auckland centre and project costs for new Northland centre

2020 Focus Area alignment:
Hāpori awihina / Community Support

See the video

Scan the QR code or visit:



fono.nz/RMTT



For the last sixteen years, the Raukatauri Music Therapy Trust has been using music therapy to promote healing and improve the wellbeing of people with disabilities or mental health challenges.

Raukatauri Music Therapy Trust offers strengths-based music therapy to adults and children with special needs, who are usually less engaged in traditional ways of learning and often find it challenging to express themselves. Drawing on every individual's innate responsiveness to music, music therapy can enhance cognitive skills and improve social and emotional wellbeing. With a mission to offer quality, accessible music therapy to all people, regardless of their needs, the Trust operates New Zealand's only music therapy centre, and is often the first point of call for those seeking improved wellbeing through music.

By enabling clients to actively participate in the world around them through music, the centre also seeks to

diminish the social isolation resulting from living with a disability or a disabled family member.

"Our students look forward to the sessions with Registered Music Therapist Katie with anticipation - for many, it is the highlight of their week. The music therapy sessions support our students' social skills, fine and gross motor skills, and sensory integration, and are giving our students an opportunity to shine in something that they enjoy - the room is filled with smiles, laughter and of course, beautiful shared music!" Says Kylie Batten, Specialist Teacher, Northland school

Accessibility is a key driver for the Trust's work, particularly when bringing their life-changing music therapy to those that are often underserved due to location, poverty, and disability. Previously only operating from its Auckland base, last year a Foundation North grant contributed towards the opening of Raukatauri's Northland Regional Centre in

Whangarei - an important step in bringing music therapy to Northland for the first time. Funding has also enabled the centre to provide highly subsidised services to families and schools in the region and send their Registered Music Therapist into the Mid and Far North to work with individuals impacted by disability, mental health challenges and trauma.

"Raukatauri Music Therapy Trust has always valued our relationship with Foundation North, but I really felt like our partnership moved to a new level when they became the very first funders of our Northland Regional Centre. Life-changing music therapy had not been available in Northland until 2019, when Foundation North responded to our request to provide the funding to make it possible. Our Northland services are the fastest growing of any of our regions, and Foundation North has helped us to meet this need and change lives through music."

*Jen Ryckaert, Clinical and Centre Director,
Raukatauri Music Therapy Centre*



Kiwi Coast Trust Community Grant

We are proud to have contributed

\$478,000 over 2 years

For operating and programme costs

2020 Focus Area alignment:
Whakahou taiao / Regenerative Environment



See the video

Scan the QR code or visit:



fono.nz/KCT

For the last seven years, Kiwi Coast Trust has been supporting grassroots pest control and kiwi recovery projects in Northland.

Kiwi Coast is a community-led, collaborative initiative, linking over 159 conservation projects made up of iwi, hapu, land owners, farmers, forestry companies, schools and government agencies, united by the vision to create New Zealand's first kiwi-safe corridor along the eastern coastline of Northland.

Through the connection of these projects, Northland kiwi numbers are on the rise, and the biodiversity of the region is noticeably improving.

Built on a foundation of twenty years of community-led conservation, Kiwi Coast offers capacity building and logistical support to Northland communities, underpinned by a mission for all Northlanders to practice kaitiakitanga (guardianship) of the environment.

By developing the capability of Northland's conservation projects, the Trust hopes to sustain the current upward trend of kiwi populations and help them to thrive for generations to come.

Last year, Kiwi Coast Trust was awarded a grant of \$478,000 over two years to support a number of their key projects including community training workshops, kiwi events and trapper mentoring, with the end goal of sustaining and enabling community-led pest control for kiwi recovery.

“Foundation North’s funding is going to make a huge difference to the work people are doing here at the Kiwi Coast. It helps us provide training workshops for people who want to get involved in trapping, it helps us support the community kiwi releases where 200-300 people might turn up to see a precious kiwi released into a predator controlled area, it helps us to keep boosting and supporting the work that’s been going on in Northland for over 20 years – and just sustain it, and keep it going. Because we can’t stop now – things are going at such a great rate.”

Ngaire Sullivan, Coordinator, Kiwi Coast Trust



Ngati Manuhiri bring kiwi to Tanekaha Kiwi Release

Image Credit:
Kiwi Coast Trust & Malcolm Pullman

Te Ngākau Kahukura Partnership Grant

We are proud to have contributed

\$225,000 over 3 years

For operating and programme costs

2020 Focus Area alignment:
Whakauru mai / Social Inclusion



Te Ngākau Kahukura grew out of a collective vision to strengthen the systems of support around rainbow young people in Aotearoa.

Founded in 2019, Te Ngākau Kahukura is a partnership with rainbow community organisations across Aotearoa, held within the organisational structure of Ara Taiohi, the national peak body for youth development. The initiative is run by a team of two, Moira Clunie and Joey Macdonald, whose work involves connecting with youth social services and decision makers; offering advice, workshops and coaching to help build their capacity to work effectively with rainbow young people.

Because of their experiences of discrimination and social isolation, rainbow young people need effective health and social support, and services designed for the whole youth population often don't have the knowledge and confidence to provide affirming and safe practice.

By building the rainbow competence of the youth sector, Te Ngākau Kahukura hopes to break down access barriers, increasing the sense of belonging of rainbow young people in their day-to-day lives.

Last year, funding was awarded to enable them to engage rainbow community experts to deliver training, policy advice and advocacy to youth social services, improving their awareness of rainbow-specific challenges and needs in the policies and practice guidelines that influence how professionals work with young people in New Zealand. Through this work, Te Ngākau Kahukura are expecting a growth in the capacity and confidence of professionals working with rainbow young people, and consequently an improved service experience for rainbow young people.

“Rainbow young people experience multi-faceted and pervasive discrimination that can limit their acceptance within whānau, participation in social environments and access to support services. Our work is a crucial part of improving environments for rainbow young people by reducing discrimination in the places that young people live, learn and access healthcare and social support, ultimately creating safer and more inclusive communities.”

Moira Clunie, Project Lead, Te Ngākau Kahukura



Wekaweka Valley Community Trust Quick Response Grant

We are proud to have contributed

\$25,000



For operating costs

2020 Focus Area alignment:
Hāpori awihina / Community Support

Since 1995, Wekaweka Valley Community Trust has been developing initiatives designed to improve the lives of the people of Waimamaku, a small town in between the Waipoua Forest and Opononi in the Far North.

Waimakaku is situated in an isolated area, with poor communication facilities and a great distance from main towns and business districts. Many of the community have limited transport options and are unable to access essential services. Twenty years ago, Wekaweka Valley Community Trust set up the Waimamaku Resource Centre as a way of bringing services to the community and to support the needs and aspirations of community members.

“Without the resource centre there isn’t any real social cohesion. There’s no place where people can meet and get to know other local people. The resource centre has a number of services for the community to share and contribute

to, including a directory of local skills. There has been a strong and growing patronage and respect for this resource centre and its directors.” Says Graeme Butler, Community Member

With limited job opportunities in the area, there is a high rate of unemployment and economic hardship in Waimamaku. The Trust aspires for the Resource Centre to become a hub to support social enterprise and help residents to start new businesses, as well as being a place for people to write resumes, apply for jobs and access training opportunities.

Earlier this year, a grant of \$25,000 was awarded to the Trust towards operating costs for the resource centre. Acting as a space for many community groups to run their services, the centre also helps to facilitate connections between groups. The existence of the centre has played an important role in increasing the physical and social wellbeing of community members.



“The Resource Centre is a true asset to the community. It has been operational for over twenty years now, which is a true testament to the dedication and resiliency of the people of Waimamaku. The space is always buzzing with activity - people using the facilities and socializing with friends. For such a small community on the West Coast having a community space is vital for the well-being of the people here.”

*Courtney Davis, Trustee,
Wekaweka Valley Community Trust*



Te Pai Roa Tika* Innovation for Impact Impact Investment Readiness

*Previously Amokura Iwi Consortium Limited

We are proud to have contributed

\$56,000 + \$151,000



Initial concept and development of model + Establish structures and partnerships

2020 Focus Area alignment:
Hāpai te oritetanga / Increased Equity

Te Pai Roa Tika is a new impact investment model in Tai Tokerau led by Te Kahu o Taonui.

Impact investment is defined as investing with the intention of generating societal and/or environmental impact alongside a financial return. Hoping to pave the way for impact investing in Aotearoa, Te Pai Roa Tika (previously known as Transforming Taitokerau For Good) with support from The Tindall Foundation has developed a Māori led and Māori owned model that respects and draws on tikanga to support impact investing in Northland. Their bigger vision is to leapfrog the economic, social, and environmental systems in Taitokerau into a model that can be a role model not just for Aotearoa but for the world.

In an approach that is deeply rooted in Te Ao Māori, two entities are being established to accelerate the development of large scale, long term impact-based investments in Tai Tokerau. The first is a project development entity that will support and provide capacity building to the pipeline of impact investment opportunities in the region.

A separate investment entity will focus on the commercial side and bring in other investors across New Zealand and eventually from around the world. This two-pronged approach, supported with both financial and non-financial assistance from The Tindall Foundation, will ensure that local initiatives are able to receive the development support needed to become investment ready, while also enabling the model to become attractive to global investors.

Foundation North has awarded two grants towards the initiative - the first for the initial conceptualisation and development of the model, and the second to enable the setup of the structures and partnerships. A systems and indigenous-led approach to impact investment is a first for Aotearoa and has led to increased investor interest in the region. Over \$180M of investment opportunities have been identified in Taitokerau across nine priority areas: agriculture, aquaculture, digital, energy, fisheries, forestry, housing, tourism, and water.



L to R: Toa Faneva (Co-Chair), Jodi Qereqeretabua (Current CEO) and Rangimarie Price (Former CEO)

Through their work, Te Pai Roa Tika is hoping that impact investment will “deliver both individually and as part of the wider system, a sustained higher standard of living, described as oranga (wellness), while enhancing the interdependent relationship between tangata (people) and whenua (land).”

“For the Taitokerau Māori economy to realise its potential, a fundamental systems change was required that had our people leading their own development and the investment decisions related to that. To date investment approaches have been siloed and impact limited. Te Pai Roa Tika is the collective iwi response to creating the change that is needed. As a self-sustained investment platform that has the economic wellbeing of our communities and Te Taiao at its core, Te Pai Roa Tika is driven by our values and principles and brings forward projects from our communities that have the potential for long term large scale impact that matters to our people. Foundation North was at the forefront of enabling this to occur.” says Jodi Qereqeretabua, CEO Te Pai Roa Tika.

If we want change, success and prosperity for our people and our places then we need to lead it... so we are!

Toa Faneva, Co-Chair, Te Pai Roa Tika

The Community Builders NZ Trust

Innovation for Impact

Community Innovation Fund South Auckland

We are proud to have contributed

\$200,000

For project costs

2020 Focus Area alignment:
Hāpai te ōritetanga / Increased Equity



Image Credit:
Liam Shaw



The Community Builders NZ Trust has been strengthening the resilience of the Ōtara community for the last three years.

The Community Builders is a resident-led, grassroots movement with a vision to change community mindsets and behaviours relating to food, health, and wellbeing. In the South Auckland suburb of Ōtara, where access to healthy foods is low and inequity is deeply present, the goal of the Trust is to educate and encourage community members to foster change in their own communities.

Through the Community Innovation Fund, Foundation North awarded \$200,000 to support three of The Community Builders' Ōtara-based projects. The first was The Pātaka Kai Open Street Pantry – a “take what you need, leave what you can” initiative responding to growing food waste issues in New Zealand. The project encourages the rescuing of food and

“If neighbourhoods are at the heart of communities, then families are at the heart of our neighbourhoods. The benefits of strong and healthy families feed outwards into the neighbourhood and the community, and the neighbourhood and community, in turn, feed back into the strength of the family.”

Swanie Nelson, CEO,
The Community Builders NZ Trust



Image Credit: Liam Shaw

re-distributing it to families struggling across the country. As part of this project, The Trust also support and mentor over 100 Pātaka Kai kaitiaki (guardians) and provide educational workshops in schools to address food waste issues.

The Fund also supported Ōtara Kai Village which was established in response to the limited access to healthy food available in the community.

The food village, based in the Ōtara town centre, was started by transforming a 40ft container into a food hub and designing an urban garden. At the kai village, fresh and healthy produce is sold at low prices, with the money raised going back into sustaining the project and creating social outcomes for the community.

“Never do for a community what they can do for themselves. Not only does the Otara Kai Village help to build more community leaders,

it also brings social change using the resources our communities already have. Organisation is an empowering experience as it can lead to innovation and real change, one that wouldn't happen effectively if we were to just help them without involving them.” says Swanie Nelson, CEO of The Community Builders NZ Trust.

The grant also went towards My Street Project – a community-led initiative designed to improve the civic engagement of the Ōtara community, helping members recognise their own ability to lead, engage and self-determine collectively. The project was established on the knowledge that Ōtara residents are often disconnected from many of the processes that enable them to collectively voice and make changes to improve their lives. The programme seeks to empower the community, by providing leadership development, training, and mentoring to residents who are keen to become change-makers in their own areas.

The University of Auckland Foundation

Gulf Innovation Fund Together

Innovation for Impact

We are proud to have contributed

\$188,350 over 3 years

For project costs

2020 Focus Area alignment:
Whakahou taiao / Regenerative Environment



See the video

Scan the QR code or visit:

fono.nz/GIFT



Dr Nick Shears, Associate Professor in Marine Science at the University of Auckland, is weaving mātauranga Māori with Western science in this collaborative project work to improve the mauri or life essence, of the shallow rocky reefs in Tikapa Moana Te Moananui-ā-Toi/the Hauraki Gulf.

A shift from thriving kelp and seaweed forests to 'kina barrens' in shallow reefs is a key indicator of loss of mauri in the Hauraki Gulf. With a decline in kina's natural predators (snapper and crayfish), kina populations soar – their large numbers graze on the underwater forests in Tikapa Moana causing increasing expanses of bare rock known as kina barrens.

Dr Shears has mapped the extent of kina barrens, in hotspots like Hauturu/ Little Barrier Island and The Noises, and has documented that barrens have substantially increased in some areas (Mokohinau Islands).

Alternately within marine-protected areas in the Hauraki Gulf, mauri is being restored as the natural balance is being allowed to shift to a decline in kina populations (and therefore barrens) due to the recovery of their predators.

“The project is allowing us to build stronger relationships with iwi partners and opportunities to weave and share knowledge bases between science and mātauranga Māori. This is essential in co-developing solutions and management plans that aim to restore the mauri of our coastal ecosystems.”

Dr Nick Shears, Associate Professor,
University of Auckland

To help accelerate this regeneration, the next steps in Dr Shears' work will be to develop co-management strategies, in partnership with mana whenua, to actively restore the mauri of shallow

reefs as well as address longer-term protection and management. In an approach that is centred around solutions that incorporate mātauranga Māori, several hui have been held with mana whenua, iwi, community groups and marine scientists to discuss collaboration and share traditional ways of protection and management.

According to Nick, engaging rangatahi in the project is also a key part of ensuring long-term protection once kelp forests have been restored. He believes that through enabling mana whenua rangatahi to experience both pristine and damaged underwater habitats, and by supporting them with Western scientific and mātauranga Māori knowledge, they will become ambassadors to bring about wider mana whenua connection to the project and transfer their knowledge about the moana in meaningful ways. In partnership with Experiencing Marine Reserves and supported by the Bobby Stafford Bush Foundation, in October 2019, rangatahi representing Para Kore ki Tāmaki were invited to attend the Experiencing Marine Reserves Poor Knights Island Snorkel Day, an important step in developing their understanding of kina barrens and how the mauri of the Hauraki Gulf can be restored through marine protection.

“The Poor Knights marine reserve is the most perfect example of an eco-system that I had ever seen. Kina have to hide because the prehistoric looking snapper prowl the forests of kelp and seaweed, eagle rays lay peacefully under foot and the Sandager wrasses have no problem greeting you with a big buck-toothed kiss.” says Koha Kahui-McConnell – Volunteer Snorkel Guide, Experiencing Marine Reserves Snorkel Trip.



Image Credit: Lorna Doogan

Insights, Learning & Capability Building

We undertake a range of activities to monitor, evaluate and learn from our philanthropic activity. Our Monitoring, Evaluation and Learning Framework guides our work in this area and ensures we use tools and approaches that are best suited to our needs and enable cycles of continual learning. Our work is also guided by a Theory of Change which outlines the outcomes we wish to achieve which will ultimately get us closer to our vision of what̄itike oranga | enhanced lives.

Here are a few examples of what we are learning from our work:

Four years of working to improve the mauri of the Hauraki Gulf has provided insights on the role of human systems and their impact on the Gulf, as well as the barriers and enablers to environmental systems change.

More detail can be found here:
www.giftofthegulf.org.nz/what-we-have-learned

Insights from a two day “CoJam” session held with a group of young people to brainstorm innovative solutions to improve inclusion and diversity in our communities include the value of bringing people from diverse backgrounds together to address complex issues, the importance of creating a safe environment for young people to voice their opinions and demonstrate leadership and the need for empathy in understanding others’ experiences.

More detail can be found here:
www.foundationnorth.org.nz/news-reports/2020/3/cojam-2020-a-step-towards-an-inclusive-and-diverse-aotearoa-nz/

A three-year grant for Leadership New Zealand’s Mana Moana Pacific leadership programme enabled a research-based and indigenous model of leadership to be delivered. Now in its third year, we are learning about the value of leaders connecting and learning from each other within their cultural contexts. The leadership journey is often a personal one and understanding this context enables leaders to lead and influence change in their work more effectively. This involves the embedding of Pacific knowledge, language, culture, ways of knowing and viewing the world into each person’s leadership journey.

Further reflections can be seen here:
www.leadershipnz.co.nz/mana-moana-experience-reflections



Foundation North Trustees and staff at Otata with Dr Nick Shears and Rod Neureuter

Image Credit: Dr Nick Shears



The Centre for Social Impact (CSI), established in 2014, supports Foundation North to achieve impact via ongoing research to support strategic thinking, strategy development and the evaluation of key initiatives. This has encompassed Catalysts for Change and GIFT, as well as conducting the Ngā Tau Tuangahuru longitudinal study researching the long-term impacts of the Foundation’s Māori and Pacific education programme.

See more:
www.foundationnorth.org.nz/mpei/study-findings-and-voices-of-families

The Centre’s network of specialist associates and partner organisations also work with the wider philanthropic sector. Work during the year included the publication “Thriving Rangatahi: A review of protective and risk factors” produced for the Vodafone New Zealand Foundation and two publications for The JR McKenzie Trust (JRMT): “The philanthropic landscape - a review of trends and contemporary practices” and “Voice, influence, action: funding advocacy for impact”. The latter report led to CSI co-convening a workshop with JRMT and Philanthropy New Zealand for philanthropic funders to explore advocacy as a tool for driving positive systems change.

In partnership with the Superdiversity Institute for Law, Policy and Business, a report into the future of governance for New Zealand’s 114,000 NGOs identified a need for considerable investment into the governance capabilities of the wider NGO and community sector. This work resulted in a community steering group and CSI guiding the development of a national strategy for NGO and community governance.

More detail on the Centre for Social Impact’s work can be seen here:
www.centreforsocialimpact.org.nz/



The Mana Moana Experience 2019 Graduation

Image Credit: Fata Tuialii

Pacific Future Makers Participatory grantmaking



We have been trialling a new model of grantmaking – participatory grantmaking – which puts people who are affected by decisions in a position to influence and support decision-making.

Participatory grantmaking allows power sharing, simplified compliance processes and more relational forms of funder-grantee partnership.

Currently there are 10 Pacific youth participating in grant-making. They have designed a fund, Pacific Future Makers Fund, to benefit Pacific communities in South Auckland and have been leading its promotion in their communities. The Pacific Leaders have been assessing applications, making funding recommendations to the Foundation, and designing accountability requirements for successful applicants.

So far we are seeing a number of benefits:

- A group of empowered, engaged Pacific youth who represent their communities, and who are gaining transferrable skills & experience
- Plenty of new Pacific audiences gaining access to Foundation North’s funding
- A greater awareness & understanding within Foundation North about the barriers and opportunities of Pacific communities in gaining access to funding
- Deeper insights about our Pacific communities including their strengths and assets, and how we might better work with them

“If you engage people the right way, you can open up innovation”

Caleb Marsters

“Let’s invest, and it might have a ripple effect in terms of impact”

Anastasia Matai



Co-creating for a more inclusive Aotearoa

Foundation North recognises and values the diversity in our communities and has a strong commitment to increasing social cohesion, diversity and inclusion. During 2019-20 we supported a range of innovative and collaborative initiatives, including a youth-focused ‘cojam’ and a collective hui hosted by Belong Aotearoa.

CoJam

A two-day CoJam hui in February 2020 brought together a diverse group of young changemakers, design coaches and resettlement community organisations to brainstorm innovative solutions to improve inclusion and diversity in our communities.

The CoJam weekend was conceived, designed and delivered by a collaborative team from Foundation North, the Centre for Social Impact, AUT, The Draft Studio and Auckland Co-Design Lab. The CoJam experience enabled young people, coaches and leaders to draw on their lived experiences and develop innovative ideas to help foster identity and belonging, to challenge thinking and inspire change.

Belong Aotearoa

Belong Aotearoa (previously known as Auckland Regional Migrant Services), with support from Foundation North and the Centre for Social Impact, convened a hui in April 2019 to bring together the leaders, groups and organisations that are working in our communities to enable belonging and inclusion, celebrate diversity, empower and privilege the voices of diverse communities, and to support self-determination and tino rangatiratanga.

The hui was a call to action post-Christchurch, acting as a starting point for conversation – offering a space to share our collective experiences, to exchange ideas and begin to develop solutions that can be activated through collective action, to achieve long-lasting change towards a more inclusive Aotearoa New Zealand.

See the video

Scan the QR code or visit:



www.fono.nz/COJ

Read more

Scan the QR code or visit:



www.fono.nz/BA



Image Credit: Aimee Preston | The Draft AUT

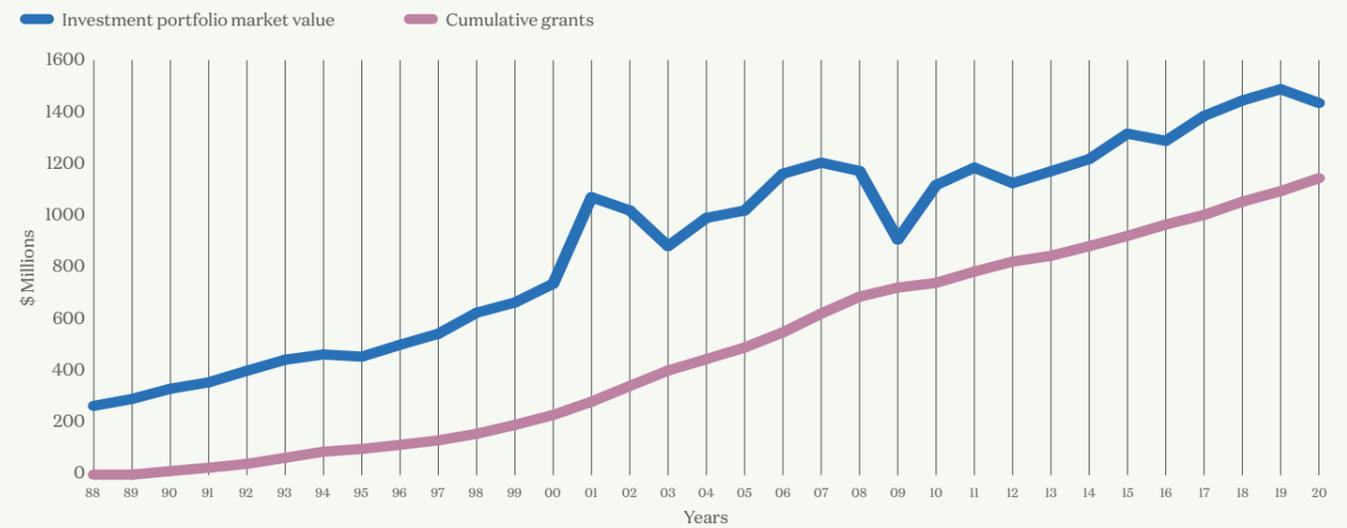


Financials Pūtea

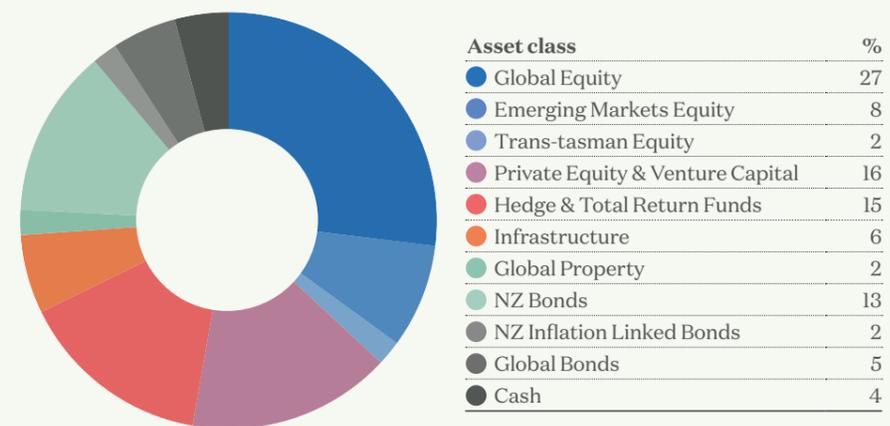


Image Credit: Kiwi Coast Trust | Anne Stewart

Investment Portfolio Growth and Cumulative Approved Grants *From 1988 to 2020*



Investment Portfolio Asset Allocation *As at 31 March 2020*



Organisation Total Costs

Admin Costs	\$6.3m	(2019: \$5.7m)
Activity Costs	\$2.0m	(2019: \$2.2m)
Fund Management, Custodian, Advisory Fees	\$2.6m	(2019: \$1.9m)

Statement of Service Performance

Our theory of change articulates our role in the community and philanthropic sectors, as well as the practices we will undertake to achieve our outcomes and in the long-term, deliver on our vision. It summarises who we are, what we do and what we would like to achieve through our work. It also acknowledges we are a funder in perpetuity and therefore have a unique role in funding and working with communities. We have used our theory of change as the basis for providing our statement of service performance. (2018-19 comparatives in brackets)

Our context

Through the Community Trusts Act, Foundation North has an ongoing responsibility to community and will distribute funding in perpetuity.

Funding strategies that seek to reduce inequalities will lead to better outcomes for everyone in the region. Our grant-making is focused on funding for Outcomes and across Priorities, selected by evidence-based approaches.

To achieve impact, supporting community strengths and aspirations is important.

Not working in isolation is essential to achieve our vision, and we can leverage our role to convene and build effective partnerships.

Our 15-year strategy provides regular opportunities to review and reflect on our progress, and where needed evolve our work in response to changes in our context.

Our work is underpinned by our principles of practice, including respect for the partnership relationship enshrined in the Treaty of Waitangi, to engage and work with Māori and Iwi organisations in a manner consistent with a Treaty-based relationship.

Our principles of practice also recognise the importance of responding to the needs and aspirations of the Pacific communities of our region.

The diverse needs of our Region's immigrant and refugee populations also guide the way we seek to work.

We apply sustainable investment strategies to preserve capital and maximise funding available for granting.

Our opportunity

We have a responsibility to support the Auckland and Northland communities. To respond effectively to our communities, we utilise our opportunities and assets, which include:

- Our size and scale, which gives us the ability to take risks with new things whilst maintaining support to a broad range of positive community initiatives.
- Our presence in perpetuity, which enables us to take an intergenerational view and systems focus.
- Our ability to be responsive, evolving our approach based on evidence, learning and community aspirations.
- Our history of innovation, which provides a platform for ongoing efforts to try new things for increased impact.
- Our governance, which provides the basis for robust decision-making and evidence-based strategy-setting.

The communities we work with guide our grantmaking, and we seek to work with others to achieve our vision.

Our activities

Funding Approach:

Community funding: As a community funder, we support a broad range of positive initiatives that help weave the fabric of our communities.

Quick response grants	\$5.1m (\$5.4m)	346 grants approved (350)
Community grants	\$32m (\$27.9m)	269 grants approved (240)
Partnership grants	\$1.9m (\$3.0m)	5 grants approved (6)

Innovation funding: We fund innovation to identify new solutions with potential to address significant challenges in our communities:

2019-20		
Gulf Innovation Fund Together	A total of \$10 million has been allocated as budget over time to support innovation that restores the mauri of the Hauraki Gulf. G.I.F.T focuses on funding seed-scale-system projects.	\$3.8m of support approved for 6 organisations (\$1.4m 2018-19 (13))
Impact investment	The Foundation is committed to exploring the potential for impact investment to deliver on the Foundation's strategic priorities. Impact investment widens the set of tools available to the Foundation to use capital for creating positive impact and an additional financing option to advance social and environmental solutions.	\$367,000 4 organisations funded for impact readiness (\$nil 2018-19)
Catalysts for Change	A venture philanthropy model, with support provided for organisations implementing innovative projects and practices to create positive outcomes and opportunities for young people. The Fund has closed with two programmes - Te Ira and AKAU - continuing into 2020/21.	Work undertaken in 2019/20 with Tuilaepa Youth Mentoring, Taiohi Whai Oranga, Te Ira, He Korowai, AKAU
Maori & Pacific Educational Initiative (MPEI)	This programme, now closed, was based on principles of venture philanthropy. During 2008, \$20 million was committed to improving educational outcomes. We are now studying families impacted through MPEI via a longitudinal study, Ngā Tau Tuangahuru, from 2015 to 2025.	The longitudinal study involving local and University of Otago researchers continued to progress during the year.
Other Innovation funding	Support for innovative practice funded (Innovation and South Auckland funding).	\$3.8m 40 grants approved (\$Nil 2018-19)

Ways of Working:

Working in partnership: We seek to build relationships with Iwi and other stakeholders, including other philanthropic funders to achieve a shared, intergenerational vision for our communities. We are collaborating and working with a wide number of stakeholders, including:

- Iwi Māori – 5 – example: supporting an impact investment initiative of the Amokura Iwi Consortium, Te Pai Roa Tika (Transforming Taitokerau for Good)
- Central Government – working with 6 Ministries – example: sharing the learnings from GIFT with MPI and DOC
- Local Government – working with 4 local councils – example: joint funding of significant projects such as the Auckland City Mission
- Other Funders – 6 – example: joint funding with The Tindall Foundation for projects in Northland.

Growing capability: We support community capability and potential for impact through capability building and convening. We have funded capability building via the Centre for Social Impact, ACE Aotearoa and LEAD, Centre for Not for Profit Leadership or directly to applicants/grantees. \$1.4 million of support was approved in 2019-20. (\$248,000 2018-19)

Working strategically: We work in ways that are evidence-informed to achieve outcomes aligned with our vision. Our strategies and policies have been developed in evidence-based ways (research, data and stakeholder interviews). We continually build on our practice and improve our processes through monitoring and evaluating our work. Some of our research and resources, such as Good Practice Guidelines can be found here:

<https://www.foundationnorth.org.nz/how-we-work/good-practice-guidelines/>.

Working responsively: We prioritise opportunities that align with our Māori, Pacific and Ethnic Diversity strategies. Each strategy's work plan aims to develop new and responsive ways to achieve the goals under each strategy. Highlights include: Participating in Waitangi Commemoration 2020; 10 staff completing their National Certificate in Māori Management; a series of four fono with Ministers and Church leaders from 10 central Auckland Pacific churches; through LEAD facilitating activities to increase participation in governance by Pacific leaders; facilitating CoJam: 48hrs to co-design 'belonging' in our super diverse world; hosting Chinese 'Yum Char' community workshop.

Trying new things: We test new models of investing and working with community to continually strengthen our practice. We have developed new ways of working and funding, for example, a participatory grant making programme led by Pacific young people.

Learning: We are a learning organisation and look to share our insights to support the work of others. A Monitoring, Evaluation and Learning Framework guide our evolving practice. This includes convening internal learning sessions with staff and Trustees; tracking internal and external data; outcomes harvesting to understand the impact of our grants; a biennial applicant survey; sharing grantee digital stories; and ongoing discussions with stakeholders to get external feedback. Our innovation work is informed by a learning framework and in-depth evaluations were conducted for Catalysts for Change, (<https://www.foundationnorth.org.nz/how-we-work/resources/>), MPEI, and GIFT.

Statement of Service Performance

Continued

Priorities to achieve our vision

We recognise the importance of targeting our support to communities of greatest need. To achieve our vision, we will prioritise initiatives that respond to community aspirations and provide strengths-based opportunities to:

Address the persistent inequalities affecting:

- Northland and South Auckland communities 90 grants funded totalling \$5,647,076 (64; \$2,700,570)
- Māori and Pacific communities. 46 grants funded totalling \$4,881,567 (43; \$3,690,535)

Strengthen social cohesion within and between our diverse communities, particularly for:

- Refugee-background communities 10 grants funded totalling \$1,304,788 (9; \$559,740)
- Migrant-background communities. 38 grants funded totalling \$1,734,990 (17; \$393,680)

Achieve positive outcomes for children and young people, to disrupt intergenerational disadvantage.

77 grants funded totalling \$5,885,086 (87; \$6,452,983)

Enable community economic development, particularly for the communities most affected by income inequalities.

13 grants funded totalling \$1,494,839 (14; \$3,247,533)

Conserve and enhance our environment for the benefit of all communities in our region.

48 grants funded totalling \$6,979,582 (34; \$1,873,085)

Note: Not all funding applications require a priority to be selected, therefore the sum in this area may be less than the total for all funding.

Outcomes to achieve our vision

We recognise the importance of focusing on outcomes to support communities across our region. Community grants must be aligned to at least one of these outcomes:

- Increased participation (funded 164 grants totalling \$9,116,458)(215; \$8,659,933)
- Increased social equity (funded 42 grants totalling \$2,667,937) (42; \$3,758,983)
- Enhanced environmental wellbeing (funded 51 grants totalling \$6,578,902) (39; \$2,134,165)
- Increased family and whānau resilience (funded 141 grants totalling \$9,851,145) (116; \$6,240,143)
- Increased community capability and self-determination (funded 54 grants totalling \$2,983,944) (59; \$8,096,675)
- Increased inclusion and social cohesion (funded 111 grants totalling \$6,250,427) (74; \$3,954,029)
- Enhanced cultural vibrancy (funded 66 grants totalling \$5,328,709) (51; \$3,375,567)

Increased effectiveness of philanthropic practice – an internal outcome for the Foundation. We have strengthened our practice and contributed to the philanthropic sector through a variety of ways such as collecting and sharing evidence, supporting collaborative practices with other funders and sectors, learning sessions, and conducting internal and external surveys.

Maximise the funding available for granting, through investment - Funding is essential to fulfilling the vision. As a long-term investor, we have managed our investment portfolio in alignment with our Statement of Investment Policies and Objectives

By funding for Outcomes and across our Priority areas, we seek to achieve our vision to enhance the lives of all people of the Auckland and Northland regions. Two years into our 15-year strategy, we are seeing signs that we are making progress.

A few examples of the sources providing our early signs of progress include:

- GIFT Year Three learning: Year 3 report on outcomes and learnings: www.giftofthegulf.org.nz/media
- Catalysts for Change evaluation: evaluation from 2019 show clear impact for young people not in education, employment and training, for the organisation, and for the youth sector: www.foundationnorth.org.nz/how-we-work/resources/.
- MPEI Longitudinal Study: significant insights from this high engagement innovation fund about what works for Maori and Pacific families and understanding what success looks like for whanau. This has informed our grantmaking practice and will continue to do so over the duration of the study. www.foundationnorth.org.nz/how-we-work/maori-pacific-education-initiative/
- Supporting innovative approaches to enhance social cohesion and diversity in our communities via a 2-day CoJam workshop with young people www.foundationnorth.org.nz/news-reports/2020/3/cojam-2020-a-step-towards-an-inclusive-and-diverse-aotearoa-nz/
- Supporting young Pacific leaders to lead grantmaking. Through a Participatory Grantmaking approach, 14 applications were funded through recommendations made by young leaders. www.foundationnorth.org.nz/funding/pacific-future-makers/

Internal Foci - There are a number of internal developments which demonstrate our commitment to achieve our goals and vision:

- Our work has shifted more towards addressing systemic issues.
- We have a greater diversity in staff and have strengthened cultural capability within the organisation.
- Our practice is driven by evidence and good practice and we are sharing learning with the community. We have run or hosted a range of internal and external learning sessions.
- We are more focused on working in partnership with community and listening to what their aspirations and needs are
- We have made changes based on what applicants need and supported applicants in areas that they need help in.

The performance of the funds under management was favourable to the benchmark against which performance is measured for the financial year. This is despite the heavy impact of the ongoing COVID-19 pandemic on the Foundation's investments in the latter part of the final quarter, which pared back financial year gains to date. The investment return for the year was \$19.5 million (2018-19: \$93.5 million) which was \$73.2 million unfavourable to budgeted income of \$92.7 million (2018-19: \$98.7 million). This translated into a return of 0.6% net of fees (2018-19: 6.7%) relative to the benchmark composite index, which returned -2.8% for the financial year (2018-19: 5.3%). With a diversified portfolio designed to weather market volatility, Foundation North's portfolio outperformed its benchmark by 340 basis points over this time period.

As a long-term investor, the Foundation also considers long term performance. The trailing ten year performance was 6.5%, favourable to the ten year benchmark of 5.4% (2018-19: 9.1% actual, 7.2% benchmark).

Granting was maintained in accordance with the granting policy. Overall, the portfolio remains well-positioned and maintains a large buffer of reserves above its real capital base. The reserves held by the Foundation are \$343.1 million (2018-19: \$404.2 million). Since the global surge of the pandemic, the Foundation North Trustees and management, together with its investment advisors Cambridge Associates have formed an Investment Working Group to meet regularly to closely monitor the impact on global markets and the investment portfolio. Although the Foundation's investment portfolio has recovered somewhat since year end, global market volatility is expected to remain for some time.

Statement of Service Performance

Continued

Consolidated summary statement of comprehensive revenue and expense for the year ended 31 March 2020

	2020 \$000	2019 \$000
Revenue		
Revenue from Investments	19,484	93,465
Grants Written Back during the year	309	627
Grant Refunds Received during the year	41	15
Other Income	475	577
TOTAL REVENUE	20,309	94,684
Expenses		
Grants Committed to Community Groups	45,166	37,613
Other Funding Committed	1,458	-
Administration Expenses	6,322	5,661
Activity Costs	2,009	2,231
Fund Management, Custodian and Advisory Fees	2,622	1,947
TOTAL EXPENSES	57,577	47,452
(DEFICIT)/SURPLUS FOR THE YEAR	(37,268)	47,232
Other Comprehensive Revenue and Expense	-	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR	(37,268)	47,232

Consolidated summary statement of financial position at 31 March 2020

	2020 \$000	2019 \$000
Assets		
Cash at Bank	1,103	3,903
Investments	1,346,495	1,393,230
Fixed Assets	8,263	8,516
Other Assets	346	507
TOTAL ASSETS	1,356,207	1,406,156
Less:		
Liabilities (including Outstanding Grants Payable \$31.26 million (2019: \$44.62 million))	33,619	46,300
NET ASSETS AT 31 MARCH	1,322,588	1,359,856
Represented by:		
Equity		
Real (Inflation Adjusted) Capital	979,521	955,630
Reserves	343,067	404,226
EQUITY AT 31 MARCH	1,322,588	1,359,856

Consolidated summary statement of changes in Foundation equity for the year ended 31 March 2020

	Original Capital Reserve	Capital Maint. Reserve	Real Capital	General Reserve	Reserve for Grants	Asset Reval. Reserve	Retained Surplus	Total Reserves	Equity
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Opening Balance at 1 April 2019	579,106	376,524	955,630	22	105,570	939	297,695	404,226	1,359,856
Total Comprehensive Revenue & Expenses	-	-	-	-	-	-	(37,268)	(37,268)	(37,268)
Transfer to Capital Maintenance Reserve	-	23,891	23,891	-	-	-	(23,891)	(23,891)	-
Net Transfer (from) / to Reserves	-	-	-	-	(2,462)	-	2,462	-	-
CLOSING BALANCE AT 31 MARCH 2020	579,106	400,415	979,521	22	103,108	939	238,998	343,067	1,322,588
Opening Balance at 1 April 2018	579,106	362,402	941,508	22	100,051	939	270,104	371,116	1,312,624
Total Comprehensive Revenue & Expenses	-	-	-	-	-	-	47,232	47,232	47,232
Transfer to Capital Maintenance Reserve	-	14,122	14,122	-	-	-	(14,122)	(14,122)	-
Net Transfer to/(from) Reserves	-	-	-	-	5,519	-	(5,519)	-	-
CLOSING BALANCE AT 31 MARCH 2019	579,106	376,524	955,630	22	105,570	939	297,695	404,226	1,359,856

Consolidated summary statement of cash flows for the year ended 31 March 2020

	2020 \$000	2019 \$000
Net Cash Inflow from Operating Activities	(2,738)	(98)
Net Cash Outflow from Investing Activities	(62)	(175)
Net Cash Inflow / (Outflow) from Activities	(2,800)	(273)
Add: Cash at Bank at 1 April	3,903	4,176
CASH AT BANK AT 31 MARCH	1,103	3,903
CASH AT BANK AT 31 MARCH COMPRISES: CASH AT BANK	1,103	3,903

Trustee Meeting Attendance

Name	Board Meetings Available to Attend	Board Meetings Attended	Committee Meetings Available to Attend	Committee Meetings Attended	Other Meetings Available to Attend	Other Meetings Attended	Total Meetings Attended
BELL Appointed Jun 2011	1	1	5	5	0	0	6
BROADBELT Appointed Sept 12	4	4	20	19	9	2	25
CHEN Appointed Jun 2019	4	3	8	6	9	8	17
CLARK Appointed Oct 12	1	1	3	3	0	0	4
CORBAN Appointed Jul 2018	4	3	12	1	9	2	6
DHILLON Appointed Jun 2017	4	3	18	16	11	5	24
HEWITSON Appointed Jul 2016	4	4	22	16	17	14	34
LIM Appointed Jun 2010	1	1	2	2	0	0	3
MILLAR Appointed Jun 2011	1	1	1	1	0	0	2
NAKHLE Appointed Jun 2017	4	3	12	8	9	1	12
RAE Appointed Jul 2018	4	4	18	14	9	3	21
SEVERNE Appointed Jun 2017	4	4	21	18	11	7	29
SHORTLAND Appointed Jun 2019	4	3	8	3	9	5	11
SLATER Appointed Sept 2012	4	4	33	31	11	9	44
TSUI Appointed Jul 2018	4	4	18	18	9	4	26
UDANGA Appointed Jul 2018	4	4	13	10	9	5	19
WALTERS Appointed Jun 2019	4	3	8	6	9	8	17
WHYTE Appointed Jun 2019	4	3	10	8	9	8	19
WRIGHT Appointed Sept 2012	4	4	25	19	11	8	31
TOTAL	64	57	257	204	151	89	350

Trustee Remuneration

Name	2020 \$	2019 \$
E Auva'a	0	4,250
A Bell	2,833	21,250
M Brickell	0	4,675
M Broadbelt	18,700	18,700
N Chen	14,167	0
P Clark	2,833	17,000
B Corban	17,000	12,750
B Dhillon	18,700	17,000
M Hewitson	21,250	18,700
L Lim	2,833	34,000
T Millar	2,833	17,000
M Milne	0	4,675
D Nahkle	17,000	17,000
N Rae	18,700	14,025
C Severne	18,700	18,275
M Shortland	15,584	0
J Slater (Chair)	34,000	18,700
M Tsui	17,000	12,750
R Udanga	17,000	12,750
V Walters	14,167	0
D Whyte	14,167	0
K Wright	18,700	18,702
TOTAL	\$268,167	\$282,202

These notes are an integral part of these summary consolidated financial statements.

Notes:

1. The information set out in these Summary Consolidated Financial Statements has been prepared in compliance with PBE FRS 43: Summary Financial Statements. It has been extracted from Foundation North's (the Foundation) Consolidated Financial Statements, which have been prepared in accordance with the Tier 1 Accounting Standards (Not-For-Profit) as appropriate for Public Benefit Entities, and authorised by the Foundation Trustees dated 03 August 2020.

The Foundation is a Public Benefit Entity, an "in perpetuity" Community Trust operating under the Community Trusts Act 1999, and is a corporate body registered under the Charitable Trusts Act 1957. It seeks to enhance the lives of the people of Auckland and Northland by wisely allocating, equitably sharing, and responsibly managing the resources that are held in trust for the present and future generations of the Auckland and Northland region.

2. The Foundation makes grants to qualifying organisations resident in its region, and is domiciled in Auckland, New Zealand. Its registered office is Allendale House, 50 Ponsonby Road, Grey Lynn, Auckland. The Summary Consolidated Financial Statements comprise the Foundation and its subsidiaries Foundation North Grants Limited, Centre for Social Impact New Zealand Limited, Foundation North Property Holdings Limited and ASB Community Trust Limited. Collectively these entities, referred as the Group, make up the reporting entity.

3. Because of their summary nature, these Summary Consolidated Financial Statements cannot provide a full understanding of the financial performance, financial position and cash flows of the Group. This understanding can only be obtained by reference to the Group's Financial Statements. A copy of the Group's Financial Statements may be obtained on request from the Group's office (telephone 09 360 0291, mail PO Box 68048, Victoria St West, Auckland 1142) or downloaded from the Group's website, www.foundationnorth.org.nz.

4. Subsidiaries are entities controlled by the Foundation. The financial statements of the subsidiaries are included in the Group's financial statements from the date control commences until the date control ceases. The Group financial statements have been prepared using uniform accounting policies for like transactions. Intragroup balances and income and expenses arising from intragroup transactions are eliminated in preparing Group financial statements. The Foundation's subsidiary companies, Foundation North Property Holdings Limited and ASB Community Trust Limited have not operated since incorporation. Foundation North Grants Limited commenced operating during the 2009/10 financial year, and is a charity registered under the Charities Act 2005 (registration # CC38999). Centre for Social Impact New Zealand Limited a charity registered under the Charities Act 2005 (registration # CC50226) commenced operating on 1 April 2014.

5. Foundation North has an investment portfolio with well diversified geographic and industry sector exposure. The current and ongoing COVID-19 pandemic has disrupted, and will continue to disrupt, numerous industries and global supply chains to which the portfolio has an exposure. Measures to mitigate the severity of the pandemic, such as restrictions on businesses, venues, transport, movement and public gatherings of people, workplace closures, and the closure of public institutions such as schools and universities will negatively affect economic activity world-wide. These negative impacts to the portfolio are reflected in the investment valuations reported at 31 March 2020. The COVID-19 pandemic has introduced greater uncertainty around the valuation of investments, and the fair value estimates presented are not necessarily indicative of an amount the Foundation could realise in a current transaction. Future events will also affect the estimates of fair value. The extent to which the COVID-19 pandemic impacts the Foundation's financial performance and financial position will depend on future developments which are still evolving and highly uncertain. At this time, therefore, it is not possible to estimate the longer-term effects that the COVID-19 pandemic could have on the Foundation's portfolio and financial performance.

6. Committed Grants are recognised as an expense and Grants Written Back and Grant Refunds Received are recognised as income in the Statement of Comprehensive Income. Grants to community organisations are classified in the Statement of Cash Flows as cash outflows from operating activities.

7. These Group summary statements are prepared in New Zealand Dollars, which is the presentation and functional currency.

8. The Group's Consolidated Financial Statement have been audited by KPMG who has issued an unmodified opinion in respect of them.

9. The trustees authorised the publication of the Group's Summary Consolidated Financial Statements on 03 August 2020.

Approved on behalf of the Board:



Board Chair
Date 3rd August 2020



Audit, Finance, Risk & Compliance Committee Chair
Date 3rd August 2020



Independent Auditor's Report To the Trustees of Foundation North

Report on the summary consolidated performance report

Opinion

The accompanying summary consolidated performance report comprises:

- the consolidated summary statement of financial position as at 31 March 2020;
- the consolidated summary statements of comprehensive revenue and expense, changes in equity and cash flows for the year then ended;
- notes, including a summary of significant accounting policies and other explanatory information; and
- the summary statement of service performance and entity information on pages 24 to 30

In our opinion, the accompanying summary consolidated performance report on pages 24 to 30:

- i. has been correctly derived from the audited consolidated performance report of Foundation North and its subsidiaries (the "Group") for the year ended 31 March 2020; and
- ii. is a fair summary of the consolidated performance report, in accordance with PBE FRS 43 Summary Financial Statements.



Basis for opinion

We conducted our audit in accordance with International Standard on Auditing (New Zealand) (ISA (NZ)) 810 (Revised), Engagements to Report on Summary Financial Statements.

Our firm has also provided other services to the Group in relation to taxation advisory services during the year ended 31 March 2020. In addition to these services, during 2014, the Foundation and our firm entered into a memorandum of understanding (the "Agreement"). Under this Agreement, the firm may provide professional advice, pro bono, to selected beneficiaries as identified by the Foundation should these beneficiaries align with the objectives of the firm's national communities programme. This Agreement does not represent a business relationship between the firm and the Group, nor does it create any obligation upon either party, however, it may result in our firm providing service, pro bono, to a grantee of the Group. Subject to certain restrictions, partners and employees of our firm may also deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. These matters have not impaired our independence as auditor of the Group. The firm has no other relationship with, or interest in, the Group.



Emphasis of matter

We draw attention to Note 5 to the consolidated performance report which describes that there is significant uncertainty regarding the determination of fair values for the Foundation's private equity investments and heightened financial risks due to the impacts of COVID-19. Our opinion is not modified in respect of this matter.



Use of this independent auditor's report

This report is made solely to the Trustees as a body. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in the Independent Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustees as a body for our audit work, this report, or any of the opinions we have formed.



Responsibilities of the Trustees for the summary consolidated performance report

The Trustees, on behalf of the trust, are responsible for:

- the preparation and fair presentation of the consolidated summary performance report in accordance with PBE FRS 43 Summary Financial Statements; and
- implementing necessary internal control to enable the preparation of a consolidated summary performance report that is correctly derived from the audited performance report.

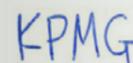


Auditor's responsibilities for the summary consolidated performance report

Our responsibility is to express an opinion on whether the summary consolidated performance report is consistent, in all material respects, with (or are a fair summary of) the audited performance report based on our procedures, which were conducted in accordance with ISA (NZ) 810 (Revised), Engagements to Report on Summary Financial Statements.

We expressed an unmodified audit opinion on the performance report in our audit report dated 5 August 2020.

The summary performance report does not contain all the disclosures required for a full performance report under generally accepted accounting practice in New Zealand. Reading the summary performance report, therefore, is not a substitute for reading the audited performance report of the Group.



KPMG
Auckland
5th August 2020



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Foundation North is the community trust
for Auckland and Northland has over a billion
dollars invested to support our region's not-
for-profit sector today, and in the future.

foundationnorth.org.nz

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Printed on recycled paper produced with 100% recovered fibre.



behind
every grant
there is a
story