

Financials
2019



**FOUNDATION
NORTH**
*Te Kaitiaki Pūtea o
Tamaki o Tai Tokerau*

Chair's Foreword

John Slater ONZM



Kia ora tātou and welcome to Foundation North's annual report.

Over the last year the Foundation started to implement its 15-year strategy to respond to our rapidly growing and changing Auckland and Northland regions. Alongside our long-standing support for a diverse range of our regions' community organisations, we started to look more actively to support initiatives that will help us achieve impact around our strategic priorities: reducing inequalities; building social cohesion; disrupting intergenerational disadvantage; enabling community economic development; and conserving and enhancing our environment for the benefit of all communities in our region.

This has meant some changes within the Foundation. Our team is now increasingly looking for grantmaking opportunities to address the systemic social and environmental issues affecting our region. In order to be more responsive to our communities, we have actively increased the diversity of our staff and have worked to strengthen our internal cultural capability. We are aware that we cannot move the dial on our priorities working in isolation, and accordingly we are seeking opportunities to work in partnership with our communities, and organisations which share our goals. All this is underpinned by a commitment to evidence-driven practice, and to ensuring we are responsive to the organisations and communities that approach us for funding.

Grants

Over the year to 31 March 2019 the Foundation approved 609 grants to not-for-profit organisations and community initiatives. The value of these grants was \$37.6m compared to \$38.7m in the 2017-18 year (with an additional \$10m approved in 2017-18 from our Iconic Reserve for the new Auckland City Mission building).

Capital, Investments and Reserves

Our investment portfolio grew during the year from \$1.312 billion to \$1.359 billion. The Foundation sets aside an amount each financial year to allow for the impact of inflation. Inflation for the 12 months to 31 March 2019 was 1.5% and the amount set aside for the year was \$14.1 million (2017-18 1.1%, \$10.2m).

The performance of the funds under management was favourable to the benchmark against which returns are measured for the financial year. The return on the Foundation's diversified investment portfolio in the year to 31 March 2019 was \$93.5 million (compared to \$99.2 million in the 2017-18 year). This represents a return of 6.7% net of fees (compared to 7.7% for 2017-18 year). This was well ahead of the benchmark composite index return of 5.3%. As a long-term investor however, the Foundation also considers long-term performance. The five year return on our funds under management was 7.8% per annum, which compares favourably to the five year benchmark of 7.2%.

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.

In the years when our returns exceed our benchmark, this helps to increase the Foundation's reserves. In part, these reserves will enable us to make grants despite fluctuations in investment markets. This is an important consideration given the many organisations that rely on our funding to enable them to provide services and programmes for our communities. The reserves held by the Foundation grew from \$371.1 million in the 2017-18 year, to \$404.2 million. Of this, \$91.2 million are reserves set aside specifically to permit continuity of funding.

Our trustees

During the year we welcomed Brian Corban, Ngaire Rae, Michelle Tsui and Romy Udanga to the Board. As new trustees join the Foundation, each brings a range of experiences, connections and insights to our work. This ensures that the discussions around the board table remain robust as trustees continually assess how effectively we are fulfilling our responsibility to steward 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 Moe Milne ONZM, Auva'a Unasa Enosa Auva'a and Mark Brickell, all of whom ended their terms with the Foundation in 2018. My thanks to Moe, Unasa and Mark for your significant contributions to the Foundation in your roles as governors.

I would like to make a special acknowledgement of my predecessor as Chair, Huei Min (Lyn) Lim. Lyn finished a two year term as Chair on 31 March, having joined as a trustee in 2010. During Lyn's term as Chair, the Foundation carried out the complex process of development of our strategy to 2033 to guide an investment through our grants into Auckland and Northland communities of around half a billion dollars.

As we thought through our strategy as trustees, Lyn kept us focused on the opportunity we had to take an intergenerational view of the needs and aspirations of the communities we serve. This had a considerable impact on our thinking about how we can offer 'support for the communities of today to shape the communities of tomorrow.' Thank you, Lyn, for your leadership.

Our team

In 2018 our chief executive Jennifer Gill advised the trustees of her intention to retire from the Foundation in 2019. Accordingly, the board commenced a search for a replacement for Jennifer.

We did not underestimate the challenge associated with replacing a chief executive who has led our organisation with distinction for fifteen years, and who has a distinguished record in the philanthropic sector in New Zealand and internationally as an outstanding and innovative leader. Jennifer has made a remarkable contribution to our country.

Her commitment to developing the quality of philanthropic practice in New Zealand has helped influence not just the way the Foundation works, but also the work of other community, corporate and family trusts and foundations. While Jennifer is retiring from the Foundation, her experience and wisdom will continue to be accessed by leaders and organisations looking to shape a better Aotearoa, and a better world. Thank you Jennifer for your years of service to the Foundation.

Jennifer will be succeeded in the current financial year by Peter Tynan, whose career includes leading the transformation of Southern Cross Healthcare Society over eight years as chief executive.

My thanks to my fellow trustees, and 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 regions.

Summary Statement of Service Performance

The summary statement of service performance seeks to provide an overview of Foundation performance – inputs, outputs and the developing area of outcomes achieved.

Strategic Goals

Following a review undertaken during 2017-18, Foundation North’s Committees, and the strategic approach adopted by the Foundation, changed with effect from 1 April 2018. Informed by an evidence review of our communities and key stakeholders, the review identified key priorities and outcomes that the Foundation wanted to achieve to contribute towards its vision of enhancing the lives of all the people of our region. The composition and delegated authorities of the Committees also changed to allow flexibility and responsiveness to better serve the communities of Auckland and Northland. Finally, the Foundation decided to focus its grantmaking approach on the achievement of identified outcomes and priorities. The need to report against the new Strategic Plan is the principal element in our choice of relevant service information.

Statement of Service Performance – the basis of our practice is our theory of change, so this is used as the basis of our 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’d like to achieve through our work. It also acknowledges we are a funder that will exist 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 an overview of the Foundation’s performance – the inputs, outputs and progress towards achieving outcomes. These are centred on effective grantmaking, investments and philanthropic practice.

Our context

Through the Community Trusts Act, Foundation North has an ongoing responsibility to the 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 grantmaking 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 give us the ability to take risks with new things whilst maintaining support for 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: Our community funding programmes are designed to be responsive to community needs and aspirations, and initiatives that contribute to our vision.

2018-19		
Quick Response Grants	\$5.4m	350 grants approved
Community Grants	\$27.9m	240 grants approved
Partnerships	\$3.0m	6 grants approved

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

		2018-19
Gulf Innovation Fund Together (G.I.F.T)	A total of \$7 million was allocated to support innovation that restores the mauri of the Hauraki Gulf in G.I.F.T’s founding year 2016-17. G.I.F.T is an innovation fund focused on seed-scale-system projects.	\$1.39m of support, 13 grants approved.
Impact investment	The Foundation is committed to exploring the potential for impact investment to deliver on the Foundation’s strategic priorities. Impact investment will widen the set of tools available to the Foundation to use capital for creating positive impact and will complement the Foundation’s significant granting activity. It provides an additional financing option to advance social and environmental solutions.	The Foundation’s involvement with impact investing is a ‘learning journey’ which helps to inform the Foundation’s desire to optimise the way it supports communities.
Catalysts for Change	Venture philanthropy model, with support provided for organisations supporting outcomes for children and young people. The Fund has closed, but programmes are still ongoing.	Work undertaken in 2018-19 with Lifewise, Springboard, Whangārei Youth Space, Te Ara Rangatahi, The Peter Collective, Tuilaepa Youth Mentoring Service, Te Ira, He Korowai Trust, ĀKAU
Māori & Pacific Education Initiative (MPEI)	This programme, now closed, was based on principles of venture philanthropy, and saw \$20 million committed to improving educational outcomes. We are 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 remained in progress during the year.

Strategic Goals: *Continued*

Our context

Our opportunity

Our activities

How we undertake the activities:

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 Ngāti Whātua Ōrākei, Ngātiwai, Crown agencies, Auckland Council, The Tindall Foundation and The Nature Conservancy.

- Building relationships with Iwi – 3 – example – exploring support for sustainable fisheries with a Tai Tokerau Iwi
- Relationships with central government - working with 4 Ministries – example – sharing the learnings from MPEI.
- Relationships with local government – working with 4 local councils – example – joint funding of significant projects such as the Auckland City Mission.
- Working with funders – 6 funders – 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 and directly to applicants/grantees. This means that grantees receive additional support alongside their grant to help them – grants in this category totalled \$248,000 in 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 can be found here: <https://www.foundationnorth.org.nz/how-we-work/resources/>

Working responsively: We prioritise opportunities that align with our Māori, Pacific and Ethnic Diversity strategies. We have staff leading and delivering on each strategy: Pou Ārahi, Pacific Strategy Activator and Ethnic Diversity Strategy Activator. Each strategy aims to develop new and responsive ways to achieve its goals. Highlights include: establishing a Māori staff group - Tū Māia Manea; attendance at Northland Pasifika Fusion festival and ASB Polyfest; and celebration of Race Relations Day.

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, an innovation programme focused on seed-scale-system funding to restore the mauri of the Hauraki Gulf, and introducing roundtable reporting for some grantees.

Learning: We are a learning organisation and look to share our insights to support the work of others. An example of this is the research done to support the development of the Ethnic Diversity Strategy, <https://www.foundationnorth.org.nz/how-we-work/diverse-communities/>. We have a Monitoring, Evaluation and Learning Framework to guide our evolving practice; this includes convening internal learning sessions with staff and trustees; tracking internal and external data; outcomes harvesting to understand the impacts 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, MPEI and G.I.F.T.

Strategic Goals: *Continued*

Priorities to achieve our vision	Outcomes to achieve our vision	Signs of progress towards our vision
<p>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:</p>	<p>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:</p>	<p>By funding for outcomes and across our priority areas, we believe that we will achieve our vision to enhance the lives of all people of the Auckland and Northland regions. One year into our 15-year strategy, we are seeing signs that we are making progress.</p>
<p>Address the persistent inequalities affecting:</p>	<p>Increased participation (funded 215 grants totalling \$8,659,933)</p>	<p>A few examples of the sources providing our early signs of progress include:</p>
<ul style="list-style-type: none"> • Northland and South Auckland communities (funded 103 grants totalling \$5,883,747) • Māori and Pacific communities (funded 43 grants totalling \$3,690,535) 	<p>Increased social equity (funded 42 grants totalling \$3,758,983)</p>	<ul style="list-style-type: none"> • Our biennial applicant survey: Results from 2018 survey show high-quality staff engagement and support for grantees to achieve impact; positive feedback on range of projects supported; grants and reporting processes generally straightforward; areas for improvement identified in communication and support for specific ethnic groups.
<p>Strengthen social cohesion within and between our diverse communities, particularly for:</p>	<p>Enhanced environmental wellbeing (funded 39 grants totalling \$2,134,165)</p>	<ul style="list-style-type: none"> • Catalysts for Change evaluation: The evaluation from 2018 showed clear impact for young people not in education, employment and training, for the organisation and for the youth sector. Digital story from a Catalysts for Change grantee: https://www.foundationnorth.org.nz/news-reports/2019/6/new-digital-story-te-ara-rangatahi/
<ul style="list-style-type: none"> • Refugee-background communities (funded 9 grants totalling \$559,740) 	<p>Increased family and whānau resilience (funded 116 grants totalling \$6,240,143)</p>	<ul style="list-style-type: none"> • G.I.F.T Year Two learning: Year Two report on outcomes and learnings: https://www.giftofthegulf.org.nz/media
<ul style="list-style-type: none"> • Migrant-background communities. (funded 17 grants totalling \$393,680) 	<p>Increased community capability and self-determination (funded 59 grants totalling \$8,096,675)</p>	<ul style="list-style-type: none"> • MPEI Longitudinal Study: Significant insights from this high-engagement innovation fund about what works for Māori and Pacific families and understanding what success looks like for whānau. This has informed our grantmaking practice and will continue to do so over the duration of the study. https://www.foundationnorth.org.nz/how-we-work/maori-pacific-education-initiative/
<p>Achieve positive outcomes for children and young people, to disrupt intergenerational disadvantage. (funded 87 grants totalling \$6,452,983)</p>	<p>Enhanced cultural vibrancy (funded 51 grants totalling \$3,375,567)</p>	<p>Internal foci</p>
<p>Enable community economic development, particularly for the communities most affected by income inequalities (funded 14 grants totalling \$3,247,533)</p>	<p>Increased effectiveness of philanthropic practice – this is 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.</p>	<p>There have been a number of internal developments which demonstrate our commitment to achieving our goals and vision:</p>
<p>Conserve and enhance our environment for the benefit of all communities in our region (funded 34 grants totalling \$1,873,085)</p>	<p>Maximise the funding available for granting, through investment. Funding is essential to fulfilling the vision.</p>	<ul style="list-style-type: none"> - Our work has shifted more towards addressing systemic issues. - We have greater diversity in staff and have strengthened cultural capability within the organisation. - Our practice is driven by evidence and good practice and we're sharing learning with the community. We have run or hosted a range of internal and external learning sessions. These were made up of workshops, reflective sessions, 'Kōtuitui' interweaving conversations with thought leaders, convened community and sector conversations and peer learning meetings. - We are more focused on working in partnership with community and listening to what their needs are. - We have made changes based on what applicants need and supporting applicants in areas that they need help in.
		<p>The performance of the funds under management was favourable to the benchmark against which performance is measured for the financial year. The return was \$93.5 million or 6.7% net of fees (compared to \$99.2 million and 7.7% for 2017-2018). The benchmark composite index returned 5.3% for the financial year (8.3% 2017-2018). As a long-term investor however, the Foundation also considers long-term performance and the five-year performance was 7.8%, favourable to the five-year benchmark of 7.2% (2017-2018 7.9% actual, 7.4% benchmark).</p>
		<p>Granting was maintained in accordance with the granting policy. The reserves held by the Foundation are \$404.2 million (2017-2018 \$371.1 million).</p>

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
AUVA A Appointed Jun 2010	1	1	1	1	2	1	3
BELL Appointed Jun 2011	4	4	15	14	14	13	31
BRICKELL Appointed Jun 2010	1	1	2	2	3	3	6
BROADBELT Appointed Sept 12	4	4	16	16	5	5	25
CLARK Appointed Oct 2012	4	3	13	9	5	4	16
CORBAN Appointed Jul 2018	3	2	4	4	8	6	12
DHILLON Appointed Jun 2017	4	4	12	8	5	4	16
HEWITSON Appointed Jul 2016	4	4	10	10	14	14	28
LIM Appointed Jun 2010	4	4	23	15	9	8	27
MILLAR Appointed Jun 2011	4	4	9	9	5	5	18
MILNE Appointed Jun 2010	1	1	2	2	2	2	5
NAKHLE Appointed Jun 2017	4	3	8	5	5	2	10
RAE Appointed Jul 2018	4	3	5	5	8	7	15
SEVERNE Appointed Jun 2017	4	3	15	13	7	7	23
SLATER Appointed Sept 2012	4	4	18	18	10	10	32
TSUI Appointed Jul 2018	3	3	6	6	8	5	14
UDANGA Appointed Jul 2018	3	3	4	3	8	8	14
WRIGHT Appointed Sept 2012	4	4	10	10	16	13	27
TOTAL	60	55	173	150	134	117	322

Trustee Remuneration

Name	2019 \$	2018 \$
E Auva'a	4,250	17,000
A Bell	21,250	21,250
M Brickell	4,675	18,700
M Broadbelt	18,700	18,700
P Clark	17,000	17,000
B Corban	12,750	-
B Dhillon	17,000	13,104
M Hewitson	18,700	18,700
B Leveloff	-	3,896
L Lim (Chair)	34,000	34,000
T Millar	17,000	17,000
M Milne	4,675	18,700
D Nakhle	17,000	13,104
B Plunkett	-	14,167
N Rae	14,025	-
C Severne	18,275	13,104
J Slater	18,700	18,700
M Tsui	12,750	-
R Udanga	12,750	-
K Whitney	-	3,896
K Wright	18,702	18,700
TOTAL	\$282,202	\$279,721

Consolidated summary statement of comprehensive revenue and expense for the year ended 31 March 2019

	2019 \$'000	2018 \$'000
Revenue		
Revenue from Investments	93,465	99,240
Grants Written Back during the year	627	330
Grant Refunds Received during the year	15	49
Other Income	577	518
TOTAL REVENUE	94,684	100,137
Expenses		
Grants Committed to Community Groups	37,613	48,701
Administration Expenses	5,661	5,290
Activity Costs	2,231	2,201
Fund Management, Custodian and Advisory Fees	1,947	1,634
TOTAL EXPENSES	47,452	57,826
SURPLUS FOR THE YEAR	47,232	42,311
Other Comprehensive Revenue and Expense	-	580
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR	47,232	42,891

Consolidated summary statement of financial position at 31 March 2019

	2019 \$'000	2018 \$'000
Assets		
Cash at Bank	3,903	4,176
Investments	1,393,230	1,351,058
Fixed Assets	8,516	8,835
Other Assets	507	484
TOTAL ASSETS	1,406,156	1,364,553
Less:		
Liabilities (including Outstanding Grants Payable \$44.62 million (2018: \$50.25 million))	46,300	51,929
NET ASSETS AT 31 MARCH	1,359,856	1,312,624
Represented by:		
Equity		
Real (Inflation Proofed) Capital	955,630	941,508
Reserves	404,226	371,116
EQUITY AT 31 MARCH	1,359,856	1,312,624

Consolidated summary statement of changes in Foundation equity for the year ended 31 March 2019

	Original Capital	Capital Maintenance Reserve	Real Capital	General Reserve	Reserve for Grants	Asset Revaluation Reserve	Retained Surplus	Total Reserves	Equity
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
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 and Expenses	-	-	-	-	-	-	47,232	47,232	47,232
Transfer to Capital Maintenance Reserve	-	14,122	14,122	-	-	-	(14,122)	(14,122)	-
Net Transfer (from) / to 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
Opening Balance at 1 April 2017	579,106	352,158	931,264	22	107,028	359	231,060	338,469	1,269,733
Total Comprehensive Revenue and Expenses	-	-	-	-	-	580	42,311	42,891	42,891
Transfer to Capital Maintenance Reserve	-	10,244	10,244	-	-	-	(10,244)	(10,244)	-
Net Transfer to/(from) Reserves	-	-	-	-	(6,977)	-	(6,977)	-	-
CLOSING BALANCE AT 31 MARCH 2018	579,106	362,402	941,508	22	100,051	939	270,104	371,116	1,312,624

Consolidated summary statement of cash flows for the year ended 31 March 2019

	2019 \$000	2018 \$000
Net Cash Inflow from Operating Activities	(98)	2,656
Net Cash Outflow from Investing Activities	(175)	(496)
Net Cash Inflow / (Outflow) from Activities	(273)	2,160
Add: Cash at Bank at 1 April	4,176	2,016
CASH AT BANK AT 31 MARCH	3,903	4,176
CASH AT BANK AT 31 MARCH COMPRISES:		
CASH AT BANK	3,903	4,176

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 26 August 2019.

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, Wellesley Street, Auckland 1141) 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. 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.

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

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

8. The trustees authorised the publication of the Group's Summary Consolidated Financial Statements on 26 August 2019.

Approved on behalf of the Board:



Chair
Date: 26 August 2019



Audit, Finance, Risk and
Compliance Committee Chair
Date: 26 August 2019

Independent Auditor's Report

To the Trustees of Foundation North

Report on the summary consolidated performance report



In our opinion, the accompanying summary consolidated performance report on pages 4 to 9, and 11 to 14:

- 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 2019; and
- ii. is a fair summary of the consolidated performance report, in accordance with PBE FRS 43 Summary Financial Statements.

The accompanying summary consolidated performance report comprises:

- the consolidated summary statement of financial position as at 31 March 2019;
- 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 4 to 9.



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 during the year ended 31 March 2019. 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.



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 summary consolidated performance report in accordance with PBE FRS 43 Summary Financial Statements; and
- implementing necessary internal control to enable the preparation of a summary consolidated 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 26 August 2019.

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
26 August 2019



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Foundation North 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.

Grants for the special organisations, events and places that make this such a great place to live.



**FOUNDATION
NORTH**
*Te Kaitiaki Pūtea o
Tāmaki o Tai Tokerau*

Grantees List 2018/2019



Organisation name	Sum approved
1st Dargaville Girls' Brigade	\$1,000
A.D.H.D. Association Incorporated	\$15,000
A.I.M. (Adults in Motion) Incorporated	\$1,300
Abuse Prevention Services Incorporated.	\$70,000
Achilles Track Club New Zealand Incorporated	\$40,000
Action Education Incorporated	\$40,000
Adult Literacy Franklin Incorporated	\$24,000
Adventure Camp Trust Board	\$25,000
Adventure Specialties Trust	\$295,000
African Film Festival New Zealand	\$30,000
African Scholarship Trust for Education and Leadership	\$19,200
Age Concern Auckland Inc.	\$80,000
Age Concern Counties/Manukau Incorporated	\$100,000
Age Concern North Shore Incorporated	\$25,000
Age Concern Rodney Incorporated	\$25,000
Age Concern Whangarei (Incorporated)	\$25,000
All Heart NZ Charitable Trust	\$25,000
Alzheimers Auckland Charitable Trust	\$25,000
Alzheimers Society Northland Inc.	\$20,000
Ambury Park Centre Inc.	\$25,000
Anglican Trust for Women and Children	\$100,000
Aotea Family Support Group Charitable Trust	\$25,000
Aotearoa Latin American Community Incorporated	\$16,900
Aphasia New Zealand (APHASIANZ) Charitable Trust	\$20,000
Aroha Music Society Inc.	\$4,000
Arts Access Aotearoa Whakahau Katoa o Hanga Charitable Trust	\$74,000
Artspace (Aotearoa) Trust	\$70,000
Association of Nigerians in New Zealand Incorporated	\$3,800
Asthma New Zealand Inc.	\$25,000
Atamira Dance Collective Charitable Trust	\$99,179
Athletics Auckland Incorporated	\$25,000
Attainable Trust	\$48,485
Auckland Badminton Association Incorporated	\$60,000
Auckland Basketball Services Ltd.	\$300,000
Auckland Cambodian Youth And Recreation Trust	\$15,000
Auckland Chamber Orchestra Trust Board Incorporated	\$10,000
Auckland Choral Society Inc	\$20,000
Auckland City Mission	\$50,000
Auckland District Kidney Society Incorporated	\$25,000
Auckland Festival of Photography Trust	\$25,000
Auckland Folk Festival Incorporated	\$10,000
Auckland Foundation	\$25,000
Auckland Fringe Trust	\$25,000
Auckland Indian Sports Club Inc	\$12,400
Auckland Maternity Services Consumer Council Inc.	\$13,000
Auckland Niue Rugby League Inc	\$13,500
Auckland North Community And Development Incorporated	\$115,000
Auckland Paraplegic & Physically Disabled Association Inc	\$73,500
Auckland Parents of Deaf Children Inc	\$24,084
Auckland Regional Migrant Services Charitable Trust	\$161,560

Auckland Resettled Community Coalition Incorporated	\$80,000
Auckland Secondary Schools Music Festival Trust	\$10,000
Auckland Seniors Support And Caring Group Incorporated	\$10,000
Auckland Somali Community Association Incorporated	\$21,700
Auckland Studio Potters Inc.	\$10,000
Auckland Wheelbreakers Incorporated	\$10,000
Auckland Women's Health Council Incorporated	\$6,000
Auckland Writers and Readers Festival Charitable Trust	\$35,000
Auckland Youth Choir (Inc)	\$12,000
Autism New Zealand Inc	\$20,000
Awatuna Sea Scout Group	\$5,000
Awhitu Peninsula Landcare Incorporated	\$5,250
Bach Musica NZ Incorporated	\$25,000
Badminton North Harbour Incorporated	\$100,000
Barnardos New Zealand Incorporated	\$25,000
Bay Of Islands Arts Festival Trust	\$75,000
Bay of Islands Maritime Park Inc	\$24,900
Bay Olympic Soccer And Sports Association Incorporated	\$24,090
Bays Youth Community Trust	\$35,000
Baysport Inc.	\$39,000
Be Free Incorporated	\$10,000
Beachlands Community Trust	\$18,000
Beneficiaries Advocacy and Information Service Incorporated	\$40,000
Big Buddy Mentoring Trust	\$75,000
Birkenhead United Association Football & Sports Club Incorporated	\$10,000
Boccia New Zealand Incorporated	\$2,000
Body Positive - New Zealand Incorporated	\$20,000
Bowls New Zealand Incorporated	\$20,000
Bowls North Harbour Inc	\$9,900
Bowls Warkworth Incorporated	\$2,800
Brainwave Trust Aotearoa	\$25,000
Bright Lights Little Village	\$10,000
Browns Bay Chinese Society Incorporated	\$3,500
CAPS Northland Incorporated	\$80,000
CARE Waitakere Trust	\$60,000
CCS Disability Action Northland Incorporated	\$60,000
Centrestage Theatre Company (Orewa) Incorporated	\$20,000
Chamber Music New Zealand Trust Board	\$75,000
Charlotte Museum Trust	\$17,000
Child Flight Charitable Trust	\$12,000
Chinese Senior Citizens Health Exercise Group Inc.	\$10,000
Choirs Aotearoa New Zealand Trust	\$59,000
Christians Against Poverty New Zealand	\$60,000
Circability Trust	\$40,000
Clendon Pride Project	\$11,800
CNSST Foundation	\$100,000
Coast Families Trust	\$3,350
Coast Youth Community Trust Incorporated	\$50,000
Coastguard Northern Region Incorporated	\$1,080,000
Cochlear Implant Foundation Of New Zealand	\$15,000
CollaboratioNZ Trust	\$10,000
Community Business and Environment Centre Co-Operative Society Limited	\$25,000
Community Fruit Harvesting	\$3,253
Community Waitakere Charitable Trust	\$95,500
Connect Supporting Recovery Incorporated	\$5,400
Connect The Dots Charitable Trust	\$40,000
Connected Media Charitable Trust	\$30,000
Counties Manukau Gymnastics Inc.	\$5,000

Counties Manukau Softball Association Inc.	\$24,500
Counties-Manukau Sports Foundation	\$115,000
Creative New Zealand	\$247,288
Creative Northland	\$230,000
CUE Haven Community Trust	\$25,000
Cystic Fibrosis Association of New Zealand	\$25,000
Dance Aotearoa New Zealand Ltd	\$69,500
Dance Therapy NZ	\$82,266
Dargaville Arts Association Inc	\$10,000
Dargaville Little Theatre Inc	\$40,000
Dargaville Playcentre	\$2,795
Dayspring Trust	\$80,000
Destination Great Barrier Island	\$65,000
Diabetes NZ Incorporated - Auckland Branch	\$25,000
Domain Concerts Trust	\$25,000
Dress For Success (Northland) Incorporated	\$25,000
Dress for Success Incorporated	\$20,000
Duolan Ethnic Dancing Training Centre Incorporated	\$2,300
Earth Action Trust	\$25,000
East Auckland Home And Budget Service Charitable Trust	\$25,000
East Coast Bays' and Districts Cricket Club Incorporated	\$3,800
Eastern Stars Band Incorporated	\$7,000
Eating Disorders Association of New Zealand Incorporated	\$5,000
Ecomatters Environment Trust	\$24,960
ECPAT Child Alert Trust	\$25,000
Edmund Rice Camps Auckland Incorporated	\$6,000
EDUK8 Charitable Trust	\$25,000
Ellerslie Eagles Rugby League Football Club Incorporated	\$24,970
Empowerment Trust	\$10,000
English Language Partners New Zealand Trust	\$146,480
Epilepsy Association of New Zealand Incorporated	\$25,000
Estuary Arts Charitable Trust	\$25,000
FAGASA Incorporated	\$5,000
Faith City Trust Board	\$40,000
Family Start Manukau	\$25,000
Family Support (Mid North)	\$10,000
Family Support Services Kaiwaka/Mangawhai Incorporated	\$25,000
Fantastic Gymnastics Incorporated	\$10,060
Far North Safer Community Council Society Incorporated	\$190,000
Father & Child Trust	\$25,000
Fatugatiti Aoga Amata Inc.	\$8,400
Fertility New Zealand (National) Incorporated	\$14,000
Flock Charitable Trust	\$11,075
Fonua Ola Network	\$150,000
Forrest Hill Milford United Association Football Club Incorporated	\$5,000
Franklin Family Support Trust Board	\$50,000
Franklin Parents Centre Incorporated	\$10,000
Friends of the Brynderwyns Inc.	\$15,000
Friends of the Williams House, Paihia Library Incorporated	\$18,500
Gateway Community Trust	\$25,000
Gecko NZ Trust	\$25,000
Glen Innes Chinese Friendship Group Incorporated	\$10,000
Glenavon Community Trust	\$25,000
Good Seed Trust	\$120,000
Graeme Dingle Foundation	\$70,000
Grandparents Raising Grandchildren Trust New Zealand	\$146,000
Great Barrier Island Community Heritage and Arts Village Trust	\$20,000
Great Barrier Island Environmental Trust	\$18,300

Great Families Charitable Trust	\$11,000
Greenhithe Residents Association Inc.	\$40,000
Greenways Trust	\$25,000
Grey Lynn Park Festival Trust	\$8,000
Grief Support and Education Charitable Trust	\$10,000
Guardian Angels Charitable Trust	\$8,000
Gymnastics Community Trust	\$71,000
Habitat For Humanity (Northland) Limited	\$98,642
Habitat for Humanity Greater Auckland Limited	\$267,500
Halberg Disability Sport Foundation	\$30,000
Hauraki Gulf Conservation Trust	\$951,000
He Iwi Kotahi Tatou Trust	\$293,955
He Waka Eke Noa Charitable Trust	\$54,500
Headland Sculpture On The Gulf Ltd	\$50,000
Hearing Association (Auckland) Incorporated	\$25,000
Hearing Dogs for Deaf People New Zealand	\$25,000
Heart For Youth Charitable Trust	\$25,000
Hearts & Minds NZ Incorporated	\$159,198
Helensville Women And Family Centre	\$59,207
Heritage New Zealand	\$120,000
Hibiscus Coast Community Arts Council Incorporated	\$3,978
Hibiscus Coast Family Centre	\$8,000
Hibiscus Coast Senior Moments Charitable Trust	\$8,212
Hillcrest Kindergarten	\$8,744
Hillpark Kindergarten	\$10,000
HIPPY South Kaipara Charitable Trust	\$20,000
Hippy Wellsford	\$25,000
Home and Family Counselling Incorporated	\$80,000
Homebuilders Family Services North Rodney Incorporated	\$82,238
Houghton's Bush Presbyterian Camp Charitable Trust	\$25,000
Howick Bridge Club Inc.	\$18,000
Howick Children's And Youth Theatre Incorporated	\$12,000
Huntingtons Disease Association (Auckland) Inc	\$25,000
I Have A Dream Charitable Trust	\$600,000
Institute For Child Protection Studies Trust Incorporated	\$15,000
Interacting	\$25,000
Inter-Church Northland Urban Rural Mission Incorporated	\$18,000
InZone Education Foundation	\$250,000
James Liston Hostel Trust	\$500,000
Japanese Society of Auckland Incorporated	\$10,000
Kaeo Bowling Club Incorporated	\$2,339
Kaingahoa Marae Mataraua	\$151,000
Kaipara Abuse Prevention Incorporated	\$63,000
Kaipara Budgeting Service	\$4,675
Kaitaia And District Kindergarten Association Incorporated	\$10,000
Kaitaia Group of Riding for the Disabled Association Inc.	\$5,200
Kaitaia People's Centre Nga Hoa Awhina Incorporated	\$25,000
Kaiwaka Sports Association Inc.	\$2,500
Karekare Surf Life Saving Club Inc.	\$300,000
Kelmarna Community Garden Trust	\$5,000
Kerikeri Cruising Club Inc	\$15,500
Kerikeri Football Club Incorporated	\$5,000
Kerikeri International Piano Competition Trust	\$5,000
Kerikeri Scout Group	\$7,600
Kerikeri Theatre Company Incorporated	\$16,400
Kia Timata Ano Trust	\$131,486
Kidney Kids NZ Incorporated	\$20,000
King Tide Auckland	\$3,400

Kohimarama Bowling Club Incorporated	\$13,131
Kohukohu Bowling Club	\$30,000
Kolmar Charitable Trust	\$100,000
Korean Positive Ageing Charitable Trust	\$25,000
Kotare Research and Education for Social Change in Aotearoa Charitable Trust	\$19,260
Kumeu Arts Centre Incorporated	\$20,000
Leadership New Zealand Trust Board	\$20,000
Lifekidz Trust	\$20,000
Linking Hands Incorporated	\$15,500
Literacy Auckland North Incorporated	\$30,000
Littlemore Trust	\$5,000
Living Without Violence (Waiheke Network) Incorporated	\$23,500
Mahu Vision Community Trust	\$300,000
Mahurangi East Bowling Club Incorporated	\$8,000
Mairangi Arts Centre Trust Board	\$62,000
Mangakahia Sports Ground Society Incorporated	\$25,000
Mangawhai Museum and Historical Society Incorporated	\$15,200
Mangawhai Waka Ama Incorporated	\$16,825
Mangere East After School Care Community Education And Study Trust	\$20,000
Manukau Orchestral Society Incorporated	\$30,000
Manukau Youth Orchestra Inc	\$40,000
Marist Alternative Education Limited	\$20,000
Marohemo Hall Society Incorporated	\$37,295
Marsden Yacht & Boat Club Inc.	\$5,000
Massey Community Trust	\$20,000
Matakana Hall Society Incorporated	\$30,000
Maungaturoto Care And Share Family Support Group	\$16,000
McCahon House Trust	\$40,000
Mens Health Trust New Zealand	\$85,808
Mental Health Foundation of New Zealand	\$24,920
Methodist Mission Northern	\$150,000
Mid-North Budgeting Services Trust	\$20,000
Mid-way In Northland Day Services Trust	\$25,000
Migrant Action Trust	\$245,000
Mika Haka Foundation Charitable Trust	\$60,000
Milford Sea Scout Group	\$20,000
Millennium 21 Trust Board	\$5,000
Mind Over Manner Limited	\$5,000
Miriam Centre Child Abuse Treatment and Research Trust	\$75,000
Mobility Assistance Dogs Trust	\$50,000
Moerewa Rugby Football and Recreation Sports Club Incorporated	\$6,800
Moths and Butterflies of New Zealand Trust	\$10,000
Mountains to Sea Conservation Trust	\$160,000
Mountfort Park Water Polo Club Incorporated	\$3,750
Movement of the Human	\$10,000
Multicultural Whangarei Incorporated	\$25,000
Multiple Sclerosis Society of Auckland and the North Shore Inc	\$25,000
Murrays Bay Residents Association Incorporated	\$8,000
Muscular Dystrophy Northern Incorporated	\$25,000
National Heart Foundation Of New Zealand	\$25,000
National Youth Theatre Company Trust	\$25,000
Native Bird Rescue Charitable Trust	\$72,500
Netball Northern Zone Incorporated	\$160,000
Neuro Connection Foundation	\$25,000
New Foundations Trust	\$22,000
New Hope Community Impact Trust	\$12,183
New Zealand African Welfare Service Board	\$30,000
New Zealand AIDS Foundation	\$10,000

New Zealand Association for Environmental Education Incorporated	\$90,000
New Zealand Continence Association Incorporated	\$10,000
New Zealand Dance Advancement Trust	\$200,000
New Zealand Dance Festival Trust	\$95,000
New Zealand Fairy Tern Charitable Trust	\$25,000
New Zealand Family And Foster Care Federation Inc	\$50,000
New Zealand Fashion Museum	\$83,000
New Zealand Nejashi Trust Inc.	\$20,700
New Zealand Nepal Society Incorporated	\$24,200
New Zealand Nepalese Association Inc.	\$3,600
New Zealand Nutrition Foundation	\$25,000
New Zealand Opera Limited	\$35,000
New Zealand Organisation For Rare Disorders Trust	\$10,000
New Zealand Rotuman Fellowship Incorporated	\$8,000
New Zealand Society for Peace, Unity and Human Rights in Sri Lanka Incorporated	\$2,461
New Zealand Spinal Trust	\$19,500
New Zealand Sport Fishing Council Incorporated	\$25,000
New Zealand String Quartet Trust	\$7,300
New Zealand Tamil Society Incorporated	\$22,000
Nga Tumanako Incorporated	\$13,000
Ngaki Tamariki Trust	\$5,000
Ngati Rahiri Maori Komiti	\$4,990
Ngunguru Sandspit Protection Society Incorporated	\$5,350
Ngunguru Sports & Recreation Society Incorporated	\$29,617
Nightsong	\$39,500
Niu Ola Trust	\$35,000
No 1 District Federation of New Zealand Soccer Incorporated	\$68,000
North Harbour Basketball Association Incorporated	\$100,000
North Harbour Softball Association Incorporated	\$21,900
North Harbour Touch Association Incorporated	\$20,000
North Shore Centres Of Mutual Aid Inc	\$25,000
North Shore Theatre & Arts Trust	\$40,000
North Shore Womens Centre	\$60,000
Northcote Softball Club Incorporated	\$12,990
Northern Dance Network Incorporated	\$4,500
Northern New Zealand Seabird Trust	\$13,100
Northland Badminton Association Inc.	\$10,000
Northland Basketball Incorporated	\$40,000
Northland Branch of the New Zealand Society of Authors (PEN New Zealand Incorporated)	\$1,410
Northland Craft Trust	\$80,000
Northland Disabled Charitable Trust	\$90,000
Northland Multiple Sclerosis Society Incorporated	\$15,000
Northland Paraplegic & Physically Disabled Association Incorporated	\$35,000
Northland Squash Racquets Association Inc	\$10,000
Northland TV Charitable Trust	\$95,500
NZ Ethnic Women Incorporated	\$75,000
NZ Filipino Sto Nino Devotees Trust	\$24,700
NZ Sculpture Onshore Limited	\$5,000
NZTrio Foundation	\$30,000
Objectspace	\$75,000
Odyssey House Trust	\$79,844
Okareka Dance Company Trust Board	\$70,000
Okorihi Marae	\$338,000
Omanaia Marae	\$247,500
One Double Five Whare Awhina Community House Trust	\$292,656
Onehunga Chinese Association Incorporated	\$4,100
Opera North Incorporated	\$1,000
Orff New Zealand Aotearoa Inc (ONZA)	\$5,000

Oruawharo Marae	\$25,000
Otahuhu Mainstreet and Commercial Association Incorporated	\$5,000
Otamatea Community Services Incorporated	\$40,500
Otamatea Harbourcare Society Incorporated	\$16,850
Otara Business Association Incorporated	\$10,000
Outward Bound Trust of New Zealand	\$25,000
Outwest Youth Community Trust	\$15,000
Pacific Islands Dance Fono	\$46,000
Pacific Islands Presbyterian Church Newton	\$12,500
Pacific Music Awards Trust	\$60,000
Pakuranga Inter-Church Charitable Trust	\$25,000
Pakuranga United Rugby Club Incorporated	\$2,100
Papakura Budgeting Service Incorporated	\$50,000
Papakura Community Trust	\$37,480
Papakura Kootuitui Trust Board	\$1,000,000
Papatoetoe Adolescent Christian Trust Inc	\$40,000
Para Kore Marae Incorporated	\$49,200
Parahirahi Ngawha Waiariki Trust	\$1,870,000
Parent Aid Kaipara Inc.	\$25,000
Parent Port North Inc	\$22,000
Parent To Parent New Zealand Incorporated	\$60,000
Parenting Place Charitable Trust	\$50,000
Pehiaweri Maori Church and Marae Incorporated	\$19,000
Penina Health Trust	\$25,000
Penrhyn Sports Club Incorporated	\$9,148
PHAB Association (Auckland) Incorporated	\$100,000
Piha Bowling Club Inc	\$5,000
Pirate City Rollers Inc.	\$5,000
Play It Strange Trust	\$50,000
Playhouse Theatre Inc	\$5,000
Positive Women Incorporated	\$58,800
Prayas Cultural Group of NZ Inc.	\$15,000
Project Litefoot Trust	\$21,500
Project Restore New Zealand Trust	\$25,000
Puaseisei Atia'e Trust	\$15,000
Public Works Performing Arts Collective Incorporated	\$7,500
Pukekohe Association Football Club Incorporated	\$4,900
Pukekohe Netball Centre Incorporated	\$250,000
Puketi Forest Trust Board	\$33,000
Pukorokoro Miranda Naturalists Trust	\$20,000
Pushing Arts In NZ Trust	\$25,000
Q Theatre Trust	\$30,000
Queens Redoubt Trust Board	\$10,080
Ranui 135 Leadership Team	\$40,000
Ranui Baptist Community Care	\$25,000
Ranui Community Centre Incorporated	\$25,000
Rape Prevention Education Whakatū Mauri Trust	\$50,000
RAW 2014 Limited	\$15,000
Rawene Community Library Trust	\$2,400
Rawiri Residents Association Incorporated	\$20,000
Red Leap Theatre Charitable Trust Board	\$50,000
Rest Assured Respite Charitable Trust	\$15,000
Rise UP Trust	\$274,361
Rock Quest Charitable Trust	\$5,000
Ronald McDonald House Charities New Zealand Trust	\$25,000
Roopa Aur Aap Charitable Trust	\$100,000
Ruakaka Recreation Centre (Incorporated)	\$16,076
Rural Youth and Adult Literacy Trust	\$12,000

Safe Man Safe Family Charitable Trust Board	\$25,000
Safeguarding Adults From Abuse	\$50,000
Sailability Auckland	\$50,998
Saintz Up Performing Arts Trust	\$40,000
Same Same But Different Festival Charitable Trust Board	\$6,500
Samoa Atia'e I Magele Incorporated	\$15,000
Sea Education Aotea Charitable Trust	\$5,400
SEASONS North Shore	\$5,300
Seniornet Dargaville Inc	\$3,000
Shager Ethiopian Entertainment NZ (SEENZ) Incorporated	\$5,000
Shakespeare Globe Centre New Zealand	\$10,000
Shakti Community Council Incorporated	\$61,500
Short+Sweet New Zealand Ltd	\$22,000
Show Me Shorts Film Festival Trust Board	\$25,000
Siale Huniva Trust	\$2,000
Sir Edmund Hillary Outdoors Education Trust	\$200,000
Sistema Aotearoa Trust	\$60,000
Social Enterprise Auckland Incorporated	\$3,794
Sosaiete O Aoga Amata Samoa I Incorporated	\$50,000
South East Auckland Senior Citizens' Association Incorporated	\$3,522
South Kaipara Men's Trust	\$20,868
Sowers Trust	\$55,000
Special Olympics New Zealand	\$5,906
Special Olympics Upper North Island Regional Council	\$29,500
SPELD New Zealand Inc	\$25,000
SPIRIT OF ADVENTURE TRUST	\$112,500
St Matthews Chamber Orchestra Inc.	\$6,600
St Patrick's Festival Trust	\$10,000
Stepsforward Incorporated	\$50,000
Stonefields Sports Incorporated	\$2,300
Storylines Children's Literature Charitable Trust of New Zealand	\$137,500
Storytime Foundation Trust Board	\$50,000
Stuttering Treatment And Research Trust (Auckland)	\$25,000
Sunnynook Chinese Association Incorporated	\$6,000
Supporters Of Tiritiri Matangi Incorporated	\$24,000
Surfing New Zealand Inc.	\$70,265
Sustainable Business Network Incorporated	\$80,000
Taichi & Wushu Academy Trust	\$2,000
Taki Rua Productions Society Inc.	\$51,000
Talk Link Trust	\$25,000
Tamaki Community Development Trust	\$50,000
Tamaki Ki Te Tonga Maori Squash Association Incorporated	\$5,000
Tangata Whenua, Community and Voluntary Sector Research Centre Incorporated	\$25,000
Taniwha Outrigger Canoe Club Inc	\$8,000
Taulanga U	\$15,000
Te Ara Rangatahi Charitable Trust	\$165,454
Te Aroha Pā Marae	\$313,000
Te Atatu Peninsula Community Trust	\$25,000
Te Houtaewa Maori Charitable Trust	\$21,000
Te Hua o te Kawariki Trust	\$653,439
Te Karanga Charitable Trust	\$25,000
Te Kotahi a Tamaki	\$67,500
Te Kotahitanga E Mahi Kaha Trust	\$110,000
Te Ora Hou Northland Incorporated	\$1,200,000
Te Oranga Kaumatua Kuia Disability Support Services Trust	\$25,000
Te Pokapu Tiaki Taiao O Te Tai Tokerau Trust	\$39,000
Te Raina Charitable Trust	\$24,900
Te Rarawa Rugby Club Incorporated	\$24,660

Te Roopu Waiora Trust	\$84,080
Te Runanga A Iwi O Ngapuhi	\$100,000
Te Ukaipo Mercy Initiatives For Rangatahi Limited	\$72,000
Te Waipuna Puawai Mercy Oasis Limited	\$110,000
Te Waka Youth Services	\$40,000
Te Whakaora Tangata	\$60,000
Te Whangai Trust Board	\$160,000
Teach First New Zealand Trust	\$20,000
The Achieving @ Waitakere Charitable Trust	\$25,000
The Artworks Theatre Incorporated	\$40,000
The Attitude Trust	\$30,000
The Auckland Childrens Christmas Parade Trust	\$10,000
The Auckland Cricket Association Incorporated	\$275,000
The Auckland Festival Trust	\$250,000
The Auckland Film Society Incorporated	\$10,000
The Auckland Performing Arts Centre At Western Springs Incorporated	\$130,000
The Auckland Softball Association Incorporated	\$25,000
The Auckland Table Tennis Association Incorporated	\$90,000
The Auckland Women's Centre Incorporated	\$92,820
The Big Idea / Te Aria Nui Charitable Trust	\$120,000
The Blue Goose Papermill Charitable Trust	\$25,000
The Brain Injury Association (Auckland) Incorporated	\$25,000
The Brain Injury Association (Northland) Incorporated	\$25,000
The Centre At Kerikeri Limited	\$50,000
The Crescendo Trust of Aotearoa	\$100,000
The Diocese Of Auckland - Christ Church Ellerslie	\$75,000
The Documentary New Zealand Trust	\$180,000
The Eden-Roskill District Cricket Club Inc	\$10,000
The Forest Bridge Trust	\$40,000
The Friendship House Trust	\$50,000
The Going West Trust	\$15,000
The Howick & Districts Historical Society Incorporated	\$40,000
The James Wallace Arts Trust	\$24,500
The Kawakawa Hundertwasser Park Charitable Trust	\$500,000
The Key To Life Charitable Trust	\$15,000
The Massive Company Trust	\$115,150
The Mission District of Bombay Pokeno	\$20,000
The Motor Neurone Disease Association of New Zealand (Incorporated)	\$25,000
The Music Association Of Auckland Incorporated	\$7,000
The National Foundation for the Deaf Incorporated	\$19,400
The New Zealand Book Council Incorporated	\$85,000
The New Zealand Comedy Trust	\$50,000
The New Zealand Ethnic Employment Education and Youth Development Charitable Trust	\$40,000
The New Zealand Film Festival	\$120,000
The New Zealand Opera Training School Trust	\$6,000
The New Zealand Ukulele Trust	\$20,000
The Ngatiwai Trust Board	\$47,090
The North Shore Budget Service Incorporated	\$25,000
The North Shore Events Centre Trust Board	\$100,000
The Opera Factory Trust	\$20,000
The Operating Theatre Trust	\$95,000
The Parkinson's New Zealand Charitable Trust	\$25,000
The People of Auckland Community Trust	\$5,000
The Polyfest Trust	\$250,000
The Raukauri Music Therapy Trust	\$104,950
The Reading Revolution	\$6,000
The Rising Foundation Trust	\$35,000
The Royal New Zealand Ballet	\$150,000

The Starjam Charitable Trust	\$80,000
The Tironui Music Trust	\$25,000
The Torbay Dramatic Society Incorporated	\$12,025
The Touch Compass Dance Trust Board	\$80,000
The Tug William C Daldy Preservation Society Inc	\$40,000
The Urban Ecoliving Charitable Trust	\$51,785
The Uxbridge Community Projects Inc.	\$21,300
The Waiheke Walking Trust	\$10,000
The Waitakere Ranges Protection Society Inc.	\$3,900
The Whau River Catchment Trust	\$25,000
The Wilson Home Trust	\$75,000
Third Space Trust	\$10,000
Thrive Teen Parent Support Trust	\$67,500
Tikipunga Kindergarten	\$8,000
Titirangi Badminton Club Incorporated	\$9,500
Titirangi Baptist Church	\$80,000
Titirangi Festival Trust	\$10,000
TOA Pacific Incorporated	\$60,000
Tokatoka Hall Society Incorporated	\$24,400
Touch New Zealand Incorporated	\$300,000
Training And Budget Services Incorporated	\$70,000
Transformation Academy Trust	\$13,000
Triangle Television Limited	\$25,000
TupuToa	\$100,000
Umataha Papakura Tongan Community Association Incorporated	\$5,000
Vahefonua Tonga Methodist Mission Charitable Trust	\$60,000
Vaka Tautua Limited	\$24,400
VietNZ Community Trust	\$3,000
Visual Arts Auckland Charitable Trust	\$25,000
Viva Voce Incorporated	\$5,000
Volunteering Northland	\$15,000
Waiheke Adult Literacy Incorporated	\$25,000
Waiheke Community Art Gallery Inc	\$20,000
Waiheke Hope Centre	\$15,000
Waiheke Island Historical Society	\$11,900
Waiparera Marae	\$24,500
Waitakere Arts And Cultural Development Trust	\$108,500
Waitakere Auckland Brass Inc.	\$15,000
Waitakere Improving School Attendance Programme (ISAP) Trust	\$25,000
Waitakere Indian Association	\$16,400
Waiuku Family Support Network Community Trust	\$150,132
Waiuku Kindergarten	\$10,000
Wandersearch Auckland Charitable Trust	\$10,000
Warkworth And District Museum Society Incorporated	\$22,000
Warkworth Tennis and Squash Club Incorporated	\$4,000
Well Women Franklin	\$20,000
Wellbeing Charitable Trust Board	\$7,000
Wellington Museums Trust Incorporated	\$20,000
West Auckland Mental Health Support Trust	\$15,000
West Coast Community Arts Trust	\$37,000
Whakaangi Landcare Trust	\$40,000
Whakaaro Tahi Community Trust	\$25,000
Whakapaumahara Marae Charitable Trust	\$297,000
Whanau Marama Parenting Limited	\$38,580
Whangarei Academy of Gymnastics Incorporated	\$40,000
Whangarei Anglican Care Trust	\$25,000
Whangarei Citizens Advice Bureau Inc	\$19,000
Whangarei Group Riding For The Disabled Incorporated	\$20,000

Whangarei Museum and Heritage Trust	\$68,000
Whangarei Youth Space Trust	\$300,000
Whangaroa Community Trust	\$18,000
Whangaroa County Museum and Archive Society Inc	\$13,700
What Hope Community Trust	\$5,000
Whau ACE Adult and Community Education Centre	\$69,220
Women's Centre - Rodney Incorporated	\$50,000
Womens International Newcomers Group Social Inc.	\$11,600
Yachting New Zealand Inc	\$70,000
Yes Disability Resource Centre	\$1,500,000
YMCA North Incorporated	\$160,000
Young and Hungry Arts Trust	\$10,000
Youthline Auckland Charitable Trust	\$145,453
Zeal Education Trust	\$80,000
Grand total	\$36,219,495



Foundation North

PERFORMANCE REPORT
FOR
THE YEAR ENDED
31 MARCH 2019

**Foundation North
Performance Report
For the year ended 31 March 2019**

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Foundation North Performance Report For the year ended 31 March 2019

Foundation Information

1. Foundation Entity

Foundation North (the Foundation) is an “in perpetuity” Trust registered under the Charitable Trusts Act 1957, and operates under the Community Trusts Act 1999.

As a Not for Profit Public Benefit Entity (PBE) domiciled in Auckland New Zealand, the Foundation distributes grants to qualifying organisations in the Auckland and Northland regions. Through its granting programme the Foundation seeks to enhance the lives of people in its region by equitably sharing and managing its resources. As an in perpetuity Trust its resources are held in trust for present and future generations domiciled in the regions.

2. Foundation Structure

The Foundation North Group consists of the Foundation and its subsidiary companies, Foundation North Grants Limited (Grants Limited), Centre for Social Impact New Zealand Limited (CSI), Foundation North Property Holdings Limited and ASB Community Trust Limited.

The Foundation owns the underlying Group’s assets which include an investment portfolio and land and buildings.

Grants Limited holds the Foundation’s long term reserves for granting in times of low/negative investment returns (Stabilisation Reserve) and current year Grant Reserves. Grants are made from these reserves for approved projects on recommendation from the Foundation’s Board. Grant applications which are received from qualifying organisations are evaluated against the Foundation’s funding programme policies.

CSI supports high engagement ventures funded by the Foundation through its Catalysts for Change, Key Community Partnerships and Community Support Grants Funding Programmes. CSI also supports catalytic change ventures undertaken by philanthropic and community organisations.

Foundation North Property Holdings Limited is the vehicle chosen to hold the Group’s future investments in NZ direct property, it has not yet commenced trading.

ASB Community Trust Limited is a dormant company.

Te Kete Putea Limited Partnership (TKPLP), an associate company, owns and provides support for the Foundation’s Grants Management System. This arrangement ended on 31 March 2018. TKPLP was wound up on 31 August 2018.

3. Trustees

The Foundation is governed by a Board consisting of up to fifteen Trustees appointed by the Minister of Finance. Trustees are appointed for a four year term and may, at the conclusion of their term, be appointed for a further four year term. The Governance Charter provides the framework under which the Board and its sub-committees operate.

Foundation North Performance Report For the year ended 31 March 2019

Trustees at 31 March 2019 were:

Trustee	Date Appointed
Lyn Lim (Chair)	June 2010
Alastair Bell (Deputy Chair)	June 2011
Toni Millar	June 2011
Murray Broadbelt	September 2012
John Slater	September 2012
Kim Wright	September 2012
Precious Clark	October 2012
Mel Hewitson	July 2016
Bhav Dhillon	June 2017
Daniel Nakhle	June 2017
Chris Severne	June 2017
Brian Corban	July 2018
Ngairae Rae	July 2018
Michelle Tsui	July 2018
Romy Udanga	July 2018
Enosa Auva'a	June 2010 (Retired June 2018)
Mark Brickell	June 2010 (Retired June 2018)
Moe Milne	June 2010 (Retired June 2018)

Trustee changes after 31 March 2019 were:

Lyn Lim (Chair)	June 2010 (Retired June 2019)
Alastair Bell (Deputy Chair)	June 2011 (Retired June 2019)
Toni Millar	June 2011 (Retired June 2019)
Precious Clark	October 2012 (Retired June 2019)
Naisi Chen	July 2019
Maxine Shortland	July 2019
Vanushi Walters	July 2019
David Whyte	July 2019

The Board's workload is allocated to the following sub-committees:

- Investment Committee
- Audit, Finance, Risk and Compliance Committee
- Maori and Pacific Committee
- Grants Committees for Community Support, Partnerships, Catalyst for Change
- Innovation Committee
- GIFT Committee
- Appointments and Remuneration Committee

Foundation North Performance Report For the year ended 31 March 2019

During the year Trustees and staff were required to declare either a direct or indirect conflict of interest in any matters being considered by the Foundation. Conflicts of interest are recorded in a register of interests.

Clause 13 of the Foundation's Trust Deed provides that if a meeting of the Foundation Board would fail for want of a quorum because of the number of Trustees with an interest in the matter under consideration, then those Trustees who vote in favour of the matter must sign a certificate for entry in the minutes certifying that the matter is in the best interests of the Foundation. Details of the matter and the nature of the Trustees' interest are required to be included in the next financial statements of the Foundation, and such an instance is disclosed at Note 13 of the financial statements.

4. Management

The Leadership Group, led by Jennifer Gill Chief Executive Officer *, consists of:

Liam Sheridan	Chief Financial Officer
Chloe Harwood	Strategy and Innovation Manager
Audry McLaren	Community Funding Manager
Aroha Harris	Pou Arahi
Sarah Rennie	Pacific Strategy Activator
Jade (Poh Gaik) Tang-Taylor	Ethnic Diversity Strategy Activator

*Jennifer Gill retired as CEO in August 2019 and was replaced by Peter Tynan.

5. Auditor

KPMG

6. Legal Counsel

Heimsath Alexander

7. Investment Advisor

Cambridge Associates LLC

8. Main Sources of Cash and Resources

The Foundation's main source of funds is from returns on its diversified investment portfolio. Since inception the portfolio has earned an annual investment return of 7.7%. The Foundation may also receive grants, donations, and bequests.

9. Contact Details

Physical Address: 50 Ponsonby Road, Grey Lynn, Auckland

Postal Address: PO Box 68 048, Wellesley Street, Auckland 1141

Phone: 09 360 0291
Fax: 09 378 6954
Freephone: 0800 272 878

e-mail: info@foundationnorth.org.nz
website: www.foundationnorth.org.nz

Foundation North Performance Report For the year ended 31 March 2019

Statement of Service Performance

Organisational Background, Governance, Planning, Monitoring and Evaluation

Foundation Governance

Foundation North operates under its Trust Deed (as amended) dated 18 June 2015 and the Community Trusts Act 1999.

Board Membership

The Board of Trustees comprises of up to 15 Trustees appointed by the Minister of Finance for a four year term.

Conflicts of Interest

It is recognised that Trustees will have a wide range of involvement with the community and the potential for conflict of interest will arise from time to time.

To cover this eventuality, any Trustee who has an interest in any matter before the Foundation must record that interest in the Foundation's Register of Interests.

That Trustee is not counted in the quorum present at the meeting. They may not vote in respect of the matter they have an interest in and must absent themselves from any discussion or consideration of it.

Before the conduct of business, the Chair of any meeting of the Trustees asks for the disclosure of any interest in the upcoming business. The minutes of the meeting record any disclosure of interest made, the entry in the Register of Interests of that disclosure and the absence of the Trustee from the meeting while the matter is dealt with.

Board Committees 2018-19 Financial Year

The Board has sub-committees to assist with the operation of the Foundation:

Appointments and Remuneration Committee

This Committee assists the Board in discharging its responsibilities in the employment of a CEO and CFO, other broader human resources issues and the appointment of the directors and chairs of subsidiary companies and members of the Foundation's standing committees.

Grants committee

These committees review applications which have been assessed by the funding team and make recommendations to the full Board of the Foundation. They also consider policy and strategy development.

Investment committee

This committee considers the investment policy, objectives, strategies and asset allocations of the Foundation and makes recommendations to the full Board. The committee reviews the portfolio against benchmarks and fund managers' performance against their benchmarks.

Foundation North Performance Report For the year ended 31 March 2019

Audit, Finance, Risk and Compliance committee

This committee reviews annual budgets and monthly and annual financial statements and information prior to submission to the Board. It is also responsible for identifying, assessing and managing business and organisational risk and assisting the Board in the discharge of financial reporting responsibilities.

Maori and Pacific committee

This Committee assists the Board in developing and implementing the Foundation's Māori and Pacific strategies, and to be responsible for the recommendation to the Board of the applications to be funded through the Foundation's Māori and Pacific Education Initiative (MPEI).

GIFT Committee

The objective of the GIFT Committee is to assist the Foundation in discharging its responsibilities for matters relating specifically to the development and implementation of Foundation's Gulf Innovation Together Fund (GIFT) programme.

Innovation Committee

The objective of the Innovation Committee is to enhance the Foundation's ability to create positive outcomes for our region by exploring new ways of working using experimentation and prototyping to maximise learning. The four areas of focus are:

- South Auckland innovation
- Impact investment
- Innovation for Foundation North Priorities
- Support for innovation in Pacific, Maori and Ethnic Diversity strategies

Strategic Goals

Following a review undertaken during 2017-18, the Committees and strategic approach adopted by the Foundation changed with effect from 1 April 2018. Informed by an evidence review of our communities and key stakeholders, the review identified key priorities and outcomes the Foundation wanted to achieve to help with its vision of enhancing the lives of all the people of our region. The composition and delegated authorities of the Committees have also been changed to allow flexibility and responsiveness to better serve the communities of Auckland and Northland. Finally, the Foundation has decided to focus its grant making approach on the achievement of identified outcomes and priorities. The need to report against the new strategic plan is the principal element in our choice of relevant service information.

Foundation North Performance Report For the year ended 31 March 2019

Statement of Service Performance – the basis of our practice is our Theory of Change, so this is used as the basis of our 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'd like to achieve through our work. It also acknowledges we are a funder which will exist 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 an overview of the Foundation's performance – the inputs, outputs and progress towards achieving outcomes. These are centred on effective grant making, investments and philanthropic practice.

Our context	Our opportunity	Our activities
<p>Through the Community Trusts Act, Foundation North has an ongoing responsibility to community and will distribute funding in perpetuity.</p> <p>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.</p> <p>To achieve impact, supporting community strengths and aspirations is important.</p> <p>Not working in isolation is essential to achieve our vision, and we can leverage our role to convene and build effective partnerships.</p> <p>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.</p> <p>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.</p>	<p>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:</p> <ul style="list-style-type: none"> • 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. <p>The communities we work with guide our grant making, and we seek to work with others to achieve our vision.</p>	<p>Funding Approach: Community funding: Our community funding programmes are designed to be responsive to community needs and aspirations, and initiatives that contribute to our vision.</p> <p>2018-19 Quick response grants 350 grants approved Community grants \$5.4m 240 grants approved Partnership grants \$27.9m 6 grants approved \$3.0m</p> <p>Innovation funding: We fund innovation to identify new solutions with potential to address significant challenges in our communities:</p> <p>2018-19 \$1.39m of support, 13 grants approved.</p> <p>The Foundation's involvement with impact investing is a "learning journey" which helps to inform the Foundation's desire to optimise the way it supports communities.</p> <p>Work undertaken in 2018/19 with Lifewise, Springboard, Whangarei Youth Space, Te Ara Rangatahi, Peter Collective, Tuilaepa Youth Mentoring, Te Ira, He Korowai, AKAU The longitudinal study involving local and University of Otago researchers remained in progress during the year.</p>
		<p>Gulf Innovation Fund Together A total of \$7 million has been allocated to support innovation that restores the mauri of the Hauraki Gulf. Innovation fund focused on seed-scale-system projects.</p> <p>Impact investment The Foundation is committed to exploring the potential for impact investment to deliver on the Foundation's strategic priorities. Impact investment will widen the set of tools available to the Foundation to use capital for creating positive impact and this will complement the Foundation's significant granting activity. It provides an additional financing option to advance social and environmental solutions.</p> <p>Catalysts for Change Venture philanthropy model, with support provided for organisations supporting outcomes for children and young people. The Fund has closed; but programmes still ongoing.</p> <p>Maori & Pacific Educational Initiative (MPEI) This programme, now closed, was based on principles of venture philanthropy, and saw \$20 million committed to improving educational outcomes. We are studying families impacted through MPEI via a longitudinal study, Ngā Tau Tuangahuru, from 2015 to 2025.</p>



Foundation North Performance Report For the year ended 31 March 2019

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.

How we undertake the activities:

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, Ngati Whatua Orakei, Ngatiwai, Crown agencies, Council, Tindall Foundation; The Nature Conservancy.

- Building relationships with Iwi – 3 – example – exploring support for sustainable fisheries with a Te Tai Tokerau iwi
- Relationships with Central Government - working with 4 Ministries – example – sharing the learnings from MPEI.
- Relationships with Local Government – working with 4 local councils – example – joint funding of significant projects such as the Auckland City Mission
- Working with Funders – 6 Funders – 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 or directly to applicants/grantees. This means that grantees receive additional support alongside their grant to help them – grants in this category total \$248,000 in 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 can be found here: <https://www.foundationnorth.org.nz/how-we-work/resources/>.

Working responsibly: We prioritise opportunities that align with our Maori, Pacific and Ethnic Diversity strategies. We have staff leading and delivering on each strategy: Pou Arahi, Pacific Strategy Activator and Ethnic Diversity Strategy Activator. Each strategy aims to develop new and responsive ways to achieve the goals under each strategy. Highlights include: establishing a Maori Staff group – Tu Mai Manea attendance at Pasifika Fusion and Polyfest; celebration of race relations day.

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, an innovation programme focused on seed-scale-system funding to restore the mauri of the Hauraki Gulf, and introducing roundtable reporting for some grantees.

Learning: We are a learning organisation and look to share our insights to support the work of others. An example of this is the research done to support the development of the Ethnic Diversity Strategy, <https://www.foundationnorth.org.nz/how-we-work/diverse-communities/>. We have a Monitoring, Evaluation and Learning Framework to 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, MPEI, and GIFT.

Foundation North Performance Report For the year ended 31 March 2019

Priorities to achieve our vision	Outcomes to achieve our vision	Signs of progress towards our vision
<p>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:</p> <p>Address the persistent inequalities affecting:</p> <ul style="list-style-type: none"> Northland and South Auckland communities (funded 103 grants totalling \$5,883,747) Māori and Pacific communities. (funded 43 grants totalling \$3,690,535) <p>Strengthen social cohesion within and between our diverse communities, particularly for:</p> <ul style="list-style-type: none"> Refugee-background communities (funded 9 grants totalling \$559,740) Migrant-background communities. (funded 17 grants totalling \$393,680) 	<p>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:</p> <p>Increased participation (funded 215 grants totalling \$8,659,933)</p> <p>Increased social equity (funded 42 grants totalling \$3,758,983)</p> <p>Enhanced environmental wellbeing (funded 39 grants totalling \$2,134,165)</p> <p>Increased family and whānau resilience (funded 116 grants totalling \$6,240,143)</p> <p>Increased community capability and self-determination (funded 59 grants totalling \$8,096,675)</p> <p>Increased inclusion and social cohesion (funded 74 grants totalling \$3,954,029)</p> <p>Enhanced cultural vibrancy (funded 51 grants totalling \$3,375,567)</p> <p>Increased effectiveness of philanthropic practice – this is 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.</p> <p>Maximise the funding available for granting, through investment. Funding is essential to fulfilling the vision.</p>	<p>By funding for Outcomes and across our Priority areas, we believe that we will achieve our vision to enhance the lives of all people of the Auckland and Northland regions. One year into our 15-year strategy, we are seeing signs that we are making progress.</p> <p>A few examples of the sources providing our early signs of progress include:</p> <p>Our biennial applicant survey: results from 2018 survey show high quality staff engagement and support for grantees to achieve impact; positive feedback on range of projects supported; grants and reporting processes generally straightforward; areas for improvement identified in communication and support for specific ethnic groups.</p> <ul style="list-style-type: none"> Catalysts for Change evaluation: evaluation from 2018 show clear impact for young people not in education, employment and training, for the organisation, and for the youth sector. Digital story from a Catalysts for Change grantee: https://www.foundationnorth.org.nz/news-reports/2019/6/new-digital-story-te-ara-rangatahi/ GIFT Year Two learning: Year 2 report on outcomes and learnings: https://www.giftofthegulf.org.nz/media 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 whānau. This has informed our grant making practice and will continue to do so over the duration of the study. https://www.foundationnorth.org.nz/how-we-work/maori-pacific-education-initiative/ <p>Internal Foci</p> <p>There are a number of internal developments which demonstrate our commitment to achieve our goals and vision:</p> <ul style="list-style-type: none"> 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're sharing learning with the community. We have run or hosted a range of internal and external learning sessions. These were made up of workshops, reflective sessions, kotuitui interweaving conversations with thought leaders, convening community and sector conversations and peer learning meetings. We are more focused on working in partnership with community and listening to what their needs are. We have made changes based on what applicants need and supporting applicants in areas that they need help in. <p>The performance of the funds under management was favourable to the benchmark against which performance is measured for the financial year. The return was \$93.5 million or 6.7% net of fees (compared to \$99.2 million and 7.7% for 17-18). The benchmark composite index returned 5.3% for the financial year (8.3% 17-18). As a long term investor however, the Foundation also considers long term performance and the five year performance was 7.8%, favourable to the five year benchmark of 7.2% (17-18 7.9% actual, 7.4% benchmark).</p> <p>Granting was maintained in accordance with the granting policy. The reserves held by the Foundation are - \$404.2 million (17-18 \$371.1 million).</p>
<p>Achieve positive outcomes for children and young people, to disrupt intergenerational disadvantage. (funded 87 grants totalling \$6,452,983)</p> <p>Enable community economic development, particularly for the communities most affected by income inequalities. (funded 14 grants totalling \$3,247,533)</p> <p>Conserve and enhance our environment for the benefit of all communities in our region. (funded 34 grants totalling \$1,873,085)</p>		

**Foundation North
Performance Report
For the year ended 31 March 2019**

Consolidated Statement of Comprehensive Revenue and Expense

	NOTE	2019 \$000	2018 \$000
Revenue:			
Revenue from Investments	3	93,465	99,240
Grants Written Back during the year		627	330
Grant Refunds Received during the year		15	49
Other Income		577	518
Total Revenue		<u>94,684</u>	<u>100,137</u>
Expenses:			
Grants Committed to Community Groups	6	37,613	48,701
Administration Expenses	4	5,661	5,290
Activity Costs	5	2,231	2,201
Fund Management, Custodian and Advisory Fees		1,947	1,634
Total Expenses		<u>47,452</u>	<u>57,826</u>
SURPLUS FOR THE YEAR		47,232	42,311
Other Comprehensive Revenue and Expense	9	-	580
Total Comprehensive Revenue and Expense for the year		<u><u>47,232</u></u>	<u><u>42,891</u></u>

The notes on pages 16 to 27 are an integral part of these consolidated financial statements.

**Foundation North
Performance Report
For the year ended 31 March 2019**

Consolidated Statement of Changes in Equity

Original Capital	Capital Maintenance Reserve	Real Capital	General Reserve	Reserve for Grants	Asset Revaluation Reserve	Retained Surplus	Total Reserves	Equity
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
579,106	362,402	941,508	22	100,051	939	270,104	371,116	1,312,624
-	-	-	-	-	-	47,232	47,232	47,232
-	14,122	14,122	-	-	-	(14,122)	(14,122)	-
-	-	-	-	5,519	-	(5,519)	-	-
579,106	376,524	955,630	22	105,570	939	297,695	404,226	1,359,856
579,106	352,158	931,264	22	107,028	359	231,060	338,469	1,269,733
-	-	-	-	-	580	42,311	42,891	42,891
-	10,244	10,244	-	-	-	(10,244)	(10,244)	-
-	-	-	-	(6,977)	-	6,977	-	-
579,106	362,402	941,508	22	100,051	939	270,104	371,116	1,312,624

Opening Balance 1 April 2018
Total Comprehensive Revenue and Expenses
Transfer to Capital Maintenance Reserve
Net transfer to (from) Reserves
Closing Balance 31 March 2019

Opening Balance 1 April 2017
Total Comprehensive Revenue and Expenses
Transfer to Capital Maintenance Reserve
Net transfer (from)/to Reserves
Closing Balance 31 March 2018

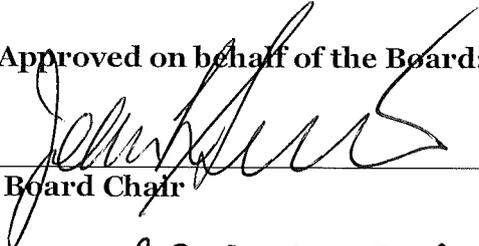
The notes on pages 16 to 27 are an integral part of these consolidated financial statements.

**Foundation North
Performance Report
For the year ended 31 March 2019**

Consolidated Statement of Financial Position

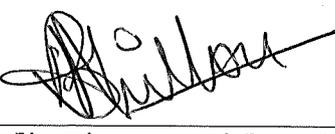
	NOTE	2019 \$000	2018 \$000
ASSETS			
Cash at Bank		3,903	4,176
Investments	7	1,393,230	1,351,058
Fixed Assets	9	8,516	8,835
Other Assets		507	484
TOTAL ASSETS		1,406,156	1,364,553
LIABILITIES			
Sundry Accounts Payable		1,676	1,677
Outstanding Grants Payable	10	44,624	50,252
TOTAL LIABILITIES		46,300	51,929
NET ASSETS AT 31 MARCH		1,359,856	1,312,624
Represented by:			
Equity	11		
Real (Inflation Proofed) Capital Reserves		955,630	941,508
		404,226	371,116
EQUITY AT 31 MARCH		1,359,856	1,312,624

Approved on behalf of the Board:



Board Chair

Date 26 AUGUST 2019



Audit, Finance, Risk and Compliance Committee Chair

Date 26 AUGUST 2019

The notes on pages 16 to 27 are an integral part of these consolidated financial statements.



**Foundation North
Performance Report
For the year ended 31 March 2019**

Consolidated Statement of Cash Flows

	2019	2018
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from:		
Fund managers	217,111	512,050
Interest	50	41
Other Income	1,066	469
Total cash inflows from operating activities	218,227	512,560
Payments to:		
Fund managers	(165,818)	(466,656)
Grants to community organisations	(42,614)	(34,724)
Suppliers, trustees and staff	(8,093)	(6,877)
Fund management and advisory fees	(1,800)	(1,647)
Total cash outflows from operating activities	(218,325)	(509,904)
Net cash inflow/(outflow) from operating activities	(98)	2,656
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments to:		
Purchase of Assets	(175)	(496)
Net cash outflow from investing activities	(175)	(496)
Net cash inflow/(outflow) from activities	(273)	2,160
Add: Cash at Bank at 1 April	4,176	2,016
Cash at Bank at 31 March	3,903	4,176

**Foundation North
Performance Report
For the year ended 31 March 2019**

Notes to the Consolidated Statement of Cash Flows

1. Cash at Bank

Cash at bank consists of cash balances held with ASB Bank, and does not include cash or deposits held by Fund Managers.

The Consolidated Statement of Cash Flows does not reflect the cash flows within Fund Managers' portfolios.

2. Reconciliation of Reported Surplus to Net Cash Flows from Operating Activities

	2019	2018
	\$000	\$000
Reported Surplus	47,232	42,311
Add: Non-cash Items		
Amortisation, Depreciation, Impairment and Disposal of Fixed Assets	4 381	596
Investment income reinvested	(93,465)	(99,240)
Movements in working capital items:		
(Increase) in Other Assets	(60)	(64)
Increase in Sundry Accounts Payable	149	12
Increase in Outstanding Grants Payable	(5,628)	13,647
Net Cash Inflows from Fund Managers	51,293	45,394
	<u>45,754</u>	<u>58,989</u>
Net Cash (Outflow)/Inflow from operating activities	<u>(98)</u>	<u>2,656</u>

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1. Reporting Entity

The Foundation is an “in perpetuity” charitable trust domiciled in New Zealand and incorporated under the Charitable Trusts Act 1957 and operates under the Community Trusts Act 1999.

The Foundation comprises the Foundation and its subsidiary companies, Grants Limited, CSI, Foundation North Property Holdings Limited (not yet trading) and ASB Community Trust Limited.

2. Basis of Preparation

The Foundation’s financial statements have been prepared on the following basis:

Statement of Compliance:

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with Tier 1 PBE Accounting Standards (Not-for-Profit) and with the provisions of the Community Trusts Act 1999 and the Financial Reporting Act 2013.

Functional and Presentation Currency:

These financial statements are prepared in New Zealand Dollars which is the presentation and functional currency.

Basis of Measurement:

Except for financial assets and liabilities (designated at fair value through revenue or expense) and land and buildings (which are revalued at five yearly intervals) historical cost is the basis of measurement.

The financial statements have been prepared on a going concern basis.

Estimates and Judgements:

Information about estimates and judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 7: Investments

Note 9: Fixed Assets

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3. Revenue from Investments

Revenue from investments includes interest, dividends, and realised and unrealised gains and losses related to investments classified as fair value through revenue and expense. Interest received is recognised on an accrual basis applying the effective interest rate method.

Revenue received from investments for the year is summarised as follows:

	2019	2018
	\$000	\$000
Investment Revenue		
Distributions and other Investment Income	33,875	108,310
Net Unrealised Gains	37,754	6,690
Net Realised Gains / (Losses)	28,021	(17,798)
Net Gains from Forward Exchange Contracts	(6,185)	2,038
Total Investment Revenue	<u>93,465</u>	<u>99,240</u>

All financial assets are designated at fair value through Revenue or Expense upon initial recognition.

4. Administration Expenses

	2019	2018
	\$000	\$000
Audit fees	80	76
Consulting and Tax advice (paid to KPMG - Auditors) *	17	47
Amortisation, Depreciation and Loss on Disposal	381	298
Impairment of Investment in TKPLP	-	298
Employee Costs and Benefits	3,719	2,864
Other costs	1,464	1,707
Total Administration Expenses	<u>5,661</u>	<u>5,290</u>

* The \$17,000 of non-audit work is the Foundation's portion of a total of \$32,000 of shared consultancy advice between several other community trusts.

5. Activity Costs

Activity costs relate to third party operating costs incurred by subsidiary companies for client service delivery and support services.

6. Grants Expense

Grants to eligible organisations are accounted for when they are approved by the Board. Payments to grant recipients are made on the satisfaction of any restrictions or conditions which may have been placed on the grant.

Grants that are no longer required or not fully utilised by grant recipients are disclosed separately in the Consolidated Statement of Revenue and Expense as either Grants Written Back or Grant Refunds Received.

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Grants Approved	2019	2018
	\$000	\$000
Grants Committed and disbursed	22,721	19,941
Grants Committed but unpaid	14,892	28,760
Total Grants approved and committed to Community Groups	37,613	48,701

7. Investments

Investments meet the definition of financial instruments and are classified at fair value through Profit and Loss upon initial recognition resulting in these assets being measured at fair value through revenue or expense.

Transactions are recorded by Fund Managers on a trade date basis and are initially recognised at the fair value of the consideration paid. After initial recognition investments are managed at their fair value through revenue or expense. Revaluations are undertaken at each reporting date based on the methodologies outlined in *PBE IPSAS 29 Financial Instruments: Recognition and Measurement*. All realised and unrealised gains and losses are recognised in the Consolidated Statement of Comprehensive Revenue and Expense. Associated transaction costs are recognised in revenue or expense as incurred.

Investments are derecognised only when the contractual rights to the cash flows arising from the asset expires or are transferred and the transfer qualifies for derecognition.

Details of portfolio liquidity are disclosed in note 8.

Investment Portfolio Construction:

The portfolio is invested in pooled and segregated funds managed by 30 investment managers (2018: 27) recommended by the Foundation's Investment Adviser Cambridge Associates LLC and approved by the Investment Committee. The Foundation is not involved with the analysis, sale or purchase of individual asset securities. Each asset grouping and the portfolio as a whole is measured against an appropriate internationally accepted standard benchmark or index.

The portfolio is made up of four asset groupings:

- **Growth Assets** include both global listed equities (including New Zealand/Trans-Tasman equities) and private equity.
- **Diversification Assets** are included to reduce the volatility inherent in an equity-biased portfolio. The returns from this asset class are not highly correlated to equity and fixed income markets, thereby reducing the variability of returns without sacrificing performance. This asset class consists of Hedge Funds and Absolute Return Funds.
- **Inflation Hedging Assets** are included to provide insurance from an unexpected spike in inflation. This asset class consists of listed and unlisted real assets which are sensitive to inflation.
- **Deflation Hedging Assets** are included to provide insurance against a prolonged economic contraction. In order to fulfil its deflation hedging role, a significant proportion of the allocation to Global (including New Zealand) Fixed Interest will be in Sovereign Securities. Cash is also included in this asset grouping.

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At balance date the portfolio was made up of:

	2019 \$000	2018 \$000
Portfolio Transactions		
Balance as at 1 April	1,351,058	1,297,213
Movement in market value and investment income	93,465	99,240
Net withdrawals	(51,293)	(45,395)
Total Portfolio	1,393,230	1,351,058

Transactions through the portfolio are summarised as follows:

	2019 \$000	2018 \$000
Portfolio Composition		
Growth Assets	697,337	656,869
Diversification Assets	255,640	271,947
Inflation Hedging Assets	144,990	144,844
Deflation Hedging Assets	295,263	277,398
Total Portfolio	1,393,230	1,351,058

Foreign Currency:

Foreign currency transactions are recorded in New Zealand dollars at the spot rate applying at the time of the transaction. All outstanding foreign currency balances at balance date are translated to New Zealand dollars at the closing exchange rate for that day. The value of the investment portfolio with currency exposure amounted to \$1,068.7 million (2018: \$1,039.1 million).

All realised and unrealised foreign currency gains and losses are recognised in the Consolidated Statement of Comprehensive Revenue and Expense.

Fair Value Hierarchy:

PBE IPSAS 30 Financial Instruments: Disclosures requires the disclosure of financial assets according to the Fair Value Hierarchy. There are three levels in the Hierarchy:

- Level 1: quoted prices (unadjusted) which are regularly available to market participants in active markets for identical assets and prices represent actual and regularly occurring market transactions on an arm's length basis.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset that are not based on observable market data (unobservable inputs).

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The Fair Value Hierarchy for the Investment Portfolio is:

Fair Value Hierarchy	2019	2018
	\$000	\$000
Level 1	677,263	704,660
Level 2	533,824	537,070
Level 3	182,143	109,328
Total Portfolio	1,393,230	1,351,058

There were no significant movements between Levels 1 and 2.

Movements in Level 3 Assets:

Level 3	2019	2018
	\$000	\$000
Opening Balance	109,328	67,884
Drawdowns	53,934	45,751
Return of Capital	(6,898)	(5,786)
Changes in Fair Value recognised in the Consolidated Statement of Revenue and Expense	25,779	1,479
Closing Balance at 31 March	182,143	109,328

8. Risk Management

The Foundation's income is generated from its investments which are used to fund its operations and grant funding programmes.

Inherent risks arising from the Foundation's financial assets and liabilities are managed through an ongoing process of identification, measurement and monitoring. Through its investing activities the Foundation is exposed to credit risk, liquidity risk, and market risk (including currency, interest rate and pricing risks).

Information regarding the fair value of assets and liabilities exposed to risk is regularly reported to the management, the Audit, Finance and Risk Committee, Investment Committee and ultimately to the Foundation Board. Under normal circumstances the Investment Portfolio is regularly rebalanced to ensure that asset classes remain within the Strategic Asset Allocation set out in the Foundation's Statement of Investment Policy and Objectives (SIPO).

Credit Risk:

Credit Risk arises where a counterparty fails to discharge an obligation which will result in a financial loss to the Foundation.

The Foundation manages credit risks through:

- a diversified and non-correlated basket of investments across traditional and alternative assets classes
- the use of a multi-fund manager approach to portfolio investments

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- compliance with mandate requirements of each investment
- Standard & Poor's rating categories are used to manage the credit quality of the Foundation's Bond portfolios. At balance date the credit risk ratings of the Bond and Cash portfolios were:

	AAA to AA-	A+ to A-	BBB+ to B	CCC, NR Other	2019 \$000
New Zealand Bonds	92.5%	4.9%	2.6%	0.0%	218,649
Global Bonds	55.1%	34.9%	10.0%	0.0%	34,318
Cash	64.5%	22.6%	12.9%	0.0%	55,683
Total					<u>308,650</u>
					2018 \$000
New Zealand Bonds	93.2%	3.7%	3.1%	0.0%	217,013
Global Bonds	53.5%	39.3%	7.2%	0.0%	33,248
Cash	66.9%	24.5%	8.6%	0.0%	52,308
Total					<u>302,569</u>

Liquidity Risk and Capital Maintenance:

The Foundation is an "in perpetuity" Trust. As such it protects its capital base by ensuring that provision is made to counteract the effects of inflation erosion. This is explained in Note 11.

The Foundation manages its ability to meet current obligations through ensuring it maintains liquidity within the portfolio. The portfolio maintains a minimum allocation to cash of 3%. At balance date liquid assets (either cash or investments which could be realised in cash within twelve months) totalled 72.2% (2018: 76.6%).

Market Risk:

Market Risk arises from fluctuations in the future value of cash flows from financial assets due to changes in market variables such as interest rates, foreign currency exchange rates, and market prices.

The exposure to market risk is managed through the policies set out in the Foundation's SIPO.

In order to understand the sensitivity to all market risks, the Foundation performs a value at risk sensitivity analysis. This analysis combines interest, foreign currency and pricing risks to determine the impact of volatility across each asset class in the investment portfolio and for the portfolio as a whole. In applying this methodology there is a 68% probability (i.e. one standard deviation either side of the mean) that the expected investment return from the portfolio is within the range of:

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	2019	2018
Volatility	minus 1.5% to plus 19.7%	minus 1.7% to plus 19.7%
Value Impact	minus \$21.0 Million to plus \$275.2 million	minus \$23.0 Million to plus \$266.9 million

The overall effect of the Foundation's uncorrelated portfolio of investments is to reduce the overall volatility and stabilise investment returns over time.

- **Interest Rate Risk** relates primarily to the Foundation's investment in bonds which are held in both pooled and segregated accounts.
- **Currency Risk** arises when the Foundation is exposed to foreign currency risk both directly through investments denominated in a foreign currency, and also indirectly where fund managers invest in foreign currency securities.

The following are all hedged back to the New Zealand Dollar. Growth Assets (except for Emerging Market and Private Equity Funds which are unhedged) are 74.7% and Inflation Hedging Assets are 38.6% hedged respectively. Diversification Assets are 77.7% hedged. Global Fixed Interest investments are 100% hedged.

At balance date the exposure to currency risk was:

	2019	2018
	\$000	\$000
Financial assets with currency exposure	1,068,716	1,039,068
Hedged currency exposure as at 31 March	<u>(558,550)</u>	<u>(473,103)</u>
Unhedged currency exposure at 31 March	<u>510,166</u>	<u>565,965</u>
North America	313,439	345,094
Europe	29,498	55,615
Asia	98,868	121,220
Oceania	42,352	13,274
Latin America	13,172	15,894
Africa & Middle East	8,595	10,254
Russia	4,242	4,614
Unhedged currency exposure at 31 March	<u>510,166</u>	<u>565,965</u>

- **Pricing Risk** arises from an increase or decrease in the fair value of the Foundation's financial assets as a result of changes in market prices. The SIPO sets out the asset allocation policy. The portfolio is rebalanced to align with these policies. The composition of the investment portfolio is set out in Note 7.

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9. Fixed Assets

Land (50 – 52 Ponsonby Road) and buildings (Allendale House and Annexe 2013) are measured at fair value at the date of revaluation less subsequent accumulated depreciation and impairment losses.

Valuations are performed at five yearly intervals. The last valuation was undertaken at 31 March 2018. This revaluation was based on the then current market value assessed by Seagar and Partners (Auckland) Limited taking account of estimated market rentals and capitalisation rates. The valuation took account of observable prices in active markets. Where estimates were used, they were made on the basis of appropriate valuation techniques. Key assumptions included the Category 1 New Zealand Historic Places Heritage rating on Allendale House, and occupancy and rental rates.

An increase in valuation is recorded in Other Comprehensive Revenue and credited to the Asset Revaluation Reserve Account in Foundation Equity. However, to the extent that the revaluation increase reverses a revaluation decrease in the same class of asset previously recognised in revenue or expense, the increase in valuation is recognised in revenue or expense. A decrease in a valuation is recognised in revenue or expense, except to the extent that it offsets an existing credit balance on the same asset class in the Asset Revaluation Reserve Account. Land and Buildings were valued at \$7.28 million (2018: \$7.28 million) being fair market value at 31 March 2018, as determined by the market valuation undertaken by registered property valuers.

Annexe 2013 is depreciated on a straight line basis over its useful life which is determined to be 50 years (2018: 50 years). Allendale House, which has a Category 1 New Zealand Historic Places Heritage Rating, has not been depreciated since 31 March 2008 as the useful life of the asset is considered indefinite.

Fixed Assets other than land and buildings are measured at cost, less accumulated depreciation on a diminishing value basis over their expected useful life and impairment losses.

10. Grants Payable

Outstanding Grants are classified as other liabilities and are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method.

Committed but unpaid Grants are recognised as liabilities once approved and communicated to recipients. At balance date committed but unpaid grants totalled \$44.6 million (2018: \$50.3 million). The timing for the payment of these grants is uncertain and is considered current.

Outstanding Grants Payable	2019	2018
	\$000	\$000
Grants Committed in previous years but unpaid (2019: 62, 2018: 54)	29,732	21,492
Grants Committed but unpaid this year (2019: 81, 2018: 147)	14,892	28,760
Total Grants outstanding as at 31 March	44,624	50,252

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11. Foundation Equity

Foundation Equity consists of:

- **Real (Inflation Proofed) Capital** – the “in perpetuity” nature of the Foundation requires Trustees to preserve Real Capital for the benefit of current and future generations. The original capital arose from the sale of shares settled on the Foundation in terms of the Trustee Banks Restructuring Act 1988. Each year sufficient funds are set aside from Reserves to increase Real Capital by the annual rate of inflation as measured by the Consumer Price Index.

The Real Inflation Proofed Capital and Reserves form the Foundation’s Equity and maintain its capital base. The Foundation is not permitted to make grants from its Real Inflation Proofed Capital. Grants cannot therefore be committed at any time when the Reserves are in deficit.

- **Asset Revaluation Reserve** –any movement in this Reserve measures the difference between the market value of land and buildings and their pre-valuation carrying value.
- **Reserve for Grants** – this Reserve is held for the purpose of providing a stable flow of grants to the Foundation’s communities during times of adverse investment returns.
- **General Reserve** – this Reserve is held to provide funds for future developments.
- **Retained Surplus** – this Reserve is the accumulation of the Foundation’s comprehensive revenue and expense. It is used to provide a stable flow of grants to the Foundation’s communities and to fund other reserves and capital.

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12. Subsidiaries

Subsidiaries are entities controlled by the Foundation. Financial statements of the subsidiaries are included in the financial statements from the date of control until the date that control ceases. Uniform accounting policies have been used for like transactions. Intra-group balances and revenue and expenses arising from intra-group activities are eliminated on consolidation.

The following entities form part of the Foundation group:

Name	Interest Held	Incorporated Date	Principal Purpose	Charity Registration
ASB Community Trust Limited	100%	29 March 2001	Dormant company	
Foundation North Grants Limited	100%	29 March 2001	Grants for specific charitable purposes	CC38999
Centre For Social Impact New Zealand Limited	100%	30 September 2013	Assistance to community organisations at both governance and management levels.	CC50226
Foundation North Property Holdings Limited	100%	26 April 2016	Support the Foundation's granting through investment in real property.	CC53445
Te Kete Putea Limited Partnership (TKP)*	46.79%	18 December 2012 (Deregistered 31 August 2018)	Support Services for Database Management	CC50379

* The limited partners of TKP resolved on 31 March 2018 to cease business, discharge liabilities to creditors and distribute surplus assets to the limited partners. The deregistration was formally completed on 31 August 2018 and the final distributions were actioned on 10 July 2018. The shareholders of the general partner, Te Kete Putea General Partners Limited (TKP GP Ltd) also resolved on the 31 March 2018 to take steps to remove the company from the register of companies. This was processed on the Companies Office Register on 30th January 2019.

13. Related Parties

Trustees and Key Management Personnel (Leadership Group) are related parties.

Trustees are not employees of the Foundation. They are remunerated at rates set by the New Zealand Government. Honoraria payments during the year to Board and Committee Chairs totalled \$130,052 (2018: \$130,050). Honoraria payment during the year to other Trustees totalled \$152,150 (2018: \$149,671)

Members of the Leadership Group only receive short term employment benefits. During the year short term employment benefit payments to the Leadership Group totalled \$1,005,052 (2018: \$864,767)

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Trustee Liability Insurance:

At their meeting on 26 November 2018 the Trustees resolved to effect Trustee Liability Insurance for the sum of \$10 million at a premium cost of \$24,950 (2018: \$23,735).

After due consideration of a report from the Foundation's insurance brokers and other relevant information, all of the Trustees approved the purchase of the Trustee Liability Insurance by resolution to that effect, along with signing a certificate, certifying that the transaction was in the best interests of the Foundation.

14. Taxation

The Foundation is exempt from income tax and therefore no provision has been made in these financial statements.

15. Capital Commitments and Contingent Liabilities

At balance date the Foundation had committed a total of \$20 million to New Zealand private equity funds. Of this sum a net \$13.4 million has been drawn down to date (2018: \$10.7 million). The Foundation has a contingent liability for the remaining \$6.6 million (2018: \$9.3 million).

At balance date the Foundation had committed a total of A\$78.0 million (NZ\$81.2 million) to Australian private equity/venture capital funds. (2018: A\$78.0 (NZ\$82.9 million)). Of this sum A\$39.6 million (NZ\$41.2 million) has been drawn down at balance date. (2018: A\$15.2 million (NZ\$16.2 million)). The Foundation has a contingent liability for the remaining A\$38.4 million (NZ\$40.0 million). (2018: A\$62.8 million (NZ\$66.7 million)).

At balance date the Foundation had committed a total of US\$211.0 million (NZ\$309.4 million) to US private equity/venture capital funds (2018: US\$133.0 million (NZ\$184.4 million)). A net cumulative amount of US\$79.9 million (NZ\$117.1 million) has been drawn down at balance date (2018: US\$56.5 million (NZ\$78.3 million)). The Foundation has a contingent liability for the remaining US\$131.1 million (NZ\$192.3 million) (2018: US\$76.5 million (NZ\$106.1 million)).

At balance date the Foundation had committed a total of E20.0 million (NZ\$32.9 million) to Euro denominated private equity funds. No drawn downs had been completed as at balance date. The Foundation has a contingent liability for the remaining E20.0 million (NZ\$32.9 million).

Calls on the Foundation's commitments are contingent on calls made by Fund Managers as further investments are made. The timing of these calls is uncertain.

16. Material Events after Balance Date

There were no material events after balance date which required adjustment to the Financial Statements for the year ended 31 March 2019 (2018: nil).

17. Applicable Accounting Standards Issued but not yet Effective

The following Standards are issued but not yet effective at balance date:

- PBE IFRS 9 Financial Instruments is effective for periods beginning on or after 1 January 2021. The amendment is not expected to have a significant impact on the Foundation's consolidated results, but will be reviewed again next financial year.