

Hawke's Bay Foundation

Performance Report

For the year ended
31 December 2018

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Hawke's Bay Foundation

Entity Information

"Who are we?", "Why do we exist?"

For the year ended
31 December 2018

Legal Name of Entity:	Hawke's Bay Foundation
Type of Entity and Legal Basis (if any):	Registered Charity
Registration Number:	CC28009

Entity's Purpose or Mission:

From Trust Deed: "To carry out every charitable purpose in New Zealand whether relating to the relief of poverty, the advancement of education, the advancement of religion, or any other purpose beneficial to the community, and: a) In all its activities shall provide a public benefit; but b) none of its activities shall result in any private benefit or profit to any individual person".

In practice, the Hawke's Bay Foundation encourages giving throughout the region to build assets and resources for the future generations of the Hawke's Bay community and provides a simple and long lasting way for individuals, families or corporations to leave legacies for local causes.

Entity Structure:

The Board of Trustees consists of not less than five and not more than nine Trustees. Four Trustees are appointed as follows: one Trustee is appointed jointly by the Mayors of the Napier City Council and Hastings District Council; one by the President of the Hawke's Bay branch of the NZ Law Society; one by the Chairman of the Hawke's Bay branch of the NZ Institute of Chartered Accountants; one by the Chairman of the Hawke's Bay Chamber of Commerce. At the Annual General Meeting, at least one third of the Trustees must retire from office but are eligible for re-election. The Trustees to retire will be those who have been longest in office since their last appointment. The Foundation is managed on a day to day basis by four part time contract staff and voluntary Trustees.

Main Sources of the Entity's Cash and Resources:

Donations, bequests and investment income form the main sources of income for the Foundation. Sponsorship in the form of cash, goods and services are also received towards operating costs.

Main Methods Used by the Entity to Raise Funds:


The main method of raising funds is through informing and encouraging the Hawke's Bay community to support the Community Foundation concept.

Entity's Reliance on Volunteers and Donated Goods or Services:

All Trustees are volunteers. Various individuals and organisations support the Foundation through sponsored goods and services such as rent, financial accounting and audit. Where these can be quantified they are included in the notes to these financial statements.

Additional Information:

The Foundation's commencing capital of \$1m was donated by ten Cornerstone contributors each contributing or pledging \$100,000 in 2012.

Contact details	
Physical Address:	Westerman's Building, 102-104 Russell St, Hastings
Postal Address:	P O Box 14034, Hastings 4159
Phone/Fax:	06 870 4648
Email/Website:	info@hawkesbayfoundation.org.nz/ www.hawkesbayfoundation.org.nz
	Hawke's Bay Foundation



Hawke's Bay Foundation Statement of Service Performance

"What did we do?", When did we do it?"

For the year ended
31 December 2018

Description of the Entity's Outcomes:

Mission statement: The Foundation encourages giving throughout the Hawke's Bay region to build assets and resources for current and future generations of our community.

To this end we invite donations, bequests, and other funds to help provide funding to Hawke's Bay community organisations for charitable purposes.

Description and Quantification of the Entity's Outputs:	Actual This Year (12 months)	Actual Last Year (9 months)
Funds Received During Year		
Endowment Fund Capital Donations Received during the period	128,442	185,043
Pass Through Funds Received	66,606	44,000
Tindall Foundation Funds received	60,872	59,914
Investment Revenue	52,272	168,934
Total Funds Received	308,192	457,891
Funds Distributed		
Distributions of Foundation funds	84,021	59,500
Distributions of Pass Through Funds	64,841	45,000
Distributions of Tindall Foundation Funds	59,920	60,000
Total Funds Distributed	208,782	164,500
End of Year Position		
Endowment Funds Balance (including capital protection reserve)	2,176,973	2,102,679
Distribution Reserve Balance	87,241	81,553
Pass Through Funds Reserve Balance	1,765	-
Tindall Funds Balance	1,030	77
MTG Funds Balance	247,294	262,492

* For further details of Distributions made and the purpose for distributions over \$5,000 see Note 10.

These financial statements must be read in conjunction with the accompanying notes and audit report.



Hawke's Bay Foundation

Statement of Financial Performance

"How was it funded?" and "What did it cost?"

For the year ended

31 December 2018

	Note	Actual This Year (12 months) \$	Actual Last Year (9 months) \$
Revenue			
Donations, fundraising and other similar revenue	1	355,375	371,257
Revenue from providing services	1	250	250
Interest, dividends and other investment revenue	1	52,272	168,934
Total Revenue		407,897	540,441
Expenses			
Expenses related to public fundraising	2	63,065	55,315
Volunteer and contractor related costs	2	18,310	10,813
Costs relating to administration	2	23,570	9,911
Grants and donations made	2	208,782	164,500
Other expenses	2	616	370
Total Expenses		314,343	240,909
Surplus for the Year		93,554	299,532

These financial statements must be read in conjunction with the accompanying notes and audit report.



Hawke's Bay Foundation

Statement of Financial Position

"What the entity owns?" and "What the entity owes?"

As at
31 December 2018

	Note	Actual This Year (12 months) \$	Actual Last Year (9 months) \$
Assets			
Current Assets			
Bank accounts and cash	3	112,385	193,580
Debtors and prepayments	3	22,234	13,181
Other current assets	3	887,065	662,492
Total Current Assets		1,021,684	869,253
Non-Current Assets			
Property, plant and equipment	4	-	617
Investments	3	1,669,963	1,741,453
Total Non-Current Assets		1,669,963	1,742,070
Total Assets		2,691,647	2,611,323
Liabilities			
Current Liabilities			
Creditors and accrued expenses	3	2,302	1,285
Pending donations and grants with conditions	3	1,030	77
Other current liabilities	3	247,294	262,492
Total Current Liabilities		250,626	263,854
Total Liabilities		250,626	263,854
Total Assets less Total Liabilities		2,441,021	2,347,469
Accumulated Funds			
Accumulated surpluses	5	175,045	163,237
Reserves	5	2,265,978	2,184,232
Total Accumulated Funds	5	2,441,023	2,347,469

Trustee

Trustee

26/3/19
Date
26.3.19
Date

These financial statements must be read in conjunction with the accompanying notes and audit report.



Hawke's Bay Foundation

Statement of Cash Flows

"How the entity has received and used cash"

For the year ended

31 December 2018

	Actual This Year (12 months) \$	Actual Last Year (9 months) \$
Cash Flows from Operating Activities		
Cash was received from:		
Donations, fundraising and other similar receipts	356,328	371,172
Fund Management Fees	250	250
Interest, dividends and other investment receipts	74,469	53,561
Cash was applied to:		
Administration Expenses	103,835	79,299
Donations or grants paid	208,782	164,500
Net Cash Flows from Operating Activities	118,430	181,184
Cash flows from Investing and Financing Activities		
Cash was received from:		
Receipts from the sale of share investments	42,076	-
Receipts of MTG Funds	5,960	7,326
Receipts from Term Investments	836,603	1,031,747
Cash was applied to:		
Payments from Funds Under Management	21,158	45,250
Payments to purchase share investments	151,930	9,830
Transfers to term Investment	911,176	1,155,823
Net Cash Flows from Investing and Financing Activities	(199,625)	(171,830)
Net Increase / (Decrease) in Cash	(81,195)	9,354
Opening Cash	193,580	184,226
Closing Cash	112,385	193,580
This is represented by:		
Bank Accounts and Cash	112,385	193,580

These financial statements must be read in conjunction with the accompanying notes and audit report.



Hawke's Bay Foundation
Statement of Accounting Policies
"How did we do our accounting?"
For the year ended
31 December 2018

Basis of Preparation

Hawke's Bay Foundation has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future. All amounts are presented in New Zealand Dollars (NZD) and are rounded to the nearest dollar.

Goods and Services Tax (GST)

Hawke's Bay Foundation is not registered for GST. Therefore amounts recorded in the Performance Report are inclusive of GST (if any).

Income Tax

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

Bank Accounts and Cash

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

Revenue

Revenue is recognised on an accruals basis.

Property, Plant & Equipment

Property, plant and equipment are recognised at cost less aggregate depreciation. Depreciation has been calculated using the maximum permitted for taxation purposes. The following rates are used: Office Equipment 39.6% - 60%.

Investments

Share Investments

The fair value of the share investments has been determined by reference to their quotes prices at the reporting date. All share investments are publicly traded on stock exchanges in New Zealand and Australia. Gains and losses are recorded within Investment revaluation.

Term Investments

Term Investments are measured at amortised cost using the effective interest method.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument in another entity.

Financial instruments are comprised of cash and cash equivalents, term investments, share investments, accounts payables, unused donations and grants with conditions, and other current liabilities.



Hawke's Bay Foundation
Statement of Accounting Policies
"How did we do our accounting?"
For the year ended
31 December 2018

Initial recognition and measurement

Financial assets and financial liabilities are recognised initially at fair value plus transaction costs attributable to the acquisition, except for those carried at fair value through surplus or deficit, which are measured at fair value.

Financial assets and financial liabilities are recognised when the reporting entity becomes a party to the contractual provisions of the financial instrument.

Derecognition of financial instruments

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or if the entity transfers the financial asset to another party without retaining control or substantial all risks and rewards of the asset.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Subsequent measurement of financial assets

The subsequent measurement of financial assets depends on their classification, which is primarily determined by the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition into one of four categories defined below, and re-evaluates this designation at each reporting date.

All financial assets except for those classified as fair value through profit or loss are subject to review for impairment at least at each reporting date. Different criteria to determine impairment are applied to each category of financial assets, which are described below.

The classification of financial instruments into one of the four categories below, determines the basis for subsequent measurement and whether any resulting movements in value are recognised in the reported surplus and deficit or other comprehensive revenue and expense.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The entity's cash and cash equivalents fall into this category of financial instruments.

After initial recognition such financial assets are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(ii) Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets that are either classified as held for trading or that meet certain conditions and are designated at fair value through surplus or deficit upon initial recognition. The entity's held for trading financial assets include share investments.

Assets in this category are measured at fair value with gains or losses recognised in the surplus or deficit for the year.

The fair values of financial instruments in this category are provided by the Investment Manager and are determined by reference to active market transactions or using a valuation technique where no active market exists.

iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as held-to-maturity if the entity has the intention and ability to hold them until maturity. The entity's term investments are classified as held-to-maturity investments.



Hawke's Bay Foundation
Statement of Accounting Policies
"How did we do our accounting?"
For the year ended
31 December 2018

Held-to-maturity investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognised in surplus or deficit.

iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The entity does not have any available-for-sale financial assets.

Equity instruments are measured at cost less any impairment charges, where the fair value cannot currently be estimated reliably.

All other available-for-sale financial assets are measured at fair value. Gains and losses are recognised in other comprehensive revenue and expenses and reported within the "available-for-sale revaluation reserve" within equity, except for impairment losses which are recognised in the surplus or deficit for the year.

When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive revenue and expenses is reclassified from the equity reserve to the surplus or deficit and presented as a reclassification adjustment within other comprehensive revenue and expenses.

Interest income or dividends on available-for-sale financial assets are recognised in the surplus or deficit.

Available-for-sale financial instruments are reviewed at each reporting date for objective evidence that the investment is impaired. Objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost.

Subsequent measurement of financial liabilities

Trade payables and other borrowings are subsequently measured at amortised cost using the effective interest method.

Changes in Accounting Policies

There have been no changes in accounting policies during the financial year. Comparative amounts have been reclassified where necessary to be consistent within the current period.

Tier 2 PBE Accounting Standards Applied

The Trustees have adopted the following Tier 2 PBE Accounting Standards in the preparation of these accounts:

- PBE IPSAS 28 Financial Instruments: Presentation
- PBE IPSAS 29 Financial Instruments: Recognition and Measurement
- PBE IPSAS 30 Financial Instruments: Disclosure

The impact of the adoption is to revalue investments to market value at balance date, refer to the policy on financial instruments



Hawke's Bay Foundation Notes to the Performance Report

For the year ended
31 December 2018

Note 1 : Analysis of Revenue

Revenue Item	Analysis	This Year (12 months) \$	Last Year (9 months) \$
Donations and other similar revenue	Donations - Community Impact Fund	8,742	10,501
	Donations - Administration Costs	15,407	22,214
	Donations - Named Fund	119,700	174,542
	Donations - Pass Through	66,606	44,000
	Corporate Partnership Sponsorship	80,000	60,000
	Distrubuted funds returned to HB Foundation	5,000	-
	Tindall Donation Funds Released	59,920	60,000
	Total		355,375
Revenue from providing services	Fund Management Fees - MTG	250	250
	Total	250	250
Interest, dividends and other investment revenue	Interest	28,304	19,657
	Dividends	55,310	41,585
	Investment Revaluation	(33,016)	107,692
	Other Investment Income	1,674	-
	Total	52,272	168,934



Hawke's Bay Foundation Notes to the Performance Report

For the year ended
31 December 2018

Note 2 : Analysis of Expenses

Expense Item	Analysis	This Year (12 months) \$	Last Year (9 months) \$
Expenses Relating to Public Fundraising	Contractor Expenses	53,394	42,594
	Marketing and Promotion	9,671	12,721
	Total	63,065	55,315
Volunteer and Contractor related costs	Contractor Expenses	18,310	10,813
	Total	18,310	10,813
Costs related to administration	Bank Charges	239	40
	Communication Expenses	319	349
	Computer, Website & Software Expenses	3,221	1,737
	General Expenses	1,505	1,428
	Insurance	1,432	-
	Printing, Stationery & Postage	870	246
	Rent	15,270	5,090
	Subscriptions	714	1,021
	Total	23,570	9,911
Grants and donations made	Distributions - Foundation Funds	84,021	59,500
	Distributions - Pass Through Funds	64,841	45,000
	Distributions - Tindall Funds	59,920	60,000
	Total	208,782	164,500
Other Expenses	Depreciation	616	370
	Total	616	370



Hawke's Bay Foundation
Notes to the Performance Report

For the year ended
31 December 2018

Note 3 : Analysis of Assets and Liabilities

Asset Item	Analysis	This Year (12 months) \$	Last Year (9 months) \$
Bank accounts and cash	BNZ Cheque Account	108,298	79,497
	BNZ Cash PIE Account	4,087	4,083
	BNZ Term Investments with term 90 days & under	-	110,000
	Total	112,385	193,580
Debtors and prepayments	Accrued Interest receivable	22,234	11,888
	Prepayments	-	1,293
	Total	22,234	13,181
	Other current assets	Term Investments	887,065
Total		887,065	662,492
Investments		Share Investments	1,519,963
	Term Investments mat > 12m after bal date	150,000	300,000
	Total	1,669,963	1,741,453



Hawke's Bay Foundation
Notes to the Performance Report
For the year ended
31 December 2018

Note 3 : Analysis of Assets and Liabilities

Liability Item	Analysis	This Year (12 months)	Last Year (9 months)
Creditors and accrued expenses		\$	\$
	Accounts Payable	103	287
	Accrued interest payable	2,199	998
	Total	2,302	1,285
Unused donations and grants with		\$	\$
	Tindall Funds balance	1,030	77
	Total	1,030	77
Other current liabilities		\$	\$
	MTG Funds Balance	247,294	262,492
	Total	247,294	262,492



Hawke's Bay Foundation
Notes to the Performance Report
For the year ended
31 December 2018

Note 4 : Property, Plant and Equipment

This Year (12 months)					
Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
Computers (including software)	617			617	-
Total	617	-	-	617	-

Last Year (9 months)					
Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Depreciation and Impairment	Closing Carrying Amount
Computers (including software)	987	-		370	617
Total	987	-	-	370	617



Hawke's Bay Foundation

Notes to the Performance Report

For the year ended
31 December 2018

Note 5: Accumulated Funds

This Year (12 months)	Capital Contributed by Owners or Members	Accumulated Surpluses or Deficits	Reserves	Total
Description				
Opening Balance	-	163,237	2,184,232	2,347,469
Surplus	-	93,554	-	93,554
Transfer to Reserves	-	(81,746)	81,746	-
Closing Balance	-	175,045	2,265,978	2,441,023

Last Year (9 months)	Capital Contributed by Owners or Members	Accumulated Surpluses or Deficits	Reserves	Total
Description				
Opening Balance	-	137,961	1,909,976	2,047,937
Surplus	-	299,532	-	299,532
Transfer to Reserves	-	(274,256)	274,256	-
Closing Balance	-	163,237	2,184,232	2,347,469

Breakdown of Reserves

Name	Nature and Purpose	This Year (12 months) \$	Last Year (9 months) \$
Endowment Funds Capital Protection Reserve	This reserve comprises two elements: 1. An amount to preserve the real value of endowment fund capital against annual inflation. 2. A reserve to smooth the effects of market volatility reflected in unrealised gains from investment holdings.	284,117	338,266
Distribution Reserve	Distributable Income - the amount of annual income allocated for	87,241	81,553
Pass Through Distribution Reserve	End of year balance of funds contributed by donors - held pending distribution to a charity specified by the	1,765	-
Endowment Funds Capital	Endowment Funds - actual capital contributed by donors.	1,892,856	1,764,413
Total		2,265,979	2,184,232



Hawke's Bay Foundation
Notes to the Performance Report
For the year ended
31 December 2018

Note 6 : Commitments and Contingencies

Commitments

Hawke's Bay Foundation is currently renting office space from Hatmar Holdings Limited on a monthly basis at \$1,272.52 per month.

Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at balance date (Last Year - nil)



Hawke's Bay Foundation

Notes to the Performance Report

For the year ended
31 December 2018

Notes 7-9

Note 7 - Goods or Services Provided to the Entity in Kind:

Amounts included where known.

Description	This Year (12 months)	Last Year (9 months)
Crowe Horwath - Audit services	5,000	5,000
Band Ltd - Design	✓	✓
Bay Buzz -advertising	✓	
B Penny - Financial support	✓	✓
Brebner Print - printing	✓	✓
First NZ Capital	✓	✓
Giselle Reid / Quarto (1-off design of flyer for HBPCT)	✓	
Lift The Load - Rachel McKay	✓	✓
Lucy Dobbs - Marketing, PR, Comms	✓	✓
MCA Associates - Investment oversight	✓	✓
NZ Digital - Website	✓	✓
PR Ink - Sarah Nash PR - part	✓	✓
Reputation Matters - Marketing		✓
Sharesight	✓	✓
Stick - Marketing		✓

Note 8 - Related Party Disclosures:

Wineworks Hawke's Bay and Hawke's Bay Foundation are related through Trustee Jules Nowell-Usticke - a shareholder of Wineworks Hawke's Bay.	Wineworks Hawke's Bay have created an Endowment Fund within Hawke's Bay Foundation for the purpose of providing two annual scholarships to EIT students.
Sam Howard is an investment advisor with First NZ Capital. He is also a Trustee of Hawke's Bay Foundation.	First NZ Capital provide investment services to Hawke's Bay Foundation at no cost.
Andrew Wares is a partner of Sainsbury, Logan, Williams. He is also a Trustee of Hawke's Bay Foundation.	Andrew provides legal services to Hawke's Bay Foundation at no cost.
Brian Martin is a Director of Hatmar Holdings Limited. He is also a Trustee of Hawke's Bay Foundation. Brian retired as a Trustee at the end of 2018.	Hawke's Bay Foundation lease office space from Hatmar Holdings Limited.
Sarah Mulcahy was an Area Manager for Plunket NZ and is a Trustee of Hawke's Bay Foundation.	Plunket HB received a Tindall Foundation grant administered by Hawke's Bay Foundation during the period and the prior year. Sarah was not involved in the decision to award the grants.
Sarah Reo has a close family connection with project Prima Volta.	Project Prima Volta received a pass through grant administered by Hawke's Bay Foundation.

In their personal capacity, Trustees may provide donations to Hawke's Bay Foundation

Note 9 - Events After the Balance Date:

There were no events that have occurred after the balance date that would have a material impact on the Performance Report. (Last Year Nil)



Hawke's Bay Foundation
Notes to the Performance Report

For the year ended
31 December 2018

Note 10 - Distribution Recipients

The following distributions were made during the year ended 31 December 2018:

Recipient	Purpose for donations over \$5,000	HBF	Tindall	Pass Through	Total
Age Concern HB	Salary for 'Let's Share' Mgr		\$ 6,250		6,250
Age Concern HN		\$ 2,500			2,500
Autism NZ		\$ 700			700
Barnados	Salaries - children's contact service		\$ 6,000		6,000
Big Brothers Big Sisters HB			\$ 3,500		3,500
Birthright		\$ 2,500			2,500
Breathe HB		\$ 2,000			2,000
CAB Hastings		\$ 2,500			2,500
CAB Napier		\$ 3,500			3,500
Camp Kaitawa Trust			\$ 1,500		1,500
Canteen HB		\$ 1,500			1,500
CCS Disability Action		\$ 2,000			2,000
CHB Budget Service			\$ 4,000		4,000
CHB Parents Centre			\$ 2,000		2,000
Child Matters			\$ 4,000		4,000
Christian Lovelink			\$ 2,000		2,000
Connecting for Youth Employment			\$ 2,000		2,000
Cranford Hospice		\$ 970			970
Dove HB		\$ 3,500			3,500
English Language Partners			\$ 750		750
Epic Ministeries		\$ 2,500			2,500
Equippers Hastings Trust		\$ 1,000			1,000
Family Works		\$ 2,000			2,000
Hastings Community Patrol			\$ 4,000		4,000
HB Orchestra		\$ 1,000			1,000
HB Youth Trust - Giants		\$ 2,250		885	3,135
Heretaunga Seniors		\$ 2,000			2,000
Heretaunga Womens Centre	Donor directed distribution	\$ 3,500		53,521	57,021
Leg-up Trust		\$ 2,500			2,500
Napier Community Foodbank	Operation & admin costs		\$ 5,670		5,670
Napier Family Centre	Wages		\$ 7,250		7,250
Napier Hearing Assn		\$ 1,000			1,000
Nga Kairauhi Trust		\$ 2,000			2,000
Nourished for Nil			\$ 4,000		4,000
Orokohanga Music Trust		\$ 2,500			2,500
Pakeke Centre		\$ 3,000			3,000
Parkinson's HB		\$ 1,500			1,500
Paul Henare & Paora Winitana		\$ 2,250			2,250
Paul Hunter Centre		\$ 4,500			4,500
Plunket HB		\$ 2,500			2,500
Project Prima Volta	Donor directed distribution	\$ 3,000		10,435	13,435
Raukauri Music Therapy Trust		\$ 1,000			1,000
Sherwood School	Donor directed distribution	\$ 325			325
SPELD		\$ 1,000			1,000
Summer In the Parks		\$ 1,000			1,000
Sustaining HB		\$ 2,000			2,000
Taradale School	Donor directed distribution	\$ 5,026			5,026
Victim Support		\$ 4,500			4,500
Wairoa Financial Literacy Service		\$ 3,000			3,000
Wharariki Trust	Child healthy housing programme		\$ 7,000		7,000
Wineworks Scholarship	Donor directed distribution	\$ 2,000			2,000
Youth Development Trust		\$ 1,000			1,000
Zeal Education Trust		\$ 2,500			2,500
		84,021	59,920	64,841	208,782



INDEPENDENT AUDITOR'S REPORT

To the Beneficiaries of Hawke's Bay Foundation

Opinion

We have audited the performance report of Hawke's Bay Foundation (the Trust) on pages 2 to 18, which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 31 December 2018, the statement of financial position as at 31 December 2018, and the statement of accounting policies and other explanatory information.

In our opinion:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable; and
- b) the performance report on pages 2 to 19 presents fairly, in all material respects,:
 - the entity information for the year ended 31 December 2018;
 - the service performance for the year ended 31 December 2018; and
 - the financial position of the Trust as at 31 December 2018, and its financial performance, and cash flows for the year then ended

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit).

Basis for Opinion

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000. Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Performance Report* section of our report.

We are independent of the Trust in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Trust.

Responsibilities of the Trustees for the Performance Report

The Trustees are responsible on behalf of the entity for:

- (a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- (b) The preparation and fair presentation of the performance report, which comprises:
 - the entity information;
 - the statement of service performance; and
 - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board; and

- (c) For such internal control as the Trustees determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the performance report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAE (NZ) 3000 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion, including performing procedures to obtain evidence about and evaluating whether the reported outcomes and outputs and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Crowe Horwath New Zealand Audit Partnership
CHARTERED ACCOUNTANTS

26 March 2019