

Hawke's Bay Foundation

Performance Report

For the year ended
31 December 2022

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Hawke's Bay Foundation

Entity Information

For the year ended
31 December 2022

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 twelve Trustees. Three 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 Chartered Accountants Australia and New Zealand. 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:	Level 1, 209 Queen St East, Hastings 4122
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

For the year ended
31 December 2022

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. The key outcome is to promote and facilitate community philanthropy through life-long giving by creating endowments that provide a lasting legacy. To this end we invite donations, bequests, and other funds to help provide funding to Hawke's Bay community organisations for charitable purposes.

Community sectors supported are: Community & Social; Natural Environment; Arts & Culture; Health; Learning.

Description and Quantification of the Entity's Outputs:	Actual This Year	Actual Last Year
New Donor funds established	2	6
Community Group Funds established	1	5
Total Endowment Funds	54	51
Number of Community Groups that receive funding*.	75	71
Number of supporters receiving Foundation communications, including newsletter	1,289	1,217
Endowment Fund Capital Donations Received during the period	365,374	1,977,190
Total Endowment Funds Under Management**	5,935,442	6,067,531
Funds Distributed		
Tagged Distributions of Foundation Funds	51,740	38,188
Unrestricted Distributions from Foundation Funds	118,499	93,718
Distributions of Pass Through Funds	328,459	268,285
Distributions of Tindall Foundation Funds	64,092	64,092
Total Funds Distributed	562,790	464,283

* 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

For the year ended
31 December 2022

	Note	Actual This Year \$	Actual Last Year \$
Revenue			
Donations, fundraising and other similar revenue	1	846,015	2,377,752
Revenue from providing services	1	250	250
Interest, dividends and other investment revenue	1	(195,761)	223,918
Total Revenue		650,504	2,601,920
Expenses			
Expenses related to public fundraising	2	102,062	83,445
Volunteer and contractor related costs	2	34,587	22,834
Costs relating to administration	2	61,854	29,952
Grants and donations made	2	562,790	464,283
Other expenses	2	87	115
Total Expenses		761,380	600,629
(Deficit)/ Surplus for the Year		(110,876)	2,001,291

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

Hawke's Bay Foundation Statement of Financial Position

As at
31 December 2022

	Note	Actual This Year \$	Actual Last Year \$
Assets			
Current Assets			
Bank accounts and cash	3	1,113,440	2,256,777
Total Current Assets		1,113,440	2,256,777
Non-Current Assets			
Property, plant and equipment	4	259	346
Investments	3	5,539,305	4,520,206
Total Non-Current Assets		5,539,564	4,520,552
Total Assets		6,653,004	6,777,329
Liabilities			
Current Liabilities			
Creditors and accrued expenses	3	31,406	3,863
Other current liabilities	3	202,298	243,290
Total Current Liabilities		233,704	247,153
Total Liabilities		233,704	247,153
Total Assets less Total Liabilities		6,419,300	6,530,176
Accumulated Funds			
Accumulated surpluses	5	133,472	152,528
Reserves	5	6,285,828	6,377,648
Total Accumulated Funds	5	6,419,300	6,530,176

For and on behalf of Hawke's Bay Foundation

 Craig Hay
Trustee

20/06/23
Date

 Cam McLeay
Trustee

20/06/23
Date

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

Hawke's Bay Foundation Statement of Cash Flows

For the year ended
31 December 2022

	Actual This Year \$	Actual Last Year \$
Cash Flows from Operating Activities		
Cash was received from:		
Donations, fundraising and other similar receipts	828,483	2,370,047
Fund Management Fees	6,659	7,955
Interest, dividends and other investment receipts	216,023	123,746
Cash receipts from other operating activities	2	129
Cash was applied to:		
Administration Expenses	183,677	133,176
Donations or grants paid	536,668	464,283
Net Cash Flows from Operating Activities	330,822	1,904,418
Cash flows from Investing and Financing Activities		
Cash was received from:		
Receipts from the sale of share investments	250,075	331,628
Receipts to Funds Under Management	4,259	3,828
Receipts from Term Investments	99,960	627,338
Cash was applied to:		
Payments from Funds Under Management	45,250	250
Payments to purchase share investments	1,683,243	1,489,417
Transfers to term Investment	99,960	466,000
Net Cash Flows from Investing and Financing Activities	(1,474,159)	(992,873)
Net Increase / (Decrease) in Cash	(1,143,337)	911,545
Opening Cash	2,256,777	1,345,232
Closing Cash	1,113,440	2,256,777
This is represented by:		
Bank Accounts and Cash	1,113,440	2,256,777

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

Hawke's Bay Foundation
Statement of Accounting Policies
For the year ended
31 December 2022

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.

Hawke's Bay Foundation
Statement of Accounting Policies
For the year ended
31 December 2022

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.

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.

Hawke's Bay Foundation
Statement of Accounting Policies
For the year ended
31 December 2022

(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.

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.

Hawke's Bay Foundation
Statement of Accounting Policies
For the year ended
31 December 2022

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 2022

Note 1 : Analysis of Revenue

Revenue Item	Analysis	This Year \$	Last Year \$
Donations and other similar revenue			
	Donations - Community Impact Fund	34,305	38,756
	Donations - Administration Costs	50,701	37,234
	Donations - Named Fund	365,374	1,977,190
	Donations - Pass Through	287,063	212,480
	Corporate Partnership Sponsorship	25,000	15,000
	Donor Club	19,480	32,000
	Distributed funds returned to HB Foundation	-	1,000
	Tindall Donation Funds Released	64,092	64,092
Total		846,015	2,377,752

Revenue Item	Analysis	\$	\$
Revenue from providing services	Fund Management Fees - MTG	250	250
	Total	250	250

Revenue Item	Analysis	\$	\$
Interest, dividends and other investment revenue	Interest	19,607	2,480
	Dividends	196,416	114,901
	Investment Revaluation	(414,068)	106,408
	Currency Movement	2,282	-
	Other Investment Income	2	129
Total		(195,761)	223,918

Hawke's Bay Foundation
Notes to the Performance Report
For the year ended
31 December 2022

Note 2 : Analysis of Expenses

Expense Item	Analysis	This Year	Last Year
		\$	\$
Expenses Relating to Public Fundraising	Contractor Expenses - Development/ Communications	92,266	78,259
	Marketing and Promotion	9,796	5,186
	Total	102,062	83,445
		\$	\$
Volunteer and Contractor related costs	Contractor Expenses - Administration/ Finance	34,587	22,834
	Total	34,587	22,834
		\$	\$
Costs related to administration	Bank Charges	205	305
	Communication Expenses	288	288
	Computer, Website & Software Expenses	6,945	5,824
	General Expenses	1,071	1,057
	Insurance	2,583	2,398
	Investment/ Custodian Expenses	21,126	1,978
	Printing, Stationery & Postage	195	463
	Rent	13,376	7,401
	Subscriptions	2,565	1,820
	Travel, workshop, seminar exps	1,512	2,420
	Vehicle Expenses	11,988	5,998
	Total	61,854	29,952
		\$	\$
Grants and donations made	Distributions - Foundation Funds	170,239	131,906
	Distributions - Pass Through Funds	328,459	268,285
	Distributions - Tindall Funds	64,092	64,092
	Total	562,790	464,283
		\$	\$
Other Expenses	Depreciation	87	115
	Total	87	115

Hawke's Bay Foundation
Notes to the Performance Report
For the year ended
31 December 2022

Note 3 : Analysis of Assets and Liabilities

Asset Item	Analysis	This Year \$	Last Year \$
Bank accounts and cash	BNZ Cheque Account	166,352	607,608
	Jarden Cash Management Account	744,615	1,405,681
	Jarden Cash Management Account - MTG	202,298	243,289
	Petty Cash Account	175	199
	Total		1,113,440
Investments	Share Investments	5,539,305	4,520,206
	Total	5,539,305	4,520,206

Hawke's Bay Foundation
Notes to the Performance Report
For the year ended
31 December 2022

Note 3 : Analysis of Assets and Liabilities

Liability Item	Analysis	This Year	Last Year
		\$	\$
Creditors and accrued expenses	Accounts Payable	16,406	3,863
	Revenue in Advance	15,000	-
	Total	31,406	3,863
		\$	\$
Other current liabilities	MTG Funds Balance	202,298	243,290
	Total	202,298	243,290

Hawke's Bay Foundation
Notes to the Performance Report
For the year ended
31 December 2022

Note 4 : Property, Plant and Equipment

This Year					
Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
Computers (including software)	346	-	-	87	259
Total	346	-	-	87	259

Last Year					
Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Depreciation and Impairment	Closing Carrying Amount
Computers (including software)	461	-	-	115	346
Total	461	-	-	115	346

Hawke's Bay Foundation
Notes to the Performance Report
For the year ended
31 December 2022

Note 5: Accumulated Funds

This Year				
Description	Capital Contributed by Owners or Members	Accumulated Surpluses or Deficits	Reserves	Total
Opening Balance	-	152,528	6,377,648	6,530,176
Surplus (Deficit)	-	(110,876)	-	(110,876)
Transfer from Reserves	-	91,820	(91,820)	-
Closing Balance	-	133,472	6,285,828	6,419,300

Last Year				
Description	Capital Contributed by Owners or Members	Accumulated Surpluses or Deficits	Reserves	Total
Opening Balance	-	158,897	4,369,988	4,528,885
Surplus	-	2,001,291	-	2,001,291
Transfer to Reserves	-	(2,007,660)	2,007,660	-
Closing Balance	-	152,528	6,377,648	6,530,176

Breakdown of Reserves

Name	Nature and Purpose	This Year \$	Last Year \$
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.	565,351	890,863
Distribution Reserve	Distributable Income - the amount of annual income allocated for distribution.	265,123	183,457
Pass Through Distribution Reserve	Funds donated with the intention that the funds be fully paid out to charitable purposes.	85,263	126,660
Endowment Funds Capital	Donated funds held in perpetuity.	5,370,091	5,176,668
Administration Funds	Funds held for the running of the Foundation and not held for charitable distribution purposes.	133,472	152,528
Total		6,419,300	6,530,176

Hawke's Bay Foundation
Notes to the Performance Report
For the year ended
31 December 2022

Note 6 : Commitments and Contingencies

Commitments

HB Foundation has entered into a lease agreement to rent premises at 209 Queen St E, Hastings for two years from 1 July 2022 at a cost of \$15,525pa.

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 2022

Notes 7-9

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

Amounts included where known.

Description	This Year	Last Year
Crowe Horwath – Audit services	9,000	5,000
Bay Buzz - advertising	x	x
Brebner Print - Discounted printing services	x	
Jarden		x
Lift the Load	x	x
MCA Associates – SIPO oversight	x	x
Willis Legal	x	x

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.
Kevin Callinicos is a partner of Willis Legal. He is also a Trustee of Hawke's Bay Foundation.	Kevin provides legal services to Hawke's Bay Foundation at no cost.
In their personal capacity, Trustees may provide donations to Hawke's Bay Foundation	

Note 9 - Events After the Balance Date:

This Year: A Cyclone Relief Fund was launched after Cyclone Gabrielle hit Hawkes Bay. Funds in excess of \$2.5m have been donated. All funds donated have been treated as Pass-Through funds and are expected to be distributed by the end of 2023.

Hawke's Bay Foundation
Notes to the Performance Report
For the year ended
31 December 2022

Note 10 - Distribution Recipients

The following distributions were made during the year ended 31 December 2022:

Recipient	Purpose for donations over \$5,000 (not including Pass Through)	HB Foundation				Total
		Untagged	Tagged	Tindall	Pass Through	
A M Bevin Fund			2,002			2,002
Age Concern Hawke's Bay Inc		4,000				4,000
Age Concern Wairoa	Operating Costs	5,000				5,000
Anxiety NZ		1,500				1,500
Arts Inc. Heretaunga		2,000				2,000
Awhi Charitable Trust	To allow support to more rangatahi.			5,000	1,000	6,000
Big Brothers Big Sisters of Hawke's Bay	Funding for 4 x matches	920		7,000		7,920
Birchleigh Polo					6,000	6,000
Birthright HB Child and Family Care Trust	External supervision for counsellors			6,000		6,000
Brain Injury Association HB		4,088				4,088
CAB Hastings				4,000		4,000
CAB Napier	Manager wages			5,000		5,000
Cancer Society of NZ Hawke's Bay Centre Inc.	Driving assistance for patients to PN	5,000				5,000
Central Connect Whare Manaaki	Car running costs			5,000		5,000
CHB Parents Centre (Waipukurau)				3,000		3,000
Christian Lovelink Napier Hastings Inc.		4,000				4,000
CONNECT Youth & Community Trust				2,000		2,000
Cranford Hospice	Salaries for Family Support Team	7,000	2,146			9,146
Cranford Hospice					100,000	100,000
Creative Arts Napier Inc		2,000				2,000
Crombie Scholarship Recipients	Education scholarships		15,000			15,000
Darius Martin-Baker					2,000	2,000
Dynasty Sport					2,819	2,819
English Language Partners Hawke's Bay				2,000		2,000
Environment Centre HB (Sustaining HB Trust)		2,000				2,000
EPIC Fund			167			167
Epic Ministries Inc		4,584				4,584
Family Violence Intervention and Prevention	Wages for Safe House Coordinator			5,000		5,000
Family Works Hawke's Bay - a service of PSEC	Supervision for FWHB staff	6,000				6,000
Food Basket CHB		2,000			1,000	3,000
Glow Networks					7,189	7,189
HB Cate Scholarship Fund			701			701
HB Foundation	Ex Pass Through Fund donor.				5,956	5,956
HB Rowing Fund			4,736			4,736
HB Youth Trust (Giants Boxing)		4,000				4,000
Heretaunga Women's Centre	Wages for Centre Services Manager			5,000		5,000
Hereworth School					22,172	22,172
Hillmorton High School					12,000	12,000
Hinemihi Marae, Wairoa				3,000		3,000
Hstg Art & Culture Trust		2,000				2,000
Hstg Riding for the Disabled		3,000				3,000
Inspire in Education Limited	Promoting Maori Myths/ Legends project			5,000		5,000
Karamu High School Fund			2,336			2,336
Karituwhenua Landcare Stream Group			500			500
Knowledge Bank			2,145			2,145
Lifelink/Samaritans Incorporated		2,000				2,000
Mates of Hawke's Bay Charitable Trust		3,000				3,000

Hawke's Bay Foundation
Notes to the Performance Report
For the year ended
31 December 2022

Note 10 - Distribution Recipients

The following distributions were made during the year ended 31 December 2022:

Recipient	Purpose for donations over \$5,000 (not including Pass Through)	HB Foundation		Tindall	Pass Through	Total
		Untagged	Tagged			
Mercy Parklands					10,833	10,833
MTG Foundation					5,000	5,000
Napier Family Centre Incorporated	Child/ Youth & Family Therapy	7,000				7,000
Napier Riding for the Disabled		3,000				3,000
Ngati Kahungunu Fund	From Community Group Fund		6,845			6,845
Nourished for Nil Limited		3,000	682			3,682
NZ Memorial Museum					50,000	50,000
Orokohanga Music Trust	Tutor fees for two teachers	5,000				5,000
Outward Bound Fund			194			194
Parent to Parent NZ Incorporated T/A HB		2,000				2,000
Paul Hunter Centre Incorporated		3,000				3,000
Peoples Advocacy Society	Costs to establish new office.	5,000				5,000
Prima Volta	Operating support for staff	5,000			50,000	55,000
Radio Kidnappers Charitable Trust		1,000				1,000
Raukauri Music Therapy Trust		3,707				3,707
Re-Source		3,000				3,000
Rissington Anzac					1,200	1,200
Rissington Community					90	90
Sacred Heart					50,000	50,000
Sherwood School			2,528			2,528
Taihoa Marae	Operating expenses			5,000		5,000
Taradale School Music Department			7,311			7,311
Te Mata Park Trust	Trail maintenance	1,000	4,447			5,447
Thermals for Children		2,000				2,000
Wairoa Community Development Trust		2,500				2,500
Wanganui Collegiate					1,200	1,200
Wharariki (Flax) Trust	Housing repair programme	7,000				7,000
WRAPPED Charitable Trust		1,200				1,200
Youth Dev Trust - Graeme Dingle Foundation HB				2,092		2,092
		118,499	51,740	64,092	328,459	562,790

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Hawke's Bay Foundation

Opinion

We have audited the performance report of Hawke's Bay Foundation (the Trust) which comprise the financial statements on pages 4 to 20, the entity information on page 2 and the statement of service performance on page 3. The complete set of financial statements comprise the statement of financial position as at 31 December 2022, and the statement of financial performance and statement of cash flows for the year ended, and the statement of accounting policies and other explanatory information.

In our opinion, the accompanying performance report presents fairly, in all material respects:

- the entity information as at 31 December 2022;
- the financial position of the Trust as at 31 December 2022, and its financial performance and its cash flows for the year then ended; and
- the service performance of the Trust for the year ended 31 December 2022 in accordance with the entity's service performance criteria

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

Basis for Opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with the ISAs (NZ) and New Zealand Auditing Standard (NZ AS) 1 *The Audit of Service Performance Information*. Our responsibilities under those 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 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* 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

Trustees' Responsibilities for the Performance Report

The Trustees are responsible on behalf of the Trust for:

- (a) the preparation and fair presentation of the entity information, financial statements and statement of service performance in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board;
- (b) service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit); and
- (c) such internal control as the Trustees determine is necessary to enable the preparation of the financial statements and statement of service performance that are 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 entity information, financial statements as a whole, and the statement of service performance are 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 NZ AS 1 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 NZ AS 1, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the entity information, the financial statements and the statement of service performance, 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. 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 of the entity information, the financial statements and the statement of service performance 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.
- Obtain an understanding of the process applied by the entity to select what and how to report its service performance.

- Evaluate whether the service performance criteria are suitable so as to result in service performance information that is in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit).
- 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 represents the underlying transactions, events and service performance 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.

Restriction on Use

This report is made solely to the Trust's Trustees, as a body. Our audit has been undertaken so that we might state to the Trust's Trustees those matters we are required to state to them in an 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 Trust and the Trust's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Crowe New Zealand Audit Partnership
CHARTERED ACCOUNTANTS

Dated at Hastings this 28th day of June 2023