



Nikau
FOUNDATION

Performance Report

For the year ended
30 September 2023

Prepared by Denisa Calian



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Entity Information

Nikau Foundation

For the year ended 30 September 2023

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

Legal Name of Entity

Nikau Foundation (The Foundation)

Entity Type and Legal Basis

Charitable Trust, Registered Charity

Registration Number

Charity Commission Number: CC24793

Entity's Purpose or Mission

Vision

To build healthy, resilient and self-sustaining communities.

Mission:

To grow generosity and effective grant-making to strengthen Wellington communities.

Entity Structure

Nikau Foundation's Board of Trustees (all voluntary positions) comprise up to fourteen trustees having such knowledge, experience, qualifications and interests as the Board may from time to time prescribe or recommend in a formal appointment policy or criteria adopted by the Board for such purpose.

The Board establishes subcommittees to support the Board's governance of the Foundation. Each sub-committee must comprise at least one board member. Co-opted members with specialist expertise can be appointed to the sub-committees as needed.

The subcommittees are:

- Audit, Risk and Investment
- People and Culture

The Foundation's investment portfolio is managed by Craigs Investment Partners and Harbour Asset Management who act in accordance with the Foundation's Statement of Investment Policies and Objectives (SIPO), which is approved by the Trustees and includes a Responsible Investment Policy.

Main Sources of Entity's Cash and Resources

The main source of revenue is endowment fund donations from local residents and organisations in the Greater Wellington region to support their communities. Donations are pooled and invested, and a certain percentage used to make distributions annually to charities and community groups in the Wellington region, as stipulated in the Foundation's Distribution Policy.

When making distributions, donor wishes are paramount; they can recommend which causes to support or leave the decision to Nikau to decide where the distributions are best needed.

Donors can:

- Leave a gift in their will
- Donate during their lifetime and have the pleasure of seeing their money make a difference (donors may also receive a 33.3% tax credit)

Donors are invited to make an establishment donation towards the operating expenses of the Foundation and some donors choose to support Nikau's operations annually, for which we are very grateful.

The other main sources of revenue are:

- Income from investments
- Trustee and management fees from the Michael and Suzanne Borrin Foundation
- Trustee and administration fees from the Nikau Endowment Funds
- General donations and funding from generous individuals and corporate partners

Main Methods Used by the Entity to Raise Funds

The Foundation uses a range of fundraising methods with the most successful being focused on positioning Nikau as a "safe pair of hands" for other organisations and philanthropic individuals, building strong connections with the current donors, and utilising Nikau's existing wide-reaching whanau of volunteers and friends.

Entity's Reliance on Volunteers and Donated Goods or Services

Trustees and committee members are all volunteers. We also have volunteers based across each locality who support with engagement, grant making and raising profile. Corporate partners provide in-kind support, allowing the Foundation to administer the donor funds in the first instance, continue to build its profile and encourage other potential donors to set up a fund. Various services are offered to the Foundation at a discounted rate (e.g. legal services).

Physical Address

Level 5, 166 Featherston Street, Wellington 6011

Postal Address

PO Box 24 220, Manners Street, Wellington 6142

Website

www.nikaufoundation.nz

Approval of Financial Report

Nikau Foundation

For the year ended 30 September 2023

The Trustees are pleased to present the approved financial report including the financial statements of Nikau Foundation for the year ended 30 September 2023.

APPROVED



Dame Fran Wilde

Chair

Date: 5 December 2023



Wendy Venter

Chair - Audit, Risk and Investment Committee

Date: 5 December 2023

Statement of Service Performance

Nikau Foundation

For the year ended 30 September 2023

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

Description of Entity's Outcomes

Nikau Foundation is a community foundation set up to benefit the Greater Wellington Region. Its vision is building healthy, resilient and self-sustaining communities through its mission to grow generosity and effective grant-making. Generous individuals donate money to Nikau Foundation which is invested in perpetuity and the returns on that investment are distributed for charitable purposes.

Our outcomes are:

- That donors, prospective donors and supporters recognise Nikau Foundation as a trusted leader in all aspects of philanthropy with specialist knowledge about community and voluntary sector organisations
- That Nikau Foundation is considered to be a respected, accessible and strategic grant maker
- That all donors feel valued knowing that Nikau Foundation understands their individual visions and desires
- To increase the number and value of funds established and under management thereby increasing all types of giving to community and voluntary organisations across a range of causes.

	NOTES	2023	2022
Description and Quantification of the Entity's Outputs			
Total Grants Distributed (Pass-through and Endowments)			
Number of Grants Distributed		193	202
Value of Grants Distributed			
Endowment Funds Grants	2	923,342	785,313
Pass-through Grants		241,253	248,557
Total Value of Grants Distributed		1,164,595	1,033,870
Value of Average Grant		6,034	5,118
Grants by Purpose			
Operational Costs		367,609	347,953
Salaries		279,931	235,188
Service Delivery/Programmes/Projects		224,059	223,015
Capital Expenditure		175,537	86,099
Other		117,459	141,615
Total Grants by Purpose		1,164,595	1,033,870

	NOTES	2023	2022
Grants by Primary Benefit Area			
Community		171,564	165,695
Conservation and Environment		112,732	46,368
Disability		100,885	77,075
Family/Whanau		91,010	77,171
Youth		88,863	79,695
Health		71,451	104,225
Social Services		63,260	35,600
Older Generations		50,715	70,931
Children and Babies		50,222	40,400
Culture/Arts		47,734	63,235
Education and Research		47,178	40,552
Women		44,787	30,200
Housing/Homelessness		29,993	19,500
Mental Health		26,935	16,855
Rainbow		25,700	22,000
Former Refugee and Migrant		25,000	22,303
Other		116,566	122,065
Total Grants by Primary Benefit Area		1,164,595	1,033,870

Community Feedback

Nikau Foundation surveys grantees annually. In 2023 it has introduced a rating system to better understand community feedback and how this trends over time. The results from this latest survey undertaken in August - September 2023 are outlined below.

Grantees Feedback	2023
Number of responses received	82
Rating of the funding experience	9.59/10
Rating of the grants round communication	9.59/10

Testimonials

"The funding from Nikau Foundation has helped our organisation to focus on the core values of our mission which is inclusion for all (with this programme we connect with food), enabling good life (we empower our people to healthy eating habits and to take care of our planet) and we created the opportunity with your help." - Denis Wood, The Shed Project

"This grant has allowed us to continue operating at our current capacity, providing creative and wellbeing classes to individuals with intellectual disabilities and mental health concerns six days a week." - Sarah Yuile, Centre Manager.

	NOTES	2023	2022
Endowment Funds			
Number of Endowment Funds		73	69
Value of Endowment Funds Under Management	7	31,625,313	31,929,059

Statement of Financial Performance

Nikau Foundation

For the year ended 30 September 2023

	NOTES	2023	2022
Revenue			
Donations, fundraising and other similar revenue	1	551,273	5,930,008
Fees, subscriptions and other revenue	1	330,197	336,245
Revenue from providing goods or services	1	187,850	257,187
Interest, dividends and other investment revenue	1	1,176,667	(1,831,679)
Investment Property revenue/ (deficit)	1	(736,000)	(668,000)
Total Revenue		1,509,986	4,023,762
Expenses			
Expenses related to public fundraising	2	32,159	23,015
Volunteer and employee related costs	2	569,041	517,018
Costs related to providing goods or services	2	84,512	181,119
Grants and donations made	2	923,342	785,333
Other expenses	2	277,894	231,008
Total Expenses		1,886,948	1,737,494
(Deficit)/Surplus for the Year		(376,962)	2,286,268

These financial statements have been audited and should be read in conjunction with the accompanying Notes.

Statement of Financial Position

Nikau Foundation As at 30 September 2023

	NOTES	30 SEP 2023	30 SEP 2022
Assets			
Current Assets			
Bank accounts and cash	3	575,017	2,165,406
Debtors and prepayments	3	177,843	2,080,536
Other Current Assets	3	320,000	400,000
Total Current Assets		1,072,860	4,645,942
Non-Current Assets			
Fixed Assets	4	28,293	18,480
Investments	3	25,110,633	21,193,354
Investment properties	5	6,150,000	6,886,000
Total Non-Current Assets		31,288,927	28,097,834
Total Assets		32,361,787	32,743,776
Liabilities			
Current Liabilities			
Creditors and accrued expenses	6	177,521	191,201
Employee costs payable	6	37,115	38,488
Other current liabilities	6	39,188	29,161
Total Current Liabilities		253,823	258,850
Total Liabilities		253,823	258,850
Total Assets less Total Liabilities (Net Assets)		32,107,964	32,484,926
Accumulated Funds			
Endowment funds	7	31,625,313	31,929,059
Operating surpluses	7	482,651	555,867
Total Accumulated Funds		32,107,964	32,484,926

These financial statements have been audited and should be read in conjunction with the accompanying Notes.

Statement of Cash Flows

Nikau Foundation

For the year ended 30 September 2023

	2023	2022
Cash Flows from Operating Activities		
Donations, fundraising and other similar receipts	2,551,273	2,321,307
Fees, subscriptions and other receipts	247,464	373,991
Receipts from providing goods or services	188,372	262,487
Interest, dividends and other investment receipts	632,986	491,470
Payments to suppliers and employees	(868,381)	(859,246)
Donations or grants paid	(923,342)	(825,333)
Total Cash Flows from Operating Activities	1,828,372	1,764,676
Cash Flows from Investing and Financing Activities		
Receipts from sale of investments	17,785,554	27,903,227
Payments to acquire property, plant and equipment	(18,123)	(19,239)
Payments to purchase investments	(21,186,192)	(27,985,830)
Total Cash Flows from Investing and Financing Activities	(3,418,761)	(101,842)
Net Increase/(Decrease) in Cash	(1,590,389)	1,662,834
Bank Accounts and Cash		
Opening cash	2,165,406	502,572
Net change in cash for period	(1,590,389)	1,662,834
Closing cash	575,017	2,165,406

These financial statements have been audited and should be read in conjunction with the accompanying Notes.

Statement of Accounting Policies

Nikau Foundation

For the year ended 30 September 2023

'On what basis did we prepare these financial statements?'

Basis of Preparation

The entity has elected to prepare the performance report under the reporting regime - Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit PBE SFR-A (NFP)) Tier 3, on the basis that it does not have public accountability and has total annual expenses equal to or less than \$2,000,000.

All transactions in the Performance Report are reported using the accrual basis of accounting.

The functional and presentational currency is New Zealand dollars.

Goods and Services Tax (GST)

Nikau Foundation is registered for GST. These accounts have been prepared on a GST exclusive basis except for receivables and payables that are stated inclusive of GST.

Income Tax

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

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period. Certain comparatives have been restated for presentation purposes.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Foreign Currency Transactions

Monetary assets and liabilities denominated in a foreign currency are translated into functional currency at the exchange rate at the reporting date.

Grant Expenditure

Grant expenditure is recognised once the grant is approved and committed to by both parties. The grants committee considers all applications and selects those that it considers meet grant guidelines for further consideration by the Board. Once the Board approves the grants and the approval is communicated to the recipient, the expenditure is recognised. All grants must be applied for on an annual basis.

There are no multi-year grants.

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Foundation and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised:

Gifts, Donations and Bequests:

Gifts, donations and bequests are voluntary transfers of assets including cash and other monetary assets, goods in-kind and services in-kind that Nikau Foundation receives which are free from stipulations.

Gifts, donations and bequests are recognised as revenue when it is probable that the future economic benefits or service potential will flow to the entity, and the fair value of the assets can be measured reliably. For gifts and donations this is usually upon receipt of the gift or donation. However for bequests, a period of time may elapse between the death of the testator and the entity receiving any assets - in which case the entity makes an assessment of whether the deceased person's estate is sufficient to meet all claims on it and satisfy all bequests. If the will is disputed, this is taken into account in determining the probability of assets flowing to the entity. Gifts, donations and bequests are recognised as revenue at their fair value at the date of recognition.

Interest, Dividends and Investments:

Interest, dividend and investment revenue is recognised in the Statement of Financial Performance as it is earned, on an accruals basis.

Fees, Subscriptions and Other Revenue

Fees, Subscriptions and Other Revenue is recognised as revenue in the year in which it relates, when it is probable that the future economic benefits will flow to the entity and the fair value of the assets can be reliably measured.

Property, Plant and Equipment

Recognition and Measurement

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at fair value.

Any gain or loss on disposal of an item of property, plant or equipment is recognised in surplus or deficit.

Depreciation

Depreciation has been calculated as follows using either the diminishing value method or straight line method for assets within the classes detailed below.

Plant and Equipment - 8.5%-40% SL, 20% DV

Computer Hardware - 40% SL, 50% DV

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

Tier 2 PBE Accounting Standards Applied

In certain instances, the entity has opted to apply the provision of the Tier 2 PBE Accounting Standards in place of a requirement of the Tier 3 Standard, in order to provide more useful information.

The entity has applied IPSAS 28-30: Financial Instruments: *Presentation, Recognition and Measurement, Disclosures* for its investment balances. Investments are designated at fair value through surplus or deficit upon recognition. Directly attributable transaction costs are recognised in profit and loss as incurred. Financial assets at fair value through surplus or deficit are measured at fair value and changes therein, including any interest or dividend income, are recognised in surplus or deficit. Fair value is calculated using the market quoted unit price on balance date.

Investment Property

The entity has applied the recognition and measurement principles for PBE IPSAS 16: Investment Property for the investment properties held. Investment property is measured at fair value at the date of acquisition. Subsequent to initial recognition, the fair value model has been applied.

Notes to the Performance Report

Nikau Foundation

For the year ended 30 September 2023

	2023	2022
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Donation Income - Contributed Capital	516,398	5,893,283
Donation Income - Operating	34,875	36,725
Total Donations, fundraising and other similar revenue	551,273	5,930,008
Fees, subscriptions and other revenue from members		
Fee Income - Grant Distribution Fees	15,910	25,540
Fee Income - Corporate Trustee Fees	314,287	310,705
Total Fees, subscriptions and other revenue from members	330,197	336,245
Revenue from providing goods or services		
Investment Property - Rent Received	187,850	257,187
Total Revenue from providing goods or services	187,850	257,187
Interest, dividends and other investment revenue		
Investment Income - Endowment	910,878	1,425,877
Investment Revaluation - Endowment	248,691	(3,264,189)
Interest Received - Operating Investments	17,097	6,633
Total Interest, dividends and other investment revenue	1,176,667	(1,831,679)
Investment Property revenue/ (deficit)		
Investment Property - Fair Value Gain/(Loss) on Revaluation	(736,000)	(768,000)
Investment Property - Gain on Sale	-	100,000
Total Investment Property revenue/ (deficit)	(736,000)	(668,000)

	2023	2022
2. Analysis of Expenses		
Expenses related to public fundraising		
Events	9,957	3,550
Promotion and Publicity	22,203	19,465
Total Expenses related to public fundraising	32,159	23,015
Volunteer and employee related costs		
Staff Costs - Salaries	564,152	507,117
Staff Costs - Contractors	-	2,753
Staff Costs - Other	4,889	7,148
Total Volunteer and employee related costs	569,041	517,018
Costs related to providing goods or services		
Investment Property - Expenses	84,512	181,119
Total Costs related to providing goods or services	84,512	181,119
Grants and donations made		
Grants Paid	923,342	785,313
Donations Paid	-	20
Total Grants and donations made	923,342	785,333
Other expenses		
Audit Fee	11,890	12,130
Depreciation	7,893	1,644
Loss on Disposal of Fixed Assets	417	836
Insurances	17,298	9,100
Investment Portfolio Management Fees	103,776	82,397
Office Expenses	94,711	91,143
Professional and Consulting Fees	25,977	17,795
Other Expenses	15,932	15,962
Total Other expenses	277,894	231,008

	2023	2022
3. Analysis of Assets		
Bank accounts and cash		
Endowment Accounts	172,924	42,779
Grants Accounts	114,603	118,603
Operations Accounts	31,425	144,068
Cash in Investment Portfolios	256,065	1,859,956
Total Bank accounts and cash	575,017	2,165,406
Debtors and prepayments		
Accounts Receivable	119,602	29,558
Accruals & Prepayments	58,242	2,050,978
Total Debtors and prepayments	177,843	2,080,536
Other current assets		
Term Deposits	320,000	400,000
Total Other current assets	320,000	400,000
Investments (non-current)		
NZ Equities	4,445,076	5,243,649
NZ Fixed Interest	7,504,034	6,185,878
Investment Property - Indirect	320,021	579,992
International Equities	9,857,274	8,133,476
International Fixed Interest	2,984,228	1,050,359
Total Investments (non-current)	25,110,633	21,193,354
Other non-current assets		
Investment Property - Direct (refer to Note 5)	6,150,000	6,886,000
Total Other non-current assets	6,150,000	6,886,000
	2023	2022

4. Property, Plant and Equipment

Computer Equipment		
Computer Equipment	17,520	7,643
Accumulated Depreciation - Computer Equipment	(4,606)	(5,655)
Total Computer Equipment	12,914	1,988
Office Furniture and Equipment		
Office Equipment	19,842	17,437
Accumulated Depreciation - Office Equipment	(4,463)	(945)
Total Office Furniture and Equipment	15,379	16,492
Total Property, Plant and Equipment	28,293	18,480

	2023	2022
5. Investment Property (at fair value)		
Reconciliation		
Opening Balance	6,886,000	9,654,000
Disposals		
Mana Esplanade	-	(2,000,000)
Total Disposals	-	(2,000,000)
Revaluation		
Bluegum Rd/Anthony Gr - Revaluation	(736,000)	(768,000)
Total Revaluation	(736,000)	(768,000)
Total Investment Property (at fair value)	6,150,000	6,886,000

The Bluegum Rd/Anthony Gr properties were valued at 30 September 2023 by external, qualified property valuers using comparable recent sales data consistent with other residential property valuations. The property at 109 The Esplanade, Mana was sold on 7 September 2022 and the proceeds invested in the managed funds portfolio.

	2023	2022
6. Analysis of Liabilities		
Creditors and accrued expenses		
Accounts Payable	8,580	29,481
Accrued Operating Expenses	14,500	18,308
GST	26,180	12,455
PAYE Payable	13,658	12,353
Pass Through Grants	114,603	118,603
Total Creditors and accrued expenses	177,521	191,201
Employee costs payable		
Employee Entitlements	37,115	38,488
Total Employee costs payable	37,115	38,488
Other current liabilities		
Accrued Endowment Expenses	39,188	29,161
Total Other current liabilities	39,188	29,161

	2023	2022
7. Accumulated Funds		
Accumulated Funds Movement		
Opening Balance	32,484,926	30,198,658
Operating Surplus/(Deficit)	(73,216)	8,351
Endowment Surplus/(Deficit)	(303,746)	2,277,917
Total Accumulated Funds	32,107,964	32,484,926
	2023	2022
Accumulated Funds made up of:		
Endowment Funds	31,625,313	31,929,059
Operating Funds	482,651	555,867
Total Accumulated Funds made up of:	32,107,964	32,484,926

Endowment Funds represent the capital donations made to Nikau Foundation by donors and any undistributed income earned by endowment funds. The investment returns from these funds are used to make distributions to charities and community groups. Subject to investment market variability, Nikau Foundation endeavours to maintain the capital donated in real terms.

Operating Funds are used for the operations of the Foundation. These reserves are intended to maintain operations for up to 12 months.

8. Significant Donated Assets Recorded

During the year there have been no significant donated assets (Last Year: nil).

9. Related Parties

Transactions with key management personnel

(i) Key management personnel compensation

The Foundation classifies its key management personnel into the following categories:

- Trustees
- Co-opted members of Board sub-committee
- Executive director and her direct reports

The Trustees and the co-opted members of the Board sub-committees volunteer their services to the Foundation and receive no remuneration for the services they provide for the management of the Foundation. The Executive director and her direct reports are employees of the Foundation and are on standard employment contracts.

The table below depicts the aggregate remuneration of key management personnel and the number of individuals determined on a full-time equivalent basis (employees only), receiving remuneration within the category. Compensation includes salaries and any non-cash benefits.

	Number	2023	2022
Trustees and Co-opted members	9 (12, 2022)	\$0	\$0
Executive director and her direct reports	5 (5, 2022)	\$564,152	\$507,117

(ii) Key management personnel transactions

Some key management personnel hold positions in other entities that result in them having control or significant influence over these entities. Some of these entities transacted with the Foundation during the year. The aggregate value of these transactions and outstanding balances were as follows:

Related Party	Description	Value of Transactions (Excl GST)	Receivable/ (Payable) at year end
Michael and Suzanne Borrin Foundation	Professional trustee services Other reimbursements	\$314,287 / 2022: \$310,705 \$2,200 / 2022: \$7,857	\$119,602 / 2022: \$29,558
Chair, Dame Fran Wilde	As the chair of the Royal New Zealand Plunket Society who receive grants from Nikau Foundation	\$0 / 2022: \$5,700	\$0 / 2022: \$0
Trustee, Richard Caughley	As a partner of Morrison Kent who provided legal services	\$17,127 / 2022: \$19,549	\$(2,975) / 2022: \$(2,613)

10. Commitments

	2023	2022
Operating Lease Commitments		
Within 1 year	\$26,107	\$39,161
Later than one year but no later than five years	\$0	\$26,107
Later than five years	-	-
Total Operating Lease Commitments	\$26,107	\$65,268

11. Contingent Assets and Liabilities

There are no contingent assets or liabilities at the reporting date (Last year - nil).

12. 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).

13. Ability to Continue Operating

The Foundation is expected to continue to operate for the foreseeable future.

Directory

Nikau Foundation

For the year ended 30 September 2023

Patron

Kevin O'Connor

Auditor

KPMG

Trustees

Current (at 30 September)	Retired
Dame Fran Wilde (Chair)	Rebecca Morahan
Wendy Venter (Chair - Audit, Risk & Investments)	Susan Hornsby-Geluk
Adrian Orr	
Adrienne Olsen	
Horiana Irwin-Easthope	
Peter Verhaart	
Rachel Roberts	
Richard Caughley	
Warren Allen	

Specialist Non-Trustee Subcommittee Members

Ian Perry (Audit, Risk & Investments)

Staff

Emma Lewis - Executive Director

Denisa Calian - Chief Financial Officer

Hilaire Carmody - Executive Administrator

Lindy Young - Funding and Relationships Manager

Madeleine McLeod - Communications and Marketing Manager

Robyn Guy - Accountant

Local Subcommittees

Porirua	Kapiti	Wairarapa
Colin Bleasdale (Chair)	Adrian Gregory (Chair)	John Gilberthorpe (Chair)
Eleanor Cater	Adrienne Bushell	Annabel McCallum
Izzy Ford	Lawrence Kirby	Anne Hannah
Jess Reiher	Liz Koh	Barbara Durbin
Sue Shotter	Rod Lingard	Lucy McLaren
Ranei Wineera-Parai	Shirley Clarke	Sally Adams
	Sophie Handford	
	Tim Burns	

Acknowledgements

Nikau Foundation

For the year ended 30 September 2023

Nikau Foundation is very grateful to the following organisations who gave their time and resources generously:

CRAIGS INVESTMENT PARTNERS - are our investment managers and regularly provide us with in-kind support for our events and meetings

HARBOUR ASSET MANAGEMENT - are our investment managers and regularly provide us with support for our events and meetings

DUNDAS STREET EMPLOYMENT LAWYERS - provide pro bono support on all aspects of staff recruitment and employment

GRAVITY LAB - provide discounted support for our database needs

KPMG - provide discounted audit services

MATAHIWI ESTATE WINES - provide in-kind donations for our functions and events

MISSION HALL - help us grow our profile through brand, online and design work

MORRISON KENT - provide discounted legal services

THE OFFERING - this Greytown cafe provides in-kind support for our meetings and events helping us to grow our reach and profile in the Wairarapa.

Audit Report

Nikau Foundation

For the year ended 30 September 2023

Independent Auditor's Report

To the Trustees of Nikau Foundation

Report on the audit of the performance report

Opinion

In our opinion, the performance report of Nikau Foundation (the 'foundation') on pages 3 to 19 presents fairly, in all material respects:

- i. the foundation's financial position as at 30 September 2023 and its financial performance and cash flows for the year ended on that date;
- ii. the entity information as at 30 September 2023; and
- iii. the service performance for the year ended 30 September 2023 in accordance with the foundation's service performance criteria;

in accordance with PBE Simple Format Reporting Standard - Accrual (Not For Profit) issued by the New Zealand Accounting Standards Board.

We have audited the accompanying performance report which comprises:

- the statement of financial position as at 30 September 2023;
- the statements of financial performance and cash flows for the year then ended;
- notes, including a summary of significant accounting policies; and
- the statement of service performance on pages 6 to 7 and entity information on page 3.



Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'), and the audit of the statement of service performance, in accordance with the New Zealand Auditing Standard 1 *The Audit of Service Performance Information* ('NZ AS 1'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the foundation 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 the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (Including International Independence Standards)* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) and NZ AS 1 are further described in the *Auditor's responsibilities for the audit of the performance report* section of our report.

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



Use of this independent auditor's report

This independent auditor's 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 independent auditor's report, or any of the opinions we have formed.

Responsibilities of the Trustees for the performance report

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

- the preparation and fair presentation of the performance report in accordance with generally accepted accounting practice in New Zealand (being PBE Simple Format Reporting Standard - Accrual (Not For Profit)) issued by the New Zealand Accounting Standards Board;
 - implementing necessary internal control to enable the preparation of a performance report that is free from material misstatement, whether due to fraud or error;
 - service performance criteria that are suitable in order to prepare service performance information in accordance with generally accepted accounting practice in New Zealand (being PBE Simple Format Reporting Standard - Accrual (Not For Profit)); and
 - assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.
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Auditor's responsibilities for the audit of the performance report

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole, entity information and the statement of service performance is free from material misstatement, whether due to fraud or error; and
- to issue an independent 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. They are considered material if, individually or in the aggregate and collectively, they could reasonably be expected to influence the economic decisions of users taken on the basis of this performance report.

A further description of our responsibilities for the audit of this performance report is located at the External Reporting Board (XRB) website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-18/>

This description forms part of our independent auditor's report.

KPMG
Wellington

5 December 2023



T 04 381 2224
info@nikaufoundation.nz
www.nikaufoundation.nz

PO Box 24-220
Manners Street
Wellington 6142
