



Performance Report

For the year ended 30 September 2021



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Entity Information

Nikau Foundation For the year ended 30 September 2021

'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) comprises 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.

A range of tasks are allocated to subcommittees comprising at least one board member as well as specialist non-trustee members as required.

The subcommittees are:

- Audit and Risk
- Investment
- Grants
- Governance
- Marketing & Communications

The underlying investments are managed by Hobson Wealth Partners who act in accordance with Nikau 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 community. Donations are pooled and invested. The capital remains intact and the investment income is used to make distributions annually to charities and community groups primarily in the Wellington region.

When making distributions, donor wishes are paramount: they can recommend which groups to support or leave the decision to our grants subcommittee who decide each year 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 (and 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 corporate partners

Entity's Reliance on Volunteers and Donated Goods or Services

Trustees and committee members are all volunteers. We also have volunteers and interns at the operational level - the latter sometimes receiving a modest stipend. From time to time we receive donated items to use in our office. Corporate partners provide substantial in-kind support each year, allowing Nikau Foundation to administer the donor funds in the first instance, continue to build the profile of the Foundation and encourage other potential donors to set up a fund. Various services are offered to the organisation at a reduced rate (eg. rent, accountancy services, legal services, audit services, website development, investment management and design).

Physical Address

Level 5, 166 Featherston Street, Wellington 6011

Postal Address

PO Box 24 220, Manners Street, Wellington 6142

Approval of Financial Report

Nikau Foundation For the year ended 30 September 2021

The Trustees are pleased to present the approved financial report including the historical financial statements of Nikau Foundation for the year ended 30 September 2021.

APPROVED



Dame Fran Wilde

Chair

Date: 6 December 2021



Wendy Venter

Chair - Audit and Risk Committee

Date: 6 December 2021

Statement of Service Performance

Nikau Foundation

For the year ended 30 September 2021

'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 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 to charitable purposes. This is mostly across the Wellington Region but beyond at a donor's discretion. Our outcomes are:

- That donors, prospective donors and supporters recognise Nikau Foundation as a trusted partner in all aspects of philanthropy with specialist knowledge about community and voluntary sector organisations and how they meet needs in the Wellington Region
- 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
- That Nikau Foundation is considered to be a respected grant maker
- To maximise our impact in the community through strategic grantmaking
- To increase the number and value of pledged donations through planned giving
- To ensure our funds under management are invested responsibly
- To maintain and grow relationships with philanthropic partners
- To increase the understanding of the community foundation model amongst the population of Wellington – particularly professional advisor firms

	NOTES	2021	2020
Description and Quantification of the Entity's Outputs			
Value of Endowment Funds Under Management	8	29,651,142	18,419,203
Total Grants Distributed (Pass-through + Endowments)			
Number of Grants Distributed		251	184
Value of Grants Distributed		902,834	897,950
Value of Average Grant		3,597	4,880
Total Grants Consist of Endowment Grants + Pass-Through Grants:			
Pass-Through Grants			
Number of Pass-Through Grants		106	95
Value of Pass-Through Grants Paid	6	326,439	515,229
Grants from Endowment Funds			
Number of Grants Distributed from Endowment Funds		145	89
Value of Grants Distributed from Endowment Funds	2	576,395	382,721

Additional Output Measures

- Nikau Foundation provides a free, no-strings-attached donor advisory service to anyone who needs advice about how, or to whom, to make charitable donations or sponsorship in the Wellington Region
- Nikau Foundation connects with its stakeholders through running events, group presentations, digital and hard copy newsletters, social media and media coverage
- Overall, funds under management have grown by 61% over the financial year from \$18.4m to \$29.7m.

Statement of Financial Performance

Nikau Foundation

For the year ended 30 September 2021

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

	NOTES	2021	2020
Revenue			
Donations, fundraising and other similar revenue	1	8,364,503	3,299,991
Fees, subscriptions and other revenue	1	371,525	319,885
Revenue from providing goods or services	1	205,691	128,265
Interest, dividends and other investment revenue	1	2,045,477	590,848
Other revenue	1	1,645,000	260,000
Total Revenue		12,632,196	4,598,989
Expenses			
Volunteer and employee related costs	2	463,864	427,453
Costs related to providing goods or services	2	224,051	221,346
Grants and donations made	2	576,695	382,721
Other expenses	2	62,877	36,787
Total Expenses		1,327,488	1,068,307
Surplus for the Year		11,304,708	3,530,682

Statement of Financial Position

Nikau Foundation As at 30 September 2021

'What do we own?' and 'What do we owe?'

	NOTES	30 SEP 2021	30 SEP 2020
Assets			
Current Assets			
Bank accounts and cash	3	502,572	1,599,836
Debtors and prepayments	3	109,531	80,453
Other Current Assets	3	250,000	240,000
Total Current Assets		862,103	1,920,290
Non-Current Assets			
Fixed Assets	4	1,721	3,628
Investments	3	19,950,842	15,099,524
Investment properties	5	9,654,000	1,960,000
Total Non-Current Assets		29,606,563	17,063,152
Total Assets		30,468,666	18,983,441
Liabilities			
Current Liabilities			
Creditors and accrued expenses	6	235,571	68,193
Employee costs payable	6	28,906	16,785
Other current liabilities	6	5,530	4,512
Total Current Liabilities		270,007	89,491
Total Liabilities		270,007	89,491
Total Assets less Total Liabilities (Net Assets)		30,198,658	18,893,950
Accumulated Funds			
Operating surpluses		547,516	474,747
Endowment funds	8	29,651,142	18,419,203
Total Accumulated Funds		30,198,658	18,893,950

Statement of Cash Flows

Nikau Foundation For the year ended 30 September 2021

	2021	2020
Cash Flows from Operating Activities		
Donations, fundraising and other similar receipts	1,813,769	707,719
Fees, subscriptions and other receipts	389,223	322,284
Receipts from providing goods or services	229,086	147,505
Interest, dividends and other investment receipts	839,524	234,153
Payments to suppliers and employees	(777,260)	(702,906)
Donations or grants paid	(536,695)	(382,721)
Total Cash Flows from Operating Activities	1,957,647	326,035
Cash Flows from Investing and Financing Activities		
Receipts from sale of investments	4,128,669	5,352,645
Payments to purchase investments	(7,249,114)	(4,609,556)
Cash flows from other investing and financing activities	101,349	(92,041)
Total Cash Flows from Investing and Financing Activities	(3,019,097)	651,048
Net Increase/(Decrease) in Cash	(1,061,450)	977,083
Bank Accounts and Cash		
Opening cash	1,599,836	636,254
Net change in cash for period	(1,061,450)	977,083
Effect of exchange rate changes on cash	(35,815)	(13,500)
Closing cash	502,572	1,599,836

All transactions are recorded in the above Statement of Cash Flows at the FX rates on the day of transaction.

Statement of Accounting Policies

Nikau Foundation

For the year ended 30 September 2021

'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)) 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 Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

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 - 7%-20% SL
Computer Hardware - 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

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 2021

	2021	2020
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Donation Income - Contributed Capital	8,246,778	3,211,838
Donation Income - Operating	116,725	86,154
Sponsorship Income	1,000	2,000
Total Donations, fundraising and other similar revenue	8,364,503	3,299,991
Fees, subscriptions and other revenue from members		
Fee Income - Grant Distribution Fees	15,925	6,000
Fee Income - Corporate Trustee Fees	355,600	313,885
Total Fees, subscriptions and other revenue from members	371,525	319,885
Revenue from providing goods or services		
Rent Received	205,691	128,265
Total Revenue from providing goods or services	205,691	128,265
Interest, dividends and other investment revenue		
Investment Income - Endowment	861,584	277,533
Investment Revaluation - Endowment	1,241,674	358,486
Interest Received - Operating Investments	3,316	6,402
Less Investment Management Fees	(61,096)	(51,573)
Total Interest, dividends and other investment revenue	2,045,477	590,848
Other revenue		
Investment Property - Fair Value Gain or Loss	1,645,000	260,000
Total Other revenue	1,645,000	260,000
	2021	2020

2. Analysis of Expenses

Volunteer and employee related costs		
Staff Costs - Salaries	455,418	426,921
Staff Costs - Contractors	6,356	-
Travel & Accommodation	2,090	489
Staff Costs - Volunteers	-	43
Total Volunteer and employee related costs	463,864	427,453

	2021	2020
Costs related to providing goods or services		
ACC Levies	1,418	1,088
Bank Fees	501	249
Board/Subcommittee Expenses	4,419	4,275
Events	6,702	345
Insurances	6,385	4,775
Office Expenses	80,859	107,240
Staff Costs - Professional Development	2,422	150
Property Expenses	87,368	49,138
Promotion and Publicity	25,263	49,432
Subscriptions	8,715	4,654
Total Costs related to providing goods or services	224,051	221,346
Grants and donations made		
Grants Paid	576,395	382,721
Donations Paid	300	-
Total Grants and donations made	576,695	382,721
Other expenses		
Audit Fee	10,350	11,100
Depreciation	1,907	3,474
Professional Fees	50,620	22,213
Total Other expenses	62,877	36,787
	2021	2020

3. Analysis of Assets

Bank accounts and cash		
Cheque & Debit	112,956	50,116
Savings	309,015	194,088
Hobson Wealth Partners - Cash Accounts	80,601	1,355,633
Total Bank accounts and cash	502,572	1,599,836
Debtors and prepayments		
Accounts Receivable	92,346	80,453
Accruals & Prepayments	17,185	-
Total Debtors and prepayments	109,531	80,453
Other current assets		
Term Deposits	250,000	240,000
Total Other current assets	250,000	240,000
Investments		
Hobson Wealth Partners - Investments at Cost		
HWP - Nikko AM Cash Fund	2,167,483	449,667
HWP - Alternatives	109,065	-
HWP - NZ Fixed Interest	5,319,032	5,973,889
HWP - NZ Equities	3,341,742	2,950,673

	2021	2020
HWP - NZ Property	998,094	779,129
HWP - Australian Equities	760,125	1,426,248
HWP - International Equities	4,451,797	1,959,102
Total Hobson Wealth Partners - Investments at Cost	17,147,338	13,538,709
Revaluations & Accrued Income	2,803,504	1,560,815
Total Investments	19,950,842	15,099,524
Other non-current assets		
Investment Property (refer to Note 5)	9,654,000	1,960,000
Total Other non-current assets	9,654,000	1,960,000

	2021	2020
4. Property, Plant and Equipment		
Furniture and Fittings		
Furniture and fittings owned	10,497	28,099
Accumulated depreciation - furniture and fittings owned	(8,776)	(24,471)
Total Furniture and Fittings	1,721	3,628
Total Property, Plant and Equipment	1,721	3,628

5. Investment Property (at fair value)

	2021	2020
Reconciliation		
Opening Balance	1,960,000	1,700,000
Additions		
Bluegum Rd/Anthony Gr	6,049,000	-
Total Additions	6,049,000	-
Revaluation		
Bluegum Rd/Anthony Gr - Revaluation	1,605,000	-
Mana Esplanade - Revaluation	40,000	260,000
Total Revaluation	1,645,000	260,000
Total Investment Property (at fair value)	9,654,000	1,960,000

During the 2021 financial year, the properties at Bluegum Rd/Anthony Gr were gifted to the Foundation by the Kapiti Welcome Trust. These are classed as residential properties and had a market value on acquisition of \$6,049,000.

All properties were revalued as at 30 September 2021 by external, qualified property valuers with experience in the location and category of the investment property being valued. The Bluegum Rd/Anthony Gr properties were valued using comparable recent sales data consistent with other residential property valuations. The Mana Esplanade property is a commercial property and was valued using discounted cash flows. The valuers have noted that there is a high degree of uncertainty due to Covid-19 in the commercial property market.

	2021	2020
6. Analysis of Liabilities		
Creditors and accrued expenses		
Accounts Payable	46,776	11,435
Accrued Operating Expenses	18,479	14,413
GST	33,703	24,671
PAYE Payable	11,550	2,674
Pass Through Grants	125,063	15,000
Total Creditors and accrued expenses	235,571	68,193
Employee costs payable		
Employee Entitlements	28,906	16,785
Total Employee costs payable	28,906	16,785
Other current liabilities		
Accrued Endowment Expenses	5,530	4,512
Total Other current liabilities	5,530	4,512

	2021	2020
7. Accumulated Funds		
Accumulated Funds		
Opening Balance	18,893,950	15,363,268
Operating Surplus	72,769	(68,632)
Endowment Surplus	11,231,939	3,599,315
Total Accumulated Funds	30,198,658	18,893,950

8. Breakdown of Accumulated Funds

	2021	2020
Endowment Funds	29,651,142	18,419,203
Operating Funds	547,516	474,747
Total Breakdown of Accumulated Funds	30,198,658	18,893,950

Endowment Funds represent the capital donations made to Nikau Foundation by donors and any undistributed income earned by endowment funds. The investment income from these funds is 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, except in those cases where the donor has expressed a wish that capital distributions be made.

9. Significant Donated Assets Recorded

During the year \$6,049,000 of property was transferred to the Foundation on behalf of the Kapiti Welcome Trust Fund. As this was non-exchange transaction, the property was recorded at fair value on its receipt. The fair value was determined by an external, qualified property valuer.

10. 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	2021	2020
Trustees and Co-opted members	16 (15, 2020)	\$0	\$0
Executive director and her direct reports	4 (4, 2020)	\$455,418	\$426,921

(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	\$317,600/2020: \$312,209 \$22,879 / 2020: \$137,538	\$79,861 / 2020: \$78,153
Trustee, Richard Caughley	As a partner of Morrison Kent who provided legal services*	\$29,896 / 2020: \$20,181	\$0 / 2020: (\$641)
Trustee, Chris Milne	As a trustee of Nga Manu Trust who receive grants from Nikau Foundation	\$0 / 2020: \$4,000	\$0 / 2020: \$0
Trustee, Rebecca Morahan	As co-founder/co-CEO & trustee of Wellfed NZ Trust who receive grants from Nikau Foundation	\$8,000 / 2020: \$17,500	\$0 / 2020: \$0
Chair, Dame Fran Wilde	As the chair of the Royal New Zealand Plunket Society who receive grants from Nikau Foundation	\$1,500/ 2020: \$0	\$0/ 2020: \$0

* Richard Caughley also provides pro-bono legal services to the Foundation.

11. Commitments

	2021	2020
Operating Lease Commitments		
Within 1 year	39,161	16,000
Later than one year but no later than five years	65,268	-
Later than five years	-	-
Total Operating Lease Commitments	104,429	16,000

12. Contingent Assets and Liabilities

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

13. 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).

Directory

Nikau Foundation For the year ended 30 September 2021

Patron

Fran Wilde

Auditor

KPMG

Trustees

Current (at 30 September)

Dame Fran Wilde (Chair)

Elizabeth Koh (Deputy Chair)

Wendy Venter (Chair - Audit & Risk)

Rebecca Morahan (Chair - Grants)

Peter Verhaart (Chair - Investments)

Adrian Orr

Adrienne Olsen

Christopher Milne

Rachel Roberts

Richard Caughley

Susan Hornsby-Geluk

Warren Allen

Retired

Gregory Kelly

Jill Day

Robert Cross

Specialist Non-Trustee Subcommittee Members

Kevin O'Connor (Investment)

Jonathan Tomkins (Investment)

Ian Perry (Audit & Risk)

Tony Paine (Grants)

Staff

Alice Montague - Executive Director

Adrienne Bushell - Donor Relations Manager

Denisa Calian - Finance Manager

Em Lewis - Engagement Director

Lindy Young - Operations Manager

Madeleine McLeod - Marketing Officer

Local Subcommittees

Porirua	Kapiti	Wairarapa
Rebecca Morahan (Chair)	Mike Olsen (Chair)	Lucy McLaren (Chair)
Eleanor Cater	Tim Burns	Sally Adams
Numalani Fonoti	Adrienne Bushell	Barbara Durbin
Izzy Ford	Liz Koh	Bevan Morland
Jess Reiher	Rod Lingard	Bob Francis (Ambassador)
Colin Bleasdale	Richard Mansell	Darrin Goulding
Sue Shotter	Shirley Clarke	
Ranei Wineera-Parai		

Acknowledgements

Nikau Foundation For the year ended 30 September 2021

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

BDO WELLINGTON - help Nikau Foundation with their financial reporting by providing pro bono software.

COASTLANDS - provide on-going support to our Nikau Kāpiti Fund and a meeting venue for our Kāpiti volunteer committee.

CRAIGS INVESTMENT PARTNERS - are supportive of the community foundations model and provide meeting rooms and venues for events.

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

HOBSON WEALTH PARTNERS - are our investment manager and regularly provide us with in-kind support for our events and meetings.

GRAVITY LAB - provide discounted support for our database needs.

JACKSON STONE - provide support for our recruitment needs.

KPMG - provide discounted audit services to Nikau Foundation.

MATAHIWI WINERY - provide in-kind support for our events.

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

MORRISON KENT - many Morrison Kent staff contribute their time and services as individuals and as a firm they are heavily committed to supporting the community.

RESULTEX - provided Nikau Foundation with subsidised office space.

SHARESIGHT - is a portfolio management tool for individual and professional investors.

SPY VALLEY WINES - provide in-kind donations for our functions and events.

TE RAUPARAHA ARENA - provide a meeting venue for our Porirua volunteer committee

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.

WAKEFIELDS LAWYERS - champion Nikau Foundation and provide a 'free wills' service to anyone wishing to give back to their community through Nikau Foundation.

Audit Report

Nikau Foundation
For the year ended 30 September 2021



Independent Auditor's Report

To the Trustees of Nikau Foundation

Report on the audit of the performance report

Opinion

In our opinion, the accompanying performance report of Nikau Foundation (the 'foundation') on pages 6 to 17:

- i. presents fairly, in all material respects, the foundation's financial position as at 30 September 2021 and its financial performance and cash flows for the year ended on that date;
- ii. complies with PBE Simple Format Reporting Standard - Accrual (Not For Profit); and
- iii. suitably reports the outcomes and outputs, and quantifies the outputs to the extent practicable, in the statement of service performance.

We have audited the accompanying performance report which comprises:

- the statement of financial position as at 30 September 2021;
- the statements of financial performance and cash flows for the year then ended;
- notes, including a summary of significant accounting policies and other explanatory information; and
- the statement of service performance and entity information on page 6.



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 and entity information, in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information ('ISAE (NZ) 3000'). 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 ISAE (NZ) 3000 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.



Other information

The Trustees, on behalf of the foundation, are responsible for the other information included in the entity's Performance Report. Our opinion on the performance report does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the performance report our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the performance report or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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));
- implementing necessary internal control to enable the preparation of a performance report that is fairly presented and free from material misstatement, whether due to fraud or error;
- identifying outcomes and outputs that are relevant, reliable, comparable and understandable, and quantifying the outputs to the extent applicable, to report in the statement of service performance; 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.



Auditor's responsibilities for the audit of the performance report

Our objective is:

- to obtain reasonable assurance about whether the performance report as a whole is free from material misstatement, whether due to fraud or error;
- perform procedures to obtain and evaluate evidence in regards to whether the reported outcomes and outputs and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable; 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 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, 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:

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

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



KPMG
Wellington

6 December 2021

