

ANNUAL REPORT 2017

**LIVE
HERE
GIVE
HERE**



HAWKE'S BAY
FOUNDATION

CHAIRMAN'S REPORT

COMMUNITY

We continue to be excited about the future impact Hawke's Bay Foundation will have on our community and are grateful to our current donors for their belief in us. We are amongst the youngest of Community Foundations within the Community Foundations of NZ group of fourteen nationally, who had combined Funds under Management of \$55m at 31 March 2016. This reinforces the fact that many people like to "give where they live". As a group, we share knowledge and experiences freely which provides a great source of motivation especially when looking at the more established ones that are now having a seriously positive impact on their local community.

Over the last year our Board has grown by one, with Giles Pearson joining the team. Giles brings valuable accounting experience to the table but of equal importance is the energy he has to give and his connectedness within our community. We are incredibly fortunate to have a Board made up of individuals who are generous with not only their skills, but also their time which they give so willingly for Board meetings & governance, meeting with prospective donors, giving presentations to groups etc. In addition to this, they have all made a financial commitment to HBF which is a true reflection of their belief in what we are doing and essential in terms of being able to talk the talk credibly.

So, with genuine gratitude, we would like to thank Brian Martin, Andrew Wares, James Williams, Sam Howard, Jessica O'Sullivan, Sarah Mulcahy and Giles Pearson all our Trustees for their ongoing enthusiasm and commitment.

DONORS

We are only able to make distributions possible because of the generosity of those who choose to make gifts and who want to help make our region a better place. The strength of the endowment model strikes a chord with HBF's supporters. They are encouraged by the model, where donations and bequests are invested and inflation-proofed so that they keep on working for the Hawke's Bay community forever.

The generosity of our community is superb and in the last 12 months we have received \$460,000 in donated funds and over \$1.1 million in promised funds and bequests. These donations are the lifeblood of the Foundation and we give our heartfelt thanks to our donors for joining us and making a real difference in our community.

We work with our donors to set up a giving plan that works for them, some choose to give now and enjoy seeing the difference they are making, as well as receiving the tax benefits and others are choosing to make a bequest to Hawke's Bay Foundation in their will. Whichever route they choose, it is all for the betterment of Hawke's Bay, forever.

Over the last couple of years we have invested a substantial amount of time in explaining what we are about to law and accounting firms throughout Hawke's Bay, so that they can knowledgeably share this philanthropic concept with their clients. During this past year, we have had several examples of donors that have come to us through knowledge they received from their professional advisor. This is a huge step forward for us and to those firms that have made this happen, a very BIG thank you for being proactive on behalf of your community.

There is plenty of potential for merging of Trusts into HBF, as the way our endowment model is set up is the perfect umbrella for trust funds whose managers no longer want to spend time and energy appointing boards, keeping up with governance, making investment decisions, directing distributions etc. This year we had our first conversion and we know there will be more.

DISTRIBUTIONS

In 2016 we were delighted to distribute \$112,500 to 34 local community groups across health, community and social, arts and culture, natural environment and learning sectors. This brings the total distributions since our inception four years ago to \$950,000.

A big thank you to our Distributions Committee which comprised Chair Sarah Mulcahy, James Williams, Jessica O'Sullivan and myself. A lot of volunteer Trustee time and effort goes in to assessing our annual requests for funding and we really do appreciate their input. Incidentally, each year we receive applications for four times as much as we have to give away which certainly makes the reason for our growth even more essential.

Hawke's Bay Foundation distributes grants to local causes and charities – we wholeheartedly believe it's all about "our community, our responsibility, our future".

INVESTMENTS

The Investment Advisory Committee comprised Chair Brian Martin, Sam Howard and we were thrilled to have Giles Pearson join this committee during the year. Giles brings with him a wealth of experience and expertise. We also have independent advisor Michael Chamberlain of MCA, who provides valuable assistance and oversees the recommendations from First NZ Capital.

Endowment Funds over the last 12 months have increased from \$1 515 791.00 to \$1,844,935.

ADMINISTRATION

Much of the hard work that goes into making much of the above mentioned happen is due to the energy, enthusiasm and commitment of our wonderful team in the office who together work tirelessly and always with a wonderful disposition that is perfect for HBF. We are lucky to have this very dedicated team which together make up one full time paid employee.

We have made a commitment to utilise no more than 1% of our earnings from investment income for administrative purposes, however at this early stage of our growth this is not sufficient to allow us to grow so, in the interim, we are incredibly fortunate to have invaluable support from many businesses and supporters who allow us to continue doing the good work we do Crowe Horwath, First NZ Capital, Band, Brebner Print and there are others who know who you are and choose to remain anonymous. Until our fund is large enough to support our costs through the 1%, we will be indebted to those who can see the vision and support us so generously.

WHERE TO FROM HERE?

It has been a busy year building and strengthening our brand and we are thrilled by what we have achieved.

In 2017/2018 our continued focus will be to spread our word and build our fund so that each year on behalf of our donors we can make a bigger impact on the wellbeing of our community. We will make “Live Here Give Here” a familiar household concept by making ourselves much more visible in the community. To do this we have a number of opportunities in the pipeline and have faith that this can be achieved. As a result, we expect familiarity with HBF to grow and donor interest too.

Thank you again to everyone involved in growing this valuable community resource. Whether it be as a donor, a supporter or a volunteer, generations to come will undoubtedly be incredible grateful for your foresight.

Jules Nowell-Usticke
Jules Nowell-Usticke
Chairman

2016 Wrapped Up

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|-------------------------|-----------|-----------------------------|-----------|
| • Income on Investments | \$158 000 | • Number of Applications | 42 |
| • Overall Return | 9.88% | • Amount requested | \$232 000 |
| • Balance Endowed Funds | \$184 500 | • Amount Distributed | \$112 500 |
| • New Donations | \$250 000 | • # of Organisations funded | 33 |
| • Number of Named Funds | 18 | | |

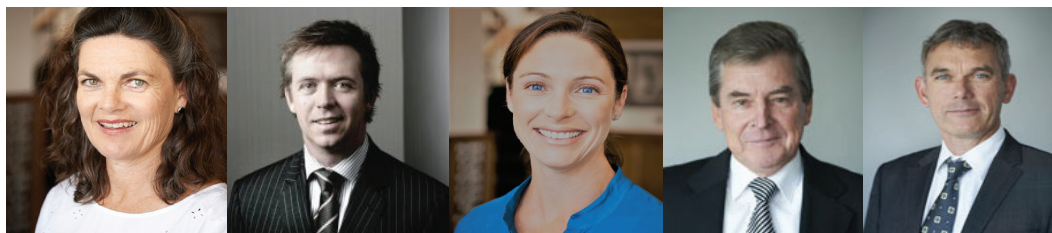
FUNDING USE 2016



OUR TEAM

There are currently eight trustees of the Foundation, all of whom donate their time, energy and expertise to the Foundation. Four of the Trustees are nominated by leaders within the Hawke's Bay community including one nominated jointly by the mayors of the Hastings District Council and Napier City Council, one by the Institute of Chartered Accountants, one by the Hawke's Bay Law Society and a fourth by the Hawke's Bay Chamber of Commerce and the remainder are co-opted.

Our Trustees



From left Jules Nowell-Usticke, Sam Howard, Jessica O'Sullivan, Brian Martin & Andrew Wares



James Williams, Sarah Mulcahy, Giles Pearson and the Administration team Bev Penny and Linda Calder

OUR STORY

Hawke's Bay Foundation is a Charitable Trust that receives donations from individuals and families around the region. These funds are pooled and invested in perpetuity. Only the earnings are distributed annually to exclusively support local community initiatives and organisations bringing about positive and powerful social change. Essentially, we are building an intergenerational asset for the Hawke's Bay community – a “nest egg” that will support Hawke's Bay people forever.

OUR STRATEGIC OBJECTIVES

OUR VISION

Our community
Our responsibility
Our future

OUR MISSION

To connect people that care with causes that matter, to strengthen our local community forever.

OUR PROGRESS

Hawke's Bay Foundation's endowment fund was first launched at the end of 2012 and to date we have over \$2 million under investment, so we are on the right track and moving in the right direction towards our goal of being able to distribute \$400,000 in to the community by 2020.

OUR IMPACT

In the 2016 financial year, Hawke's Bay Foundation distributed \$232,000 to community organisations in Hawke's Bay, supporting children, young people and their families, older adults, community development, health, the arts and the environment. These distributions were made up of a combination of Hawke's Bay Foundation's funds, Tindall Foundation funds and direct donor contributions by way of "pass-through" donations (detailed below).

OUR FINANCES YEAR BY YEAR

Investment advisers First NZ Capital kindly donated their services and managed our funds last year with no cost to HBF. The endowment capital increased from \$1 515 791 to \$ 1 844 935.

Annualised Compound Returns		Actual
4 years ended	31/03/2017	10.16%
3 years ended	31/03/2017	11.08%
2 years ended	31/03/2017	9.56%
1 year ended	31/03/2017	9.88%

Annual Returns		Actual
Year ended	31/03/2014	7.37%
Year ended	31/03/2015	14.13%
Year ended	31/03/2016	9.24%
Year ended	31/03/2017	9.88%

DONORS

We wish to acknowledge that the distributions that Hawke's Bay Foundations make annually are only possible because of the generosity of the HBF donors, who together have made the commitment to making our community a better place. We welcomed five new donors, bringing the total number of endowment funds established to 20. While our initial focus has been on making provision for an endowment fund in your Will, more and more people are choosing to contribute to their funds during their lifetime. By doing this, they have the pleasure of seeing their money making a difference during their lifetime and meeting some of the groups that they are supporting.

We also had an increase in Donors who make a regular gift- those that haven't set up a Fund but are making a difference in the way they can. Whether it be \$10 per month or \$100 per year- together it all adds up.

In the 2016 financial year, Hawke's Bay Foundation distributed \$238,300 to community organisations in Hawke's Bay, supporting children, young people and their families, older adults, community development, health, the arts and the environment. These distributions were made up of a combination of Hawke's Bay Foundation's funds, Tindall Foundation funds and direct donor contributions by way of "pass-through" donations.

OUR YEAR AT A GLANCE

Hawke's Bay Foundation Statement of Service Performance "What did we do?", When did we do it?" For the year ended 31 March 2017

Description of the Entity's Outcomes:

Mission statement: The Foundation encourages giving throughout the Hawke's Bay region to build assets and resources for current and future generations of our community.
To this end we invite donations, bequests, and other funds to help provide funding to Hawke's Bay community organisations for charitable purposes.

Description and Quantification of the Entity's Outputs:	Actual This Year	Actual Last Year
Funds Received During Year		
Endowment Fund Capital Donations Received during year	187,740	170,240
Donor Specified Funds Received	118,500	58,500
Tindall Foundation Funds received	59,145	59,085
Investment Revenue	158,002	124,984
Total Funds Received	523,387	412,809
Funds Distributed		
Distributions of Foundation funds	61,800	41,800
Distributions of Donor Specified Funds	117,500	60,500
Distributions of Tindall Foundation Funds	59,000	68,600
Total Funds Distributed	238,300	170,900
End of Year Position		
Endowment Funds Balance (including capital protection reserve)	1,844,935	1,515,791
Distribution Reserve Balance	64,041	61,191
Donor Specified Funds Reserve Balance	1,000	-
Tindall Funds Balance	164	19
MTG Funds Balance	300,416	291,374

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



2016 GRANT RECIPIENTS

Hawke's Bay Foundation holds an annual funding round where local community organisations can apply for funding for projects, initiatives and operating expenses. Those organisations are then vetted by the Distributions Committee and granting decisions are made based on the quality of the applicant organisation, and the needs and gaps in the community that are being met.

In the 2016 funding round, Hawke's Bay Foundation distributed \$112,500 to 34 community organisations, from a combination of funds from Hawke's Bay Foundation's and funds donated through Hawke's Bay Foundation by the Tindall Foundation. However in total we received applications for over \$400,000, demonstrating the significant need for funding in the charitable sector. This motivates us to continue to drive the Foundation forward, so that we can meet more of this need in future years.



Round Table Reporting - A new approach

“ It was so good to hear other organisations speaking about thier projects. My admiration for many of these voluntary groups has grown. It was also great to meet with the HBF team face to face, rather than completing another report and not knowing who the funders are.

NGAIRE(OROKOHANGA TRUST)

2016 GRANT RECIPIENTS

ORGANISATION	PURPOSE	AMOUNT
Breathe HB	Wages	1000
Parent to Parent	To run a Renew course in Napier	1000
CHB Parents Centre	Lactation Consultant services	1500
Te Taitimu Trust	Towards HB camp costs	1500
Napier Women's Refuge	Food vouchers	2000
Age Concern HN	Community worker costs	2500
Heretaunga Seniors	Volunteer Training Programme	2800
Barnardos NZ	Children's Supervised Contact costs	3000
Birthright	Rent	3000
Brain Injury Assn	Salary for administrator	3000
Central Connect	Depression support group	3000
Howard League	Driver licensing for youth offenders	3000
Kids Can	HB Programme costs	3000
Parenting Place	14 Toolbox courses	3000
Plunket HB	Wages for Child Safety/ Injury Prevention coordinator	3000
Prima Volta	Opera class funding and/or wages	3000
Speld NZ	Family subsidies, professional development, wages, rent	3000
Te Matau A Maui Waka Trust	Wages	3000
Zeal	Wages	3000
Citizens Advice Bureau Hastings	Power & phone	3500
CHB Family Services	Operating costs incl wages	4000
Creative Hastings	2017 HB Arts Festival	4000
Family Works HIPPY Programme	HIPPY Programme costs	4000
Hastings Riding for Disabled	Operations Assistant wages	4000
Orokohanga Music Trust	Violins and tutor fees	4000
Paul Hunter Centre	Purchase new van	4000
Victim Support	Volunteer Programme costs	4000
Youth Development Trust	Kiwi Can salaries	4000
St John	Defibrillator	4200
U Turn Trust	Irrigation materials	4500
HB Youth Trust (Giants Boxing)	Contract wages	5000
Heretaunga Women's Centre	Volunteer costs & wages	5000
Pleroma	Admin wages	5000
Youth Quest	Programme costs	5000
TOTAL FUNDS DISTRIBUTED 2016		\$112,500

OUR SPONSORS & SUPPORTERS

We appreciate the generous support of the following organisations and their assistance with the establishment and ongoing operation of Hawke's Bay Foundation. Without these supporters, we would simply be unable to operate and grow. We would like to take this opportunity to encourage all our donors and supporters to support those who support us:



LUCY DOBBS STRATEGY + MARKETING



We would also like to thank Concordia Design for our newsletter design and website management and Haumoana Holdings for our office Space.

CONTACT US

Want to know more about the Hawke's Bay Foundation - we would love to hear from you
info@hawkesbayfoundation.org.nz or call 06 870 4648



HAWKE'S BAY
FOUNDATION