

Performance Report

Top of the South Community Foundation
For the year ended 31 March 2024

Prepared by MMCA Tasman Limited

Contents

3	Entity Information
6	Statement of Service Performance
7	Statement of Financial Performance
8	Statement of Financial Position
9	Movements in Equity
10	Statement of Cash Flows
11	Statement of Accounting Policies
13	Notes to the Performance Report
17	Auditor's Report

Entity Information

Top of the South Community Foundation For the year ended 31 March 2024

Legal Name of Entity

Top of the South Community Foundation

Entity Type and Legal Basis

Charitable Trust and Registered Charity

Registration Number

CC34345
CC45256

Entity's Purpose or Mission

The mission of Top of the South Community Foundation is to inspire and enable generosity to benefit our local community forever. We encourage people to consider leaving a gift in their will during their lifetime to benefit the wider Nelson, Tasman and Marlborough regions. The capital remains intact, annual distributions are made from individual's endowment funds and the distributions are made locally.

At the heart of everything we do, is building strong communities.

Community Foundations are one of the fastest growing forms of philanthropy and it is encouraging to help people who want to 'give where they live'.

Entity Structure

The Top of the South Community Foundation Board of Trustees (all voluntary positions) comprises up to ten Trustees, of whom:

- One shall be appointed by the Nelson branch of the New Zealand Law Society.
- One shall be appointed by local Iwi.
- One shall be a member of the Marlborough Nelson Branch of Chartered Accountants Australia New Zealand (CAANZ).

The remainder, including any positions not filled as above, are appointed by the other Board Trustees. Certain tasks are allocated to Board Committees, but ultimately the Board is responsible. The operational activity of the Foundation is undertaken by Top of the South Community Foundation Limited, a registered charitable entity 100% owned by Top of the South Community Foundation.

Main Sources of Entity's Cash and Resources

The main source of revenue is donations from local residents and other organisations supporting the Tasman Nelson Marlborough community.

The focus is to grow endowment fund donations from local residents to support their community. Such 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 Tasman Nelson Marlborough region.

When making distributions, Donor wishes are paramount - they can choose which groups to support, or leave the decision to our Trustees who decide each year where the distributions are best directed.

Donors may:

- Leave a gift in their will.
- Donate during their lifetime and have the pleasure of seeing their money make a difference.

Endowment fund donors are invited to make an establishment donation supporting the operating expenses of the Foundation,

and some donors choose to support the Foundation's operations for which we are very grateful.

The other main source of revenue is from investments.

Main Methods Used by Entity to Raise Funds

Other than endowment donations, the main source of funds is donations and sponsorship funding from private and business supporters.

The Foundation arranges the distribution of net annual income generated by the endowment fund. Donors agree to the Foundation receiving an annual contribution (currently 1% pa) from investment revenue towards the operational costs of the Foundation.

In some instances, the Foundation fulfils a Funding Manager role distributing funds on behalf of the donor, for which it receives a donation to support the costs of providing that service.

Entity's Reliance on Volunteers and Donated Goods or Services

Trustees are all volunteers. From time to time the Foundation is offered donated or discounted services to assist with running the operation; such services include accountancy, legal services, audit services, website development, investment management and marketing.

Accountants

MMCA Tasman Limited
315A Hardy Street
Nelson 7010

Auditors

Independent Auditors Limited
Level 2, Lucas House
51 Halifax Street, Nelson 7010

Bankers

NBS Bank, 111 Trafalgar Street, Nelson 7010

Date of Establishment

30 June 2008

Trustees

William Agnew
Nicholas Moore
David Ashcroft
Anissa Bain
Roy Dawson
Ailie Suzuki

Tax Status

Registered Charity, CC34345
Registered Charity, CC45256

Website

www.topsouthfoundation.org.nz

Email

info@topsouthfoundation.org.nz

Phone

027 856 9752

Statement of Service Performance

Top of the South Community Foundation For the year ended 31 March 2024

Description of Entity's Outcomes

To inspire local generosity for a better region.

Te Tau Ihu will be a strong, vibrant community with sustainable resources, making it an attractive place for all to live, now and for future generations.

Top of the South Community Foundation Limited satisfactorily undertakes the operational activities required to support the Foundation and the community.

Top of the South Community Foundation Limited operates in a financially prudent manner ensuring it has sufficient revenue to cover costs incurred.

Description and Quantification of the Entity's Outputs

Top of the South Community Foundation Limited	Actual	Goal	Actual
Description and Quantification (to the extent practicable) of the Entity's Outputs	This Year	This Year	Last Year
Net Operating Surplus >\$1	\$22,093	<\$1	\$2,174

Top of the South Community Foundation	Actual	Actual
Description and Quantification (to the extent practicable) of the Entity's Outputs	This Year	Last Year
"Funds" available for community grants	20	18
Generating investment growth	\$657,215	\$53,870
From investments under management	\$6,737K (Note 4)	\$5,821K (Note 4)
Individuals supporting Foundation operations	9 \$26,125	10 \$37,098
Organisations supporting Foundation operations	9 \$79,730	6 \$38,725
Community grants made	65 \$162,576	18 \$82,511

Statement of Financial Performance

Top of the South Community Foundation For the year ended 31 March 2024

	NOTES	2024	2023
Revenue			
Donations, fundraising and other similar revenue	1	495,869	383,637
Grants	1	-	172,000
Revenue from providing goods or services	1	-	348
Interest, dividends and other investment revenue	1	209,032	155,817
Total Revenue		704,901	711,801
Expenses			
Costs Related to Providing Goods & Services	2	86,954	64,976
Grants and donations made	2	162,768	82,511
Other expenses	2	7,698	7,594
Total Expenses		257,421	155,081
Revaluation of Portfolio			
Portfolio Revaluation Gain/(Loss)			
Realised Gains/(Loss) on Investment		14,379	(2,222)
Unrealised Portfolio Valuation Gain/(Loss)		363,239	(93,422)
Foreign Exchange Gain / (Loss)		82,265	(6,428)
Total Portfolio Revaluation Gain/(Loss)		459,883	(102,072)
Total Revaluation of Portfolio		459,883	(102,072)
Surplus/(Deficit) for the Year		907,363	454,648

*Donations revenue includes Endowment Donation revenue to be invested in the Managed Portfolio, refer note 4.

The attached Notes and Auditors' Report form an integral part of these financial statements.

Statement of Financial Position

Top of the South Community Foundation As at 31 March 2024

	NOTES	31 MAR 2024	31 MAR 2023
Assets			
Current Assets			
Bank accounts and cash			
NBS 00 Account FOU		4,941	52,718
NBS 00 Account LTD		16,529	29,950
NBS Savings Account LTD		30,010	-
NBS Debit Card Ltd		946	915
Total Bank accounts and cash		52,427	83,583
GST Receivable		1,433	779
Debtors and prepayments		11,766	812
NBS Term Deposit		20,000	-
Total Current Assets		85,626	85,174
Non-Current Assets			
Property, Plant and Equipment		2,940	3,130
Craigs Investment Partners	3	6,737,151	5,821,742
Total Non-Current Assets		6,740,091	5,824,872
Total Assets		6,825,716	5,910,045
Liabilities			
Current Liabilities			
Trade payables		13,072	5,764
Other current liabilities		1,000	-
Total Current Liabilities		14,072	5,764
Total Liabilities		14,072	5,764
Total Assets less Total Liabilities (Net Assets)		6,811,644	5,904,281
Accumulated Funds			
Total Equity		6,811,644	5,904,281
Total Accumulated Funds		6,811,644	5,904,281



Dave Ashcroft, Chair
23 August 2024

The attached Notes and Auditors' Report form an integral part of these financial statements.

Movements in Equity

Top of the South Community Foundation For the year ended 31 March 2024

	NOTES	2024	2023
Equity			
Opening Balance		5,904,281	5,449,633
Accumulated Surpluses			
Profit for the Period		907,363	454,648
Total Accumulated Surpluses		907,363	454,648
Total Equity		6,811,644	5,904,281

The attached Notes and Auditors' Report form an integral part of these financial statements.

Statement of Cash Flows

Top of the South Community Foundation For the year ended 31 March 2024

	2024	2023
Cash Flows from Operating Activities		
Cash was received from:		
Donations, fundraising and other similar receipts	484,814	556,241
Interest, dividends and other investment receipts	964	865
Cash was applied to:		
Net movement in GST	(1,580)	(416)
Grants and Donations	(160,768)	(82,913)
Payments to suppliers and employees	(76,393)	(72,463)
Total Cash Flows from Operating Activities	247,037	401,314
Cash Flows from Investing and Financing Activities		
Cash was received from:		
Payments to purchase investments	(278,194)	(359,210)
Total Cash was received from:	(278,194)	(359,210)
Total Cash Flows from Investing and Financing Activities	(278,194)	(359,210)
Net Increase/(Decrease) in Cash	(31,157)	42,104
	2024	2023
Cash Balances		
Net Increase/(Decrease) in Cash	(31,157)	42,104
Opening Cash Balance	83,583	41,479
Closing Cash Balance	52,426	83,583

The attached Notes & Auditors' Report form an integral part of these financial statements.

Statement of Accounting Policies

Top of the South Community Foundation For the year ended 31 March 2024

Reporting Entity

Top of the South Community Foundation is governed by a trust deed dated 30 June 2008 and by the Charities Act 2005.

The Top of the South Community Foundation Limited is a registered company and registered charity governed by its constitution dated 13 April 2010, the Companies Act 1993, the Charities Act 2005 and the Charitable Trust Act 1957.

Basis of Preparation

The entity has elected to apply Tier 3 (NFP) on the basis that it does not have public accountability and has total annual expenses equal to or less than \$5,000,000. 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.

Goods and Services Tax (GST)

The entity is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Income Tax

Top of the South Community Foundation is wholly exempt from New Zealand income tax being a registered charity and 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.

Tier 2 PBE Accounting Standards Applied

The board has not adopted any Tier 2 PBE Accounting Standards.

Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on a consistent basis with those of the previous reporting period.

Investments

Investments are recorded at market value.

Grants Made

Grants made are recognised in operating expenses when distributed, subject to subsequent accountability reporting. If accountabilities are not met and the grant is recoverable by the Foundation, it is recorded in the financial statements as an asset until accountabilities are met.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, excluding goods and services tax rebates and discounts, to the extent it is probable that the economic benefits will flow to the entity and revenue can be reliably measured.

- Interest received is recognised as interest accrues, gross of refundable tax credits received.
- Dividends received are recognised on receipt, net of non-refundable tax credits.
- Donations are recorded as income on receipt.
- Grants with "use-or-return" conditions are initially reported as income in advance and subsequently reported as revenue when the conditions are met.

Notes to the Performance Report

Top of the South Community Foundation For the year ended 31 March 2024

	2024	2023
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Donations	495,869	383,637
Total Donations, fundraising and other similar revenue	495,869	383,637
Revenue from providing goods or services	-	348
Interest, dividends and other investment revenue	209,032	155,817
Grants		
Age Concern Sustainability Distribution	-	172,000
Total Grants	-	172,000
Total Analysis of Revenue	704,901	711,801
	2024	2023

2. Analysis of Expenses

Costs related to providing goods or services

Accountancy	-	5,450
Advertising	184	40
Conferences, Courses & Travel	3,874	1,462
Donor Management	392	183
Event Expenses	-	397
Low Cost Assets	173	-
Management Contract	62,880	50,956
Portfolio Management Fees	10,469	-
Printing & Stationery	167	-
Subscriptions	2,412	2,641
Marketing	3,555	2,772
Vehicle Costs & Insurance	1,099	619
Administration Fees	139	-
Telephone and Tolls	686	452
Travelling Expenses	924	-
Total Costs related to providing goods or services	86,954	64,973

Grants and donations made

Grants Made	162,768	82,511
Total Grants and donations made	162,768	82,511

Other expenses

Audit Fee	2,275	2,130
Bank Fees	11	80
Computer Expenses	994	900
Depreciation	2,390	3,130
Stripe Account Fees	-	3

	2024	2023
General Expenses	604	226
Office Rent	1,425	1,128
Total Other expenses	7,698	7,597
Total Analysis of Expenses	257,421	155,081

3. Managed Portfolio Market Value Investment Price

	Opening Balance	Portfolio Contribution	Interest / Dividends	Revaluation Gain	Closing Balance
Cash	\$1,329,347	(\$410,614)	\$51,835	\$1,830	\$972,398
Fixed Interest	\$1,120,778	\$471,910	\$80,369	\$18,929	\$1,691,986
Property Shares	\$291,571	\$50,072	\$9,197	\$26,355	\$377,195
NZ Shares	\$1,051,175	\$156,762	\$43,722	\$11,380	\$1,263,039
Australian Shares	\$502,990	\$7,205	\$21,972	\$39,659	\$571,826
Global Shares	\$1,525,881	(\$47,929)	\$21,026	\$361,730	\$1,860,708
Total	\$5,821,742	\$227,406	\$228,121	\$459,883	\$6,737,151

The Craigs Investment Portfolio is valued in the Financial Statements at Market Value separated into Class of Investment. Market value per the Craig's Investment Report dated 31 March 2024 is based on the the local price of that security converted to New Zealand Dollars on the reporting period end date for each security.

4. Analysis of Equity

Equity can be considered to comprise retained earnings from day to day operation activities primarily held in cash plus funds under management from endowment operations primarily held as investments.

	2024	2023
Day to day operations equity	74,493	82,538
Endowment operations equity*	6,737,151	5,821,743
Total	6,811,644	5,904,281

	2024	2023
Funds Under Management		
TOTSCF IPS Disclosure		
Targeted	91,073	82,605
Endowment	5,789,877	5,195,609
Pass-through	856,201	543,528
Total TOTSCF IPS Disclosure	6,737,151	5,821,742
Total Funds Under Management	6,737,151	5,821,742

The Foundation's Investment Policy Statement ("IPS") defines three types of Fund Under Management, Community Foundations of New Zealand ("CFANZ") define three types of funds differently for accounting disclosure purposes.

TOTSCF IPS Definitions:

Targeted fund

Donations grouped to ensure targeted distributions, e.g. 'The Golden Bay Fund'.

Endowment Fund

Donations grouped in the name of the donor(s), that may or may not have targeted distributions, eg. 'The John Smith General Fund' or 'The John Smith RSPCA Fund'.

Pass Through Fund

A Targeted Fund where the donor can also recall the capital.

	2024	2023
Community Foundations of New Zealand Disclosure		
Equity Funds		
Endowment Funds	6,573,071	5,821,743
Administration Funds	213,573	82,538
Pass Through	25,000	-
Total Community Foundations of New Zealand Disclosure	6,811,644	5,904,281

Endowment funds

Donated funds held in perpetuity or with a donor-directed pay down period of three or more years from the date the donation is made.

Administration funds

Funds held for the running of the foundation and not held for charitable distribution purposes.

Pass-through funds

Funds donated with the intention that the funds be fully paid out to charitable purpose within three years of the date of the donation.

5. Contingent Liabilities and Guarantees

The NAER Fund (established 2016) shown as a pass through fund in note 4 includes \$22,081 that is wholly available for distribution in consultation with the donor. (2023: \$21,878).

Age Concern Nelson Tasman (ACNT) is the beneficiary of the 'Age Connect Fund' (established 2018) shown as a pass through fund in note 4. ACNT has an option for the initial capital of \$465,000 to be recalled. (2023: \$465,000).

The NTYD Pass-Through Fund (established 2022) shown as a pass through fund in note 4 includes \$25,000 that will be distributed in consultation with the donor. (2023: n/a).

Life Linc is the beneficiary of the 'Life Linc Fund' (established 2023) shown as a pass through fund in note 4. Life Linc has an option for the initial capital of \$50,000 to be recalled. (2023: n/a).

Nelson City Band (NCB) is the beneficiary of the 'Nelson City Band Fund' (established 2023) shown as a pass through fund in note 4. NCB has an option for the initial capital of \$48,997 to be recalled. (2023: n/a).

6. Related Parties

From time to time reimbursements of expenses are made to the trustees.

No related party debts have been written off or forgiven during the year.

7. Events After the Balance Date

There were no events that have occurred after balance date that would have a material impact on the Performance Report.

8. Capital Commitments

No capital commitments have been contracted for or provided for at balance date (2023: Nil).

9. Audit

The financial statements of Top of the South Community Foundation have been audited.

10. Property, Plant and Equipment

	2024	2023
Opening Book Value	3,130	6,260
Additions to Fixed Assets	2,200	-
Current Year Depreciation	2,390	3,130
Closing Book Value	2,940	3,130

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Top of the South Community Foundation

Report on the Financial Statements

Opinion

We have audited the financial statements contained in the performance report of Top of the South Community Foundation, ("the Trust"), which comprises the statement of financial performance, movement in equity and statement of cash flows for the year ended 31 March 2024, the statement of financial position as at 31 March 2024 and the statement of accounting policies and other explanatory information. We were not engaged to audit the entity information or statement of service performance and accordingly these statements, representing other information, are not included in our audit.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with Tier 3 (NFP) issued by the New Zealand Accounting Standards Board, relevant to reporting financial position, financial performance and cash flows.

Basis of Opinion

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards of Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Trust in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Information Other than the Financial Statements and Auditor's Report Thereon

The Trustees are responsible for the other information. The other information comprises the entity information and statement of service performance.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be 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.



Trustees' Responsibility for the Performance Report

The Trustees are responsible on behalf of the Trust for:

- a) determining that the Tier 3 (NFP) reporting framework is acceptable in the entity's circumstances;
- b) service performance criteria that are suitable in order to prepare service performance information in accordance with Tier 3 (NFP);
- c) the preparation and fair presentation of the performance report on behalf of the entity which comprises:
 - the entity information;
 - the statement of service performance; and
 - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance reportin accordance with Tier 3 (NFP), and
- d) such internal control as the Trustees determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Trustees are responsible on behalf of the Trust 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 it 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 and are considered material if, individually or in aggregate, they could be reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The full details of the auditor's responsibilities can be found on the following web page.

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

Independent Auditors Ltd.

INDEPENDENT AUDITORS LTD
NELSON

23 August 2024