



New Zealand Harkness Fellowships Trust Inc

Performance Report

For the year ended

30 September 2024

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New Zealand Harkness Fellowships Trust (Incorporated)

Entity Information for the year ended 30 September 2024

Legal Name of Entity:	New Zealand Harkness Fellowships Trust (Incorporated)
Type of Entity and Legal Basis (if any):	The Trust is incorporated in New Zealand under the Charitable Trusts Act 1957.
Registration Number:	No. 970409

The Trust is also a registered charity under the Charities Act 2005, registration number CC27704.

Entity's Purpose or Mission:

The principal purpose of the Trust is to encourage and promote education and research in New Zealand on public policy issues by enabling outstanding New Zealand mid-career professionals to undertake fellowship programmes in the USA.

Entity Structure:

The Trust comprises a Board of seven Trustees who oversee the governance of the Trust. The Trust depends on the support of Trustees and administrative providers to achieve its responsibilities and deliver against the Trust's objectives. The Trustees are appointed from among the Harkness Fellowship Alumni.

Main Sources of the Entity's Cash and Resources:

The Trust has received an endowment from the NZ Government, which has been invested to provide income to cover the fellowship study grant and core administration costs. The Trust also receives donations to supplement endowment income.

Statement of Service Performance

Outputs

The principal output of the Trust is to select one or more suitable individuals for a Fellowship grant for study in the United States. The decision is made each November, and is always taken up in the following calendar year. The results of each Fellow's study are communicated through seminars or publications.

Outcomes

The key outcome sought is the development of outstanding New Zealand mid-career professionals at highly regarded institutions in the United States of America to gain the necessary skills and attributes to further education and research in New Zealand on public policy issues.

Additional Information:

Contact details

Physical Address:

The Trust has no physical address.

Postal Address:

68 Creswick Terrace, Northland,
Wellington 6012

Phone/Fax:

The Trust has no fixed landline, nor has it contracted with mobile phone providers. The Trust leverages these services from Trustees.

Email/Website:

www.harkness.org.nz

Auditor:

Audit Plus Accounting Services Ltd
Eketāhuna, Wairarapa

New Zealand Harkness Fellowships Trust (Incorporated)

Statement of Financial Performance for the year ended 30 September 2024

	Notes	\$ Actual This Year	\$ Actual Last Year
Revenue	3		
Donations, fundraising and other similar receipts		-	-
Fees, subscriptions and other receipts from members		-	-
Interest, dividends and other investment income receipts		56,192	60,457
Total Revenue		56,192	60,457
Expenditure	4		
Payments related to public fundraising		1,082	2,492
Volunteer and employee related payments		-	-
Payments related to providing goods or services		7,002	11,196
Grants and donations paid	2	62,000	116,000
Other operating payments		2,300	2,200
Total Expenditure		72,384	131,889
Surplus or (Deficit)		(16,192)	(71,432)
Other Revenue			
Fair Value adjustment to investments		263,430	144,751
Total Other Revenue		263,430	144,751
Surplus or (Deficit)		247,238	73,319

The notes on pages 6 to 7 are an integral part of these financial statements.

New Zealand Harkness Fellowships Trust (Incorporated)

Statement of Financial Position as at 30 September 2024

	Notes	\$ Actual This Year	\$ Actual Last Year
Assets			
Current Assets			
Bank accounts and cash	5	360,929	266,857
Debtors and prepayments		21,600	28,556
Investments	6	252,488	692,308
Total Current Assets		635,016	987,720
Non-Current Assets			
Investments	6	2,207,241	1,641,939
Total Non-Current Assets		2,207,241	1,641,939
Total Assets		2,842,257	2,629,659
Liabilities			
Current Liabilities			
Creditors and accrued expenses	7	4,405	39,046
Total Current Liabilities		4,405	39,046
Total Non-Current liabilities		-	-
Total Liabilities		4,405	39,046
Total Assets less Total Liabilities (Net Assets)		2,837,852	2,590,614
Accumulated Funds			
Accumulated surpluses or (deficits)		277,629	348,216
Operating Surplus		(16,192)	(71,432)
Prior period adjustment		0	845
Accumulated surpluses or (deficits)	8	261,438	277,629
Endowment Fund		2,000,000	2,000,000
Revaluation Reserves		576,415	312,984
Total Accumulated Funds		2,837,852	2,590,614

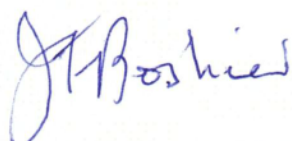
Approved for issue by the Trustees on

21 March 2025

Chair:


Aphra Green

Treasurer:


John Boskew

The notes on pages 6 to 7 are an integral part of these financial statements.

New Zealand Harkness Fellowships Trust (Incorporated)

Statement of Cash Flows for the year ended 30 September 2024

	\$ Actual This Year	\$ Actual Last Year	
Cash Flows from Operating Activities			
Cash was received from:			
Donations, fundraising and other similar receipts	-	-	
Fees, subscriptions and other receipts from members	-	-	
Interest, dividends and other investment receipts	61,097	55,248	
Cash was applied to:			
Payments to suppliers and employees	12,026	5,343	
Donations or grants paid	95,000	91,000	
Net Cash Flows from Operating Activities	(45,928)	(41,095)	
Cash flows from Investing and Financing Activities			
Cash was received from:			
Receipts from the sale of investments	680,000	505,000	
Cash was applied to:			
Payments to purchase investments	540,000	454,603	
Net Cash Flows from Investing and Financing Activities	140,000	50,397	
Net Increase / (Decrease) in Cash	94,072	9,302	
Opening Cash	266,857	257,555	
Closing Cash	360,929	266,857	
This is represented by:			
Bank Accounts and Cash	Note 5	360,929	266,857

The notes on pages 6 to 7 are an integral part of these financial statements.

New Zealand Harkness Fellowships Trust (Incorporated)

Notes to the Financial Statements for the year ended 31 September 2024



Note 1 Accounting Policies

AP1 Basis of Preparation

New Zealand Harkness Fellowships Trust Inc. is a Tier 3 PBE, is able to apply PBE SFR-A (NFP) *Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit)* and has elected to do so. The Trust is not large, has no public accountability and has expense transactions less than \$5 million per year.

All transactions are reported in the Financial Statements and related Notes on an accrual basis. The figures in the performance report are in New Zealand dollars and rounded to the nearest dollar.

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future.

AP2 PBE Tier 2 Accounting Standards applied

The Trust has elected to apply the following PBE Tier 2 accounting standards: PBE IPSAS 28, PBE IPSAS 30, and PBE IPSAS 41.

The carrying value of investment assets has been recognised at fair value and the associated Tier 2 financial reporting standards have been applied in relation to this policy.

AP3 Taxation

New Zealand Harkness Fellowships Trust Inc. is registered for Goods and Services Tax (GST). Therefore amounts recorded in the Financial Statements are exclusive of GST (if any). The Trust is exempt from income tax as it is a registered charity under the Charities Act 2005.

AP4 Bank Accounts and Cash

Bank accounts and cash include petty cash, cheque and savings accounts, deposits held on call with banks, and bank overdrafts.

AP5 Income

Income is principally earned by way of interest and dividends, with donations being received from time to time. This interest income is received from bank accounts and funds managed through the Public Trust.

AP6 Expenditure

Harkness Fellowships grants of up to \$60,000 each are awarded each year, with \$2,000 being retained for payment on receipt of the Fellow's completed report. In addition, travel insurance is paid. The Trust records the initial grant expense in the financial year in which the grant is approved by the Trustees and the Fellow notified of their successful application with the remaining portion recorded when the completed report is received. In 2023 the Trust increased the amount of Fellowship grant available from \$30,000.

AP7 Changes in Accounting Policies

There have been no other changes in accounting policies during the financial year (last year - nil)

Note 2 Grants and Donations Paid

Grants are paid to support approved Harkness Fellows in their study in the United States. Due to the Covid-19 pandemic no selection of fellows was made in 2020/2021 and 2021/22. The study programme of the 2019 Fellow, Jess Birdsall-Day of \$30,000, was impacted by the pandemic when travel was impossible. This situation remains with no payment made to Jess by the end of the 2023 financial year. A scholarship funded by the US Embassy was awarded in 2019 and completed in 2020/21; with a further award in 2021/22 to Guled Mire. Fellowship awards to Aimee Hadrup and Jym Clark of \$60,000 each were made in 2022-23. The fellowship grant in 2024 was awarded to Sarah Box (\$60,000).

Note 3 Revenue

	This Year	Last Year
	\$	\$
Donations, fundraising and other similar receipts		
Grants and Sponsorship	-	-
Other	-	-
Fees, subscriptions and other receipts from members		
Alumni activity	-	-
Interest, dividends and other investment income receipts		
Interest	46,934	44,533
Dividend	9,257	15,924
Other operating receipts	-	-
Total Revenue	56,192	60,457

Note 4 Expenditure

Payments related to public fundraising		
Alumni Dinner	1,082	2,492
Volunteer and employee related payments	-	-
Payments related to providing goods or services		
Fellow Selection	-	-
Brokerage	-	456
USA RWTax	-	1,384
Accounting fees	1,750	1,500
Other administration costs	5,252	7,857
Grants and donations paid		
Harkness Fellowship Grant	58,000	-
Fellow Grant (USA)	4,000	116,000
Other operating payments		
Audit	2,300	2,200
Board	-	-
Total Expenditure	72,384	131,889

Note 5 Bank and Cash Held**Bank Accounts and Cash at the End of the Financial Year**

Represented by:	This Year	Last Year
	\$	\$
Cheque account(s)		
Main Account	10,268	39,586
Savings account(s)		
Online	7,155	6,933
Bonus	14,124	12,429
Investments at Call	329,382	207,909
Total Bank Accounts and Cash	360,929	266,857

Note 6 Investments

	This Year	Last Year
	\$	\$
Current Investments		
Fixed interest	252,488	692,308
Total Current Investments	252,488	692,308
Non-current Investments		
Fixed interest	665,286	534,057
Funds	770,076	470,624
Equities	771,879	637,258
Total Non-Current Investments	2,207,241	1,641,939
Total Investments	2,459,729	2,334,247

The value of investments reflected their fair value at 30 September 2024. The cash accounts held interest and dividends accounted for as income. The investments are managed through the Public Trust.

Note 7 Creditors and accrued expenses

	This Year	Last Year
	\$	\$
Audit Fee	2,300	2,200
Management Fee	-	-
Fellowship Grant funded by US State Department	-	33,000
Other Administration costs		
Professional fees	-	2,346
Accounting activity	1,750	1,500
Fund administration	355	
Total Payables	4,405	39,046

Note 8 Accumulated Funds

This Year	Accumulated Surpluses or Deficits	Revaluation Reserve	Endowment Fund	Total
Description				
Opening Balance	277,630	312,985	2,000,000	2,590,615
Surplus/(Deficit)	(16,192)			(16,192)
Other income	-	263,430		263,430
Closing Balance	261,438	576,415	2,000,000	2,837,853
Last Year				
Description				
Opening Balance	348,216	168,234	2,000,000	2,516,450
Prior Period adjustment (Note 12)	845			845
Adjusted Opening Balance	349,061	168,234	2,000,000	2,517,295
Surplus/(Deficit)	(71,432)			(71,432)
Other income	-	144,752		144,752
Closing Balance	277,630	312,985	2,000,000	2,590,615

Note 9 Goods or Services Provided to the Entity in Kind

The Trustees provide time and resource pro bono to achieve the outputs required of the Board of Trustees.

Note 10 Related Party Transactions

There have been no related party transactions

Note 11 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)

INDEPENDENT AUDITOR'S REPORT

To the Trustees of New Zealand Harkness Fellowships Trust (Incorporated)

Opinion

We have audited the financial information in the performance report of New Zealand Harkness Fellowships Trust (Incorporated) on pages 3 to 7, which comprise the statement of financial position as at 30 September 2024, and the statement of financial performance and statement of cash flows for the year then ended, and the statement of accounting policies and notes to the performance report. 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 financial information in the accompanying performance report presents fairly, in all material respects, the financial position of New Zealand Harkness Fellowships Trust (Incorporated) as at 30 September 2024, and its financial performance and its cash flows for the year then ended in accordance with the requirements of the Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) standard issued in New Zealand by the New Zealand Accounting Standards Board (PBE SFR-A (NFP)), relevant to reporting financial position, financial performance and cash flows.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Performance Report section of our report. We are independent of New Zealand Harkness Fellowships Trust (Incorporated) in accordance with Professional and Ethical Standard 1 'International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand), 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, New Zealand Harkness Fellowships Trust (Incorporated).

Restriction on Responsibility

This report is made solely to the Trustees, as a body, in accordance with section 42F of the Charities Act 2005. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Other Information: Entity Information and Statement of Service Performance

The Trustees are responsible for the other information. The other information comprises the entity information and statement of service performance but does not include the performance report and our auditor's report thereon.

Our opinion on the financial information in the performance report does not cover the 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 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 entity for:

- (a) service performance criteria that are suitable in order to prepare service performance information in accordance with the Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) standard issued in New Zealand by the New Zealand Accounting Standards Board (PBE SFR-A (NFP));
- (b) the preparation and fair presentation of the performance report which comprises:
 - 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 report in accordance with PBE SFR-A (NFP), and
- (c) for such internal control as the Trustees determine is necessary to enable the preparation of a 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 entity for assessing the entity'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 entity or to cease operations, or have no realistic alternative but to do so.

The Trustees are also responsible on behalf of the entity for determining that the PBE SFR-A (NFP) framework is acceptable in the entity's circumstances.

Auditor's Responsibilities for the Audit of the Financial Information in the Performance Report

Our objectives are to obtain reasonable assurance about whether the financial information in the performance report is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance report.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial information in the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial information in performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in cursive script that reads "Audit Plus".