

## The Alan Duff Charitable Foundation

# Annual Performance Report 2023



# Duffy Books in Homes

## Legal Name of Entity

Alan Duff Charitable Foundation

## Entity Type and Legal Basis

Alan Duff Charitable Foundation is incorporated under the Charities Trust Act 1957.  
Registration Number CC30965

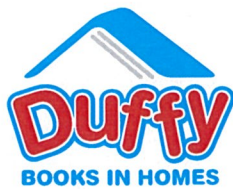
## Postal Address

PO Box 132146, Sylvia Park, Auckland 1644

## Contact

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Email: [duffy@booksinhomes.org.nz](mailto:duffy@booksinhomes.org.nz)



## Duffy Books in Homes

 [duffybooks](#)

 [duffybooks](#)

## Chairman and General Manager Report

Our mission is to encourage a love of reading from an early age, allowing our tamariki to value reading and opening doors creating opportunities throughout their lives.

It's a special moment when you get to witness one of our 90,000 Duffy tamariki in school assemblies, receiving their brand new books. Reading is an important skill and Duffy is proud to help children and whanau, discover the magic and power of reading while sharing new found favourite books.

We exist to allow our tamariki and rangatahi to be confident readers, create imaginative worlds, build words to express themselves freely and this all is worthwhile when our alumni of Duffy Legends come back to Duffy, to give back – joining Duffy as role models, legends or funding partners.

**Linda Vagana** (General Manager) and **Kevin Drinkwater** (Chairman)



# About Duffy Books in Homes

## WHY DO WE EXIST?

### The Duffy Story

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The programme was developed following a visit by Alan Duff to Camberley School in Hastings in 1992. He found that the majority of those children came from bookless homes and showed little, if any, interest in reading. From this grew the key concept of book ownership prompting an interest in reading and a love of books. This would also create the opportunity to share the books with other family members.

The programme was initiated in Camberley School in 1993. Christine Fernyhough set up an office sponsored by Mainfreight (this arrangement continues today) and in 1994 The Alan Duff Charitable Foundation Books in Homes programme began.

Since the official launch event in 1995 with 80 schools, 16,000 students and 14 sponsors, the programme has grown to encompass over 540 schools and over 260 early childhood centres, more than 90,000 students and more than 200 funding partners, supporters and donors in 2023. By October 1999, more than one million books had been distributed. The two millionth book milestone was reached in June 2002. Now that figure has surpassed 14 million and the Duffy Books in Homes programme has inspired offshoot programmes in Australia and the USA.

### Our Vision and Mission

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Our Vision is "to inspire a love of books in Duffy children so they become adults who inspire a love of reading"

Our Mission to achieve our vision is by:

- Creating and enhancing the desire for children to read through book ownership.
- Reaching out to an ever-widening range of children and communities.
- Developing our programmes to meet the specific needs and aspirations of our diverse communities.
- Developing an interlinked network of people and organisations to collaborate on how to best meet the needs of our students and their communities.
- Constantly keeping our vision, mission and values at 'top of mind'.

The philosophy behind the programme is simple - to break the cycle of 'booklessness'.

Kids who can't read become adults who can't communicate and that's a serious disadvantage in a world that operates on the written word.

### Our Structure

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Duffy Books in Homes is governed by a volunteer Board of Trustees who meet four to six times a year. The Trustees during the year were:

- Kevin Drinkwater (Chairman)
- Bruce Plested
- Alan Duff
- Carl George
- Tone Kolose
- Libby Limbrick
- Bryan Curtis
- Felicity Anderson (resigned 9 February 2023)
- Robin Brooke (resigned 10 November 2022)

The Trustees' received no remuneration for their services during the year.

# Duffy Schools & Early Childhood Education Centres (ECE)





## MAIN SOURCES OF FUNDING

Duffy Books in Homes primary sources of funding are grants, funding partners, donations, partners and government funding (for 2 books a year for each child on the programme).

### Grants

Grants are a key source of income, benefiting both branch operations and assisting with shared services costs. Grants were provided by The Lion Foundation, Four Winds Foundation, J N Williams Memorial Trust, Jack Jeffs Charitable Trust, The Frimley Foundation, PWC Foundation, The Boyd Clarke Foundation, Cummins Foundation, Fred Jordan Memorial Trust and Beyond Horizons Charitable Trust.

### Funding Partners

Our funding partners partner with each school and pay 50% of the costs of 4 books per year. Our funding partners come from all walks of life and are a mixture of corporate supporters, small-to-medium business, individuals and groups.

### Donations

Donations are received from a variety of sources including directly from individuals and groups via our website donation page.

### Partners

Mazda and FleetPartners help drive our Duffy Theatre in Education Show nationwide.

### Government Funding

The New Zealand Government funds two books per child annually for all Duffy children.

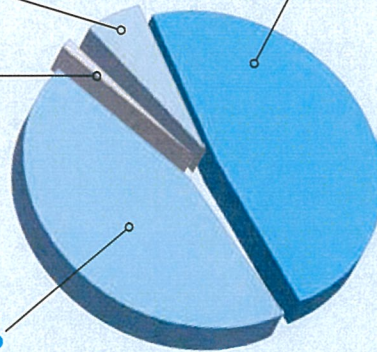
## FUNDING SOURCES

**6%**  
(\$248,076)  
dividends

**1%**  
(\$36,306)  
sundry  
income

**45%**  
(\$1,942,277)  
donations & grants

**48%**  
(\$2,092,620) schools  
and funding partners



## THE DUFFY PROGRAMME

Duffy Books in Homes is a not-for-profit organisation working with schools from around Aotearoa. We help support as many kids as possible, to break the cycle of 'booklessness'. Kids who can't read become adults who can't communicate and that is a serious disadvantage in a world that operates on the written word.

We do this through our literacy programme where schools in priority communities are given the option to become a Duffy school or early childhood centre. All children at a Duffy school are given three book offers a year, for a total of 6 books that are theirs to keep for life. At a Duffy early childhood centre, they receive 4 books a year to keep for life.

Our programme is made possible by our funding partners who give tens of thousands of children a chance that they would not otherwise have; the chance to own their own books. Each Duffy school is matched with a funding partner who share the cost of the programme. Duffy funding partners come from all walks of life, large international corporations, local businesses and even families, individuals and other schools. What joins them is the desire to make a real difference in the lives of children who would otherwise not have the opportunity to own their own books and experience the joy of reading for pleasure.

### Book Offers

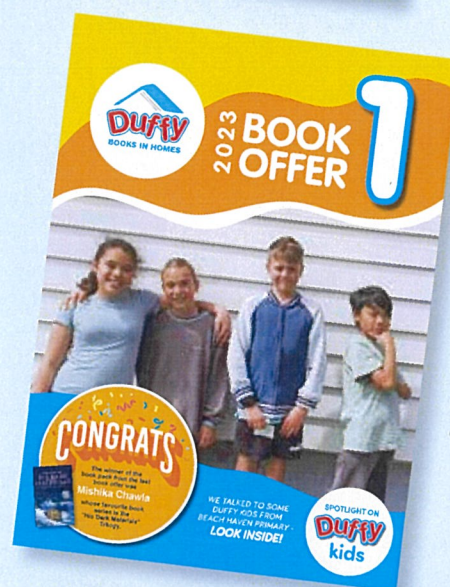
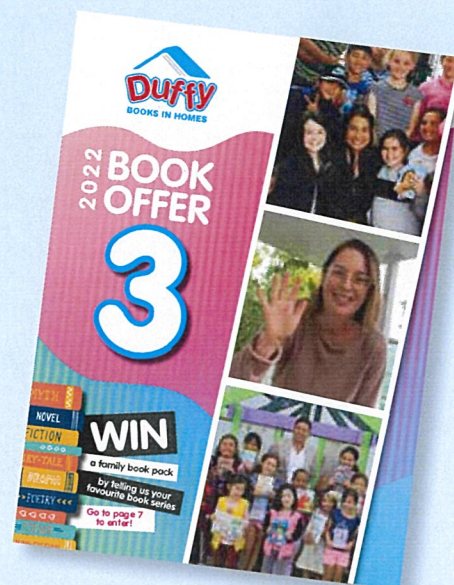
The book offers are what being a Duffy school or early childhood centre are all about! Each and every Duffy child throughout New Zealand has a chance to choose two books each book offer, that they get to take home and cherish, these books belong to them! Three times a year a book catalogue is delivered to each child on the programme. Each child receives six books a year.

There are approximately 80 titles per book offer and the titles on offer are different each time. The titles available in each book catalogue are chosen by Duffy Coordinators, Duffy principals and Duffy children at Book Selection workshops. All books are supplied by Scholastic NZ and each book has a sticky label which has the child's name, the school and funding partner.

### Role Model Assemblies

At the end of Terms One and Three, special Role Model assemblies are held at every school. Sportspeople, musicians, artists, writers, radio personalities, television presenters, fashion designers and many other New Zealanders visit Duffy schools, present the books and talk to the children about their achievements and goals.

They tell the children "It's Cool to Read and Cool to Achieve" and make a connection between success and reading.





## Duffy Theatre Show

Each Duffy school is also visited once per year by the Duffy Theatre Team. They perform a 45 minute show that brings the character of Duffy to life and reinforces the importance of reading in a fun and interactive way. The theatre is free of charge and the bright, professional actors bring a fun new show alive at each visit. The central character is always Duffy and the shows revolve around the different reading adventures he gets himself involved in.

Check out some feedback from this Duffy school about the show:

*"Absolutely hilarious. The staff loved it. It engaged all the children with eyes glued to the front. They were all buzzing afterwards and can't wait for the next one. The theme was relatable and content was written well - the older kids and adults got the hidden jokes and the little ones enjoyed the interaction. We are so happy and grateful to be a part of Duffy"*

- SHAYNA GLEESON-LONG, MILSON SCHOOL



## SPONSORS

Our sponsors/funding partners are an integral part of what we do and we couldn't do what we do without them. Each and every sponsor/funding partners has partnered with at least one school and cover 50% of the cost of books given throughout the year to tamariki. Without their generous support and funding, our schools and tamariki would not be able to be a part of the programme. Our sponsors/funding partners come from all walks of life and are individuals, small-medium business, enterprises, foundations and many more.

We would like to extend our sincere thanks to all our past and present funding partners for their support – the Duffy programme only continues because of your support.

We would also like to extend our sincere thanks to the NZ Government who cover the entire cost of two books per year to every child on the programme.



## SPONSORS

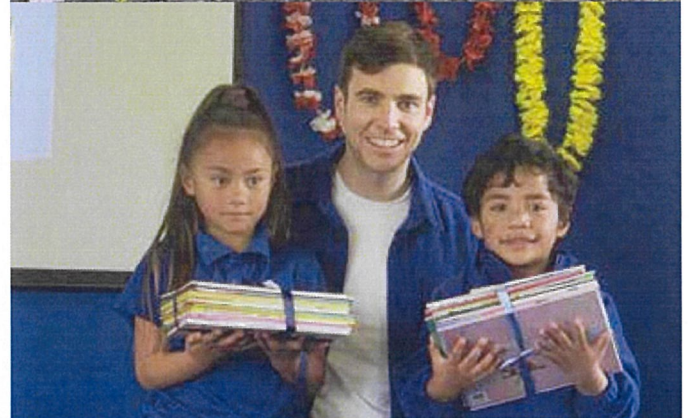
• A1 Homes & Fiona Gooder Memorial Trust • AJ & Dr SM Wakefield • Alterno Foundation • Amanda & Carl Millar • Archetype Allen & Unwin • Auckland Unitarian Church • Avanti Finance • Barry Dent and Sue Freitag • Bev McConnell • Beyond Horizons • Brooke Coaching Ltd • Cathy & Rod Toi • Chemcouriers Auckland • Chemcouriers Hamilton • Christine Brook • Copeland Family • Crawshaw-McLean Whanau • Cummins New Zealand - Auckland • Cummins New Zealand - Palmerston North • Cummins New Zealand - Rotorua • Dahuti International Ltd • Daily Freight Auckland • Daily Freight Christchurch • Daily Freight Wellington • Daniel Grassam & Kate Yoxall • Deborah & Ross George • Deborah Somner • Dennis Page • Di and Graeme Edwards • Dianne Stokes • Dick & Mary Earle • Dominion Constructors Ltd • Don Andrew • Donkers & Hart Family • Dr John Dunn • Eastern & Central Community Trust • Elizabeth Chapman • Emma Hurley • Emma-Kate Greer & Family • Ernst & Young • Federation Mining • Felicity Champion and Friends • Fisher Funds • FleetPartners • Flora Gilkison • Forsyth Barr • Four Winds Foundation • Frances Holden • Frankie & Phil Letford • Fred Jordan Memorial • Frimley Foundation • Fujifilm NZ • Genesis Energy • Golden Bay Cement • Goodman Property Services (NZ) Ltd. • Greenwood Roche Project Lawyers • Greg & Janie Loveridge • Guy Malthus • Hadfield House - Whanganui Collegiate School • Hamertons Lawyers Ltd • Hamish & Abby Foote • Hamish Morrison • Heather Owens & Nancie Plested • Hundred Acre Trust & Gulf Trust • Imerys Ceramics NZ Ltd • J N Williams Memorial Trust • Jill Kitchen • Jo McCreanor • John Foulkes • John Roseveare & Kerry Scott • Judi Billcliff • Karen & Henry Zelas • Kate Howard • Kevin and Sandra Drinkwater • Kirsty Michell • KLC Limited • KPMG Timaru • Kylie Jones Memorial • Latitude Better Giving • Latitude Financial • Les Billcliff • Leslie Salter • Libby & Mike Limbrick • Lindsay & Bill Holmes • Lizzie Coote • Lumsden School Sponsor • Mac and Mark • Mainfreight Air and Ocean Auckland Airfreight • Mainfreight Air and Ocean Auckland Seafreight • Mainfreight Air and Ocean Christchurch Seafreight • Mainfreight Air and Ocean Dunedin • Mainfreight Air and Ocean Napier • Mainfreight Air and Ocean Tauranga • Mainfreight Air and Ocean Wellington • Mainfreight Auckland • Mainfreight Christchurch • Mainfreight FTL North Island • Mainfreight Gisborne • Mainfreight Hamilton • Mainfreight Hobsonville • Mainfreight Kaitaia • Mainfreight Levin • Mainfreight Limited - Auckland • Mainfreight Limited - Christchurch • Mainfreight Limited - Invercargill • Mainfreight Metro Auckland • Mainfreight Napier • Mainfreight New Plymouth • Mainfreight Palmerston North • Mainfreight Rotorua • Mainfreight Tauranga • Mainfreight Timaru • Mainfreight Transport Ashburton • Mainfreight Wellington • Mainfreight Whanganui Ltd • Mainfreight Whangarei • Mainstream NZ and Mainstream Global • Malcolm & Gill Don • Manawa Energy Ltd • Margaret Johnstone • Marist Catholic School Herne Bay • Mark & Amy Ryburn • Mary Williamson • Mazda New Zealand • Methanex New Zealand Limited • Mick and Anna Ormond • Ministry of Education • Moore Wilson & Co Ltd. • Mt Pokaka Timber Products Ltd. • Nancie Plested • New Brighton School Sponsor • New Zealand Couriers Ltd • Nextdoc.Pty • Ngamatapouri Sponsor • Nikki Geeson • Normanby School Sponsor • Nova Energy • Oji Fibre Solutions • Owens Christchurch • Owens Tankers • Owens Transport • Penguin Random House NZ Ltd • Peter Macky • Prue Olde • PwC Foundation • Quinn Engineering Ltd • Rachel McKenzie • Rose's Book Club • Rotary Club of Avonhead • Rotary Club of Ellerslie Sunrise • Rotary Club of Havelock North • Rotary Club of Maungaturoto • Rotary Club of Otaki • Rotary Club of Parnell • Rotary Club of Port Nicholson • Rotary Club of Remuera • Rotary Club of Somerville • Rotary Club of Tauranga • Rotary Club of Wanganui • Rotary International • Royston Hospital • Sam Cooper • Sandfield Information Systems • Scholastic New Zealand Limited (Wellington) • Scholastic NZ Limited • Senate SHJ Wellington • Sharpe Marketing • Soar Printing • Spicers • St Patrick's School (Waimate) Sponsor • Stephanie Edwards • Suburbs Rugby Football Club • Tait Foundation • Taringamotu Otamakahi Trust • Te Kura Maori o Nga Tapuwae • Te Kuta Station • Te Uranga B2 Incorporation • Terry & Rhonda Hurley • Terry Jarvis • The Bethell Family Partnership • The Boyd Clarke Foundation • The Braid Family • The Curtis Family • The David Levene Charitable Trust • The Dines Family Charitable Trust • The Elsie Steele Trust Board • The Estate of Selwyn Dennis Hales Charitable Trust • The Harper Family • The Herdson Laing Family • The Jack Jeffs Charitable Trust • The Jones Family • The Koea Family • The Lion Foundation • The Ponsonby Lodge 54 • The Robert Bartley Foundation • The Scott Family • The Smith Family • The Sproule & Nicholls Family • The Students of King's College • The Tindall Foundation • The Warehouse Logistics Team - North Island • TheOneRing.net • Thompson Lawnmowers and Chainsaws • TR Group • Tracey-Lee Pettifer & Jonathan Clarke • Trevor Hefford • Tuumuliga & Maria Vagana • U3A - Remuera • Unichem Taumarunui Pharmacy • Westpac • Westpac New Zealand Limited - Ashburton • Westpac New Zealand Limited - Balclutha/Gore • Westpac New Zealand Limited - Blenheim • Westpac New Zealand Limited - Dannevirke • Westpac New Zealand Limited - Greymouth • Westpac New Zealand Limited - Hamilton • Westpac New Zealand Limited - Huntly • Westpac New Zealand Limited - Invercargill • Westpac New Zealand Limited - Kerikeri • Westpac New Zealand Limited - Levin • Westpac New Zealand Limited - Marton/Fielding • Westpac New Zealand Limited - Nelson • Westpac New Zealand Limited - Oamaru • Westpac New Zealand Limited - Pahiatua • Westpac New Zealand Limited - Plaza • Westpac New Zealand Limited - Rotorua Central • Westpac New Zealand Limited - Taihape • Westpac New Zealand Limited - Te Kuiti • Westpac New Zealand Limited - Timaru • Westpac New Zealand Limited - Tokoroa • Westpac New Zealand Limited - Waihi • Westpac New Zealand Limited - Wairoa • Westpac New Zealand Limited - Westport • Westpac New Zealand Limited - Whanganui • Wheelers • Winstone Pulp International Ltd. • Wolf & Fox Limited • Yarrow South Charitable Trust • Year 9 Students of St Cuthbert's College • Yunity Ltd • Zonta Club of Whangarei

## ROLE MODEL APPRECIATION & RECOGNITION

Our role models are an important part of Duffy Books in Homes and we couldn't have role model assemblies without them. Each and every role model has made a valuable contribution to our programme, whether they've gone to one school in the year, or have done a week's worth of school - every contribution is important.

Our role models have generously given their time to visit schools around Aotearoa to share their story and experiences with tamariki at our Duffy Schools.

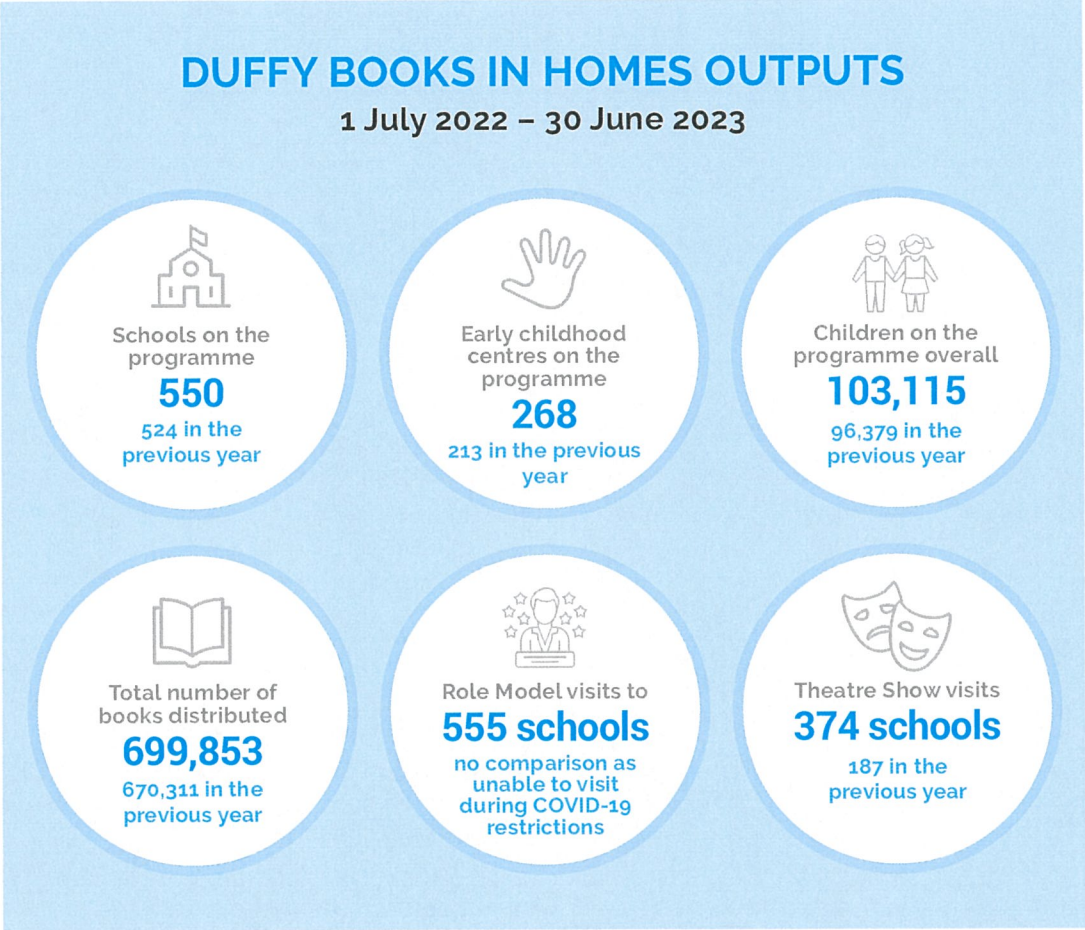
We would like to extend our sincere thanks to these individuals for so willingly sharing their skills and time.



# STATEMENT OF SERVICE PERFORMANCE

## 'What did we do?' and 'When did we do it?'

Duffy Books in Homes delivered on its mission to encourage a love of reading from an early age, allowing our tamariki to value reading and opening doors creating opportunities throughout their lives.



## BOARD OF TRUSTEES

The Trustees during the year were:

Kevin Drinkwater (Chairman)

Bruce Pleded

Alan Duff

Carl George

Tone Kolose

Dr Libby Limbrick

Bryan Curtis

Felicity Anderson – resigned 9 February 2023

Robin Brooke – resigned 10 November 2022

The Trustees' received no remuneration for their services during the year.



## **Independent auditor's report to the Trustees of Alan Duff Charitable Foundation Report on the audit of the performance report**

### **Opinion**

We have audited the general purpose financial report (the "performance report") of Alan Duff Charitable Foundation (the "Entity"), which comprises the service performance information, the statement of financial position of the Entity as at 30 June 2023, and the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year then ended of the Entity and the notes to the financial statements including a summary of significant accounting policies

In our opinion, the performance report presents fairly, in all material respects;

- ▶ the financial position of the Entity as at 30 June 2023 and its financial performance and cash flows for the year then ended; and
- ▶ the service performance for the year ended 30 June 2023 in accordance with the Entity's service performance criteria

in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

This report is made solely to the Entity's trustees, as a body. Our audit 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 Entity and the Entity's trustee, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Basis for opinion**

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) and the audit of the service performance information in accordance with NZ AS 1 *The Audit of Service Performance Information* ("NZ AS 1"). 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 the Entity 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 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 interest in, the Entity. Partners and employees of our firm may deal with the Entity on normal terms within the ordinary course of trading activities of the business of the Entity .



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working world**

### **Information other than the performance report and auditor's report**

The trustees of the Entity are responsible for the annual report, which includes information other than the financial statements, service performance information and auditor's report.

Our opinion on 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 during the audit, or otherwise appears to be materially misstated.

If, based upon the work we have performed on the other information obtained prior to the date of this auditor's report, 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' responsibilities for the performance report**

The trustees are responsible, on behalf of the Entity, for;

- ▶ the preparation and fair presentation of the financial statements and service performance information in accordance Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.;
- ▶ service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board; and
- ▶ such internal control as the directors determine is necessary to enable the preparation of financial statements and service performance information that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the trustees are responsible for assessing on behalf of the entity 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 cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the performance report**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, and service performance information 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 is not a guarantee that an audit conducted in accordance with International Standards on Auditing (New Zealand) and NZ AS 1 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 economic decisions of users taken on the basis of this performance report.



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A further description of our responsibilities for the audit of the performance report is located at the External Reporting Board website: <https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-14/>. This description forms part of our auditor's report.

The Ernst &amp; Young signature logo is written in a black, cursive script.

Chartered Accountants  
Auckland  
10 November 2023



## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

### ALAN DUFF CHARITABLE FOUNDATION

For the year ended 30 June 2023

	2023 \$	2022 \$
<b>REVENUE</b>		
<b>Non-Exchange Revenue</b>		
Funding from schools and sponsors	2,092,620	1,962,303
Donations and grants	1,942,277	1,924,885
<b>Exchange Revenue</b>		
Sundry income	36,305	47,413
Dividends received	248,076	205,773
Gain/(loss) in fair value through surplus/deficit		142,327
	<b>4,319,278</b>	<b>4,282,701</b>
<b>Other Revenue</b>		
Gain/(loss) on sale of asset	-	-
	<b>4,319,278</b>	<b>4,282,701</b>
<b>EXPENSES</b>		
Cost of books	3,157,382	2,852,379
Salaries	547,109	536,378
Defined contribution plan expenses	17,030	15,349
Duffy theatre	346,802	277,552
Printing	127,314	91,199
Travel	46,573	7,285
Consultancy	2,524	3,118
Depreciation	624	331
Other expenses	292,137	140,063
	<b>4,537,495</b>	<b>3,923,654</b>
<b>Surplus/(deficit) for the year</b>	<b>(218,217)</b>	<b>359,047</b>
<b>Other comprehensive revenue and expense</b>		
Gain/(loss) in fair value through other comprehensive revenue and expense reserve	372,321	(1,118,880)
<b>Total comprehensive revenue and expense for the year</b>	<b>154,104</b>	<b>(759,833)</b>

## STATEMENT OF MOVEMENTS IN EQUITY

### ALAN DUFF CHARITABLE FOUNDATION

For the year ended 30 June 2023

	Accumulated comprehensive revenue and expense \$	Available for sale reserve \$	Total equity \$
<b>Equity at 30 June 2021</b>	<b>645,179</b>	<b>11,556,623</b>	<b>12,201,802</b>
Surplus for the year	359,046		359,046
Other comprehensive revenue and expense		(1,118,880)	(1,118,880)
Disposal of revalued Assets		(142,327)	(142,327)
Total	359,046	(1,261,207)	(902,161)
<b>Equity at 30 June 2022</b>	<b>1,004,225</b>	<b>10,295,416</b>	<b>11,299,641</b>
Deficit for the year	(218,217)		(218,217)
Other comprehensive revenue and expense		372,321	372,321
Disposal of revalued Assets			
Total	(218,217)	372,321	154,103
<b>Equity at 30 June 2023</b>	<b>786,008</b>	<b>10,667,737</b>	<b>11,453,744</b>

## STATEMENT OF FINANCIAL POSITION


### ALAN DUFF CHARITABLE FOUNDATION

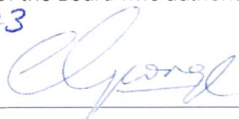
As at 30 June 2023

	Notes	2023 \$	2022 \$
<b>Current Assets</b>			
Cash and cash equivalents	3	1,548,961	1,195,321
Accounts receivable - exchange transactions		125,480	125,480
Accounts receivable – non exchange transactions		640,410	110,489
Other current assets		1,140	4,902
		<b>2,315,992</b>	1,436,192
<b>Non-Current Assets</b>			
Investments	4	11,149,328	10,777,006
Other non-current assets		10,371	1,416
		<b>11,159,698</b>	10,778,422
<b>Total Assets</b>		<b>13,475,690</b>	12,214,614
<b>Current Liabilities</b>			
Accounts payable and creditors		1,066,244	914,973
New Schools in advance \$		955,702	
		<b>2,021,946</b>	914,973
<b>Equity</b>			
Accumulated comprehensive revenue and expense		786,008	1,004,225
Available for sale reserve		10,667,737	10,295,416
		<b>11,453,745</b>	11,299,641
<b>Total Funds Employed</b>		<b>13,475,690</b>	12,214,614

The accompanying notes form part of and are to be read in conjunction with these financial statements.

These financial statements are signed for and on behalf of the Board who authorised these financial statements for issue on *10 November 2023*

  
General Manager

  
Trustee

## STATEMENT OF CASH FLOWS

### ALAN DUFF CHARITABLE FOUNDATION

For the year ended 30 June 2023

	Notes	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Net surplus/(deficit)		(218,217)	359,046
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>			
Depreciation		624	331
(Gain)/Loss on share realisation		-	(142,327)
(Increase)/decrease in accounts receivable from non-exchange transactions		(529,922)	337,933
(Increase)/decrease in other current assets		3,762	10,563
Increase/(decrease) in accounts payable and creditors		151,271	206,197
<b>Net cash (used in)/from operating activities</b>		<b>(592,483)</b>	<b>771,743</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of investments		-	302,192
Purchase of other non-current assets		(9,579)	-
<b>Net cash from investing activities</b>		<b>(9,579)</b>	<b>302,192</b>
<b>Cash flows from financing activities</b>			
Funds received in advance related to new schools		955,702	-
<b>Net cash from financing activities</b>		<b>955,702</b>	<b>-</b>
<b>Movement in cash balance</b>		<b>353,640</b>	<b>1,073,935</b>
<b>Add cash and cash equivalent at the beginning of the year</b>	3	<b>1,195,321</b>	<b>121,387</b>
<b>Cash and cash equivalent at the end of the year</b>		<b>1,548,961</b>	<b>1,195,322</b>

# NOTES TO THE FINANCIAL STATEMENTS

## ALAN DUFF CHARITABLE FOUNDATION

For the year ended 30 June 2023

### 1 Reporting Entity

Alan Duff Charitable Foundation (the "Foundation") is a trust incorporated under the Charitable Trusts Act 1957 and a charity registered under the Charities Act 2005.

The financial statements have been prepared in accordance with the Charities Act 2005 which requires compliance with the generally accepted accounting practice in New Zealand (NZ GAAP). The Foundation is a public benefit entity for the purpose of financial reporting. The financial statements of the Foundation comply with PBE Standards.

The financial statements of the Foundation have been prepared in accordance with Tier 2 PBE Standards and disclosure concessions have been applied. The Foundation is eligible to report in accordance with Tier 2 PBE Standards Reduced Disclosure Regime because it does not have public accountability and it is not large.

The financial statements have been prepared on a going concern basis.

### Measurement Base

The financial statements have been prepared on a historical cost basis, except for investments which are recorded at fair value. The reporting currency is New Zealand dollars and all values are rounded to the nearest dollar unless otherwise stated.

### 2 Significant Accounting Policies

The following significant accounting policies which affect the measurement of financial performance and financial position have been applied:

#### Revenue

Revenue is recognised to the extent that it is probable that economic benefits or service potential will flow to the Foundation and revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognised.

#### *Revenue from exchange transactions:*

##### *Dividend revenue*

Revenue is recognised when the Foundation's right to receive the payment is established, which is generally when shareholders approve the dividend.

##### *Revenue from non-exchange transactions:*

In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

##### *Donations and revenue from sponsors*

Donations and gifts of cash from sponsors are recognised when the receipts are received.

## NOTES TO THE FINANCIAL STATEMENTS

### 2 Significant Accounting Policies (continued)

*Revenue from non-exchange transactions: (continued)*

#### *Grant revenue*

Grant revenue is recognised when the conditions attached to the grant have been complied with. A deferred revenue liability is recognised instead of revenue when there is a condition attached that would give rise to a liability to repay, for example, the grant amount or to return the granted asset. Revenue is then recognised only once the Foundation has satisfied these conditions.

#### *Revenue from schools*

Revenue from schools are recognised when the Foundation issues the invoice for books which have been provided to students of that school. Schools have an obligation to fund a portion of the books delivered to students under the Duffy Books in Homes programme. Revenue is recognised at the amount of the invoice, which is the fair value of the cash received or receivable for the goods.

#### **Financial instruments**

The Foundation applied PBE IPSAS 41 with an initial application date of 1 July 2022. The adoption has had no material impact on figures presented in the financial statements for the 2023 financial year.

Financial assets and Financial liabilities are recognised when the Foundation becomes party to the contractual provisions of the financial instrument. Purchases and sales of financial assets are accounted for at the trade date, i.e. the date the Foundation commit to purchase or sell the asset.

The Foundation derecognises a financial asset when the rights to receive cash flows from the asset have expired or are waived or the Foundation has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party: and either

- The Foundation has transferred substantially all the risks and rewards of the asset; or
- The Foundation has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### **Financial assets**

The classifications of the financial assets are determined at initial recognition

The categorisation determines subsequent measurement and whether any resulting revenue and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses. The Foundation financial assets are classified as either financial asset at fair value through surplus or deficit for those assets measured at amortised cost or at fair value through other comprehensive revenue and expense for those investments not held for trading.

Financial assets include: cash and cash equivalents, trade debtors and other receivables, and the Foundation Investments.

All financial assets except for those at fair value through surplus or deficit are subject to review for impairment at least at each reporting date.

#### **Financial liabilities**

The Foundation's financial liabilities include accounts payable and employee entitlements. All financial liabilities are initially recognised at fair value. They are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus and deficit in the Statement of Comprehensive Revenue and Expense.

## NOTES TO THE FINANCIAL STATEMENTS

### 2 Significant Accounting Policies (continued)

#### **Goods and services tax (GST)**

The financial statements have been prepared on a GST exclusive basis other than for accounts receivable and accounts payable and creditors.

#### **Cash and cash equivalent**

Cash and cash equivalents comprise cash in hand, on demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value.

#### **Accounts receivable**

Accounts receivable are initially recognised at fair value and subsequently carried at amortised cost, using the effective interest method, less an allowance for impairment.

Collectability of accounts receivable is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Foundation will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 90 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

#### **Investments**

Investments in shares and unit holdings in managed funds are classified as fair value through other comprehensive revenue and expense. Investments classified as fair value through other comprehensive revenue and expense are those that are neither classified as held for trading nor designated at fair value through surplus or deficit. Therefore, the Foundation has made an irrevocable election to present in other comprehensive revenue and expense subsequent changes in the fair value of investments.

Investments are initially recognised at fair value and subsequently measured which is in accordance with IPSAS 41 at fair value with gains or losses being recognised in other comprehensive revenue and expense. It is then accumulated in the net unrealised gains reserve in equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred within equity to general funds.

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the balance sheet date.

#### **Accounts payable**

Accounts payable are initially recognised at fair value and subsequently carried at amortised cost, and due to their short term nature are not discounted. They represent liabilities for goods and services provided to the Foundation prior to the end of financial year that are unpaid and arise when the Foundation becomes obliged to make future payments in respect of goods and services.

#### **Employee entitlement**

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

#### **Income taxes**

The Foundation has been approved as a charitable organisation for income tax purposes and has no income tax liability.

## NOTES TO THE FINANCIAL STATEMENTS

### ALAN DUFF CHARITABLE FOUNDATION

For the year ended 30 June 2023

<b>3 Cash and Cash Equivalents</b>	<b>2023</b>	<b>2022</b>
	\$	\$
Bank and short term deposits	1,548,961	1,195,321
	<b>1,548,961</b>	<b>1,195,321</b>

<b>4 Investments</b>	<b>2023</b>	<b>2022</b>
	\$	\$
<b>Available for sale financial assets</b>		
Mainfreight Limited shares - 144,230 ordinary shares (2022 144,230 ordinary shares)	10,384,560	10,081,677
Managed funds (Fisher Funds)	764,768	695,329
	<b>11,149,328</b>	<b>10,777,006</b>

The managed funds relate to equities, fixed interest and other financial securities under management with Fisher Funds Management.

### 5 Auditor's Remuneration

Ernst & Young provides audit services to the Foundation on an honorary basis.

### 6 Related Parties Transactions

#### Key Management Personnel Compensation

Key management personnel of the Foundation include the Board of Trustees and Senior Management team. The Board of Trustees are volunteers and are not remunerated.

The total remuneration of key management personnel receiving remuneration from the Foundation are:

	<b>2023</b>	<b>2022</b>
	\$	\$
Key Management Personnel 1 FTE (2021 :1 FTE)	157,500	150,000
Close Family member of Key Management personnel 1FTE (2021: 1 FTE)	83,000	74,000
	<b>240,500</b>	<b>224,000</b>

### 7 In Kind Services

The Foundation has been given the use of two motor vehicles from Mazda NZ LTd and Fleet Partners and the use of a premise by Mainfreight Limited. The Foundation has entered into operating leases for these at nil value. In addition, individuals donate their time to the Foundation. These have not been recognised as a donation or equivalent expense within the accounts.



