



LINCOLN  
UNIVERSITY  
FOUNDATION  
MAEA

# Lincoln University Foundation

Accounts  
2020



**Ka maea ake te hua, ka whakatō  
Te kākano mō ā pōpō.**

**Let's harvest the fruits so that we  
can sow the seeds for tomorrow.**



# About the Lincoln University Foundation

The Lincoln University Foundation is dedicated to sustaining the university's culture of learning and research excellence. Its function is to receive all philanthropic donations and bequests to the university, with the aim of investing and growing Lincoln's endowment.

The entity provides grants for scholarships, awards, or any other activities that will help the university to achieve its aims.

The Foundation was set up in 2019 and is independently run by a Board of Trustees, all of whom are either alumni or actively involved in the governance of Lincoln University.

Donors play a vital role in helping to maintain the university as the respected institution it is today. They allow Lincoln to facilitate excellence in research and education, aimed at unlocking the power of the land to enhance lives and grow the future.

If you would like to discuss supporting future generations of Lincoln students by making a donation or leaving a legacy to the Foundation, please contact Lincoln University Alumni and Development Manager Naomi Wilde at [naomi.wilde@lincoln.ac.nz](mailto:naomi.wilde@lincoln.ac.nz)



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These accounts are an extract of the Lincoln University Foundation information that is presented within the financial operations of Lincoln University Group (which is audited). These statements are not audited and are not required to be.

This information is prepared and presented for the purposes of reporting the activities of the Foundation for current and potential donors who are wanting to encourage students to attend the university.



## Message from the Chair

**In May 2020, I was given the honour of succeeding Barry Brook as Chair of the Lincoln University Foundation. On behalf of the board, I would like to express my gratitude to Barry for the considerable wisdom and experience he brought to his role.**

2020 was a tumultuous year as a result of the Covid-19 pandemic, and I have been impressed by the adaptability and dedication that the university has shown in continuing to provide the special learning experience enjoyed by all alumni at some stage in their lives.

Over the past 12 months, the Foundation has received a number of endowments, donations and other forms of funding.

One of the most significant was a sum of \$127,000 for general purposes from the Hilgendorf Trust, following the organisation's decision to disband and gift its endowment to Lincoln University. I would like to express my gratitude to Ben Todhunter and his board for their generosity.

The Foundation received a further endowment from Joyce and Allen Hogan, to be added to their trust that provides scholarships for students of viticulture and horticulture. We are particularly grateful to them for this further act of generosity and for the continued support of learning at Lincoln. Read more about Joyce and Allen on page 13.

The university also added to the Foundation's endowment with a



bequest of \$5,000 from the estate of Mrs Bascand, whose husband was an alumnus. We would like to join the university in expressing our condolences to Mrs Bascand's family for their loss, and our appreciation of her generosity and thoughtfulness in making this gift to her husband's alma mater.

Finally, a word about how the Foundation's investments performed during the year. The board made the decision to manage risk by splitting its fund between the Mint Diversified Income Fund, Milford Diversified Income Fund, Quay Street Income Fund and Castle Point 5 Oceans Fund. The fund rode 2020 well, returning 4.09% for the year.

Thank you to everyone who has contributed to the Foundation and Lincoln University over the past 12 months. Your loyal support is appreciated immensely.

**Richard Riddell**  
Chair, Lincoln University Foundation



# Entity information

<b>Legal Name of Entity</b>	Lincoln University Foundation
<b>Type of Entity and Legal Basis</b>	Charitable Trust Registered under the Charities Act
<b>Registration Number</b>	CC57353

## Entity's Purpose or Mission

<b>The purpose of the Lincoln University Foundation</b>	To further the purposes of Lincoln University, to the extent that those purposes are charitable
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## Entity Structure

<b>Trustees</b>	Richard Riddell (Chairperson) Bruce Gemmell Bruce McKenzie Jackie Petter Fiona Hancox Barry Brook (Resigned 21 May 2020) Andy Borland (Appointed 29 June 2020)
<b>Beneficiaries</b>	Lincoln University
<b>Area of Operation</b>	New Zealand
<b>Operational Sector</b>	NZ agriculture education, training and research
<b>Operational Structure</b>	The Foundation's investments are managed by investment advisors. Each year scholarships and grants are made as decided by the Board of Trustees.
<b>Main Sources of the Entity's Cash and Resources</b>	The Lincoln University Foundation has received income from investments during the year
<b>Main Methods Used by the Entity to Raise Funds</b>	The Foundation's main source of income is from an investment portfolio
<b>Main Sources of the Foundation's Cash and Resources</b>	Investment revenue is the primary source of funding to the Foundation
<b>Entity's Reliance on Volunteers and Donated Goods or Services</b>	The Foundation relies on gifts of volunteer time and expertise to complete work in essential roles such as governance (Board of Trustees), administration and accounting.

## Contact Details

<b>Physical Address</b>	Lincoln University, Cnr Springs Rd and Ellesmere Jct Rd, Lincoln 7647
<b>Postal Address</b>	PO Box 85054, Lincoln University, Lincoln 7647
<b>Phone</b>	03 423 0536
<b>Email</b>	foundation@lincoln.ac.nz

# Financial Statements



# Lincoln University Foundation

## Statement of Service Performance





For the Year Ended 31 December 2020

### Description of Entity's Outcomes

The Lincoln University Foundation provides scholarships and grants to Lincoln University, as agreed by the Trustees. The entity's aim is to help the university achieve its charitable aims.

### Description and Quantification of the Entity's Outputs

Actions are reported against the targets identified for 2020 below.

Objective	Target	Result in Year
 <b>Assisting Lincoln University to achieve its charitable aims</b>	Working with the university to help it achieve objectives that are aligned with those of the Foundation	<p>Continuing to put in place structures, policies and procedures to enable the Foundation to work closely with the university and achieve shared objectives</p> <hr/> <p>Accepting trust funds for purposes which help Lincoln University achieve its aims</p>
 <b>Awarding scholarships</b>	To award scholarships under its specific purpose trusts	A scholarship was awarded to one student at the university
 <b>Accepting of donations</b>	<p>Hogan Hurst Trust</p> <hr/> <p>The Estate of Mrs A E Bascand</p>	<p>A further gift from the Hogans was accepted as a contribution to the Hogan Hurst Trust's endowment</p> <hr/> <p>A bequest of \$5,000 dollars was received from the estate of Mrs Bascand and added to the Foundation's endowment. The trustees extend their sympathy to Mrs Bascand's family on their loss and their gratitude for her generosity.</p> <hr/> <p>A number of smaller gifts were received during the year with grateful thanks</p>
 <b>Managing funds</b>	Striking an appropriate balance between capital and income growth	Investments were placed in the Mint Diversified Income Fund, Milford Diversified Income Fund, Quay Street Income Fund, T Rowe Price Global Equity Growth Fund and Castle Point 5 Oceans Fund. The Fund returned net of fees 4.09% for the year.

**Lincoln University Foundation**  
**Statement of Financial Performance**

For the Year Ended 31 December 2020

	Notes	2020 \$
Revenue	1	
Interest and Dividends		-
Revenue from Donations, Fundraising and other Similar Receipts		30,580
Gain on Market Value of Investments		18,225
<b>Total Revenue</b>		<b>48,805</b>
Expenditure	2	
Grants and Prizes		5,200
Other Expenses		13,421
Loss on Market Value of Investments		77
<b>Total Expenses</b>		<b>18,698</b>
<b>Net Surplus</b>		<b>30,107</b>

This statement is to be read in conjunction with the Accounting Policies and Notes to the Performance Report.



**Lincoln University Foundation**  
**Statement of Financial Position**

For the Year Ended 31 December 2020

	Notes	2020 \$
Assets		
<b>Current Assets</b>		
Bank and Cash	3	12,711
Debtors & Prepayments	3	-
<b>Total Current Assets</b>		<b>12,711</b>
<b>Non Current Assets</b>		
Investments	3	462,347
<b>Total Non Current Assets</b>		<b>462,347</b>
<b>Total Assets</b>		<b>475,058</b>
Liabilities		
<b>Current Liabilities</b>		
Creditors and Accrued Expenses	3	7,269
<b>Total Current Liabilities</b>		<b>7,269</b>
<b>Net Assets</b>		<b>467,788</b>
Accumulated Funds		
Accumulated Surplus	4	467,788
<b>Total Accumulated Funds</b>		<b>467,788</b>

This statement is to be read in conjunction with the Accounting Policies and Notes to the Performance Report.

Trustee  Date: 29/6/2021

Trustee  Date: 29/6/2021

## Lincoln University Foundation Statement of Cash Flows

For the Year Ended 31 December 2020

	2020
	\$
<b>Cash Flows from Operating Activities</b>	
<b>Cash Received from</b>	
Interest and Dividends	-
Donations, Fundraising and Other Similar Receipts	30,580
<b>Total Cash Received</b>	<b>30,580</b>
<b>Cash Applied To</b>	
Payments for Prizes and Awards	-
Payments to Suppliers and Employees	(11,352)
<b>Total Cash Applied</b>	<b>(11,352)</b>
<b>Net Cash Flows from Operating Activities</b>	<b>19,228</b>
<b>Cash Flows from Investing &amp; Financing Activities</b>	
<b>Cash Received from</b>	
Capital Transferred from Lincoln University Centennial Trust	437,681
Receipts from Maturing Term Deposits	-
Receipts from Sale of Investments	18,483
<b>Total Cash Received</b>	<b>456,164</b>
<b>Cash Applied To</b>	
Funds Placed on Term Deposit	-
Acquisition of Investments	(462,681)
<b>Total Cash Applied</b>	<b>(462,681)</b>
<b>Net Cash Flows from Investing &amp; Financing Activities</b>	<b>(6,517)</b>
<b>Net Increase /(Decrease) in Cash Held</b>	<b>12,711</b>
Cash at Start of Year	-
Closing Cash	12,711
This is represented by	
ASB Cheque Account	12,711

This statement is to be read in conjunction with the Accounting Policies and Notes to the Performance Report.

# Lincoln University Foundation

## Statement of Accounting Policies

For the Year Ended 31 December 2020

### Basis of Preparation

The Lincoln University Foundation has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual operating expenses of less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the Foundation will continue to operate as a going concern in the foreseeable future.

### Goods and Services Tax (GST)

The Foundation is not registered for GST. Therefore amounts recorded in the Performance Report are inclusive of GST (if any).

### Income Tax

The Lincoln University Foundation is wholly exempt from New Zealand income tax, having fully complied with all statutory conditions for these exemptions.

### Bank Accounts and Cash

Bank 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.

### Revenue

Revenue is accounted for as follows.

#### Interest Income

Interest income is recognised on an accruals basis.

#### Donations Received

The Foundation recognises donation income on receipt of cash. The Foundation has limited control over its fundraising activities prior to it being recorded and banked into the Foundation's accounts.

#### Sponsorship Income

Sponsorship income is recognised as revenue when the funding is received unless there is an obligation to return the funds if conditions of the funding are not met ("use of return condition"). If there is such an obligation, the funding is initially recorded as a liability and recognised as revenue when the conditions of the grant are satisfied.

#### Other Income

All other income is accounted for on an accruals basis and in accordance with the substance of the transaction.

#### Investments

Investments are stated at market value. Market value is calculated from the quantity of units held multiplied by local price and if applicable converted to the reporting currency (NZD). The Foundation's investment portfolio was managed by 4 managed funds as listed in Note 3. The Foundation has applied IPSAS 29 Financial Instruments Recognition and Measurement, a Tier 2 accounting standard to account for investments. Realised and unrealised gains and losses from investments are recognised in the Statement of Financial Performance.

### Functional and Presentation Currency

The Performance Report is presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the Foundation is New Zealand dollars.

### Foreign Currencies

Transactions in foreign currency are translated into New Zealand dollars using the rate on the date of the transaction. Foreign currency monetary assets and liabilities are translated into New Zealand dollars using the rate at balance date.

### Changes in Accounting Policies

All accounting policies have been applied consistently with previous years in this Performance Report.

There have been no changes in accounting policy during the year.

This statement is to be read in conjunction with the Accounting Policies and Notes to the Performance Report.



# Notes to the Financial Statements

## 1. Analysis of revenue

	2020 \$
Revenue from Interest, Dividends & Other Investments	
Interest	
Bank	-
Investment Portfolio	
Gain on Market Value of Investments - Castle Point Funds	-
Gain on Market Value of Investments - Milford Asset Management	9,889
Gain on Market Value of Investments - Mint Asset Management	3,606
Gain on Market Value of Investments - Quay Street Asset Management	4,730
<b>Total</b>	<b>18,225</b>
Revenue from Donations, Fundraising and Other Similar Receipts	
Donations Received	30,580
<b>Total</b>	<b>30,580</b>
Other Revenue	
Other Revenue	-
<b>Total</b>	<b>-</b>

## 2. Analysis of Expenses

	2020 \$
Grants and Prizes	
Foundation Awards	5,200
<b>Total</b>	<b>5,200</b>
Other Expenses	
Administration Services	11,528
Advertising	-
General Expenses	731
Legal Expenses	-
Meeting & Travel Expenses	1,162
<b>Total</b>	<b>13,421</b>
Loss on Market Value of Investments	
Castle Point Funds Management	77
Milford Asset Management	-
Mint Asset Management	-
Quay Street Asset Management	-
<b>Total</b>	<b>77</b>

This statement is to be read in conjunction with the Accounting Policies and Notes to the Performance Report.

### 3. Analysis of Assets and Liabilities

2020  
\$

Assets	
<b>Cash and Deposits</b>	
ASB Bank Account	12,711
ASB Savings Account	-
	12,711
<b>Debtors &amp; Prepayments</b>	
Accrued Interest	-
Debtors	-
Prepayments	-
<b>Investments</b>	
Castle Point Investments	41,786
Milford Asset Management Investments	167,460
Mint Asset Management Investments	88,559
Quay Street Investments	164,542
<b>Total Assets</b>	<b>462,347</b>
Liabilities	
<b>Creditors &amp; Accrued Expenses</b>	
Accrued Expenses	-
Prizes Payable	-
Creditors	7,269
<b>Total Liabilities</b>	<b>7,269</b>

### 4. Movements in Accumulated Funds

2020  
\$

Accumulated Funds at the Start of the Year	-
Net surplus from Statement of Financial Performance	30,107
Capital Transferred to Lincoln University Foundation	437,681
<b>Accumulated Funds at the End of the Year</b>	<b>467,788</b>

This statement is to be read in conjunction with the Accounting Policies and Notes to the Performance Report.

## 5. Commitments

The Lincoln University Foundation has contracts in place as follows:

- The Great Group Limited for secretarial services
- Lincoln University for accounting and financial administration services

Lincoln University Foundation has committed to funding \$13,300 of scholarships for Lincoln University for the 12 months from 1 January 2021 (2020 \$5,200).

## 6. Contingent Liabilities & Guarantees

There are no contingent liabilities or guarantees as at 31 December 2020.

## 7. Going Concern and Effects of Covid-19 Pandemic

On 11 March 2020 the World Health Organisation declared a global pandemic as a result of the outbreak and spread of COVID-19. Following this, on Wednesday 25 March 2020 the New Zealand Government raised its Alert Level to 4 (which constituted a full lockdown of non-essential services) for an initial 4 week period. The impact of the level 4 to 2 alerts and the subsequent progress of the pandemic in New Zealand and overseas has not negatively affected the viability of the entity as a going concern. However, the full impact on the value of the investment portfolio and the income it generates has yet to be seen. The Foundation is well positioned to respond appropriately in any event, with the ability to adjust its funding of scholarships and grants and manage its overheads appropriately.

The Trustees decided to add an additional investment manager, T Rowe Price Global Equity Growth Fund, in addition to the four managers they were already using, namely Quay Street Income Fund, Milford Diversified Income Fund, Mint Income Fund and Castle Point 5 Oceans Fund. This meant that from peak to trough (approx. 30 April 2020) the portfolio was only down 4.65% and since then has recovered most of this drawdown. Funds were not invested in the T Rowe Price Global Equity Growth Fund until February 2020.

As COVID-19 is a developing situation, its full financial impact on the Foundation remains uncertain. Economic uncertainties are likely to negatively affect the operations and awards programme of the Foundation.

It is possible that a market correction will negatively impact the value of the Foundation's investment portfolio and the income it generates. However whilst the Foundation will need to wait for the market to recover to regain the value of its investments, it has the ability to respond appropriately and to adjust its funding of scholarships and grants and manage its overheads accordingly.

## 8. Events After Balance Date

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

## 9. Related Party Transactions and Key Management Personnel

Lincoln University is the ultimate parent of the Lincoln University Group and controls this subsidiary trust. During the year, there were no related party transactions entered into between the Foundation and Lincoln University or any of its subsidiary companies except where Lincoln University provides administrative support for no cost.

Key management personnel includes the Trustees of the Foundation. The Trustees received no remuneration or allowances.

This statement is to be read in conjunction with the Accounting Policies and Notes to the Performance Report.

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# Philanthropists: Joyce and Allen Hogan

**The Foundation is privileged to receive philanthropic donations from members of the community who are interested in supporting Lincoln students to grow bright futures in the land-based sectors.**

Two such donors are Joyce and Allen Hogan, who now live in Wanaka, but were pioneers in the Marlborough wine industry.

Joyce is the daughter of former Lincoln College Council Chairman, the late Sidney ('Sid') Hurst, who was a Lincoln College Council member from 1962 to 1985.

In memory of Sid, Joyce and Allen established the Hogan Hurst Scholarship in 2018, to support selected students working towards horticultural or viticultural qualifications at Lincoln University.

It is an appropriate legacy, as the couple have a long association with the wine industry.

In 1979, they established Marlborough's first small winery, Te Whare Ra, home to some of the district's oldest vines. Over 19 years, they took the establishment from bare farmland to wine-producing stardom, making it the first New Zealand winery to produce commercial botrytised wine.

"We have always enjoyed a challenge," says Allen, who confesses that at the beginning, he had no formal winemaking knowledge or experience, apart from what he picked up working part-time for a mate in Western Australia, two vintages at Montana Wines and a vintage at the Government research winery at Te Kauwhata.

Joyce was good at growing things, coming from a North Otago farming family, and together they formed a strong partnership.

"We split our skills," says Allen. "Joyce focused on the vineyard as well as helping in the winery and I looked after the winery. As a business venture, based on just 11 hectares of land, it

wasn't lucrative to start with, but it became so."

The late 1970s and early 1980s were the early years of the wine industry in Marlborough.

"Coming in at the beginning, there were a lot of friendships we made among others starting out in the business," says Joyce. "Everyone worked together. We swapped things and shared things."

Their earliest plantings at the vineyard were of Riesling and Gewürztraminer varieties, with additional offerings coming later. These included Chardonnay, Semillon, and a Bordeaux-type blend based on Cabernet and Merlot.

They devoted a lot of thought and energy to their marketing campaign, to raise awareness of their products.

"I generated a 6000-name database and we engaged in intensively personalised direct marketing, which achieved a very high response rate," says Allen. "Our approach to marketing was a huge factor in establishing our wines with consumers and building brand loyalty."

The couple ran Te Whare Ra for 19 years, selling up in 1997.

"Now, over 20 years later and away from Marlborough, we still bump into old customers who remember us and our wines," says Joyce. "It's clear there was an appreciation of what we did, and it's nice to know we've left a legacy."

They departed Te Whare Ra to pursue other interests and take a break from the demands of the enterprise they had built.

"With a small winery, it's always hard to get away from it. And our operation was so intensely 'us' that we had to be there almost all the time," says Joyce.

However, the Hogans' Lincoln University scholarship keeps their legacy alive, as they support new generations of students to pursue careers in viticulture and horticulture.

Last year, the Foundation was grateful to receive an additional gift from Joyce and Allen Hogan.

## Leaving a legacy to Lincoln

**One of the many ways for donors to support the university is to leave a gift in their will (a bequest).**

The generosity of past donors and bequests to Lincoln have helped the university to achieve its renowned status. A bequest can be transformational and gifts enable students and researchers to grow into their potential, become thought leaders for the future, and enhance and enrich the lives of others for generations to come.

The university can assist in helping donors to realise their vision for their legacy, whether they choose to support a specific project or donate a gift for general purposes. The latter means that the bequest will be directed to the area of highest need.

The Lincoln University Foundation will always honour the donor's wishes.



### Contacts

#### The Lincoln University Foundation

Charity registration number CC57353

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Lincoln University  
Lincoln 7647

Sebastian Wilberforce  
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foundation@lincoln.ac.nz



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KA MAEA AKE TE HUA, KA WHAKATŌ  
TE KĀKANO MŌ Ā PŌPŌ.  
LETS HARVEST THE FRUITS SO THAT WE  
CAN SOW THE SEEDS FOR TOMORROW.

Find out more at

[www.lincoln.ac.nz/About-Lincoln/Lincoln-University-Foundation](http://www.lincoln.ac.nz/About-Lincoln/Lincoln-University-Foundation)