

SPARK FOUNDATION ANNUAL REPORT 2023

Accelerating towards Digital Equity

Trustees' Report and Financial Statements
For the Year Ended 30 June 2023



Tahutahuna te Kora Karakia: The Spark Karakia

Papā te whatitiri, hikohiko te uira

The thunder peels, the lightning flashes

Ko te pae anamata, whakamaua, kia ngita

Fix your attention to the future horizon and secure it

Kei reira te kora e pūrātoke ana

There, is a small gleaming fragment

Kua kitea te kora e pūrātoke ana

We have found the small gleaming fragment

Mā wai rā te kora e tutungi, e poipoi?

Who will light and nurture this spark?

Mā tātou te kora e tutungi, e poipoi

It is us who will light and nurture the spark!

Tahutahuna te kora, (hī!)

Set fire to the spark, yes!

Te kora whitawhita, (hī!)

The zealous spark, yes!

Te kora tangata ēi!

The spark of humanity!

Gifted to Spark NZ by
Em. Haley Walker

Summary of impact



\$1,762,000

Invested
into funding
partnerships,
grants and
research



8 Multi-year
partnerships

Digital Discipline
(South and West
Auckland)

Take2
(South Auckland
Corrections)

Hihiko Te Rawa Auaha
(Bay of Plenty region)

Pūhoro STEMM Academy
(Hawke's Bay region)

PACE - Porirua Accessibility
Connectivity and Education
(Porirua region)

National and multi-region:

Recycle a Device (RAD)

Fibre Fale

Digital Natives Academy (DNA)

Te au Hangarau



Māori in tech
sector research
launched
November 2022



The Forest of Opportunity

Value of home
connectivity report
released May 2023



36%

towards initiatives
led by/for Māori
(target 50%+ by
FY25)

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Spark Foundation:
Level 4, Yellow
Spark City
167 Victoria St West
Auckland 1010

Auditors
Deloitte Limited
Chartered Accountants
and Registered Auditors
Auckland
New Zealand

Legal status
Spark Foundation was formed
as a charitable trust under the
Trust Deed dated
14 February 2011.

www.sparkfoundation.org.nz

Tēnā koutou

Poipoia te kākano kia puāwai. Nurture the seed and it will bloom.

This whakataukī is an anchor for Spark Foundation. After several years of strategic transition, FY23 was our first year entirely focussed on digital equity in service to communities across Aotearoa.

The Forest of Opportunity work (page 16) speaks to the economic and social opportunity we have as a nation to support those who experience digital inequity. It's estimated 1 in 5 New Zealanders are impacted in some way, with the cost of living and ongoing climate related events exacerbating this over the last year.

We seek to nurture the seeds of the next generation of digital thinkers and creators, prioritising rangatahi Māori and other youth disproportionately impacted by digital inequity.

Digital Equity will look like different things to different people. Te au Hangarau (page 16) explores one expression of this - which is having a greater representation of Māori thinkers and creators in Aotearoa's tech sector. This will be achieved via growth of the Māori tech sector, as well as existing organisations creating workplaces where rangatahi Māori will thrive.

We have also been nurturing ourselves as an organisation, with an intentional focus on how we can better support Māori aspirations. Conversations about equity cannot be had without a shared understanding of our history, Te Tiriti o Waitangi and the impact of colonisation. Nurturing our cultural wisdom has directly impacted governance and operational approaches including how we fund and what we fund.

To demonstrate our commitment to equity and Māori aspirations, during the year Spark Foundation implemented an ambition for its Board of Trustees to achieve a 40:40:20 balance of ethnicity - with 40% Māori, 40% of any ethnicity and 20% Pasifika.

This year we said farewell to Andrew Pirie after over 10 years of service to Spark Foundation, the last 5 years as Board chair. We'd like to thank Andrew for shepherding the Foundation through our recent period of strategic change.

It takes time to build a flourishing forest. Digital Equity is a long-term mission for us, one we share with many and that we must work together to achieve. Once again, we'd like to shout out to our wonderful collaborators, partners and the wider communities we serve.

Stacey Morrison
Spark Foundation Chair
(Te Arawa, Ngāi Tahu and Pākehā)

Kate Thomas
Spark Foundation Lead
(Pākehā)



Spark Foundation Trustees' Report

For the Year Ended 30 June 2023

Spark Foundation Team

Trustees

Spark Foundation is a charitable trust primarily funded by Spark New Zealand Trading Limited ("Spark") and governed independently by a Board of trustees.

Tangata Whenua



Stacey Morrison
(Chair from
1 June 2023,
trustee appointment
1 August 2017)



Te Arepa Morehu
(Appointed
18 October 2022)

Tangata Tiriti



Andrew Pirie
(Outgoing Chair
at May 31 2023)



Vanisa Dhiru
(Appointed
1 August 2020)



Lotu Fuli
(Appointed
1 August 2020)



Leela Gantman
(Appointed
22 July 2021)



Martin La'a
(Appointed
22 July 2021)



Rana Stephan
(Appointed
9 March 2022)



Luke Smith
(Appointed
9 March 2022)

Operational team



Kate Thomas
Team Lead
(Tangata Tiriti)



Aroha Simpson
Partnership and
Community Lead
(Ngāpuhi)



Mary Churchward
Programme
Manager and
Board Secretary
(Tangata Tiriti)

With support from



Althea Lovell
Lead Communications
Partner
(Tangata Tiriti)



Brooke Hurndell
Communications Partner
(Ngāti Kahungunu
ki Te Wairoa / Whakatōhea)



MacCauley Harris
Accountant and
Board Treasurer
(Tangata Tiriti)

Trustees

Trustees independent of Spark as at 30 June 2023 include Stacey Morrison, Vanisa Dhiru, Lotu Fuli, Te Arepa Morehu and Andrew Pirie (who was a Trustee employed by Spark up to the 10th of January 2020). Trustees employed by Spark as at 30 June 2023 comprise of Leela Gantman, Martin La'a, Luke Smith and Rana Stephan.

The Chief Executive Officer of Spark New Zealand Trading Limited ('Appointer') has the sole ability to appoint trustees of the Spark Foundation.

A trustee may be removed as a trustee of the Spark Foundation, at any time and for any reason, by the Appointer giving notice in writing to the trustee concerned and the Spark Foundation.

Statement of Trustee's Responsibilities

The responsibilities of the trustees in relation to the financial statements (page 23 – 32) are to:

- a)** ensure the full and correct records and accounts of all the financial transactions of the Spark Foundation and its assets, liabilities and funds are kept; and
- b)** at the end of each financial year or period to have prepared financial statements which comply with the Charitable Trusts Act 1957 and its subsequent amendments which give a true and fair view of the financial affairs of the Spark Foundation for that financial year or period.

Foundation Income

The Foundation received donations and other income of \$1,739,889 for the year ended 30 June 2023 (2022: \$1,780,618).

For the year ended 30 June 2023 Spark donated \$1,000,000 (2022: \$1,200,000). This year on year reduction was agreed to by Spark Foundation due to a high cash reserve and expected proceeds from the sale of the art collection.

Spark also donates costs incurred by Spark in direct support of the Foundation's charitable activities, these totalled \$635,137 for the year ended 30 June 2023 (2022: \$463,455).

Income from other sources makes up the rest, and includes Spark customer refunds donated to the Foundation, employee donations to the Skinny Jump programme which are passed through, donated services such as PR, legal and financial, and interest income.

A breakdown of donations received is shown in notes 2 and 3.

We also acknowledge donated services provided by Deloitte for the Audit.

Objective of Spark Foundation

Spark Foundation's mission is to accelerate toward Digital Equity. It provides funding, advocacy and other resources across three strategic areas with prioritisation to rangatahi Māori, and other youth* disproportionately impacted by inequity.

1. Digital Access: Equipping people from low-income backgrounds to participate in a digital world.

2. Digital Skills & Pathways: Illuminating and enabling pathways to grow diversity in the tech sector.

3. Digital Wellbeing: Empowering rangatahi and whānau to positively navigate a digital world

*We define youth as from approximately 8 years through to about 24 years old. The NZ Digital Technologies curriculum commences from year 4.

After many years of focus on Digital Access, particularly during the Covid-19 pandemic, a decision was made in FY23 to increase our focus on Digital Pathways. The exponential growth of digital transformation in the last few years has accelerated the need for people with advanced digital skills.

Edition 3 of NZ Tech's Digital Skills Report released 2023, indicates that diversity in digital technology teams is still a huge opportunity for Aotearoa, with Māori representation of particular importance to ensure equity in design and development of future technology products and services.

	% of NZ Population 2018	Projected % of NZ Population 2043	Current representation in DigiTech roles	Index* (vs 2018 data)
Māori	17%	21%	4.8%	28
Pacific	8%	11%	4.4%	55
Female	~50%	~50%	29%	58

*Index: 100 means equal representation in the sector when compared to population demographics. Below 100 indicates under-representation, and above 100 indicates over representation.

Spark Foundation wants to ensure that more rangatahi, particularly rangatahi Māori, within Aotearoa have the opportunity to learn the skills they need to participate in this growing digital economy.

Supporting Māori aspirations

Rangatahi Māori are more likely to experience digital inequity. We have committed to ongoing education across governance and operational teams to collectively understand how we can better support Māori aspirations in relation to digital equity.

Equity related work cannot be done without a solid understanding of our shared history in Aotearoa,

te ao Māori, Te Tiriti o Waitangi and the impacts of colonisation in terms of creating structural inequities. We have a continuous education programme for our people and our board which includes participation in Ki te Hoe, Te Tiriti o Waitangi workshops, a dedicated te ao Māori slot in every board meeting dedicated and other adhoc events and experiences. Spark Foundation Lead Kate Thomas is also under cultural supervision provided by Haimona Waititi of Tūmanako Consultants.

To demonstrate our commitment to equity and our support of Māori aspirations, during the year Spark Foundation implemented an ambition for its board of trustees to achieve a 40:40:20 balance of ethnicity – with 40% Māori, 40% of any ethnicity, and 20% Pasifika. The current board of trustees sits at 25% Māori, 25% Pasifika and 50% other ethnicities. We are working towards achieving our governance equity ambition by the end of FY25.

In addition, our commitment to support Māori aspirations is demonstrated in the following ways:

Equity in funding distribution

By FY25, we're aiming for at least 50% of funding to support Kaupapa Māori organisations, or organisations led by Māori for all.

Intergenerational view

We're exploring a portion of this funding to give certain organisations the security to take a long-term view with their work in accelerating digital equity.

Self-determined impact

We work alongside organisations on their outcomes and empower them to define what success looks like for them and their community.



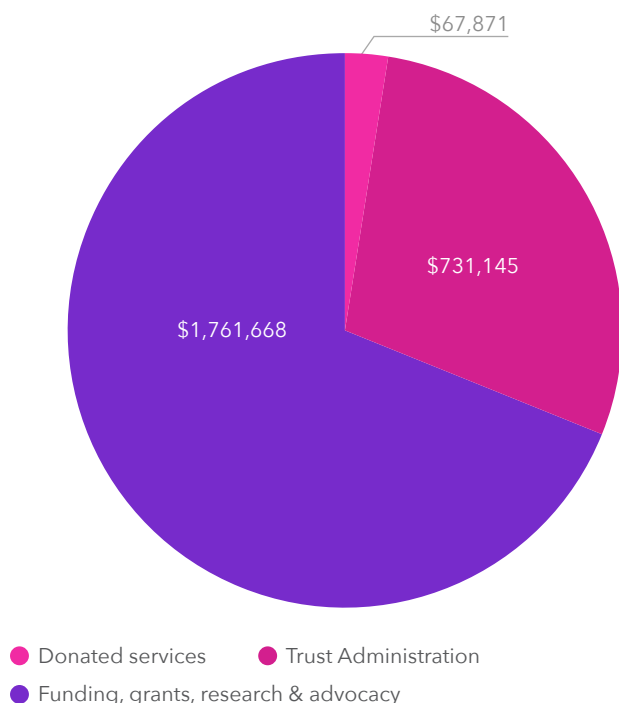
Vanisa Dhiru, Kate Thomas and Martin La'a at Ki te Hoe wānanga, Pāpāwai marae

Performance Review

Investment Summary

A total investment of \$2,560,684 into Spark Foundation activities was made the year ended 30 June 2023.

Spark Foundation FY23 investment summary



Trust administration includes operational costs such as team salaries and associated overheads, office expenses, Board honorariums and expenses, travel, training and development, memberships and insurance.

Donated services includes time spent on Spark Foundation from internal teams and external organisations across PR, legal and financial services.

Funding and Grants

During the period ended 30 June 2023 Spark Foundation made donations and provided funding to organisations in New Zealand totaling \$1,658,783 (2022: \$1,830,631).

Spark Foundation trustees committed to invest a total of:

- \$1,460,000 (2022: \$1,440,000) to multi-year partnerships
- \$198,783 (2022: \$233,351) in one-off grants
- \$8,130 was donated by Spark employees and passed through to Skinny Jump.
- \$94,725 (2022: not applicable) was invested into advocacy projects

An analysis of donations and funding paid during the period is shown in note 4 to the financial statements.

Multi-year Partnerships

Spark Foundation has a clearly defined funding scope and doesn't run a deadline application process. We focus on building strong relationships with people and organisations operating within the digital equity space, and instead take a proactive funding approach. The intention is to reduce the burden on organisations seeking funding and build high trust, high impact relationships.

Almost 82% of funding was invested across 8 multi-year partnerships, with 33% of funding made to Kaupapa Māori or Māori led organisations (against a 3-year target of 50%+ funding by FY25).

Most partnerships are formed with the intention of funding for a minimum of 2 years, but most often 3 years. This is to provide organisations with some financial certainty and space to be experimental with their ideas, whilst also planning for their longer-term sustainability.

Noting our commitment to better support Māori long-term aspirations we do consider funding certain by/ for Māori organisations beyond 3 years. Digital Natives Academy (DNA) is an example of this longer-term relationship, which is now in its sixth year.

Organisation/Programme	Amount Donated FY23	Year
Digital Natives Academy (DNA)*	\$180,000	6
Toi Kai Rawa - Hihiko Te Rawa Auaha*	\$180,000	3
Take2	\$250,000	3
RAD: Recycle a Device	\$160,000	3
Pūhoro STEM Academy*	\$120,000	2
Digital Discipline	\$100,000	2
Fibre Fale	\$270,000	1
PACE: Porirua Access Connectivity Education	\$200,000	1
Total multi-year partnerships	\$1,460,000	

*3 multi-year partnerships with Māori led organisations comprising 335 of funding

Partners Hui

In October 2022 we brought our multi-year partners together to share their mahi along with insights and learnings. The organisations we fund often have a shared vision, but because they're so busy 'doing', they very rarely have the capacity to pause, reflect and share.

At the hui, many of our partners shared concern for overall team wellbeing, noting demands of the work and that burnout was a risk. As a result, in July 2023 we launched a new programme called Poipoia, which provides additional funding tagged to wellbeing alongside access to other Spark New Zealand services.

We will continue to facilitate a space for our multi-year partners to share and learn every 18 months.



Spark Foundation Partners

Digital Access

Recycle A Device

Recycle A Device (RAD) is our cornerstone digital access programme that compliments Skinny Jump. RAD takes second-hand laptops donated by businesses and households, teaches local high school students to refurbish them, and then gets them into the hands of those who need them the most.

The result is an end-to-end process of device collection, refurbishment, distribution, and disposal that enhances digital equity at every level - providing highly sought-after tools, access, and skills to high school students, while also offering the added environmental benefit of diverting e-waste from landfill by giving these laptops a second life.

Once devices have been refurbished, they are transferred to students within the school community itself, or to other community organisations for distribution to people in need.

As well as Spark Foundation funding, Entelar Group - Spark's ICT and logistics business - has partnered with RAD providing all logistics support.

During FY23 RAD added to their awards cabinet, winning the Best Hi-Tech Solution for Public Good at the Hi-Tech Awards.

Number of laptops received by Entelar Group:	5,691*
Number of refurbished laptops gifted:	988 (FY22: 696)
Number of community partners distributing RAD laptops	33 (FY22: 16)
Number of training workshops delivered:	24 (incl 7 for Māori led organisations and 8 for Pasifika groups)

*Significant refurbishment and gifting occurred in July/August 2023 just outside of this reporting period, and are not included in the above.

The stories behind the numbers of what RAD has enabled are most important:

- Reducing the financial burden on a family when 6 RAD laptops were gifted to all six rangatahi to fully engage in their education.
- A gift of 30 RAD laptops enabled a digital literacy programme to be set up at a rūnunga in Kao.



Recycle a Device (RAD) wins at Hi-Tech Award in June 2023

NB: Spark New Zealand continues to support Skinny Jump, a not-for-profit broadband service for those who experience financial barriers to Internet access. In FY22 this was shifted out of Spark Foundation due to the size and scale the service has grown to and is now supporting by a dedicated full-time team.

PACE

PACE stands for Porirua Access Connectivity & Education. It is a new community-led initiative that focuses on addressing digital inequities and activating participation whilst building confidence in technology within the Porirua community.

PACE was born out of a talanoa (conversation) that Spark's Wellington based Pasifika team initiated, many of whom have strong connections to the Porirua community. Porirua is one of a handful of communities across the motu who experience higher levels of digital inequity than the rest of New Zealand.

Led by community leaders, PACE provides a collaborative approach for engaging with and supporting the Porirua community to improve access to connectivity, building trust using digital, and developing digital skill. Currently in the establishment stage, PACE is experimenting with a school based WIFI initiative. Once officially launched, PACE intends to collaborate more widely with government and non-government organisations to accelerate its potential.



Digital Skills and Pathways

Digital Natives Academy

Spark Foundation has partnered with Digital Natives Academy (DNA) for 6 years, and our funding has supported a wide range of work in that time spanning digital access, pathways and wellbeing.

DNA was established in Rotorua in 2014 with a mission to illuminate pathways into the creative tech sector, with an emphasis on gaming/E-sport, animation and digital creativity. DNA takes a te ao Māori worldview and is open to all. DNA's goal is to support rangatahi who don't have access to technology, to inspire them to become makers and innovators of technology, rather than users and consumers of it.

DNA is 'by gamers for gamers', and is deeply embedded into the E-sport and gaming space in Aotearoa. For nearly a decade DNA has run a wide range of gaming based programmes targeted at rangatahi and their whānau. This includes working with the Ministry of Education in 2021 and 2022 on 'Get into Games' and events like Mātauranga Wero Hanga.

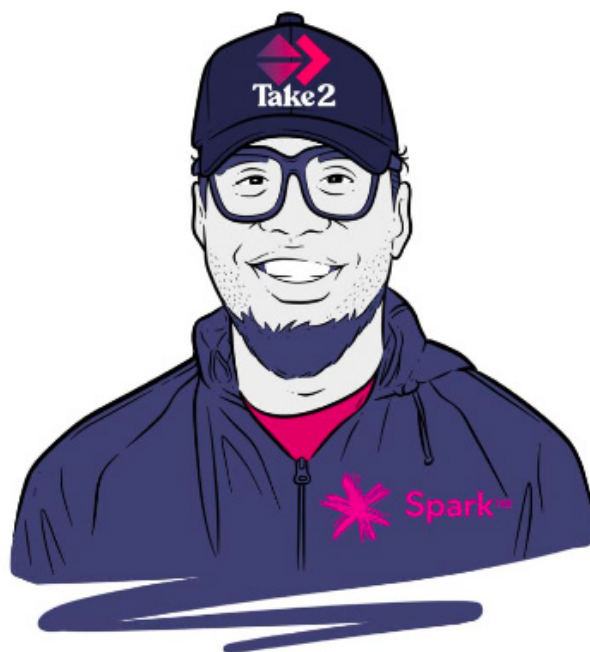
In 2021 DNA established an NZQA private training institute Native Tech in conjunction with Media Design School and offers levels 1-4 accredited qualifications.

DNA also established and runs Native Industries, a professional tech and creative studio which provides work experience for exceptional rangatahi (under the direction of professional staff). Native Industries collaborates closely with E-sports infrastructure company, Victory Up, and Te Papatipu Matihiko, a collective of Māori organisations which have established digital hubs for rangatahi across Te Wairoa, Taranaki, Ōtautahi (Christchurch) and South Auckland.



Take2

Take2 is a programme that aims to break the cycle of crime through technology, teaching incarcerated individuals to code, enabling meaningful employment opportunities once they are released. Spark Foundation has now funded Take2 for 3 years and agreed a final 4th year funding allocation for FY24. In addition to Spark Foundation funding, Spark New Zealand supported Take2 by offering a graduate Developer role to a graduate of the programme which has been a success.



Hihiko Te Rawa Auaha

Another regionally focussed initiative, Hihiko Te Rawa Auaha (Energising Innovation) provides a coordinated approach for supporting communities to participate and engage in the digital world. Hihiko Te Rawa Auaha provides an opportunity to build digital innovation hubs in Māori communities through customised plans that identify key priorities and aspirations to help accelerate digital inclusion, fluency and equity in wider Bay of Plenty with a focus on Māori.

Throughout the year Hihiko Te Rawa Auaha has been focussed on completing the remaining plans (goal is 30) and analysis of the high level requirements to support these plans at a sub-regional level.

Pūhoro

Pūhoro STEMM Academy is a kaupapa Māori organisation that aims to improve representation of Māori in Science, Technology, Engineering, Maths and Mātauranga. Working with schools, Pūhoro supports iwi affiliated rangatahi Māori from NCEA level 1 through to higher education; to provide pathways for them into high value careers. Spark Foundation continued funding of the Hawke's Bay regional programme which supports 8 schools. In addition, from July 2023 (outside of the reporting period) Spark Foundation agreed to fund a Tech Lead role at Pūhoro who will support kaimahi across all regions Pūhoro operate.

Spark Foundation and Tātaki Auckland Unlimited collaborated with Pūhoro to release 'Te Au Hangarau Māori Participation in Tech' research in November 2022. This work explores contributing factors that limit Māori participation and success in New Zealand's tech industry, and makes suggestions as to what the tech industry can do to remove these barriers and better support Māori aspirations.



Pūhoro Stemm Academy

Fibre Fale

Established in 2022, Fibre Fale aims to improve digital equity pathways for Pacific People through education, advocacy, and facilitation. Fibre Fale's ambition is to increase the number of Pacific Peoples in the digital technology industry with equal population representation (from ~4% to 11%) in Aotearoa New Zealand by 2042.



Fibre Fale launch November 2022

Spark Foundation supports Fibre Fale with untagged funding, which enables them to build capacity and capability in their early start-up stages. This includes funding to develop prototypes and experiment with different revenue streams to support future sustainability.



Digital Wellbeing

Digital Discipline

Digital Discipline is a programme that offers support to young people dealing with social media addiction through education, awareness, and strategies to balance the online world with the real world. Digital Discipline is currently focussed on South and West Auckland communities with collaborations in Ōtautahi (Christchurch).

Annual and one-off grants

In addition to our multi-year partnerships, Spark Foundation made smaller, one-off grants to a range of digital equity initiatives. Discretionary grants are made throughout the year offering flexibility to provide funding for getting an idea kick-started, one-off projects/events, emergencies, or additional partner support.

All funding supports digital equity initiatives across the same three pillars - digital access, digital pathways and digital wellbeing, with a focus on those disproportionately affected by inequity.

Organisation	Amount Donated FY23
Digital Access	
Awahi Matihiko - Red Cross	\$ 9,937
DECA & Arataki community research	\$ 5,750
DigiTautua	\$ 5,200
Digital Skills & Pathways	
Ko Māui Hangarau*	\$ 10,435
E-Steam Vaka	\$10,000
Ōtara NASA Space Cadets	\$23,000
Taiki E! Charitable Trust*	\$20,000
Te Hapori Matihiko Kaupapa category*	\$16,357
Lee Timutimu Digital Pathways Advocacy*	\$16,250
Mātauranga Wero Hanga*	\$15,000
Mangere College - PTech Funding	\$12,500
Flying High Charitable Trust	\$5,000
Auraki Cultural competency in STEM sector pilot*	\$3,325
Women in Tech Society	\$1,000
Amanaki Stem Academy	\$500
Digital Wellbeing	
The Light Project	\$30,000
NetSafe - Porn week	\$10,000
Total	\$ 198,783

*7 grants to Māori led organisations comprising 44% of total funding



Ōtara to NASA rangatahi visiting Spark

PTech

In addition to the multi-year funding investments above we support PTech, a public education model designed by educators and the technology sector to address New Zealand's STEM skills gap. Participating schools collaborate with private companies that provide students with mentorships, worksite visits, and paid internships. On completing the programme, students will have both their NCEA qualifications, and a New Zealand Diploma aligned to industry needs. In addition, successful graduates typically earn first-in-line consideration at affiliated industry partners when applying for jobs.

Spark Foundation and Spark NZ have partnered with Mangere College to support students undertaking NCEA levels 1-3 Digital Technology. We are in year 2 of 5 years, and next year will start working on internships and other workplace opportunities for level 3 students about to embark on higher education.

Research and advocacy

Spark's people go 'ALL IN'

On July 26, Spark held an event at Spark Arena in Auckland (and other locations in Hamilton, Tauranga, Wellington and Christchurch), as well as online, which brought Spark people together to help solve the issue of how to bridge the country's digital divide.

Around 1,500 people participated in ALL IN on the day, which featured stories from six inspiring rangatahi (youth) who each had their own personal story of experiencing digital inequity and doing something to make a change.

There was Owyn Aitken and Hadi Doud - who co-founded Remojo Tech, the business behind Recycle A Device, which is a programme that teaches high school students how to refurbish donated second-hand devices, and then distributes them to households in need. To'e Lokeni and Mannfred Sofara, who after years of having their names mispronounced at school, created their digital platform Fa'amalosi ('Say It Right') on a teacher's laptop, and from devices they were able to borrow. Hope Cotton who as one of the 880,000 people in New Zealand who is deaf or hard of hearing, is spearheading a petition calling on the Government to institute legal captioning requirements. And Rangipo Taukira-Mita, who developed an affordable technology-backed water-testing programme to keep track of the quality of New Zealand's rivers, which has now expanded to reach marae across the country.

After being inspired by their stories, our people participated in an afternoon of workshops where we brainstormed ways to combat digital inequity. Following the event Spark created a dedicated squad of people from around the business to review, refine and prioritise the generated ideas.

The first initiative to come off the back of ALL IN was Spark's commitment to include closed captioning on all its audio-visual assets, including TV and digital advertisements, social media video content, and internal videos, to make them more accessible to the over 800,000 New Zealanders who identify as Deaf and Hard of Hearing. The next initiative will launch in FY24.



Kate Thomas and Martin La'a at Spark ALL IN July 2022

Te au Hangarau

In early 2022 we commissioned research, Te au Hangarau, in conjunction with Tātaki Auckland Unlimited and Te Matarau | Māori Tech Association. The objective was to better understand the barriers and experiences of rangatahi in relation to pursuing a career in the tech sector. Rangatahi were either at higher education or early career stage. Research was led by our partners Pūhoro STEMM Academy conducted in collaboration with AATEA Solutions.

NZ Tech, government led Industry Transformation Plan (ITP) and the Digital Skills Group provide a strong quantitative and industry view, whereas Te au Hangarau complements this research with rangatahi voices and lived experience.

The primary call to action from the research is to reimagine a tech sector where Māori feel a deep sense of belonging which will lead to a greater desire to participate.

The research highlighted four actions and enablers that can create belonging:

1. Create culturally safe workplaces and develop culturally literate leaders.
2. Re-think access to education and employment in the tech industry, recognising whānau as an influencer.
3. Enhance Māori leadership and profile in your organisations.
4. Enable Māori employees to connect into culturally anchored support networks

The Forest of Opportunity

In May 2023, Spark Foundation and NERA Economic Consulting released a report outlining the economic opportunity that a home broadband connection provides and showed that providing more homes with internet connectivity could benefit New Zealand's economy by around \$464 million-\$737 million per year. Key findings include:

- The economic and social benefits (both public and private) of broadband connectivity are material, and include increased employment, better health outcomes, increased productivity, better access to Government services and reduce social exclusion & isolation.
- It's estimated 130,320 homes still do not have an internet connection
- The annual benefit per household ranges from \$3,559 to \$5,652.



The Forest of Opportunity

We also worked with Daylight Creative to create a Digital Equity video explainer. The report and video can be found on the [Spark Foundation web page](#).

Digital Equity Coalition Aotearoa

Spark Foundation is an establishment funder of the Digital Equity Coalition Aotearoa (DECA), which brings together over 100 community organisations who have a focus on digital inclusion and equity. DECA shines a light on digital inclusion initiatives, identifies gaps, advocates, and offers space for innovation and cross-sector collaboration.

Rangatahi events and experience

Following the transition of volunteering and payroll matching into People & Culture, we have been able to increase our capacity to support external rangatahi STEM events in the community, as well as hosting rangatahi at Spark. Normalising the workplace is a key driver to create a sense of belonging. We collaborate with Spark's Kaiārahi Māori, Vaka Pasifika and Women in Tech groups, and facilitate opportunities that showcase the wide range of roles and pathways into the tech sector.

Independent Auditor's Report

Deloitte Limited



Opinion

We have audited the general purpose financial report ('financial report') of Spark Foundation (the 'entity'), which comprise the financial statements on pages 23 to 32, and the statement of service performance on pages 20 to 22. The complete set of financial statements comprise the statement of financial position as at 30 June 2023, and the statement of comprehensive revenue and expense, the statement of movements in trust funds, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial 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 ('PBE Standards RDR') issued by the New Zealand Accounting Standards Board.

Basis for opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'), and the audit of the service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard 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 financial 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 interests in, the entity.

Other information

Our firm carries out other assignments for Spark New Zealand Limited in relation to regulatory audit and other non-assurance services provided to the Corporate Taxpayers Group of which Spark New Zealand Limited is a member. These services have not impaired our independence as auditor of the Group. In addition to this, the Chief Executive of Spark New Zealand Limited has both a sister and brother-in-law that are partners at Deloitte. These Deloitte partners are not involved in the provision of any services to Spark Foundation, the Group and its subsidiaries, and this matter has not impacted our independence. In addition to this, partners and employees of our firm deal with the entity on normal terms within the ordinary course of trading activities of the business of the entity. The firm has no other relationship with, or interest in, the entity.

The Board of Trustees are responsible on behalf of the entity for the other information. The other information comprises the information in the Annual Report that accompanies the financial report and the audit report.

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

Our responsibility is to read the other information and consider whether it is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

Other Matter

The corresponding service performance information in the statement of service performance for the year ended 30 June 2022 is unaudited.

Board of Trustee's responsibilities for the financial report

The Board of Trustees are responsible on behalf of the entity for:

- the preparation and fair presentation of the financial statements and the statement of service performance in accordance with PBE Standards RDR;
- service performance criteria that are suitable in order to prepare service performance information in accordance with PBE Standards RDR; and
- such internal control as the Board of Trustees determines is necessary to enable the preparation of financial statements and the statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board of Trustees are responsible 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 Board of Trustees either intends to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, and the statement of service performance 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 ISAs (NZ) 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 decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located on the External Reporting Board's website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-14/>

This description forms part of our auditor's report.

Deloitte Limited

Wellington, New Zealand
16 November 2023

This audit report relates to the financial report of Spark Foundation (the 'entity') for the year ended 30 June 2023 included on the entity's website. The Board of Trustees are responsible for the maintenance and integrity of the entity's website. We have not been engaged to report on the integrity of the entity's website. We accept no responsibility for any changes that may have occurred to the financial report since they were initially presented on the website. The audit report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial report, and related audit report dated 16 November 2023 to confirm the information included in the audited financial report presented on this website.

Statement of Service Performance

Why Spark Foundation exists

Vision

That no New Zealander is left behind in a digital world

Mission

To accelerate Digital Equity through funding, partnerships and advocacy

What and how we do it

Spark Foundation's mission is to accelerate towards Digital Equity. We provide funding, advocacy and other resources across three strategic focus areas, with prioritisation to rangatahi Māori and other youth*, such as Pasifika, who are disproportionately impacted by inequity.

1. Digital Access - Equipping people from low-income backgrounds to participate in a digital world.
2. Digital Skills & Pathways - Illuminating and enabling pathways to grow diversity in the tech sector.
3. Digital Wellbeing - Empowering rangatahi and whānau to positively navigate a digital world.

Spark Foundation is committed to supporting Māori aspirations through our funding and partnerships, advocacy, and ongoing education across governance and operational teams.

*We define youth as from approximately 8 years through to about 24 years old aligned to the United Nations definition. The NZ Digital Technologies curriculum commences from year 4 (approx. age 8 yrs).

We achieve our three strategic focus areas through three channels.

Funding and partnerships

Spark Foundation has a proactive and strategic philanthropic approach. This means we don't operate a set funding submission date but proactively work to build high-trust, longer term relationships with people and organisations who are creating impact and change in the areas of Digital Access, Digital Skills & Pathways, and Digital Wellbeing.

Where possible we have a preference to support by/for approaches to community development - for example by/for Māori, by/for Pasifika, by/for a community.

Around 80% of our funding goes towards multi-year partnerships with the remainder offered as smaller grants and seed funding. After many years of focus on Digital Access, particularly during the Covid-19 pandemic, a decision was made in FY23 to increase our focus on Digital Pathways. The exponential growth of digital transformation in the last few years has accelerated the need for people with advanced digital skills.

Spark Foundation wants to ensure that more rangatahi, particularly rangatahi Māori, within Aotearoa have the opportunity to learn the skills they need to participate in this growing digital economy.

Alongside our trust based, relationship approach to funding and partnership, our commitment to honouring Te Tiriti o Waitangi is demonstrated in the following additional ways:

- Equity in funding distribution: by FY25, we are aiming for at least 50% of funding to support Kaupapa Māori organisations, or organisations led by Māori for all.
- Intergenerational view: we are exploring how we can use a portion of this funding to give partners the security they need to take a long-term view with their work in accelerating digital equity.
- Self-determined impact: we work alongside organisations on their outcomes and empower them to define what success looks like for them and their community.

Advocacy

We continuously look for opportunities to drive further awareness and understanding of digital equity, both within Spark and with key external stakeholders such as government and the tech sector. This includes resource support to external advocacy groups, producing research papers that deepen knowledge and understanding, and thought leadership.

Supporting Māori aspirations

In addition to our approach to funding and partnership, we have committed to ongoing education across our governance and operational teams to collectively understand how we can better support Māori aspirations in relation to digital equity.

We have a continuous education programme to develop understanding of our shared history in Aotearoa, te ao Māori, Te Tiriti o Waitangi, and the impacts of colonisation in terms of creating structural inequities.

To demonstrate our commitment to this cause, Spark Foundation implemented an ambition for its Board of Trustees to achieve a 40:40:20 balance of ethnicity - with 40% Māori, 40% of any ethnicity, and 20% Pasifika.

Partnership Funding Distributed				
	FY23	FY23 %	FY22 Unaudited	FY22 % Unaudited
Digital Access	360,000	25%	350,000	24%
Digital Skills & Pathways	1,000,000	68%	790,000	55%
Digital Wellbeing	100,000	7%	300,000	21%
Total:	1,460,000		1,440,000	

Grants Distributed				
	FY23	FY23 %	FY22 Unaudited	FY22 % Unaudited
Digital Access	20,887	11%	68,143	29%
Digital Skills & Pathways	137,896	69%	145,208	62%
Digital Wellbeing	40,000	20%	20,000	9%
Total:	198,783		233,351	

Strategic focus area	Outputs			FY 2023	FY 2022 Unaudited
Digital Access	Funding and Partnerships	Partnerships	New partnerships established	1 (\$200,000)	1 (100,000)
			Continuing partnerships	1 (\$160,000)	1 (\$250,000)
		Grants	Grants distributed	3 (\$20,886)	4 (\$68,143)
	Advocacy	The Forest of Opportunity - 'Value of home connectivity' report released May 2023.		1 report produced	-
	Supporting Māori aspirations	Of the \$380k in funding (Grants and Multi-year partnerships) to Digital Access in FY23, 2% went towards kaupapa Māori or by/for Māori organisations		2%	4%

Strategic focus area	Outputs			FY 2023	FY 2022 Unaudited
Digital Skills & Pathways	Funding and Partnerships	Partnerships	New partnerships established	1 (\$270,000)	1 (\$140,000)
			Continuing partnerships	4 (\$730,000)	3 (\$650,000)
		Grants	Grants distributed	13 (\$137,895)	8 (\$145,208)
	Advocacy	Take 2 graduate recruited into Spark NZ role		1 recruitment into Spark	-
		Te au Hangarau - Māori in tech sector research launched in November 2022		1 report produced	-
	Supporting Māori aspirations	Of the \$1.13m in funding (Grants and Multi-year partnerships) to Digital Skills & Pathways in FY23, 49% went towards kaupapa Māori or by/for Māori		49%	67%

Strategic focus area	Outputs			FY 2023	FY 2022 Unaudited
Digital Wellbeing	Funding and Partnerships	Partnerships	New partnerships established	0 (\$0)	1 (\$150,000)
			Continuing partnerships	1 (\$100,000)	1 (\$150,000)
		Grants	Grants distributed	2 (\$40,000)	1 (\$20,000)
	Supporting Māori aspirations	Of the \$140k in funding (Grants and Multi-year partnerships) to Digital Wellbeing in FY23, 0% went towards kaupapa Māori or by/for Māori		0%	0%

Strategic focus area	Outputs			FY 2023	FY 2022 Unaudited
Cultural Capability	Supporting Māori aspirations	Ki te Hoe participants		2	3
		Governance 40:40:20 40% Māori, 40% any ethnicity, 20% Pasifika		25% Māori 50% Other 25% Pasifika	14% Māori 57% Other 29% Pasifika
		Te Tiriti o Waitangi education		Wānanga March 2023	n/a



Spark Foundation Statements

Spark Foundation

Statement of Comprehensive Revenue and Expense

For the Year Ended 30 June 2023

	Note	2023 NZ\$	2022 NZ\$
Incoming resources			
Donations	2	1,007,714	1,230,252
Donated goods and services	3	718,008	547,755
Interest income		13,088	1,554
Other income		1,079	1,057
Total incoming resources		1,739,889	1,780,618
Resources expended			
Donations and funding	4	1,781,630	1,830,631
Trust administration	5	778,104	568,471
Skinny Jump expenditure		-	400,000
Gain (Loss) on sale or disposal of artwork		950	(19,130)
Total resources expended		2,560,684	2,779,972
Depreciation			
Depreciation of property, plant and equipment	9	-	840
Total depreciation		-	840
Net deficit for the year		(820,795)	(1,000,194)
Other comprehensive revenue and expense			
Gain/(loss) on revaluation of Art Collection	9	-	208,975
Other comprehensive revenue and expense for the year		-	208,975
Total comprehensive revenue and expense for the year		(820,795)	(791,219)

Spark Foundation

Statement of Financial Position

For the Year Ended 30 June 2023

	Note	2023 NZ\$	2022 NZ\$
Current assets			
Cash and cash equivalents		827,998	862,573
Assets classified as held for sale	6	-	880,425
Prepayments		3,543	-
Receivables	7	268,346	345,011
		1,099,887	2,088,009
Current liabilities			
Payables and accrued expenses	8	40,168	209,695
		40,168	209,695
Net current assets		1,059,719	1,878,314
Non-current assets			
Property, plant & equipment	9	82,140	84,340
		82,140	84,340
Total net assets		1,141,859	1,962,654
Trust funds			
General funds		1,141,859	1,962,654

On behalf of the Board of Trustees

Stacey Morrison
Chair



Luke Smith
Trustee



Authorised for issue on 16 November 2023

Spark Foundation

Statement of Movements in Trust Funds

For the Year Ended 30 June 2023

	Note	2023 NZ\$	2022 NZ\$
Opening fund balance at 1 July		1,962,654	2,753,873
Net deficit for the year		(820,795)	(1,000,194)
Revaluation gain / (loss)	9	-	208,975
Funds carried forward as at 30 June		1,141,859	1,962,654

There are no other recognised gains or losses nor movements in total funds in the current or preceding financial year or period other than those included in the Statement of Comprehensive Revenue and Expense.

Spark Foundation

Statement of Cash Flows

For the Year Ended 30 June 2023

	2023 NZ\$	2022 NZ\$
Cash flows from operating activities		
Cash received from donations	1,085,456	1,231,310
Cash paid for donations to partners and seed funding	(1,790,479)	(2,092,911)
Cash paid for Skinny Jump	(100,000)	(300,000)
Cash paid for trust administration	(122,101)	(10,455)
Interest income	13,088	1,554
GST (paid)/refunded	(2,214)	(4,002)
Net cash flows from operating activities	(916,250)	(1,174,504)
Cash flow from investing activities		
Cash received from sale of artwork	881,675	28,870
Net cash flows from investing activities	881,675	28,870
Net cash flow	(34,575)	(1,145,634)
Net cash and cash equivalents at the beginning of the period	862,573	2,008,207
Net cash and cash equivalents at the end of the period	827,998	862,573

Spark Foundation Notes to the Financial Statements

For the Year Ended 30 June 2023

Note 1: Statement of accounting policies

Reporting entity

These financial statements are for the Spark Foundation (the Foundation).

The Foundation is a Charitable Trust established under a trust deed dated 14 February 2011 and updated 8 August 2014. The Spark Foundation is a registered charity under the Charities Act 2005, registration number CC46342.

The Foundation is a public benefit entity (PBE) for the purposes of financial reporting in accordance with the Financial Reporting Act (2013).

These financial statements are for the Foundation's use only.

Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ('NZ GAAP'). They comply with the PBE Standards as appropriate for Tier 2 not-for-profit public benefit entities, for which all reduced disclosure regime exemptions have been adopted.

The Foundation qualifies as a Tier 2 reporting entity as for the two most recent reporting periods it has had between \$2 million and \$30 million of operating expenditure.

The functional and presentation currency for these statements is New Zealand Dollars (\$) rounded to the nearest dollar. Certain comparative information has been updated to conform with the current year's presentation.

Use of judgments and estimates

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

No judgments have been made in applying accounting policies that would have a significant effect on the amounts recognised in the financial statements. There are no assumptions or estimation uncertainties that would have a significant risk of causing a material adjustment to the financial statements.

Interest income

Interest is recognised using the effective interest rate method.

Measurement basis

The measurement basis adopted in the preparation of these financial statements is historical cost. Cost is based on the fair value of the consideration given in exchange for assets. The Art Collection is measured at its fair value.

Specific accounting policies

In 2022, the donation received from Spark New Zealand Trading Limited was incorrectly classified as revenue from an exchange transaction. There is no exchange between Spark Foundation and Spark New Zealand Trading Limited as defined in PBE IPSAS 9. Therefore the prior period revenue has been reclassified in note 2. Other than this reclassification the accounting policies set out below have been applied consistently in preparing the financial statements for the year ended 30 June 2023 and the year ended 30 June 2022.

Cash and cash equivalents

Cash and cash equivalents comprise short-term deposits with original maturities of three months or less with banks and bank and cash balances, net of bank overdrafts.

Receivables

Receivables are recognised at the original amount less impairment losses.

Payables

Payables represent liabilities for committed donations to third parties and unpaid invoices for goods and services provided to the Foundation at year end. Given their short-term nature, the carrying values of payables are considered a reasonable approximation of their fair values.

Revenue from exchange transactions

All revenue is recognised when the conditions for receipt have been met and there is reasonable assurance of receipt.

Revenue from non-exchange transactions

Non-exchange transactions are those where the Foundation receives an inflow of resources but provides no or nominal direct consideration in return. Revenue from non-exchange transactions is recognised when it is probable the associated future economic benefit will flow to the Foundation and the fair value can be measured reliably.

Taxation

Inland Revenue has approved the Foundation for legal charitable status. The Foundation is exempt from income tax, subject to the sections within the Income Tax Act 2007.

Donations

Donations are recognised as income when they become receivable unless the Foundation has a liability to repay the donation if the requirement of the donation is not fulfilled. A liability is recognised to the extent that such conditions are unfulfilled at the end of the reporting period. Donations are classified as revenue from non-exchange transactions where the donor receives no tangible or intangible consideration in return for the donation.

Donation of goods and services

Donated goods and services represents the estimated financial costs borne by Spark in providing administrative and other services, the cost of audit services provided by Deloitte for the year ended 30 June 2023 and for the year ended 30 June 2022.

Charitable expenditure

Charitable expenditure includes all expenditure directly related to the objectives of the Foundation and comprises:

Charitable donations

A donation is recognised as payable when the Trustees have accepted a legal or constructive obligation to make the grant.

Trust administration

Trust administration costs relate to expenditure incurred in the management of the Foundation's assets, organisational administration and compliance with constitutional and statutory requirements.

Donation of services

The work of the Spark Foundation relies in part, on the voluntary services of Spark staff. For some services where it is difficult to obtain their value with reliability, those donated services are not recognised in these financial statements.

Property, plant & equipment

Items of property, plant & equipment are initially measured at cost and depreciated on a straight-line basis over the estimated useful life of each component. The Foundation's property, plant and equipment subject to depreciation relates to computer equipment and is depreciated over a five-year period.

Spark Art Collection

The Spark Art Collection pieces are initially measured at their fair value as at the date of acquisition. The collection is revalued on a regular basis, every two to three years (as determined by management) to ensure the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. The Spark art collection was last revalued in the 2022 financial year. Gains and losses on revaluation are recognised in other comprehensive revenue and expense and presented in the revaluation surplus reserve within net assets/equity.

Spark Foundation

Notes to the Financial Statements (Continued)

For the Year Ended 30 June 2023

Note 2: Donations

	2023 NZ\$	2022 NZ\$
Revenue from non exchange transactions:		
Spark New Zealand Trading Limited		
Cash donations	1,000,000	1,200,000
Donations from individuals		
Cash donations	7,714	30,252
	1,007,714	1,230,252

Correction of prior-period classification:

In 2022, the donation received from Spark New Zealand Trading Limited was incorrectly classified as revenue from an exchange transaction. There is no exchange between the Spark Foundation and Spark New Zealand Trading Limited as defined in PBE IPSAS 9, therefore the prior period revenue has been reclassified in the above note (note 2).

Note 3: Donated goods and services

	2023 NZ\$	2022 NZ\$
Services provided by Spark New Zealand Trading Limited:		
Direct support of the Foundation's activities	67,871	70,500
Programme and other operating costs	635,137	463,455
Donation of audit services	15,000	13,800
	718,008	547,755

Note 4: Donations and Funding

	2023 NZ\$	2022 NZ\$
Payroll giving matching	8,130	157,280
Partner Funding	1,460,000	1,440,000
Other	313,500	233,351
	1,781,630	1,830,631

Note 5: Trust administration

	2023 NZ\$	2022 NZ\$
Trustee honorarium	41,750	36,000
Trustee insurance	4,384	3,770
Personnel costs	444,874	365,791
Office lease	20,160	20,160
Travel	17,394	5,050
Other administration costs	44,813	36,540
Services donated by Spark staff	67,871	70,500
Audit fees	15,000	13,800
Spark Art collection expenses	121,858	16,861
Other expenses	-	(1)
	778,104	568,471

The audit has been undertaken on a pro-bono basis and the fee has been recognised as donated goods and services (note 3).

Spark employees incur management and administration time supporting activities of the Foundation. Employee time is provided free of charge and the estimated cost is recognised as donated goods and services (note 3).

Note 6: Assets classified as held for sale

	2023 NZ\$	2022 NZ\$
Spark Art Collection		
Opening balance	880,425	
Assets classified as held for sale	-	880,425
Assets sold	(880,425)	
Closing balance	-	880,425

Note 7: Receivables

	2023 NZ\$	2022 NZ\$
Spark funding receivable	268,346	345,011
	268,346	345,011

Note 8: Payables and accrued expenses

	2023 NZ\$	2022 NZ\$
Spark New Zealand Trading Limited:		
Payroll matching payable	8,130	75,443
Other Project payables	-	100,000
Income in advance	100	100
GST Payable	31,938	34,152
	40,168	209,695

Note 9: Property Plant & Equipment

\$NZ	Spark Art Collection	Computer equipment	Total
Cost or Valuation			
Opening balance 1 July 2022	84,339	24,562	108,901
Disposals	(2,200)	-	(2,200)
Balance as at 30 June 2023	82,139	24,562	106,701
Accumulated depreciation			
Balance 1 July 2022	-	(24,561)	(24,561)
Depreciation	-	-	-
Balance as at 30 June 2023	-	(24,561)	(24,561)
Net book value			
Balance at 1 July 2022	84,339	1	84,340
Balance at 30 June 2023	82,139	1	82,140

\$NZ	Spark Art Collection	Computer equipment	Total
Cost or Valuation			
Opening balance 1 July 2021	775,789	24,562	800,351
Assets classified as held for sale	(880,425)	-	(880,425)
Disposals	(20,000)	-	(20,000)
Revaluation gain/(loss)	208,975	-	208,975
Balance as at 30 June 2022	84,339	24,562	108,901
Accumulated depreciation			
Balance 1 July 2021	-	(23,721)	(23,721)
Depreciation	-	(840)	(840)
Balance as at 30 June 21	-	(24,561)	(24,561)
Net book value			
Balance at 1 July 2021	775,789	841	776,630
Balance at 30 June 2022	84,339	1	84,340

No revaluation of the Spark Art Collection was undertaken as at 30 June 2023 (2022: revaluation gain of \$208,975 recognised in Other Comprehensive Revenue and Expense).

The Spark Art Collection was revalued as at 30 June 2022 using an independent valuer. In estimating the fair value of the Art Collection, the current artist values in the primary and secondary market places method was used, which incorporated the use of the following significant assumptions:

Recent sales-based evidence for similar paintings indicated that the value of some pieces had reduced since the previous assessment.

Spark Foundation

Notes to the Financial Statements (Continued)

For the Year Ended 30 June 2023

Note 10: Information regarding Trustees

During the year ended 30 June 2023, the Foundation paid trustee honorariums totaling \$41,750 (2022: \$36,000) and paid trustee insurance costs of \$4,384 (2022: \$3,770).

Note 11: Related party transactions

Spark New Zealand Trading Limited is a related party by virtue of having four voting members on the Board of Trustees as at 30 June 2023 and through the support of the Foundation's day to day operations.

During the year the Foundation engaged in the following related party transactions:

- Received cash donations from Spark New Zealand Trading Limited (as detailed in note 2);
- Received donated goods and services from Spark New Zealand Trading Limited (as detailed in note 3);
- Received payroll giving donations of \$8,020 from Spark New Zealand Trading Limited who facilitates payroll giving on behalf of Spark employees (included in donations from individuals in note 2);
- Received donations of \$2,465 from Spark New Zealand Trading Limited on behalf of Spark customers (included in donations from individuals in note 2);
- Paid payroll giving matching to Spark New Zealand Trading Limited (as detailed in note 4);
- At 30 June 2023 held a receivable with Spark New Zealand Trading Limited in relation to funding receivable (as detailed in note 7);
- At 30 June 2023 carried a balance owing to Spark New Zealand Trading Limited (as detailed in note 8); and
- Honorariums paid during the year to three voting board of Trustees members who are Spark staff amounted to \$3,750 (2022: \$5,000).
- One Trustee declared their interest in Tech Voyagers (now Fibre Fale). The Trustee was previously involved in the Tech Voyagers pilot programme in October 2021, but they do not hold any operational, advisory or governance responsibilities with tech Voyagers (Fibre Fale). A decision to fund was made by the Board in the year ended 30 June 2023.
- One Trustee declared their interest in Internet NZ (INZ). The Trustee was employed by INZ during the year ended 30 June 2023. Internet NZ is a mutual funder of Digital Future Aotearoa, DIAA and DNA, whom the Spark Foundation funds.

Note 12: Key management personnel

Senior management are employed as employees of Spark and are on normal employment terms. Their remuneration is included within note 5. Board of Trustees' members are paid an annual honorarium:

2023		2022	
Remuneration	# people	Remuneration	# people
41,750	8	36,000	8

Note 13: Commitments

The Foundation has capital commitments of \$1,435,000 as at 30 June 2023 in respect of one further year of partner funding committed to social ventures: Digital Discipline, PACE, Pūhoro STEMM Academy, Take2, IndigiTech and two further years of partner funding committed to social ventures: Fibre Fale and Digital Natives Academy.

The Foundation had capital commitments of \$1,600,000 at 30 June 2022 in respect of one further year of partner funding committed to social ventures: BOP and Take2, two further years of partner funding committed to social ventures: Pūhoro Charitable Trust and Digital Discipline, and three further years of funding committed to social ventures: Porirua - PACE and Fibre Fale.

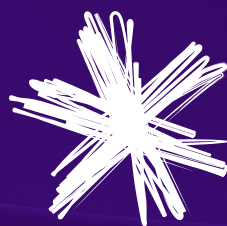
No liability has been recognised at 30 June 2023 for this future funding as the funding is contingent on the Spark Foundation being satisfied with the partner's progress towards meeting the objectives outlined in the Partnership Agreement.

Note 14: Contingent liabilities

The Foundation has no contingent liabilities as at 30 June 2023 (2022: Nil).

Note 15: Significant events after balance date

No significant events have taken place after balance date (30 June 2023).



Spark^{nz}
Foundation