

Performance Report

Manchester House Social Services Society Incorporated
For the year ended 30 June 2022

Contents

3	Entity Information
6	Statement of Service Performance
7	Statement of Financial Performance
8	Statement of Movements in Equity
9	Statement of Financial Position
10	Statement of Cash Flows
11	Statement of Accounting Policies
13	Notes to the Performance Report
19	Independent Auditors Report

Entity Information

Manchester House Social Services Society Incorporated For the year ended 30 June 2022

Legal Name

Manchester House Social Services Society Incorporated

Type of Entity

Manchester House Social Services Society Inc is an Incorporated Society, registered under the Incorporated Societies Act 1908 and with Charities Services.

Registration Numbers

Societies: WN/218711

Charities: CC28355

Vision & Mission

Vision: Resilient individuals and families empowered to respond to change.

Mission: To provide support and services, to empower people with a sense of personal and social wellbeing, to confidently take their place in the community.

Main Source of Cash and Resources

	2021-2022	2020/2021	2019/2020
Services and Trade Income	42%	46%	41%
Government Funding (Central and Local)	48%	42%	36%
Philanthropic Trusts	4%	5%	14%
Donations	5%	7%	9%

Main Methods Used to Raise Funds

Manchester House Social Services is funded from Central and Local Government contracts, income from the Op Shop, ASAP programmes, philanthropic grants as well as donations. All of which are essential to the service and performance within the community. Fundraising from events has been on hold due to uncertainty with Covid 19 for past year.

Volunteers and Donated Goods or Services

Volunteer services are essential in significant areas of our organization such as the Opportunity Shop, Senior Services and the Social Service Centre.

The MHSS Governance Board members are all volunteers who contribute their expertise to ensure the organisation is strategically and fiscally effective, efficient and stable.

Donated Goods & Services:

Donated time: Number of volunteers is 30 (Op Shop/Senior Centre and Board)



Entity Information

Community groups and Feilding & Districts businesses and individuals are extremely generous with donations to the MHSS foodbank, necessities for families in need and responding to hardship and donated clothing, furniture and bric a brac provide goods for sale at the Op Shop.

Entity Structure

Governance

The MHSS Board consists of 9 members with the ability to co-opt as per the Constitution.

- Two representatives appointed to the Board by each of the Vestry's of the Anglican Parishes of the Oroua District; Feilding- Oroua Methodist Parish and the Feilding Oroua Presbyterian Parish.
- Four Community members. Three who represent qualities from the professional community and the fourth a representative from the rural community.

Management

Employees = FTE 19

The Management team: Executive Manager, an Account and Funding Manager respectively and four Service Centre Managers.

Executive Manager - Responsible to the Board

This year Manchester House has continued to offer services and shape the social enterprise businesses despite the changeable times Covid19 has brought to our communities.

Additional Information

The impact on Manchester House's financial year has been variable, depending on the service. The two social enterprise businesses principally have been affected by minimum wage increases, Covid lockdown, illness and a corresponding loss of revenue. ASAP (Before & After School Programs and Holiday Programmes) particularly was impacted due to children and staff sickness during the height of Covid/flu and cold season, resulting in very low attendance, this has decreased revenue markedly for the second 6-month period of the financial year.

Although, the Opportunity Shop was also affected by these circumstances, it has maintained a 25% increase in sales revenue over the financial year; this is partially due to a rising CPI and an increase in the customer base. At the end of the financial year, Manchester House Board purchased a building to reallocate the Op Shop. This was in response to the ongoing issue of running the Op Shop in a two-storied building which was not fit for purpose.

Manchester House accepted and signed Covid food relief and distribution contracts from Ministry Social Development for the Manawatu District Council region. These contracts are financially siloed against the social services Oranga Tamariki, MSD and MDC contract funding which remains unchanged. Philanthropic grants and general donations have decreased for the second year running.

Location of Services

- Social Service Centre, 68 Aorangi St, Feilding, 06 323 7191
 - Services: Social Work, Family Support, Counselling, Budgeting, Food Bank
 - Programmes: Meth Support Group, Court Ordered Supervised Contacts
- Senior Hub, 14 Bowen St, Feilding, 06 323 2410
 - Programmes: Exercise, Taxi Mobility assessments, Computer literacy and Recreational courses
- ASAP (Before & After School Programs & Holiday Programmes), 9 Grey St, Feilding, 06 323 6470
- Op Shop, 96 Fergusson, St Feilding, 06 323 5434



Entity Information

Contact Information

Manchester House Social Services Society Inc
68 Aorangl Street, Feilding 4702
PO Box 349, Feilding 4740
P: 06 323 7191
E: reception@mhss.org.nz
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Accountants

Wheeler Campbell
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Feilding 4702

06 323 7204

PO Box 5
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Auditor

CKS Audit
Chartered Accountants
PO Box 4125
27 Matipo Street
Palmerston North, 4410

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Statement of Service Performance

Manchester House Social Services Society Incorporated

For the year ended 30 June 2022

Description of Entity's Outcomes

Manchester House Social Service Society Inc. provides integrated services to all sectors of the community of Feilding and Districts by delivering the Vision and Mission of Manchester House.

1. **Manchester House Social Services** Delivered of an on-demand/walk-in, referral service to the community through Social Work, Family Support, Counselling, Budgeting, Food Bank and Programmes: Meth Support Group and Court Ordered Supervised Contact.
2. **Senior Hub:** Delivered services to Feilding and Districts Seniors through programmes and activities with the product of reducing isolation and loneliness by offering a place of belonging, purpose and social connection. Programmes: Exercise, IT computers tuition, Entertainment, Social gatherings/Discussion group.
3. **Op Shop and ASAP & Holiday Programme** generate revenue as well as services to the community through the social enterprise businesses.
4. **Community Engagement** and communication to ascertain trends and gaps in services as well as to focus on local solutions for and by local people, through partnership.
5. **Working with** Central and Local Government through contract outcomes and to enlist the support of philanthropic trusts and donors who support the goals of community development and whanau support.

Description & Quantification of Outputs

	2022	2021	2020
Social Work clients	1208	961	1158
Counselling	488	569	429
Building financial Capabilities	574	650	628
Food resource distribution (Food Parcels including Covid19 March-June)	669	479	590
Recovered food (Bread & donated food)	5354	6503 (1)	3089
Services and Information	6757	8112	11252
Senior Hub	6309	6771	8533
ASAP	-\$34110	\$9931 (2)	\$23547
Op Shop	\$32943	\$47410 (3)	\$138809
Feeling Special Feeling Safe	N/A	92	69
Meth Support Group (total contacts)	588	752 (4)	281

Notes:

1. Inclusion of other donated food sources ie. lunches
2. Statistical change to reflect surplus contribution to social services from previous year
3. Statistical change to reflect surplus contribution to social services from previous year
4. Total contacts



Statement of Financial Performance

Manchester House Social Services Society Incorporated For the year ended 30 June 2022

	NOTES	2022	2021
Revenue			
Donations, fundraising and other similar revenue	1	65,249	78,349
Fees, subscriptions and other revenue from members	1	487	417
Revenue from providing goods or services	1	1,185,938	1,132,044
Interest, dividends and other investment revenue	1	1,163	678
Gain on Sale of Land and Buildings	1	718,932	-
Total Revenue		1,971,770	1,211,488
Expenses			
Volunteer and employee related costs	4	917,908	881,702
Costs related to providing goods or service	4	247,018	243,783
Other expenses	4	35,092	38,295
Total Expenses		1,200,018	1,163,780
Surplus for the Year		771,752	47,707



This statement should be read in conjunction with the accounting policies, notes to the financial statements and the audit report.

Statement of Movements in Equity

Manchester House Social Services Society Incorporated
For the year ended 30 June 2022

	2022	2021
Equity		
Opening Balance	1,289,347	1,241,639
Recognised Revenue and Expenses		
Profit for the Period	771,752	47,707
Total Recognised Revenue and Expenses	771,752	47,707
Total Equity	2,061,099	1,289,347



This statement should be read in conjunction with the accounting policies, notes to the financial statements and the audit report.

Statement of Financial Position

Manchester House Social Services Society Incorporated As at 30 June 2022

	NOTES	30 JUN 2022	30 JUN 2021
Assets			
Current Assets			
Bank accounts and cash	5	408,281	422,216
Trade receivables		52,300	41,856
Prepayments		15,530	9,288
ASAP Trust Account (McIntosh & Signal)		2,000	2,000
Total Current Assets		478,112	475,361
Non-Current Assets			
Property, Plant and Equipment	6	112,426	858,380
Advance - Manchester House Property Trust	7	1,747,085	-
Loan - Manawatu Community Trust	8	90,000	180,000
Total Non-Current Assets		1,949,511	1,038,380
Total Assets		2,427,623	1,513,740
Liabilities			
Current Liabilities			
Creditors and accrued expenses		43,456	38,016
GST Payable		4,254	12,252
Employee Entitlements		65,876	55,439
Unused donations and grants		202,939	15,486
Total Current Liabilities		316,524	121,193
Non-Current Liabilities			
Loan - Manawatu District Council	9	50,000	50,000
IRD Business Loan	10	-	53,200
Total Non-Current Liabilities		50,000	103,200
Total Liabilities		366,524	224,393
Total Assets less Total Liabilities (Net Assets)		2,061,099	1,289,347
Accumulated Funds			
Retained Earnings	11	2,061,099	1,002,350
Reserves	11	-	286,997
Total Accumulated Funds		2,061,099	1,289,347

Authorised for issue on behalf of the Society:



Date:

16-02-2023

Chairperson



This statement should be read in conjunction with the accounting policies, notes to the financial statements and the audit report.

Statement of Cash Flows

Manchester House Social Services Society Incorporated For the year ended 30 June 2022

	2022	2021
Cash Flows from Operating Activities		
Cash was received from:		
Donations, fundraising and other similar receipts	65,249	79,349
Fees, subscriptions and other receipts from members	487	417
Receipts from providing goods or services	1,358,124	1,134,643
Interest, dividends and other investment receipts	1,163	678
Cash was applied to:		
Payments to suppliers and employees	1,166,810	1,121,614
GST	9,063	(3,998)
Total Cash Flows from Operating Activities	249,150	97,470
Cash Flows from Investing and Financing Activities		
Cash was received from:		
Receipts from sale of property, plant and equipment	1,482,000	-
Proceeds from loans borrowed from other parties	-	1,848
Repayment received on loans made to other parties	90,000	-
Cash was applied to:		
Payments to acquire property, plant and equipment	44,631	12,160
Repayments of loans borrowed from other parties	53,200	2,362
Loans made to other parties	(1,737,253)	-
Total Cash Flows from Investing and Financing Activities	3,211,422	(12,674)
Net Increase/ (Decrease) in Cash	3,460,572	84,796
Cash Balances		
Cash and cash equivalents at beginning of period	422,216	337,420
Cash and cash equivalents at end of period	408,281	422,216
Net change in cash for period	(13,935)	84,796



This statement should be read in conjunction with the accounting policies, notes to the financial statements and the audit report.

Statement of Accounting Policies

Manchester House Social Services Society Incorporated For the year ended 30 June 2022

Reporting Entity

Manchester House Social Services Society Inc. is an incorporated society, registered under the Incorporated Societies Act 1908 and a Registered Charity, under the Charities Act 2005.

The performance report of Manchester House Social Services Society Inc. has been prepared according to generally accepted accounting practice in New Zealand as determined by the External Reporting Board.

The incorporated society is involved in the business of a social services provider.

Basis of Preparation

Manchester House Social Services Society Incorporated 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 expenses equal to or 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 entity will continue to operate in the foreseeable future.

Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on a consistent basis with the previous year.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Property, Plant and Equipment

Property, Plant & Equipment is recognised at cost less aggregate depreciation, except for Land & Buildings which are stated at the latest rateable valuation. The society has opted up to PBE IPSAS 17 for the revaluation of Land & Buildings. Historical Cost includes expenditure directly attributable to the acquisition of assets, and includes the cost of replacements that are eligible for capitalisation when these are incurred.

All other repairs and maintenance are recognised as expenses in the Statement of Financial Performance in the financial period in which they are incurred.

Depreciation has been calculated using the maximum rates permitted by the Income Tax Act 2007.

Gains and losses on disposal of fixed assets are taken into account in determining the net result for the year.

Grants

Grants received are included in operating revenue. If particular conditions are attached to a grant that would require it to be repaid if these conditions are not met, then the grant is recorded as a liability until the conditions are satisfied.

Donations

Donations received are included in operating revenue. If particular conditions are attached to a donation that would require it to be repaid if the conditions are not met, then the donation is recorded as a liability until the conditions are satisfied.

Donated goods or services (other than donated assets) are not recognised.

Where significant donated assets are received with useful lives of 12 months or more, and the fair value of the asset is readily obtainable, the donation is recorded at the value of the asset obtained. Where the fair value of the asset is not readily obtainable, the donation is not recorded. Donated assets with useful lives less than 12 months are not recorded.



Income Tax

Manchester House Social Services Society Incorporated is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

Goods and Services Tax (GST)

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

Operating Leases

Lease payments under an operating lease are charged as expenses in the periods in which they occur.



Notes to the Performance Report

Manchester House Social Services Society Incorporated For the year ended 30 June 2022

	2022	2021
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Donations Received	65,056	74,965
Fundraising Income	193	3,384
Total Donations, fundraising and other similar revenue	65,249	78,349
Fees, subscriptions and other revenue from members		
Membership Income	487	417
Total Fees, subscriptions and other revenue from members	487	417
Revenue from providing goods or services		
Contracts (Note 2)	410,451	437,842
Grants (Note 3)	223,485	133,100
Parent Fees / WINZ ASAP	298,004	323,862
Sales - Op Shop	176,742	183,798
COVID-19 Wage Subsidy	35,478	-
Activities Income	5,189	9,877
Counselling Income	4,014	6,100
Drug and Alcohol Testing	1,509	1,626
Manawatu Rural Support Services	7,409	9,856
Package of Care Income	(285)	2,660
Room / Hall Hire	19,670	19,674
Sponsorship	2,250	2,750
Other Income	2,022	899
Total Revenue from providing goods or services	1,185,938	1,132,044
Interest, dividends and other investment revenue		
Interest Received	1,163	678
Total Interest, dividends and other investment revenue	1,163	678
Other Revenue		
Gain on Sale of Land and Buildings	718,932	-
Total Other Revenue	718,932	-
Total Analysis of Revenue	1,971,770	1,211,488
	2022	2021

2. Contracts

Manawatu District Council	60,000	60,000
Ministry of Justice	49,888	83,337
Ministry of Social Development	300,563	294,506
Total Contracts	410,451	437,842



	2022	2021
3. Grants		
Grant - Anstiss-Garland Charitable Trust	-	2,000
Grant - Catholic Charities Allocation Group	-	2,000
Grant - COGS	5,000	8,500
Grant - ECCT	-	10,000
Grant - Feilding Oroua Presbyterian Parish (James Gibb Trust)	5,000	5,000
Grant - Gordon Lindsey Isaacs	-	1,500
Grant - John Ilott Trust	2,000	2,000
Grant - Kingdom Foundation	-	5,000
Grant - Lottery Grants Board	29,381	41,534
Grant - Mainland Foundation	-	1,541
Grant - Mazda Foundation Trust	-	1,325
Grant - Ministry of Social Development	164,380	13,500
Grant - Methodist Church of NZ	-	6,000
Grant - NZ Community Trust	-	2,183
Grant - Rotary Club of Makino	-	10,000
Grant - St Joan Charitable Trust	-	4,500
Grant - The Strathlachlan Fund	2,500	-
Grant - TG McCarthy Trust	6,405	8,000
Grant - Trillian Trust	-	998
Grant - Manawatu District Council	2,819	2,520
Grant - United Way NZ	6,000	5,000
Total Grants	223,485	133,100
	2022	2021

4. Analysis of Expenses**Volunteer and employee related costs**

ACC	1,193	3,286
Conference and Training	300	3,817
Payroll Processing	12,815	12,591
Volunteer Expense	1,612	1,253

Wages

Wages	760,200	719,344
Wages Contracted	450	-
Wages Governance	141,338	141,411
Total Wages	901,988	860,755

Total Volunteer and employee related costs

917,908	881,702
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Costs related to providing goods or services

Administration	6,767	3,658
Advertising/Promotional	2,351	6,112
Cleaning	22,332	11,415
Computer	18,140	12,432



	2022	2021
Electricity	11,890	11,019
Equipment Hire	5,947	6,072
Fundraising Expenses	89	1,602
General	2,012	1,042
Insurance	18,032	19,180
Miscellaneous Expenses	-	2,140
Phone / Internet	18,483	18,716
Postage	1,586	1,066
Programme Operating Expenses	62,300	56,707
Printing & Stationery	6,909	8,164
Rates	11,337	10,692
Rent	12,258	7,500
Repairs and Maintenance	17,704	40,150
Security	2,500	2,634
Shop - Costs of Sales	1,263	670
Staff Amenities	1,703	1,495
Supervision & Registration	4,882	5,498
Travel	3,621	3,100
Training Expenses	567	209
Vehicle Expenses	14,346	12,513
Total Costs related to providing goods or services	247,018	243,783
Other expenses		
Accounting	4,000	4,686
Audit	6,400	6,000
Bank Charges	500	486
Depreciation	24,162	24,472
Interest Expense	31	-
Loss on Sale of Assets	-	2,652
Total Other expenses	35,092	38,295
Total Analysis of Expenses	1,200,018	1,163,780
	2022	2021

5. Analysis of Assets

Bank accounts and cash

ASAP Account	19,852	38,615
MHSS Trust Account	10,003	-
Contingency Savings Account	106,202	275,019
Food Bank Account	215,152	42,629
MHSS Operational Account	30,831	57,145
Petty Cash Cards	1,306	1,171
Tagged Funds Account	24,935	7,637
Total Bank accounts and cash	408,281	422,216

6. Property, Plant and Equipment



This Year						
Asset Class	Opening Carrying Amount	Purchases	Revaluations	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
Land	565,000			565,000		
Buildings	198,068			198,068		
Motor Vehicles	5,410	25,652			3,034	28,028
Furniture and fixtures	21,337	3,085			7,188	17,234
Office equipment						
Computers (including software)	6,193	12,538			5,817	12,915
Shop Fittings	7,926				2,067	5,859
ASAP	18,964				3,340	15,624
Senior Centre	35,482				2,717	32,765
Total	858,380	41,275		763,067	24,161	112,427
Last Year						
Asset Class	Opening Carrying Amount	Purchases	Revaluations	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
Land	565,000					565,000
Buildings	204,053				5,985	198,068
Motor Vehicles	7,960				2,550	5,410
Furniture and fixtures	17,040	11,291		668	6,326	21,337
Office equipment						
Computers (including software)	764	6,658		510	719	6,193
Shop Fittings	11,093			1,100	2,067	7,926
ASAP	22,683				3,719	18,964
Senior Centre	38,962			373	3,107	35,482
Total	867,555	17,949		2,651	24,473	858,380

7. Loan - Manchester House Property Trust

On 26 February 2022 the Society transferred ownership of its land and buildings to the Manchester House Property Trust for consideration of \$1,482,000. In addition the Society paid \$250,000 as a deposit for the purchase of 96 Fergusson Street by the Trust. The transfers were completed in May and June 2022. Deeds of Acknowledgement of Debts were entered into by the Society with the Trust. The debt is interest free and repayable on demand.



Since balance date the Board have passed a resolution to sign a Deed of Release of Debt by way of a Gift. The impact of this will be that the Advance of \$1,482,000 will no longer be recoverable from Manchester House Property Trust and therefore it will be removed from the 30 June 2023 financial statements.

8. Loan - Manawatu Community Trust

The loan to Manawatu Community Trust is a secured mortgage against 14 Bowen Street, Feilding. The mortgage is interest free to provide MHSS continued access to the property for the senior centre activities. An amount of \$90,000 was repaid in July 2021 and \$90,000 is repayable in July 2024. The loan is interest free until 6 July 2024. MHSS leases back the Bowen Street premises at \$100 plus GST p.a. until 6 July 2024.

9. Loan - Manawatu District Council

Loan of \$50,000 for an indefinite term without interest or repayment subject to the society continuing to operate a social service facility in Feilding.

10. IRD Business Loan

The Society received a loan on 15 May 2020 for a period of five years until 15 May 2025 to cover operating costs during the period affect by the COVID-19 lockdown during April to May 2020. The interest rate is 3%, however no interest will be charged providing the Society repays the loan in full by 15 May 2025. The loan was repaid on 24 May 2022.

	2022	2021
11. Accumulated Funds		
Retained Earnings		
Opening Balance	1,002,350	954,642
Current Year Earnings	771,752	47,707
Transfer from Revaluation Reserve	286,997	-
Total Retained Earnings	2,061,099	1,002,350
Reserves		
Asset Revaluation Reserve		
Opening Balance	286,997	286,997
Movement	(286,997)	-
Total Asset Revaluation Reserve	-	286,997
Total Accumulated Funds	2,061,099	1,289,347

12. Commitments

Photocopier Lease Agreement

The society took out a lease agreement with the Sharp Corporation on the 9th of June 2022. They have a commitment to this lease of \$11,004. (2021 \$2,292)

<1 year	1-5 years
\$2751	\$8253

13. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 30 June 2022 (Last year - nil).



INDEPENDENT AUDITOR'S REPORT

To the Members of Manchester House Social Services Society Incorporated

Report on the Performance Report**Qualified Opinion**

We have audited the performance report of Manchester House Social Services Society Incorporated on pages 3 to 18, which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 30 June 2022, the statement of financial position as at 30 June 2022, the statement of accounting policies and other explanatory information.

In our opinion, and except for the effects of the matter described in the Basis for Qualified Opinion paragraphs:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b) the performance report on pages 3 to 18 presents fairly, in all material respects,
 - o the financial position of Manchester House Social Services Society Incorporated as at 30 June 2022 and of its financial performance and cash flows;
 - o the entity information; and
 - o the service performance for the year then ended;

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board.

Emphasis of Matter

Without modifying our opinion we draw attention to Note 7 of the financial statements. This note describes the significant post balance date event concerning a resolution by the Trust to sign a Deed of Release of Debt by way of a Gift to its related entity Manchester House Property Trust. The result of this resolution will be to remove the \$1,482,000 Advance in the 2022/23 financial year. Our opinion is not modified in respect of this matter.

Basis for Qualified Opinion

Control over Donations, Fundraising, Opportunity Shop Sales, Membership and Sundry Income prior to being recorded is limited and there are no practical audit procedures to determine the effect of this limited control. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). 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 Manchester House Social Services Society Incorporated 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 qualified opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, Manchester House Social Services Society Incorporated.

Restriction on responsibility

This report is made solely to the Members, as a body, in accordance with section 42F of the Charities Act 2005. Our audit work has been undertaken so that we might state to the Board 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Board's Responsibility for the Performance Report

The Board are responsible for:

- a) identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- b) the preparation and fair presentation of the performance report which comprises:
 - the entity information;
 - the statement of service performance; and
 - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board, and

- c) for such internal control as the Board determine is necessary to enable the preparation of a performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Board are responsible on behalf of the Society for assessing the Society'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 either intends to liquidate the Society or to 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 performance report is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised) 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.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

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

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

CKS Audit

CKS Audit
Palmerston North

17 February 2023

14. Related Parties

Other than as detailed in Note 7 of the accounts, there were no other related party transactions. (Last year - nil)

15. Events After the Balance Date

Other than as disclosed in Note 7, there were no significant events post balance date.

16. Ability to Continue Operating

The entity will continue to operate for the foreseeable future.

17. Goods and Services Received in Kind

The society receives a significant amount of items for resale through the Op Shop in Feilding. The items held at balance date are not valued in these financial statements.



Independent Auditors Report

Manchester House Social Services Society Incorporated
For the year ended 30 June 2022



14 February 2023

CKS Audit
P.O. Box 4125
PALMERSTON NORTH

Dear Viv,

**LETTER OF REPRESENTATION
FOR THE YEAR ENDED 30 JUNE 2022**

This representation letter is provided in connection with your audit of the performance report of Manchester House Social Services Society Inc for the year ended 30 June 2022 for the purpose of expressing an opinion as to whether:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b) the performance report of Manchester House Social Services Society Inc complies with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) and fairly reflects:
 - the entity information for the year then ended;
 - the service performance for the year then ended; and
 - the financial position as at 30 June 2022 and its financial performance and cash flows for the year then ended.

We confirm that, *(to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves)*:

Performance Report

- We have identified outcomes and outputs, including quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, for the evaluation of the service performance of the entity.
- We have fulfilled our responsibilities on behalf of the entity, as set out in the terms of the audit engagement dated 26 October 2019 for the preparation of the performance report of Manchester House Social Services Society Inc in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) and that gives a fair presentation of:
 - the entity information for the year then ended;
 - the service performance for the year then ended; and
 - the financial position as at 30 June 2022 and its financial performance and cash flows for the year then ended.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. (ISA (NZ) 540)

- All actual or possible litigation and claims have been appropriately accounted for and disclosed in the performance report in accordance with the requirements of the applicable financial reporting framework.
- Related party relationships and transactions have been appropriately accounted for and disclosed in the performance report in accordance with the requirements of the applicable financial reporting framework. (ISA (NZ) 550)
- All events subsequent to the date of the performance report which require adjustment or disclosure have been adjusted or disclosed. (ISA (NZ) 560)
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the performance report as a whole. A list of the uncorrected misstatements is attached to the representation letter. (ISA (NZ) 450)

Information Provided

- We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the performance report such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the performance report.
- We have disclosed to you the results of our assessment of the risk that the performance report may be materially misstated as a result of fraud. (ISA (NZ) 240)
- We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the performance report. (ISA (NZ) 240)
- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's performance report communicated by employees, former employees, analysts, regulators or others. (ISA (NZ) 240)
- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing a performance report. (ISA (NZ) 250)
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware. (ISA (NZ) 550)
- We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the performance report.
- We have disclosed to you all events occurring subsequent to the date of the performance report whose effects should be considered when preparing the performance report.

Assets

- The Society has satisfactory title to all assets and there are no liens or encumbrances on the entity's assets.
- All current assets are expected to realise, in the ordinary course of business, at least the value at which they are recorded in the performance report and are expected to be realised within twelve months. Adequate provision has been made for all un-collectable or doubtful amounts owing to the Society.
- Adequate insurance has been affected in respect of all assets and insurable risks generally and all policies are still current.
- All vested assets and/or donations have been accounted for in the performance report.

Liabilities

- All known or ascertainable material liabilities of the Society at balance date have been reflected in the performance report.
- We have made adequate provision for all known and anticipated losses at the date of this letter.

Guarantees, Contingencies and Commitments

- The nature of any guarantee given by or on behalf of the Society are fully disclosed.
- There are no known material contingent liabilities or contingent assets at balance date other than those disclosed in the performance report.
- There are no known material commitments at balance date other than those disclosed in the performance report.

Going Concern

- We also confirm that to the best of our knowledge and belief, the Society has adequate resources to continue operations for the foreseeable future. For this reason the Committee continues to adopt the going concern assumption in preparing the performance report for the year ended 30 June 2022. We have reached this conclusion after making enquiries and having regard to circumstances which it considers likely to affect the Society during the period of one year from the date of this letter, and to circumstances it knows will occur after that date which could affect the validity of the going concern assumption.

These representations are made at your request and to supplement information obtained by you from the books and records of Manchester House Social Services Society Inc and to confirm information given to you verbally.



Chairperson
16/02/2023

Date



Executive Manager
16/02/2023

Date