

# Performance Report

Manchester House Social Services Society Incorporated  
For the year ended 30 June 2023

Prepared by Wheeler Campbell Chartered Accountants Limited

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# Entity Information

## Manchester House Social Services Society Incorporated For the year ended 30 June 2023

### 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

- Central and Local Government Contracts
- Philanthropic grants
- Social Enterprise businesses: Opportunity shop (Feilding) and ASAP (Before & After School Care & holiday programmes)
- Contributions and donations and sponsorship are essential

	2022-2023	2021-2022	2020/2021
Services and Trade Income	37%	42%	46%
Government Funding (Central and Local)	51%	48%	42%
Philanthropic Trusts	7%	4%	5%
Donations	5%	5%	7%

### Main Methods Used to Raise Funds

Manchester House Social Services are 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. Event fundraising has remained not an option post Covid, however MHSS is investing in sponsorship resources and developing communications to tell the story of the Manchester House.

### Volunteers and Donated Goods or Services



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

The MHSS Governance Board members are all volunteers who contribute their time and 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)

Post Covid, community groups, Feilding & Districts businesses and individuals have remained very generous with donations to the MHSS foodbank and providing goods for sale at the Op Shop, including clothing, furniture and bric a brac, all of which are necessities for families and individual's requirements and allows Manchester House to respond to adversity.

#### **Entity Structure**

##### **Governance**

The MHSS Board 2022/2023 has consisted of 8 members currently, 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 20

The Management team: Executive Manager, four Service Centre Managers, along with the Accounts Manager, Funding Manager and Sponsorship Coordinator.

##### **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.

#### **Manchester Social Services Incorporated Trusts: Property and Endowment**

Following extensive discussions and ongoing work involving a number of advisors, the Board of the Incorporated Society resolved that it was appropriate for there to be some work undertaken to establish a Property Trust and Endowment Trust.

The Manchester House Social Services Incorporated Board confirms that following a number of meetings and discussions, it was resolved that the Manchester House Property Trust and Endowment Trust would be set up by members of the Board of Manchester House Social Services Incorporated (MHSS) as part of the succession and strategic planning arrangements for the Society. The Trusts were set up as charitable trusts with the purpose of holding all and any property and funds via donations bequests etc to be owned, acquired and used for the objects of each charitable Trust related to Manchester House.

#### **Additional Information**

The influence of covid and post covid conditions upon Manchester House Social Services Society has influenced strategic decision making. The Op Shop - Social Enterprise was reinvigorated with the sale and purchase and relocation of the Op Shop to a single story, open spaced and wide frontage building, equaling the societal need in the community for upcycling and recycling.

This has proven to be an excellent strategy and development as the sales the average monthly sales have increased by 19%, however the increase has been offset by the escalation of general CPI expenses.



ASAP (Before & After School Programs and Holiday Programmes) has remained impacted due to increased costs of CPI and particularly the annual minimum wage increases. This has required a further annual fee increase to parents across the three sessions of before, afterschool and holiday programme. Oscar funding has not increased but the criteria has widened so more places for low-income families are available. This has not influenced increased numbers of families attending and consequently income.

Manchester House accepted and signed Covid food relief and distribution contracts from Ministry Social Development for the Manawatu District Council (MDC) region, these contracts were completed by June 30th 2023. There is minor transitional funding through to September 30th 2023. Social services and Oranga Tamariki 2019-2023 contract were also completed by the end of the financial year and a new contract signed until 2026. MSD Building Financial Capability contract will continue to 2024 and after this time the GETS system will proceed. MDC local government the first year Priority Funding contract was accepted for a three year contractual period.

Philanthropic successful grants increase slightly for this year and general monetary donations decreased.

### Location of Services

- Social Service Centre, 68 Aorangī St, Feilding, 06 323 7191
  - Services: Social Work, Family Support, Counselling, Budgeting, Food Bank, Court Ordered Supervised Contacts
  - Programmes: Meth/Addictions Support Group & ASD Support Group (Autism Spectrum Disorder)
- 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
  - Social Enterprise
- Op Shop, 96 Fergusson, St Feilding, 06 323 5434
  - Social Enterprise



### Contact Information

Manchester House Social Services Society Inc  
68 Aorangi Street, Feilding 4702  
PO Box 349, Feilding 4740  
P: 06 323 7191  
E: [reception@mhss.org.nz](mailto:reception@mhss.org.nz)  
W: [www.manchesterhouse.co.nz](http://www.manchesterhouse.co.nz)

### Accountants

Wheeler Campbell  
74 South Street  
Feilding 4702

06 323 7204

PO Box 5  
Feilding 4740

[wheeler.campbell@feilding.co.nz](mailto:wheeler.campbell@feilding.co.nz)  
<https://www.wcca.co.nz>

### Auditor

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

<https://www.auditors.co.nz>



# Statement of Service Performance

## Manchester House Social Services Society Incorporated For the year ended 30 June 2023

### Description of Entity's Outcomes

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

- Manchester House Social Services** Delivered an on-demand/walk-in, referral service to the community through Social Work, Family Support, Counselling, Budgeting, Court Ordered Supervised Contact contract and the Food Bank, which provided and delivering to the Community, food relief boxes and Covid food security relief along with Community connector contracts as well as delivered programmes: Meth/Addictions Support Group and ASD Support Group (Autism Spectrum Disorder)
- Senior Hub:** Delivered services to Feilding and Districts Seniors through programmes and activities with the outcome of reducing isolation and loneliness by offering a place of belonging, purpose and social connection. Programmes: Exercise, IT computers tuition, Entertainment, Social gatherings/Discussion groups
- Op Shop** has generated revenue as well as services to the community through the social enterprise business. The ASAP & Holiday programmes have delivered services for working parents.
- 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.
- 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

	2023	2022	2021
Social Work clients	796	1208	961
Counselling	436	488	569
Building financial Capabilities	718	574	650
Food resource distribution (Food Parcels including Covid19 March-June)	610	669	479
Recovered food (Bread & donated food)	6951	5354	6503 (1)
Services and Information	6439	6757	8112
Senior Hub	8455	6309	6771
ASAP	-\$37,471	-\$34,110	\$9931 (2)
Op Shop	\$32617	\$32,943	\$47410 (3)
Meth Support Group (total contacts)	710	588	752 (4)

#### Notes:

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



# Statement of Financial Performance

Manchester House Social Services Society Incorporated

For the year ended 30 June 2023

	NOTES	2023	2022
<b>Revenue</b>			
Donations, fundraising and other similar revenue	1	76,351	65,249
Fees, subscriptions and other revenue from members	1	543	487
Revenue from providing goods or services	1	1,524,352	1,185,938
Interest, dividends and other investment revenue	1	15,471	1,163
Gain on Sale of Land and Buildings	1	7,826	718,932
<b>Total Revenue</b>		<b>1,624,544</b>	<b>1,971,770</b>
<b>Expenses</b>			
Volunteer and employee related costs	4	1,020,468	917,608
Costs related to providing goods or service	4	310,923	247,318
Other expenses	4	46,062	35,092
<b>Total Expenses</b>		<b>1,377,453</b>	<b>1,200,018</b>
<b>Surplus from Continuing Operations</b>		<b>247,091</b>	<b>771,752</b>
<b>Other Expenses</b>			
Gift - Manchester House Property Trust	7	1,482,000	-
<b>Total Revenue and Expenses</b>		<b>(1,234,909)</b>	<b>771,752</b>

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 2023

	2023	2022
<b>Equity</b>		
Opening Balance	2,061,099	1,289,347
<b>Recognised Revenue and Expenses</b>		
Total Revenue and Expenses	(1,234,909)	771,752
<b>Total Recognised Revenue and Expenses</b>	<b>(1,234,909)</b>	<b>771,752</b>
<b>Total Equity</b>	<b>826,190</b>	<b>2,061,099</b>



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 2023

	NOTES	30 JUN 2023	30 JUN 2022
<b>Assets</b>			
<b>Current Assets</b>			
Bank accounts and cash	5	822,486	408,281
Trade receivables		78,285	52,300
Prepayments		13,814	15,530
ASAP Trust Account (McIntosh & Signal)		2,022	2,000
<b>Total Current Assets</b>		<b>916,607</b>	<b>478,112</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	6	122,241	112,426
Advance - Manchester House Property Trust	7	78,780	1,747,085
Loan - Manawatu Community Trust	8	90,000	90,000
<b>Total Non-Current Assets</b>		<b>291,021</b>	<b>1,949,511</b>
<b>Total Assets</b>		<b>1,207,628</b>	<b>2,427,623</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Creditors and accrued expenses		27,108	43,456
GST Payable		34,999	4,254
Employee Entitlements		79,937	65,876
Unused donations and grants		189,394	202,939
<b>Total Current Liabilities</b>		<b>331,438</b>	<b>316,524</b>
<b>Non-Current Liabilities</b>			
Loan - Manawatu District Council	9	50,000	50,000
<b>Total Non-Current Liabilities</b>		<b>50,000</b>	<b>50,000</b>
<b>Total Liabilities</b>		<b>381,438</b>	<b>366,524</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>826,190</b>	<b>2,061,099</b>
<b>Accumulated Funds</b>			
Retained Earnings	10	826,190	2,061,099
<b>Total Accumulated Funds</b>		<b>826,190</b>	<b>2,061,099</b>

Authorised for Issue on behalf of the Society:



Date: 29-11-2023

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 2023

	2023	2022
<b>Cash Flows from Operating Activities</b>		
Donations, fundraising and other similar receipts	76,351	65,249
Fees, subscriptions and other receipts from members	543	487
Receipts from providing goods or services	1,494,693	1,358,940
Interest, dividends and other investment receipts	15,471	1,163
GST	19,875	(9,063)
Payments to suppliers and employees	(1,333,587)	(1,167,627)
<b>Total Cash Flows from Operating Activities</b>	<b>273,347</b>	<b>249,150</b>
<b>Cash Flows from Investing and Financing Activities</b>		
Receipts from sale of property, plant and equipment	7,826	1,482,000
Repayment received on loans made to other parties	232,308	90,000
Payments to acquire property, plant and equipment	(43,420)	(44,631)
Payments to purchase investments	(22)	-
Repayments of loans borrowed from other parties	-	(53,200)
Loans made to other parties	(55,835)	(1,737,253)
<b>Total Cash Flows from Investing and Financing Activities</b>	<b>140,858</b>	<b>(263,085)</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>414,205</b>	<b>(13,935)</b>
<b>Bank Accounts and Cash</b>		
Opening cash	408,281	422,216
Net change in cash for period	414,205	(13,935)
Closing cash	822,486	408,281

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 2023

### 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.

### Controlled Entity

The Society has a controlled entity, Manchester House Property Trust, which has operated during the year. The transactions associated with this Trust have not been consolidated into these financial statements in accordance with PBE IPSAS 35. A separate set of financial statements have been prepared for the Manchester House Property Trust.

### 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.

### Accounts Receivable

Accounts receivables are recognised when goods or services are delivered, measured at the transaction price initially, then at net estimated realisable value.

### Property, Plant and Equipment

Property, Plant & Equipment is recognised at cost less aggregate depreciation. 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.

### Accounts Payable

Accounts payable are recognised when goods or services are received, measured at the transaction price. Accruals are recognised for expenses incurred but not yet invoiced.



### **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.

### **Operating Leases**

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

### **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.



# Notes to the Performance Report

## Manchester House Social Services Society Incorporated

For the year ended 30 June 2023

	2023	2022
<b>1. Analysis of Revenue</b>		
<b>Donations, fundraising and other similar revenue</b>		
Donations Received	75,991	65,056
Fundraising Income	360	193
<b>Total Donations, fundraising and other similar revenue</b>	<b>76,351</b>	<b>65,249</b>
<b>Fees, subscriptions and other revenue from members</b>		
Membership Income	543	487
<b>Total Fees, subscriptions and other revenue from members</b>	<b>543</b>	<b>487</b>
<b>Revenue from providing goods or services</b>		
Contracts (Note 2)	581,933	410,451
Grants (Note 3)	352,170	223,485
Parent Fees / WINZ ASAP	323,955	298,004
Sales - Op Shop	204,601	176,742
COVID-19 Wage Subsidy	9,713	35,478
Activities Income	8,639	5,189
Counselling Income	4,010	4,014
Drug and Alcohol Testing	1,422	1,509
Manawatu Rural Support Services	8,350	7,409
Package of Care Income	-	(285)
Room / Hall Hire	20,583	19,670
Sponsorship	2,750	2,250
Other Income	6,225	2,022
<b>Total Revenue from providing goods or services</b>	<b>1,524,352</b>	<b>1,185,938</b>
<b>Interest, dividends and other investment revenue</b>		
Interest Received	15,471	1,163
<b>Total Interest, dividends and other investment revenue</b>	<b>15,471</b>	<b>1,163</b>
<b>Other Revenue</b>		
Gain on Sale of Land and Buildings	7,826	718,932
<b>Total Other Revenue</b>	<b>7,826</b>	<b>718,932</b>
<b>Total Analysis of Revenue</b>	<b>1,624,544</b>	<b>1,971,770</b>
	2023	2022

## 2. Contracts

Manawatu District Council	60,000	60,000
Ministry of Justice	88,870	49,888
Ministry of Social Development	433,063	300,563
<b>Total Contracts</b>	<b>581,933</b>	<b>410,451</b>



	2023	2022
<b>3. Grants</b>		
Grant - Caroline Uren Bequest	3,500	-
Grant - COGS	5,000	5,000
Grant - ECCT	10,000	-
Grant - Feilding Oroua Presbyterian Parish (James Gibb Trust)	6,000	5,000
Grant - John Illott Trust	-	2,000
Grant - Lottery Grants Board	66,779	29,381
Grant - Mainland Foundation	2,000	-
Grant - Ministry of Social Development	238,235	164,380
Grant - NZ Community Trust	6,000	-
Grant - The Strathlachlan Fund	-	2,500
Grant - TG McCarthy Trust	11,520	6,405
Grant - Manawatu District Council	3,137	2,819
Grant - United Way NZ	-	6,000
<b>Total Grants</b>	<b>352,170</b>	<b>223,485</b>
	2023	2022

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

ACC	2,450	1,193
Payroll Processing	13,339	12,815
Volunteer Expense	952	1,612
<b>Wages</b>		
Wages	874,424	760,200
Wages Contracted	-	450
Wages Governance	129,303	141,338
<b>Total Wages</b>	<b>1,003,727</b>	<b>901,988</b>
<b>Total Volunteer and employee related costs</b>	<b>1,020,468</b>	<b>917,608</b>

**Costs related to providing goods or services**

Administration	6,286	6,767
Advertising/Promotional	14,046	2,351
Cleaning	11,461	22,332
Computer	11,054	18,140
Electricity	15,647	11,890
Equipment Hire	6,061	5,947
Fundraising Expenses	189	89
General	2,519	2,012
Insurance	28,180	18,032
Phone / Internet	23,677	18,483
Postage	1,821	1,586
Programme Operating Expenses	69,269	62,300
Printing & Stationery	8,296	6,909



	2023	2022
Rates	15,026	11,337
Rent	31,227	12,257
Repairs and Maintenance	30,271	17,704
Security	5,568	2,500
Shop - Costs of Sales	1,087	1,263
Staff Amenities	3,011	1,703
Supervision & Registration	4,283	4,882
Travel	3,159	3,621
Training Expenses	1,910	867
Vehicle Expenses	16,874	14,346
<b>Total Costs related to providing goods or services</b>	<b>310,923</b>	<b>247,318</b>
<b>Other expenses</b>		
Accounting	4,500	4,000
Audit	8,850	6,400
Depreciation	32,302	24,162
Interest and Bank Charges	410	530
<b>Total Other expenses</b>	<b>46,062</b>	<b>35,092</b>
<b>Total Analysis of Expenses</b>	<b>1,377,453</b>	<b>1,200,018</b>
	2023	2022

## 5. Analysis of Assets

### Bank accounts and cash

ASAP Account	79,803	19,852
MHSS Trust Account	201,119	10,003
Contingency Savings Account	336,071	106,202
Food Bank Account	39,559	215,152
MHSS Operational Account	121,340	30,831
Petty Cash Cards	629	1,306
Tagged Funds Account	43,966	24,935
<b>Total Bank accounts and cash</b>	<b>822,486</b>	<b>408,281</b>

## 6. Property, Plant and Equipment

This Year						
Asset Class	Opening Carrying Amount	Purchases	Revaluations	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
Motor Vehicles	28,028	26,957			10,738	44,247
Furniture and fixtures	17,235	11,092			6,883	21,443
Office equipment						





Computers (including software)	12,914	4,069			7,265	9,718
Shop Fittings	5,859				2,067	3,792
ASAP	15,624				3,037	12,588
Senior Centre	32,767				2,313	30,454
Total	112,427	42,117			32,302	122,241
<b>Last Year</b>						
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

### 7. Advance - 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.

The Board have passed a resolution to sign a Deed of Release of Debt by way of a Gift. The Advance of \$1,482,000 is no longer recoverable from Manchester House Property Trust and has been removed from the 30 June 2023 financial statements.

Rent paid to Manchester House Property Trust was \$16,667 and an Administration Fee of \$4,167 was received from Manchester House Property Trust.

### 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.

	2023	2022
<b>10. Accumulated Funds</b>		
<b>Retained Earnings</b>		
Opening Balance	2,061,099	1,002,350
Current Year Earnings	(1,234,909)	771,752
Transfer from Revaluation Reserve	-	286,997
<b>Total Retained Earnings</b>	<b>826,190</b>	<b>2,061,099</b>
<b>Reserves</b>		
<b>Asset Revaluation Reserve</b>		
Opening Balance	-	286,997
Movement	-	(286,997)
<b>Total Asset Revaluation Reserve</b>	<b>-</b>	<b>-</b>
<b>Total Accumulated Funds</b>	<b>826,190</b>	<b>2,061,099</b>

## 11. 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 \$8,024. (2022 \$11,004)

<1 year	1-5 years	Total Future Commitment
\$2,751	\$5,273	\$8,024

### Property Leases

The Trust leases buildings from the Manchester House Property Trust. The commitments are:

Aorangi Street \$5,000 pa for 20 years  
Fergusson Street \$15,000 for 20 years

<1 year	1-5 years	>5 years	Total Future Commitment
\$20,000	\$80,000	\$283,333	\$383,333

## 12. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 30 June 2023 (Last year - nil).

## 13. Related Parties

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

## 14. Events After the Balance Date



There were no significant events post balance date. (Last year: The gift of the advance to the Manchester House Property Trust was pending).

**15. Ability to Continue Operating**

The entity will continue to operate for the foreseeable future.

**16. 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 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 19, 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 2023, the statement of financial position as at 30 June 2023, the statement of accounting policies and other explanatory information.

In our opinion, and except for the effects of the matters 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 19 presents fairly, in all material respects,
  - the financial position of Manchester House Social Services Society Incorporated as at 30 June 2023 and of its financial performance and cash flows;
  - the entity information; and
  - 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 resolution by the Society 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 has been to remove the \$1,482,000 Advance between the two entities 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.

As stated on page 12 the Society has not consolidated the transactions of its controlled entity Manchester House Property Trust in accordance with PBE IPSAS 35.

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**

**30 November 2023**

# Manchester House

*Te Whare O Manchester*

## Social Services Society Inc



29 November 2023

CKS Audit  
P.O. Box 4125  
PALMERSTON NORTH

Dear Viv,

### LETTER OF REPRESENTATION FOR THE YEAR ENDED 30 JUNE 2023

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 2023 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 2023 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 2023 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 2023. 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.

## Consolidation of Controlled Entity Manchester House Property Trust

- We are aware of the requirement to consolidate controlled entities into the financial statements of Manchester House and have elected not to opt up and apply PBE IPSAS 35.

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

29-11-2023  
Date



Executive Manager

29<sup>th</sup> November 2023  
Date