

Performance Report

Manchester House Social Services Society Incorporated
For the year ended 30 June 2021

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Entity Information

Manchester House Social Services Society Incorporated For the year ended 30 June 2021

Legal Name of Entity

Manchester House Social Services Society Incorporated

Type of Entity

Incorporated Society, registered under the Incorporated Societies Act 1908. The Society is also registered with Charities Services.

Registration Numbers

Societies: WN/218711

Charities: CC28355

Purpose or 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.

Entity Structure

Governance

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

- 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. This member holds the position due the Contract for Services agreement between Manchester House and Manawatu Rural Support Service.

Management

Employees = FTE 17

The Management team comprises: an Executive Manager, four Service Centre Managers, plus Accounts and Funding 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.



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 are also extremely essential and gratefully received

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

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. Fundraising in the traditional sense from events has been on hold due to uncertainty with Covid 19.

Entity's Reliance on 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)

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. Clothing, furniture and bric-a-brac provide goods for sale at the Op Shop.

Additional Information

Manchester House is building and redefining the two social enterprise businesses to reflect the contributions to the social services.

Other changes include increased counseling waged hours due to demand, a greater focus of recovered food and the growth of the meth support group to include the support networks of attendees/addicts and recovering addicts.

The Board has been strengthened and balanced by changes to its representatives and in doing so, giving governance further direction and depth.

Programmes

- Feeling Special Feeling Safe (Early Childhood)
- Meth Support Group
- Court Ordered Supervised Contacts



Location of Services

Social Service Centre	68 Aorangi St, Feilding (06) 3237191
Seniors Leisure and Learning Service Centre	14 Bowen St, Feilding (06) 323 2410
ASAP (Before & After School programmes)	9 Grey St, Feilding (06) 323 6470
Op Shop	115 Fergusson St, Feilding (06) 323 5434

Contact details

68 Aorangi Street, Feilding, New Zealand,4702
PO Box 349, Feilding
P: 06 323 7191
E: reception@mhss.org.nz
W: www.manchesterhouse.co.nz

Accountants

Wheeler Campbell Chartered Accountants
74 South Street
P O Box 5
Feilding 4702

Auditor

CKS Audit
Chartered Accountants
P O Box 4125
27 Matipo Street
Palmerston North 4410



Statement of Service Performance

Manchester House Social Services Society Incorporated For the year ended 30 June 2021

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** promotes and delivers an on-demand/walk-in service to the community in their times of need and provides Social Work, Family Support, Counseling, Budgeting, Food Bank:
Programmes: Delivery of Meth Support Group and Court Ordered Supervised Contacts
- 2. Senior Hub:** Delivery of services to seniors are offered through programs and activities with the outcome of reducing isolation and loneliness.
Programmes: Exercise, IT computers tuition, Entertainment, Social gatherings/Discussion groups
- 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

	Measure	2021	2020
Social Work	Number of clients supported with provision of service	961	1,158
Counselling	Number of clients supported and provided counselling	569	429
Building Financial Capabilities	Number of clients supported and provided counselling	650	628
Food Resource Distribution (Food Parcels including COVID 19 March - June)	Number of Food Parcels provided to individuals and families	479	590
Recovered Food	Number of individuals collecting donated food items	6,503 (1)	3,089
Services & Information	Number of calls/walk-ins for Social Services	8,112	10,955
Senior Hub	Number of clients	6,771	8,533
ASAP	Number of booked and actual attendance of the service	0	23,547
ASAP	Gross profit for the year	\$9,931 (2)	0
Op Shop - Sale of Donated Goods	Value of Donated Goods sold	0	142,188
Op Shop	Gross profit for the year	\$47,410 (3)	0



Feeling Special Feeling Safe	Number of individuals attended the programme	92	69
Meth Support Group	Number of individuals attended the programme	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 2021

	NOTES	2021	2020
Revenue			
Donations, fundraising and other similar revenue	1	78,349	106,613
Fees, subscriptions and other revenue from members	1	417	652
Revenue from providing goods or services	1	1,132,044	1,088,414
Interest, dividends and other investment revenue	1	678	722
Total Revenue		1,211,488	1,196,401
Expenses			
Volunteer and employee related costs	4	881,702	781,565
Costs related to providing goods or service	4	243,783	211,766
Other expenses	4	38,295	59,506
Total Expenses		1,163,780	1,052,837
Surplus for the Year		47,707	143,565

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 2021

	NOTES	30 JUN 2021	30 JUN 2020
Assets			
Current Assets			
Bank accounts and cash	5	422,216	337,420
Debtors and prepayments	5	51,144	37,156
ASAP Trust Account (McIntosh & Signal)	5	2,000	2,000
Total Current Assets		475,361	376,576
Non-Current Assets			
Property, Plant and Equipment	6	858,380	867,555
Loan - Manawatu Community Trust	9	180,000	180,000
Total Non-Current Assets		1,038,380	1,047,555
Total Assets		1,513,740	1,424,131
Liabilities			
Current Liabilities			
Creditors and accrued expenses	10	38,016	21,197
GST Payable		12,252	4,279
Employee Entitlements	10	55,439	47,185
Other Current Liabilities	10	15,486	6,631
Total Current Liabilities		121,193	79,292
Non-Current Liabilities			
Loan - Manawatu District Council	11	50,000	50,000
IRD Business Loan	12	53,200	53,200
Total Non-Current Liabilities		103,200	103,200
Total Liabilities		224,393	182,492
Total Assets less Total Liabilities (Net Assets)		1,289,347	1,241,639
Accumulated Funds			
Retained Earnings	13	1,002,350	954,642
Reserves	13	286,997	286,997
Total Accumulated Funds		1,289,347	1,241,639

Authorised for issue on behalf of the Society:



Date: 9-11-2021

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 2021

	2021	2020
Cash Flows from Operating Activities		
Cash was received from:		
Donations, fundraising and other similar receipts	79,349	98,693
Fees, subscriptions and other receipts from members	417	652
Receipts from providing goods or services	1,134,643	1,090,727
Interest, dividends and other investment receipts	678	722
Cash was applied to:		
Payments to suppliers and employees	1,121,614	1,019,686
GST	(3,998)	7,452
Total Cash Flows from Operating Activities	97,470	163,655
Cash Flows from Investing and Financing Activities		
Cash was received from:		
Proceeds from loans borrowed from other parties	1,848	53,200
Proceeds from the sale of property, plant and equipment	-	1,000
Cash was applied to:		
Payments to acquire property, plant and equipment	12,160	21,274
Repayments of loans borrowed from other parties	2,362	664
Total Cash Flows from Investing and Financing Activities	(12,674)	32,262
Net Increase/ (Decrease) in Cash	84,796	195,917
Cash Balances		
Cash and cash equivalents at beginning of period	337,420	141,503
Cash and cash equivalents at end of period	422,216	337,420
Net change in cash for period	84,796	195,917

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 2021

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.

Comparative Figures

Some items of Income and Expense have been recategorized this year and as a result some of the comparative figures have been adjusted to reflect the reclassification.

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 2021

	2021	2020
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Donations Received	74,965	104,256
Fundraising Income	3,384	2,357
Total Donations, fundraising and other similar revenue	78,349	106,613
Fees, subscriptions and other revenue from members		
Membership Income	417	652
Total Fees, subscriptions and other revenue from members	417	652
Revenue from providing goods or services		
Grants	133,100	151,503
Contracts	437,842	303,401
Parent Fees / WINZ ASAP	323,862	266,580
Sales - Op Shop	183,798	157,524
COVID-19 Wage Subsidy	-	148,814
Activities Income	9,877	10,438
Counselling Income	6,100	5,233
Drug and Alcohol Testing	1,626	1,370
Manawatu Rural Support Services	9,856	10,708
Package of Care Income	2,660	(567)
Room / Hall Hire	19,674	28,427
Sponsorship	2,750	2,500
Other Income	899	2,483
Total Revenue from providing goods or services	1,132,044	1,088,414
Interest, dividends and other investment revenue		
Interest Received	678	722
Total Interest, dividends and other investment revenue	678	722
Total Analysis of Revenue	1,211,488	1,196,401
	2021	2020
2. Contracts		
Manawatu District Council	60,000	15,000
Ministry of Justice	83,337	41,307
Ministry of Social Development	294,506	243,774
PCSS	-	3,320
Total Contracts	437,842	303,401
	2021	2020
3. Grants		
Grant - Anstiss-Garland Charitable Trust	2,000	-



Grant - Catholic Charities Allocation Group	2,000	2,500
Grant - Central Energy Trust	-	13,042
Grant - COGS	8,500	5,000
Grant - ECCT	10,000	10,000
Grant - Feilding Oroua Presbyterian Parish (James Gibb Trust)	5,000	5,000
Grant - Fonterra/Goodman	-	5,000
Grant - Gordon Lindsey Isaacs	1,500	2,500
Grant - John Clyde Graham Trust	-	20,000
Grant - John Ilott Trust	2,000	2,000
Grant - Kingdom Foundation	5,000	5,000
Grant - Lottery Grants Board	41,534	30,000
Grant - Mainland Foundation	1,541	-
Grant - Mazda Foundation Trust	1,325	-
Grant - Ministry of Social Development	13,500	-
Grant - Methodist Church of NZ	6,000	5,000
Grant - NZ Community Trust	2,183	-
Grant - Olive Tree Charitable Trust	-	7,000
Grant - Oranga Tamariki	-	5,000
Grant - Rotary Club of Makino	10,000	-
Grant - St Joan Charitable Trust	4,500	1,800
Grant - The Strathlachlan Fund	-	1,000
Grant - TG McCarthy Trust	8,000	8,000
Grant - Trillian Trust	998	-
Grant - Manawatu District Council	2,520	17,661
Grant - United Way NZ	5,000	6,000
Total Grants	133,100	151,503
	2021	2020

4. Analysis of Expenses

Volunteer and employee related costs		
ACC	3,286	1,513
Conference and Training	3,817	1,504
Payroll Processing	12,591	12,068
Volunteer Expense	1,253	2,346
Wages		
Wages	719,344	636,032
Wages Contracted	-	5,352
Wages Governance	141,411	122,752
Total Wages	860,755	764,135
Total Volunteer and employee related costs	881,702	781,565
Costs related to providing goods or services		
Administration	3,658	6,050
Advertising/Promotional	6,112	9,212
Cleaning	11,415	8,223



	2021	2020
Computer	12,432	9,458
Electricity	11,019	13,033
Equipment Hire	6,072	6,236
Fundraising Expenses	1,602	28,594
General	1,042	1,810
Insurance	19,180	9,689
Miscellaneous Expenses	2,140	235
Phone / Internet	18,716	15,018
Postage	1,066	187
Programme Operating Expenses	56,707	49,785
Printing & Stationery	8,164	5,503
Rates	10,692	11,785
Rent	7,500	7,281
Repairs and Maintenance	40,150	8,229
Security	2,634	2,106
Shop - Costs of Sales	670	565
Staff Amenities	1,495	1,253
Supervision & Registration	5,498	3,086
Travel	3,100	3,317
Training Expenses	209	-
Vehicle Expenses	12,513	11,111
Total Costs related to providing goods or services	243,783	211,766
Other expenses		
Accounting	4,686	8,494
Audit	6,000	11,650
Bank Charges	486	644
Depreciation	24,472	27,690
Legal Fees	-	74
Loss on Sale of Assets	2,652	2,933
Op Shop Inventory Written Off	-	8,020
Total Other expenses	38,295	59,506
Total Analysis of Expenses	1,163,780	1,052,837
	2021	2020

5. Analysis of Assets

Bank accounts and cash

ASAP Account	38,615	20,040
ASAP Fees Trust Account	-	2,009
Contingency Savings Account	275,019	124,224
Food Bank Account	42,629	46,058
MHSS Operational Account	57,145	128,351
Petty Cash Cards	1,171	2,897



	2021	2020
Tagged Funds Account	7,637	13,842
Total Bank accounts and cash	422,216	337,420
Debtors and prepayments		
Accounts Receivable	41,856	28,303
Prepayments	9,288	8,853
Total Debtors and prepayments	51,144	37,156
Other current assets		
ASAP Trust Account (McIntosh & Signal)	2,000	2,000
Total Other current assets	2,000	2,000
Other non-current assets		
Loan - Manawatu Community Trust	180,000	180,000
Total Other non-current assets	180,000	180,000

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	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	0					0
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	35,483
Total	867,555	17,949		2,652	24,472	858,380
Last Year						
Asset Class	Opening Carrying Amount	Purchases	Revaluations	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
Land	580,000		-15,000			565,000
Buildings	186,930		23,539		6,416	204,053
Motor vehicles	9,506	7,000		3,933	4,613	7,960



Furniture and fixtures	19,908	2,395			5,263	17,040
Office equipment	0					0
Computers (including software)	2,030	437			1,703	764
Shop fittings	13,286				2,193	11,093
ASAP	15,085	11,550			3,952	22,683
Senior Centre	35,621	6,891			3,550	38,962
Total	862,366	28,273	8,539	3,933	27,690	867,555

7. Land and Building Valuations

Property	Current Valuation	Date	Valuer
68 Aorangi Street, Feilding	\$520,000	01/08/2019	QV
115 Fergusson Street, Feilding	\$255,000	01/08/2019	QV

8. Earthquake Assessment

The society has received an earthquake strengthening assessment of 18% for the Fergusson Street building. This assessment was performed by an independent engineer. The buildings are valued at rateable value (August 2019) and no further adjustment/ impairment has been quantified as a result of this assessment.

9. 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.

2021 2020

10. Analysis of Liabilities

Creditors and accrued expenses

Accounts Payable	38,016	21,197
Total Creditors and accrued expenses	38,016	21,197

Employee Entitlements

Employee Entitlements	55,439	47,185
Total Employee Entitlements	55,439	47,185

Other current liabilities

Unexpended Grants	15,486	6,317
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	2021	2020
Spark Interest Free Loan	-	314
Total Other current liabilities	15,486	6,631

11. 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.

12. 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.

	2021	2020
13. Accumulated Funds		
Retained Earnings		
Opening Balance	954,642	770,124
Additions		
Current Year Earnings	47,707	143,565
Foodbank Adjustments	-	40,954
Total Additions	47,707	184,518
Total Retained Earnings	1,002,350	954,642
Reserves		
Asset Revaluation Reserve		
Opening Balance	286,997	278,458
Movement	-	8,539
Total Asset Revaluation Reserve	286,997	286,997
Total Accumulated Funds	1,289,347	1,241,639

14. Commitments

Photocopier Lease Agreement

The society took out a lease agreement with the Sharp Corporation on the 9th of June 2018. They have a commitment to this lease of \$2,292. (2020 \$4,972)

15. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 30 June 2021 (Last year - nil).

16. Related Parties

There are no transactions involving related parties during the financial year. (2020 - nil)

17. Events After the Balance Date

At 11:59pm on 17th August 2021 the New Zealand Government placed the country into a Level 4 Lockdown for an unspecified period of time. As a result of this the Op Shop was closed and other services were cancelled. The impact of COVID-19 on the 2021/22 financial year is unable to be determined at this time, and may be significant.



18. Ability to Continue Operating

The entity will continue to operate for the foreseeable future.

19. 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 2021, the statement of financial position as at 30 June 2021, 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 19 presents fairly, in all material respects,
 - the financial position of Manchester House Social Services Society Incorporated as at 30 June 2021 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.

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

9 November 2021

Manchester House
Te Whare O Manchester
Social Services Society Inc



9 November 2021

CKS Audit
P.O. Box 4125
PALMERSTON NORTH

Dear Viv,

**LETTER OF REPRESENTATION
FOR THE YEAR ENDED 30 JUNE 2021**

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 2021 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 2021 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 2021 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.

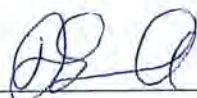
Guarantees, Contingencies and Commitments

- 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 2021. 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

9-11-2021

Date



Executive Manager

9th November 2021

Date