



Friendship House

He Whare Tangata

"A place for people in the heart of Manukau."



Friendship House Trust Board: Annual Report 2016/2017



Friendship House Trust Board has again enjoyed a dynamic year, the forty first year of serving the Counties Manukau communities.

Friendship House has enjoyed successes, managed challenges in the contracting environment, supported innovation with new programmes and completed a further stage of the building project.

A highlight for Friendship House over the past year was the celebration in August of the fortieth anniversary and the opportunity for the Board, Chief Executive and staff to host past trustees, Chief Executives and staff as well as our special guests, Bishop Ross Bay, Mayor Len Brown and the Honourable Judith Collins MP. I thank the organising committee for their hard work to create a successful celebration. It was affirming for everyone to hear from some of the founders of Friendship House and to appreciate that after forty years our purpose and focus remains strong.

The past year has presented many challenges for Friendship House with the changes to contracting models and the need to adapt to meet expectations on the measurement of outcomes. The Board is involved in robust discussions with the Chief Executive to ensure that our organisation is both flexible and adaptable and remains relevant. The Board was very supportive of the Chief Executive's recent involvement in a two day workshop with the Ministry of Vulnerable Children Oranga Tamaki as one of two providers at the meeting assisting with the developing of the results based contracting model.

The demand for our Living without Violence programmes has increased in the later part of this financial year with the highest number of courses we have ever operated concurrently. We are proud that in addition to our Maori and Samoan programmes we have added a Hindi programme to the options we offer.

Our secondary school pilot, 'Living without Violence' programme, provided in partnership with Manurewa High School, over the first term has been successful with a request for a second programme to be held this year.

There continues to be high demand for family social services.

I want to acknowledge the work of our Chief Executive Neil Denney and the staff for their dedication to providing quality professional services to our customers and the delivery of the work programme as outlined in the operational plan. We are pleased to have completed the policy development programme over this year, with the first policies the Board approved due for their two yearly review.

We thank our funders for their support to the services we provide to the Counties Manukau communities

Further stages of the building renovation programme have been completed this year with the office layout redesigned to be more functional, with a welcoming reception counter for our customers and visitors, new carpet and blinds have been installed in the community centre, this has created a very modern environment for our customers and staff. A further stage of the renovation is underway to improve the café with, the plan to have this operating as an enhanced café by September 2017. Our café will be known as 'Cause café'.

In December the Board members participated in a governance workshop funded by MSD and facilitated by the Institute of Directors. The Board thanks MSD for their financial sponsorship of this workshop, the day was invaluable for everyone.

Over the year we said farewell to our long serving Chair and Board member Rev. Diane Miller Keeley, Rev. Prince Devanandan who left to take up his new role as President of the Methodist Church in Aotearoa and Eli Tagi. We thank them for their dedicated service to Friendship House.

We welcomed Rev Cate Thorn, Mavis Haigh and Ruth Sio-Lokam who joined our Board this year.

Our Board has three subcommittees to support its work, Finance and Audit Chaired by Mark Kaneko, Chief Executive Performance chaired by myself and the Café Redevelopment chaired by Cate Thorn.

I want to acknowledge the hard work and dedication of Jason Dilger (deputy chair), Dorothy Alofivae, Mavis Haigh, Denis O'Brien, Mark Kaneko, Ruth Sio-Lokam and Cate Thorn as trustees of the Friendship House Trust Board.

A highlight for our Board was the joint Annual General Meeting we held with the Friendship House Foundation Board. We invited the Chief Executive and staff to participate in the AGM and received excellent presentations on the Living Without Violence programme and the work of the Social Practice team. This model for our AGM was endorsed by all participants and we look forward to our next AGM in October.

I would like to thank everyone for their support of the work of Friendship House and the trustees, Chief Executive and staff for their dedication and passion in providing services to the Counties Manukau communities.

Robyn McCulloch
Chair, Friendship House Trust Board



Nga mihi mahana nui, Warm Greetings

The year has flown by at Friendship House, and we are currently reflecting on all that has been and working hard to plan for the future. The last year has been fast paced, and we saw a number of changes in our working environment.

I want to thank the staff at the House for an amazing year, which saw us work with 3362 people in both our Programmes and Social Practice Teams supporting people through **(list services here)**. This does not take into consideration the number of people assisted in our Community Centre where we saw another 3182 people during the year visit the house for help with **(list of services)**.

I also want to acknowledge the Board of Trustees, who have been tireless in their support of the House and the work that we carry out in Counties Manukau.

The demand for our Living Without Violence programmes increased throughout the year. This is a reflection of the continuing pressures on families experiencing unemployment, or in many cases, underemployment, low wages, sky rocketing rents and overcrowding. These are all issues that we hear being raised by our clients on a regular basis and can be contributing factors in domestic violence. At the end of the financial year we were seeing up to 300 men a week involved at some stage of the Living Without Violence programme. Samoan and Tongan language groups are now running twice weekly and we now run two Hindi language groups to assist men in this language and culture group. Work has commenced on developing a Kaupapa Maori programme, and we hope to have this programme running in early 2018.

We have also seen an increase in the number of women accessing our social support services. The Friendship House is one of only a handful of providers in Manukau providing a Counselling service. As a result we saw an increase in referrals that has led to a 3 month waiting list for clients wishing to access our service. We provide counselling both for women and children who are vulnerable as a result of domestic violence, and for couples.

Our Social Practice Team works closely with other local agencies to ensure that clients are safe and receiving appropriate and timely care.

Community Centre

The Community Centre has been successful, with a consistent demand for room hire throughout the year to various groups, including NGO and local community groups. We had more hirers than we had rooms. We were also able to lease an additional office to a solicitor on the second floor.

The Justice of the Peace service run out of the Community Centre was hugely popular over the year. JP's saw 3182 people at Friendship House, and assisted them to complete forms and declarations. There is always a high demand for this service at the House on Mondays, Wednesdays and Fridays.

The continuous housing shortage in Auckland, has seen a growing number of homeless people in the Manukau town centre. On any given morning there are up to a dozen men and women who have taken shelter and slept overnight in the town plaza and near other buildings close by the Friendship House. The Friendship House through its new Cause Café has been able to provide hot drinks in the morning to some of the people, and we have provided links to various services to assist people into housing.

Our Community Centre and drop-in service attracts people from all over the Counties Manukau area. The total number of people seen at the Community Centre counter for directions, brief interactions, referrals or other information from July 2016 to June 2017 was 2758.

We continue to have a strong relationship with the Otara Papatoetoe Local Board, and we are grateful for their ongoing support, without which we would not be able to provide these important services to the community.

Building Work

The upgrade to the ground floor offices was completed during the year and we are very pleased with the result. It is wonderful to see a modern work space for the team with an efficient layout.

Seismic and fire remedial work was undertaken in December/January to bring the building up to code and to ensure the safety of our customers, tenants, the public and staff members

Funders

A huge vote of thanks goes to our funders who in 2016/2017 helped us to make a real difference in the lives of our clients. We are very grateful for the support and your vote of confidence in the work we undertake with some of the most vulnerable families in South Auckland. They are (in no particular order):

Pub Charity	Foundation North	Trillian Trust	Hostel of the Holy Name
NZ community Post	Southern Trust	Dragon Community Trust	Four Winds Foundation
Trillian Trust	Lou and Iris Fisher Trust	Blue Sky community Trust	Lion Foundation
AH Watson Charitable Trust	Strathlachlan Trust	Sky City Community Trust	COGS Manukau
Lion Foundation	COGS Papakura	Lottery Grants Board	Trusts Community Foundation/ Wiri Licensing Trust
Catholic Caring Foundation	Cross Roads Methodist Church	The Charles Rupert Stead Trust	Z Energy (Kennerly Retail)

Government Contracts

We currently provide services under contract to Oranga Tamaki/MSD, the Ministry of Justice, the Department of Corrections and Auckland Council and are very grateful for their ongoing support of the work we do in the community.

We have worked closely with Oranga Tamaki/MSD this year on the development of the new framework for Results Based Contracting, which was a good opportunity to work with the Ministry and other providers on this development and to continue to build strong relationships in the sector.

Cause Café – Good Coffee, Good Cause

Our new Cause Café opened this year. This is a very exciting piece of work for the Trust, and the profits from this will assist us to offer ongoing services to the community. The Friendship House team have worked extremely hard to bring this project to life. We are very grateful to the Wiri Licensing Trust for their support of this project.

Manurewa High School

We were excited to work with Manurewa High School this year to run a modified version of our Living Without Violence programme for year 9 and 10 students. The school had identified a cohort of students who could benefit from the skills that we currently teach in the adult programme. We have run the programme for two terms in 2017, and will continue to work with Manurewa High in 2018. We hope to roll the programme out to other schools in 2018.

City Centre Community Networking

Manukau City Centre has huge potential for networking and Friendship House hosts a gathering every two months known as the City Centre Community Network – at which there is a guest speaker. Around 50 agencies have been represented at the meetings held, with increased connections made and new relationships built.

Our People in the Community

Each week we have a number of regular clients/customers that visit the House. It is important to mention them as they embody the reason we are here in the heart of Manukau. For some of our regulars we are their only social outlet all week apart from Church services in some cases. Having a friendly face and someone to chat with is very important to them and the House. Our café and Social Practice Team staff members know all of our regulars, and are always there with a cup of tea, a chat, and a listening ear where it is needed.

We were all very saddened when our regular café customers Lorraine Franson and Vaovai (Vai) Sinclair passed away this year. Lorraine started attending the House in the mid 1970's and Vai had been a customer and friend at the House for over a decade. Our sympathy, support and condolences are with their families.

After a hectic year it is good to take the time to reflect and to see the difference Friendship House makes to the lives of the people we serve. The House turned 41 years old this year, and we look forward to another 41 years as a place for people in the heart of Manukau.

Thank you all for your support of the work that we undertake to make a difference in the lives of many.

Neil Denney
Chief Executive
August 2017

Living Without Violence Programme (LWVP)

Friendship House has been delivering its Domestic Violence Programmes for yet another year under contract with the Ministry of Justice, the Department of Corrections and Ministry Vulnerable Children Oranga Tamariki. The men either referred via the Family Courts, Family Violence Courts and the Probation Services or are self-referred.



Currently we have 20 trained Assessors/Facilitators and we are still training more. We have 18 group programmes and several orientation groups being delivered each week. We also have a Samoan, Tongan, Hindi/Punjabi and a young men's group. Our Facilitators also do one-on-one sessions if the client meets the required criteria.

On a weekly basis for the period starting from 07th April 2017 through to 06th October 2017 (26 weeks) we have averaged 294 men, who would have been involved at some stage within our LWVP. For the same weekly period 144 MoJ men and 37 DoC men were actively engaged in either group or in one-on-one sessions.

A couple of comments and feedback that came back from the men:

During a final round for the night at a LWVP group session, when asked *"What are you going to do after the group tonight?"*, a man new to the group disclosed that he was going home to give his wife a hug after watching a DVD on women sharing their experiences of living with partners who were violent to them.

One client completing the programme shared that his plans for the future was to return to his Pacific Island place of birth and assist in developing awareness of domestic violence in the population that were at risk.

"I just want to thank Friendship House for the Programme, I also want to thank the Facilitators for their good work"

"My partner and I will talk about things now and both of us must agree and be happy about the decision"

We are hoping to introduce the Client Record Management System called Exess and with the new database it will help us to record and report our outcomes, help identify gaps and to help with analysing our data better.

We look forward to serving our community for another year and to see the changes that our organisation can contribute to our whanau whanui.

No reira, tena koutou katoa

Wiremu Walmsley
Operations Manager

Individual and Whanau Support

This has been a busy year for the social practice team. It started with us having to farewell Leonila Melendrez, Social Practice Manager in February. She decided that she needed to take on some new challenges, we wish her well on her new venture.



We welcomed four student placements; two Social work students from Te Wananga O Aotearoa who were in the final stages of completing their diploma in social work, one student from Auckland university studying towards her master's degree in counselling and another from Bethlehem tertiary institute who is in her second year of her Bachelor's degree in

counselling. We know that they have taken on some new learnings and will be an asset to which ever community they return to. We would like to thank the different Tertiary Institutes for allowing Friendship House to be a part of their training.

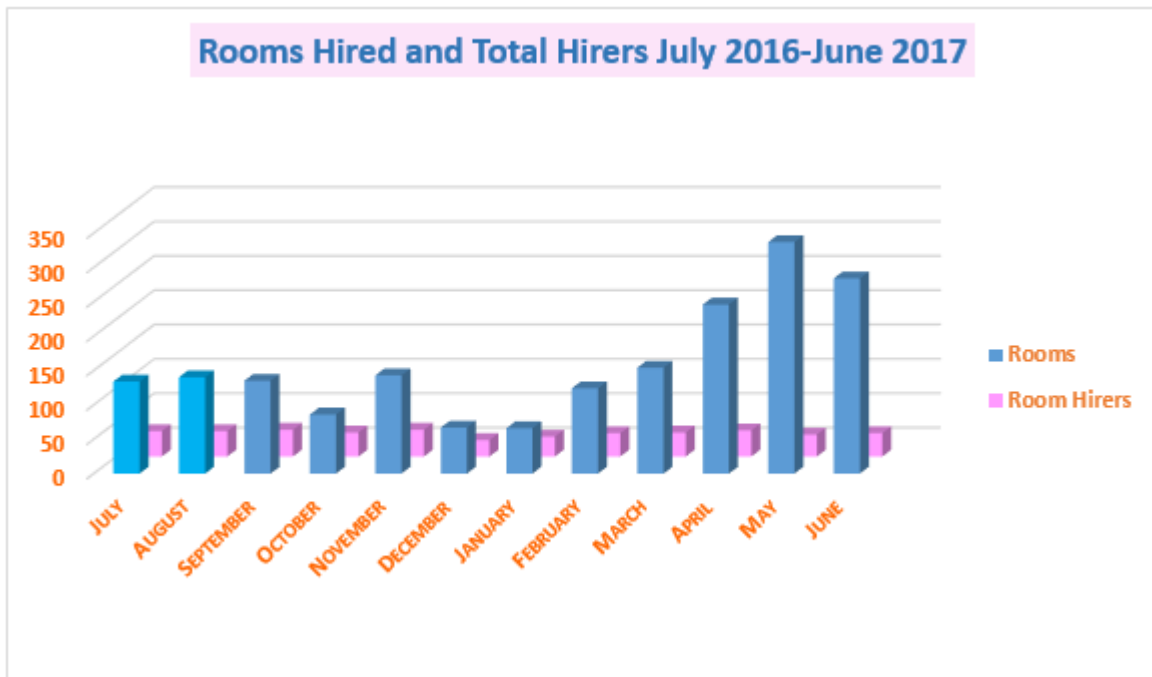
In July we employed a new counsellor Karen Craggs to help manage the increase in counselling referrals. We have supported over 600 customers and demand for our social work and counselling service was especially high during the autumn/winter period. At one stage we had over 30 customers on our waiting list. Many of the presenting issues for counselling and social work included domestic violence, assistance with accommodation, relationship problems, alcohol and drug addictions, depression and anxiety, some of these issues were impacting their children.

Our Social practice staff members are working collaboratively with other providers in the community and are continually networking to increase their knowledge of resources available in the community so our customers are able to access and get the support that they require for the best possible outcomes. Ongoing training for the Social practice team has also continued and is specific to our main customer group. The counsellor and social worker have both attended recent trainings for suicide prevention, family therapy and a working together for vulnerable kids workshop provided by Oranga Tamariki.

Friendship House is currently working towards a Results outcome measurement model, to support the Ministry for vulnerable children Oranga Tamariki funding requirements. Outcomes for all clients will have more accurate measurements to determine results, these include specific achievements that are measurable. Data will be collected for each client outcome by way of meeting 80% of their goals. Feedback from our customers have been positive and many have referred family and friends to our service.

Nga mihi nui
Vicki Southon
Counsellor

Room Hires



Staff Snippets

As a counselling student it has been a wonderful experience to participate in my placement at House. All the staff here have been warm, friendly and very helpful. As part of my placement I have been working with clients as a counsellor, which has been an absolute honour and privilege to support the beautiful people in our community with positive outcomes.



Melissa Paschke
Student Counsellor

Over the past year the Community seeking Information, Assistance and general guidance has increased.



Our staff have increased our knowledge of local services and promote information, upcoming events and activities in the area. We continue to update our own brochures for sought after services like Budgeting, Legal and Citizen Advice Beureaus and Emergency Accommodation lists

We continue to run our City Centre Network meetings Bi Monthly . Our network list of agencies in the Manukau area has increased to 96 strong. We are always updating our invite list to include people who have heard about us from word of mouth. It is wonderful to gather and share our news and resources. We believe it also takes a Community to raise a Community.

The Justice of the Peace Service

We continue to supply a Justice of the Peace Service desk. Volunteers are rostered on Monday, Wednesday and Friday from 10.00am to 1.00pm. During the 2016-2017 period the Justice of the Peace service helped 3182.

Room Hire

Our continuing support from our Room hirer's has forged some wonderful friendships and network opportunities. We are very grateful for the support of our regular Room Hirer's over the years. We continue to make Friendship House a warm inviting haven for all. As funding changes for all sectors we have farwelled some hirers and welcomed others.

Community Peer support groups	Individual Counsellors	Solomon groups Training Institute
Chinese New Settlers	Triple P Parenting	Health consumer and other consumer groups.
Procure Life Management Program	Compost Collective	Panukau Development
NGO providers and NGO Network groups	Deaf Aotearoa Holdings	Al-Anon Family Support groups
Narcotics Anonymous	Oranga Tamariki supervised visits	Open Polytechnic

Refugees as Survivors NZ	Healthcare NZ. Explore Specialist Services	Associaition of Social Workers
Real Estate Coaching	Moari Trust AGMS	Laukaemia Support Groups

Public Awareness Days

Through out the year Friendship House has continued to raise public awareness of special purpose Charities and Variuos Foundations. These included:

- White Ribbon
- Cancer Sociaety Daffodil day
- Anzac day
- NZ Sign Language Week
- Aged Concern Week
- Moari Language Week
- Epilepsy NZ Day
- Matariki
- Shine Orange day Domestic Violence
- Family Start Fathers day celebration





Moari Wardens Support desk

It has been a pleasure to have The Moari wardens at Friendship House lending their support and supporting our Community

My Thoughts:

It has been a privilege for me to continue to carry out the meaningful work that I do. I have met some wonderful people who have either worked for Friendship House dating back to the 70s to the many Visitor's, regulars and networks I have engaged with. We continue to build on the Mission that so many of them started 41 years ago.

I am humbled by the many stories and life lessons the Community has shared with me. Which in turn makes me a better person. I believe this is why Friendship House still exists today. It is our people and our Community. We have lost two visitors from the House this year. Lorraine France a regular visitor to the House for over 30 years and Vai Sinclair. These ladies have now gained their angel wings and will be missed.

I am blessed to be a part of the renovations to the Community Centre, Offices, and café. 5 Years of fundraising in the making. We are blessed to have such wonderful supporters in our Funders and Fundraising team.

Serena Murdoch
Community Centre coordinator

The Friendship House Trust

Performance Report

For the year ended 30 June 2017



Friendship House
He Whare Tangata

The Friendship House Trust
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For the year ended 30 June 2017

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The Friendship House Trust

Entity information

For the year ended 30 June 2017

Legal name	The Friendship House Trust. The Trust was created by the Constitution of The Friendship House Trust dated 18 August 2006.
Type of entity	The Friendship House Trust is a registered charity.
Charitable registered number	CC21243
Purpose	<p>The purposes of the Trust are as follows.</p> <ul style="list-style-type: none">a) <i>Vision</i> - Restoring hope through the aroha of Christ.b) <i>Mission</i> - Friendship House He Whare Tangata; Empowering positive change.c) <i>Values</i> - Aroha * Compassion * Generosity * Hospitality
Entity structure	<p>The Friendship House Trust Deed requires that five trustees be appointed by the founding churches: Anglican, Methodist, Presbyterian, Roman Catholic and Salvation Army and that three independent trustees may also be appointed. There are currently eight trustees on the governance board, three of whom are independent.</p>
Main sources of income	<p>The Friendship House Trust's main sources of income are as follows.</p> <ul style="list-style-type: none">a) Government contracts for services provided in support of women and families and to address domestic violence.b) Auckland Council contract for the provision of information services and in support of a wide range of community organisations.c) Room hire to individuals and other non-government organisations. <p>A number of small to large charitable trusts provide an important source of income, which assists in meeting the administrative costs of the organisation and enables Friendship House to provide services for which there is no contract funding.</p>

Operations

Operations are managed by a team led by the Chief Executive and comprising the Business Manager, Programme Manager and Social Practice Manager. Paid employees total 16. In addition to the employed staff, Friendship House contracts 18 trained and appropriately experienced course facilitators to run the Living Without Violence programmes. Many of these contractors have worked with Friendship House for up to 18 years. The facilitators reflect the range of ethnicities participating in the programmes, e.g. Maori, Samoan, Tongan and New Zealand European. Programmes are run in English, Tongan and Samoan languages, so that participants can benefit from authentic and effective communication. Friendship House has Te Reo Maori and Hindi language speakers who facilitate courses for men from these communities, in Te Reo and Hindi, where appropriate. Facilitators are provided with ongoing training and supervision, to ensure both best practice and clinical safety.

Fundraising methods

Friendship House is not currently engaged in fund raising activities other than by contracts and grants, but more diverse fundraising is planned for the future. Donations are welcomed but not actively sought.

Reliance on volunteers and donated goods and services

Friendship House does not currently engage volunteers, as the services provided are in professionally specialised work which requires trained and registered practitioners. No goods and services are received as recompense for work carried out by Friendship House. However persons who receive services from Friendship House for which they are unable to pay, are encouraged to 'pay back' in their own ways with service to their families and communities.

Physical address

20 Putney Way, Manukau, Auckland 2104

Postal address

PO Box 76-140 Manukau, 2241

Phone

09-262-2322

Email

info@friendshiphouse.org.nz

Website

www.friendshiphouse.org.nz

Auditor

Hudson Kasper
Manukau City

Bankers

ANZ Bank New Zealand Limited
Manukau City

The Friendship House Trust

Statement of service performance

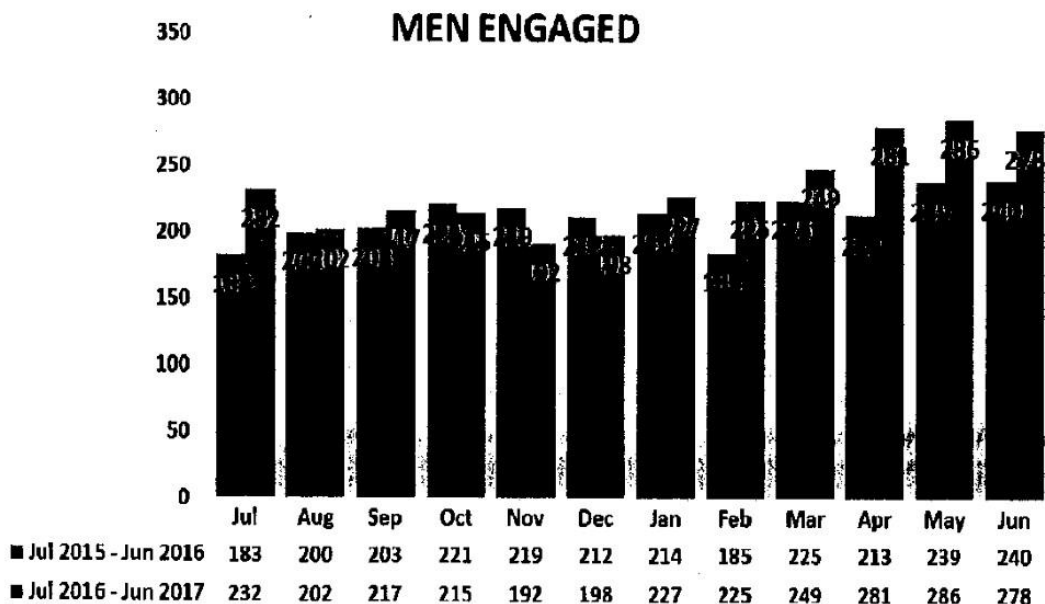
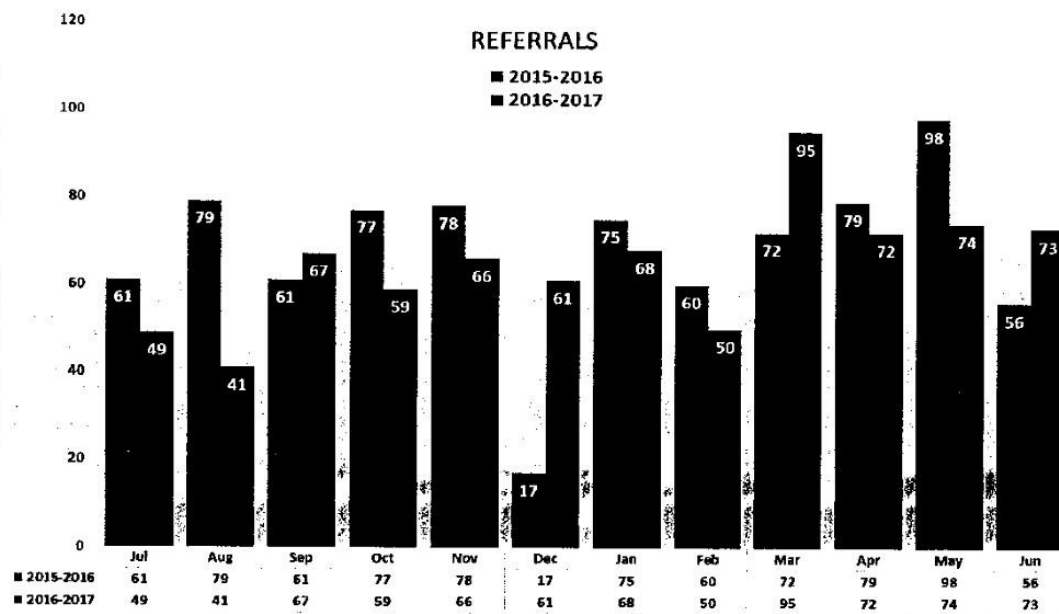
For the year ended 30 June 2017

Prime activity

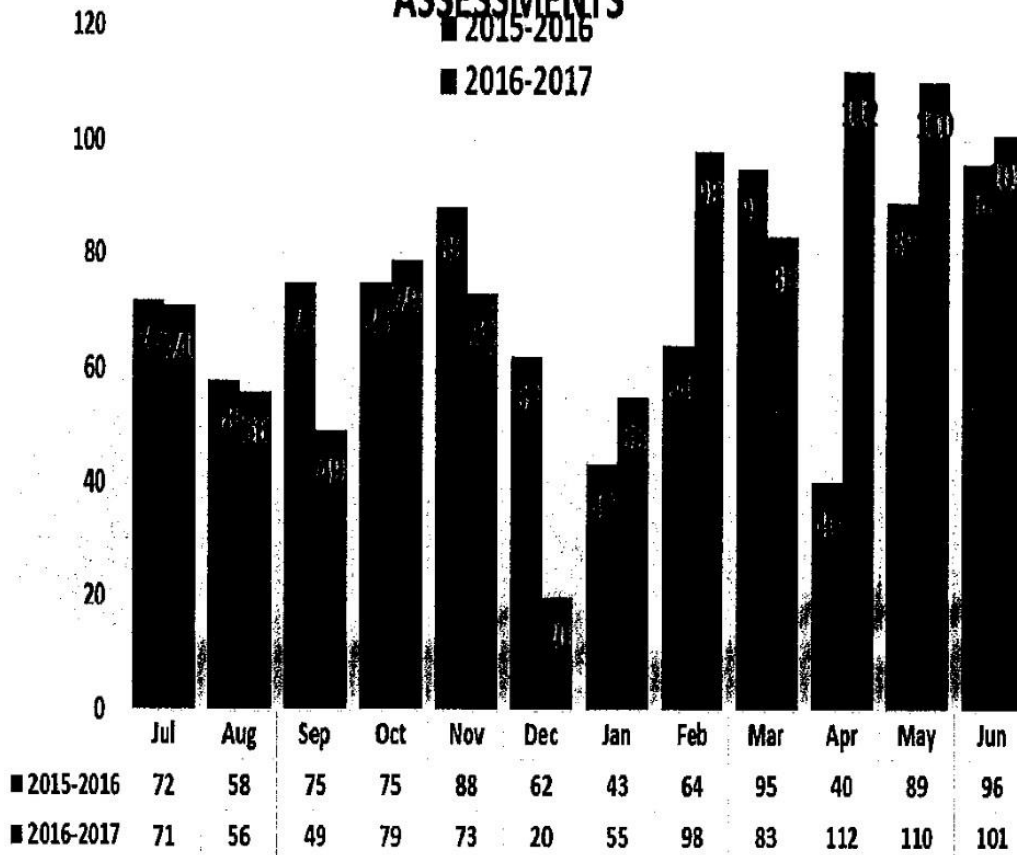
- A. Providing Living Without Violence programmes
- B. Individual and family support
- C. Room hires

Outputs

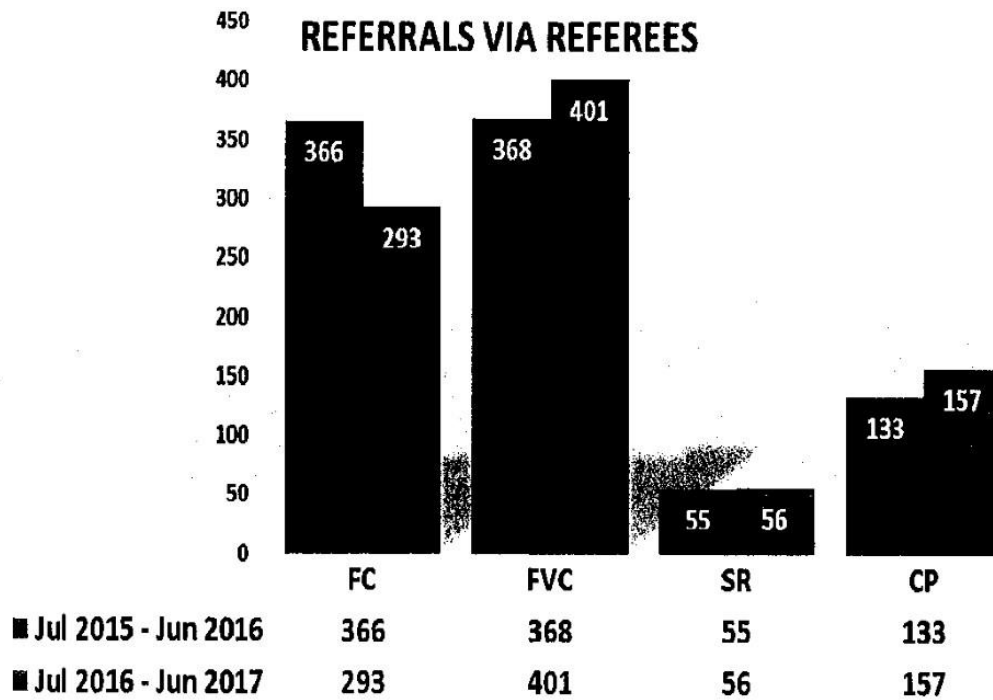
A. Living Without Violence programmes



ASSESSMENTS

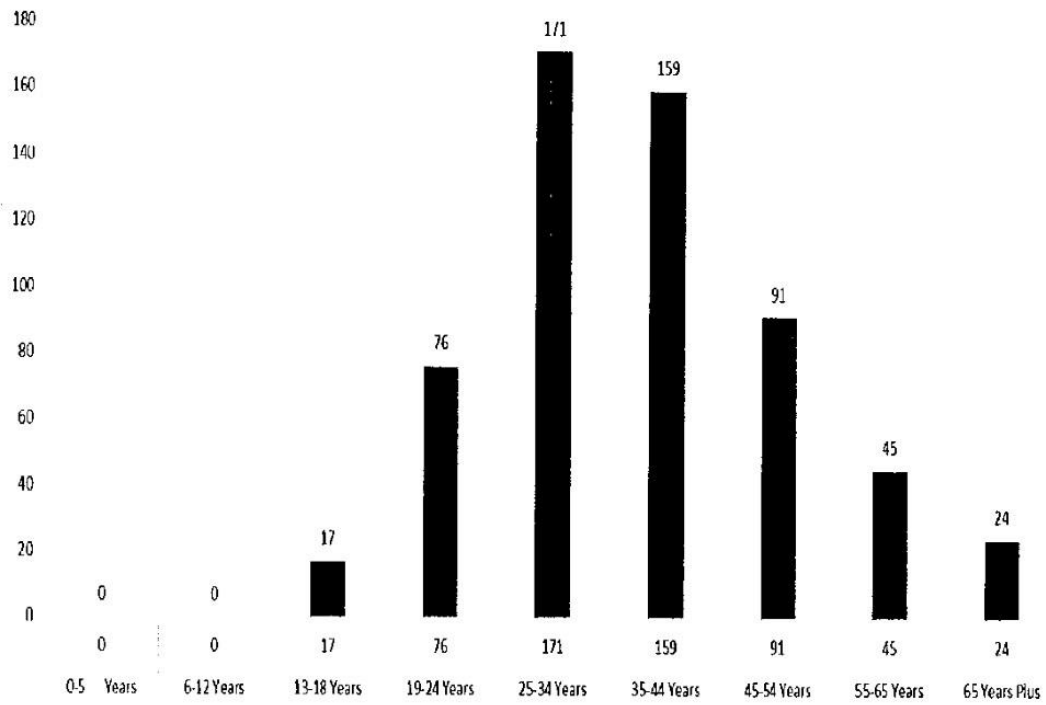


REFERRALS VIA REFEREES

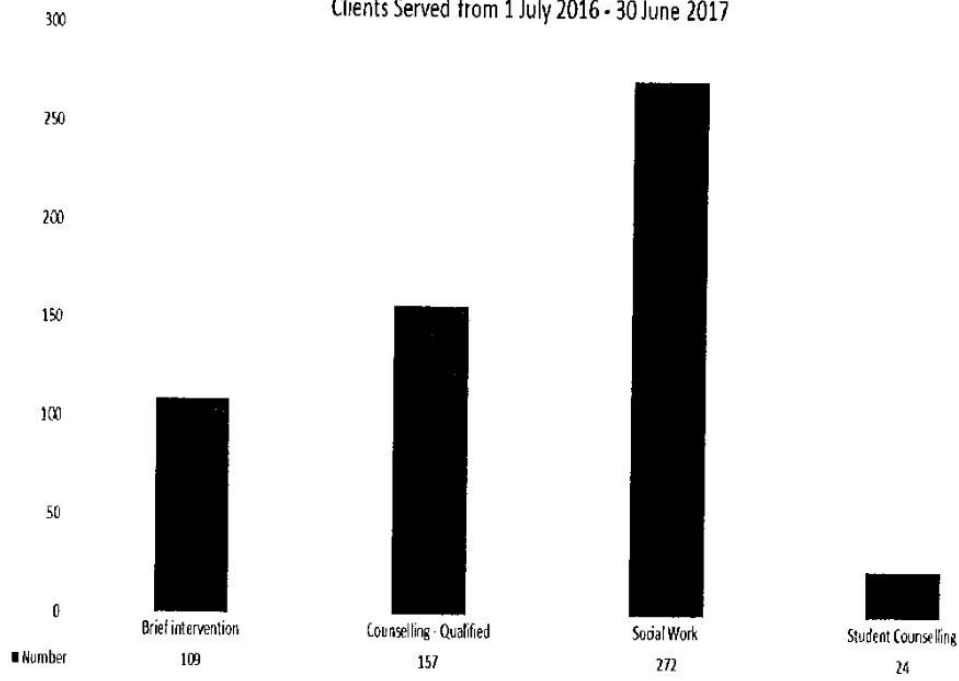


B. Individual and family support

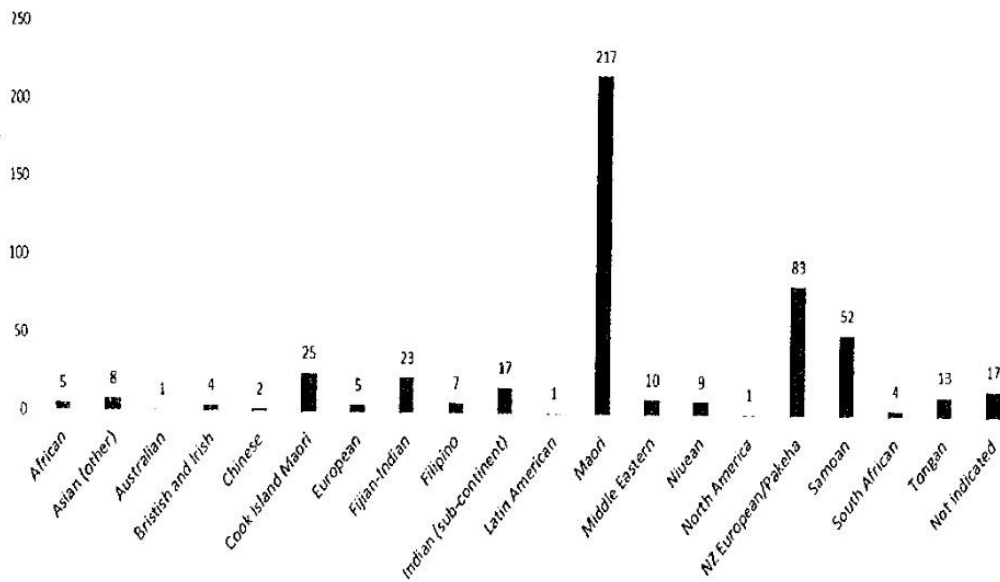
AGE OF CLIENTS
Served from 1 July 2016 - 30 June 2017



SERVICES ACCESSED
 Clients Served from 1 July 2016 - 30 June 2017

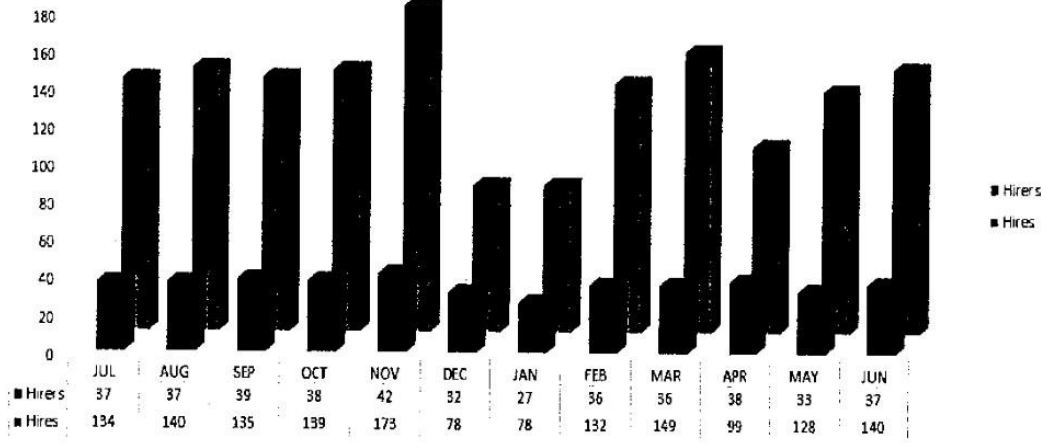


Ethnicity
 Clients Served from 1 July 2016 - 30 June 2017



C. Room hires

Room Hirers and Total Hires 2016-2017



The Friendship House Trust
Statement of financial performance
For the year ended 30 June 2017

	2017	2016
Note	\$	\$
Revenues		
Donations, fundraising and other similar receipts	4 331,775	413,359
Fees, subscriptions and other revenue from members	-	-
Revenue from providing goods and services	5 1,635,065	1,508,649
Interest, dividends and other investment income receipts	6 18,559	16,577
Other revenue	-	-
Total revenues	1,985,399	1,938,585
Expenses		
Expenses related to public fundraising	-	-
Volunteer and employee related costs	7 (969,692)	(958,542)
Costs related to providing goods and services	8 (891,476)	(806,280)
Grants and donations made	-	-
Other expenses	-	-
Total expenses	(1,861,168)	(1,764,822)
Net operating surplus for the year	124,231	173,763
Asset grants	177,908	186,085
Surplus for the year before transfers	302,139	359,848
Transfer to specified maintenance fund	(20,004)	(20,004)
Transfer to revenue reserves	-	(14,000)
Net surplus in general accumulated funds	282,135	325,844


The Friendship House Trust
Statement of changes in accumulated funds
For the year ended 30 June 2017

	Accumulated Trust Funds \$	Revenue Reserves \$	Specified Maintenance Fund \$	Total \$
Accumulated funds at start of year	437,767	14,000	86,878	538,645
Surplus for the year	302,139	-	-	302,139
Transfer to specified maintenance fund	(20,004)	-	20,004	-
Transfer to accumulated trust funds	14,000	(14,000)	-	-
Accumulated funds at end of year	<u>733,902</u>	<u>-</u>	<u>106,882</u>	<u>840,784</u>


**The Friendship House Trust
Statement of financial position
As at 30 June 2017**

	Note	2017 \$	2016 \$
Current assets			
Cash and cash equivalents	10	766,956	692,676
Receivables and prepayments		330,105	119,198
Total current assets		<u>1,097,061</u>	<u>811,874</u>
Less current liabilities			
Payables and accruals		290,811	140,641
Holiday accrual		37,172	31,568
Grants received in advance		199,256	290,804
Government funding		118,269	34,640
		<u>645,508</u>	<u>497,653</u>
Working capital		451,553	314,221
Non-current assets			
Property, plant and equipment.	11	389,231	224,424
Net assets		<u>840,784</u>	<u>538,645</u>
Accumulated funds			
Accumulated surpluses		733,902	451,767
Specified maintenance fund		106,882	86,878
Total accumulated funds		<u>840,784</u>	<u>538,645</u>

For and on behalf of the Trustees:



 Chairperson
 Dated: 14.12.17



 Trustee
 Dated: 14.12.17

The Friendship House Trust
Statement of cash flows
For the year ended 30 June 2017

	2017	2016
Note	\$	\$
Cash flows from operating activities		
Cash was received from:		
Donations, fundraising and other similar receipts	501,764	598,909
Receipts from providing goods or services	1,408,877	1,502,478
Interest, dividends and other investment receipts	18,559	16,577
	1,929,200	2,117,964
Cash was applied to:		
Payments to suppliers and employees	(1,671,933)	(1,686,277)
Donations or grants paid	-	-
	(1,671,933)	(1,686,277)
Net cash available from operating activities	257,267	431,687
Cash flows from investing activities		
Cash was applied to:		
Purchase of property, plant and equipment	(182,987)	(200,753)
Net cash increase (decrease) in cash held	74,280	230,934
Add cash and cash equivalents brought forward	692,676	461,742
Ending cash and cash equivalents carried forward	766,956	692,676

The Friendship House Trust

Notes to and forming part of the performance report

For the year ended 30 June 2017

1 Reporting entity

The Friendship House Trust (the Trust) is a discretionary trust under the Trustee Act 1956 which was established by the Constitution of The Friendship House Trust on 18 August 2006. The Trust was registered as a charitable trust (number CC 21243) on 30 June 2010 and is registered with Charities Services. The Trust operates solely within New Zealand.

2 Basis of preparation

The Trust has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting - Accrual (Public Sector), Tier 3, on the basis that it does not have public accountability and has total annual expenses of 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.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar.

Historical cost

These financial statements have been prepared on a historical cost basis, except for certain assets which have been revalued as identified in the specific accounting policies below.

Changes in accounting policies

There have been no changes in accounting policies during the year under review.

3 Specific accounting policies

a) Revenue from services

Revenue from services is recognised when earned and is reported in the period to which it relates.

b) Interest received

Interest received is recognised when credited to the appropriate loan or bank account. An accrual is made at balance date to bring into account interest earned but not received.

c) Expenditure

Grants are recognised as expenditure when approved by the Board of Trustees. Administration costs and costs related to providing goods and services are costs borne by the Trust.

d) Taxation

The Trust is registered as a charitable entity under the Charities Act 2005 and is exempt from income tax under the income tax legislation.

e) Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Deposits are included when they have a maturity of three months or less from the date of acquisition.

The Friendship House Trust

Notes to and forming part of the performance report

For the year ended 30 June 2017

f) Accounts receivable

Accounts receivable are stated at their estimated realisable value after providing against debts which are doubtful as to collection. Bad debts are written off during the period in which they are identified.

g) Prepayments

Prepayments are shown at their unexpired value at balance date.

h) Property, plant and equipment

Property, plant and equipment is recorded at cost less accumulated depreciation.

All purchased items of property, plant and equipment are initially recorded at cost and are depreciated as set out below. Initial cost includes the purchase consideration, or fair value in the case of donated assets, and those costs directly attributable to bringing the asset to the location and condition necessary for its intended use. Where an item of property, plant and equipment is disposed of, the gain or loss is recognised in the statement of financial performance is calculated as the difference between net sale price and the carrying amount of the asset.

Depreciation has been provided on all property, plant and equipment at rates supplied by Inland Revenue, which are considered a reasonable approximation of the useful lives of the assets. The Inland Revenue rates adopted are set out below.

Furniture and fittings	20% DV
Kitchen equipment	25% DV
Office equipment	25% DV
Buildings	2% SL

i) Liabilities

Liabilities are stated at the amount payable and include any other obligations that can be reliably estimated. Current liabilities are those liabilities that are payable within the next 12 months of these financial statements.

j) Employee entitlements

Employee entitlements to salaries and wages, annual leave, long service leave and other benefits are recognised when they accrue to employees.

k) Income in advance

Grants that provided for the provision of specific services or the purchase of property, plant and equipment which have not been provided or acquired at balance date are recognised as a current liability.

The Trust has received \$179,039 funding from the New Zealand Lottery Grants Board for stage two of the re-development of the ground floor of Friendship House. Any unused funds will be returned to the provider.

The Friendship House Trust

Notes to and forming part of the performance report

For the year ended 30 June 2017

l) Specified maintenance fund

At the end of each financial year a transfer is made from accumulated trust funds to the specified maintenance fund.

m) Accumulated trust funds

There was no corpus on settlement and accumulated funds are retained surpluses from the years of operation since the Trust was settled.

n) Operating leases

Operating lease payments, where the lessor effectively retains substantially all the risks and rewards of ownership of the leased items, are included in the determination of the net surplus in equal instalments over the lease term.

o) Comparative figures

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

	2017	2016
4 Donations, fundraising and other similar receipts	\$	\$
Donations and grants	205,931	275,859
Catholic Caring Foundation	10,000	15,000
Community Organisation Grants Scheme	4,170	7,500
Foundation North	41,674	50,000
Lottery Grants Board	60,000	55,000
The Friendship House Foundation	10,000	10,000
	<u>331,775</u>	<u>413,359</u>

Friendship House also received operational and capital Grants from a number of other supporters. These include the Anglican Diocese of Auckland; Blue Sky Community Trust; Crossroads Methodist Church; Dragon Community Trust Limited; Four Winds Foundation Limited; Hostel of the Holy Name; Kennerly Retail (Z Energy); Pub Charity Limited, SKYCITY Auckland Community Trust; The Charles Rupert Stead Trust; The Lion Foundation; The Lou and Iris Fisher Charitable Trust; The Southern Trust; Strathlathan Fund; Trillian Trust; and The Trusts Community Foundation.

The Friendship House Trust
Notes to and forming part of the performance report
For the year ended 30 June 2017

	2017	2016
5 Revenue from providing goods and services	\$	\$
Café sales	97,709	94,275
Client fees	1,351	4,410
Contracts for service - fixed	494,215	538,866
Contracts for service - variable	900,317	740,342
Rents and room hireage	80,880	84,991
Sundry income and reimbursements	60,593	45,765
	<u>1,635,065</u>	<u>1,508,649</u>
6 Interest, dividends and other investment income receipts	2017	2016
	\$	\$
Interest received	17,524	15,542
Dividends received	1,035	1,035
	<u>18,559</u>	<u>16,577</u>
	2017	2016
7 Volunteer and employee related costs	\$	\$
ACC levies	5,577	4,355
Dues and subscriptions	2,347	2,763
Kiwi saver employer contributions	22,234	22,787
Mileage and other transport costs	1,137	391
Recruitment	677	18,492
Registration fees	783	-
Staff costs - general	13,486	12,353
Staff development and IT training	6,564	6,257
Supervision costs	5,492	7,391
Wages and salaries	911,395	883,753
	<u>969,692</u>	<u>958,542</u>

The Friendship House Trust
Notes to and forming part of the performance report
For the year ended 30 June 2017

	2017	2016
8 Costs related to providing goods and services	\$	\$
The costs related to providing goods and services comprise direct expenses, administration costs and facility costs made up as follow.		

Direct expenses

Café expenses	44,036	45,992
Facilitator fees and meeting costs	385,246	316,479
Hospitality	1,936	2,594
Interpreters fees	-	6,060
Programme refreshments	34,237	34,432
Supervisors expenses	13,524	8,819
Venue hire	4,689	2,577
Total direct expenses	483,668	416,953

	2017	2016
<i>Administration expenses</i>	\$	\$
Advertising and marketing expenses	2,526	1,051
Audit fees	11,480	6,504
Bank fees	1,708	2,131
Client expenses	1,778	1,703
Computer expenses	36,355	21,210
Conferences	1,004	1,026
Consultancy costs	1,200	11,442
Contract staff costs	9,111	838
Employer superannuation contributions	4,957	3,641
Indemnity insurance	3,996	3,763
Photocopying and printing costs	8,579	8,074
Postage	802	556
Stationery	5,528	6,346
Sundry expenses	4,416	1,927
Telephone, internet and other communication costs	15,065	13,193
Volunteer costs	-	194
Other administration costs	48,312	59,500
Total administration expenses	156,817	143,099

The Friendship House Trust
Notes to and forming part of the performance report
For the year ended 30 June 2017

	2017	2016
Facility costs	\$	\$
Depreciation	18,180	31,971
Insurance	135	384
Office administration expenses	-	441
Office car parking expenses	14,494	9,241
Rent	146,796	146,800
Opex	64,946	49,756
Repairs and maintenance	6,440	7,635
Total facility costs	<u>250,991</u>	<u>246,228</u>
Total costs related to providing goods and services	<u>891,476</u>	<u>806,280</u>

	2017	2016
9 Asset grants	\$	\$
Capital funding provided by Lottery Grants Board	<u>177,908</u>	<u>186,085</u>

The Lottery Grants Board has provided a grant of \$177,908 for stage two of the ground level renovation project. Unused funds of \$1,131 are due to be returned to the Lottery Grants Board.

	2017	2016
10 Cash and cash equivalents	\$	\$
Cash at bank	108,010	65,204
Short-term deposits	658,946	627,472
Total	<u>766,956</u>	<u>692,676</u>

Deposits are included in cash and cash equivalents when they have a maturity of three months or less from the date of acquisition.

	Cost or Valuation	Accumulated Depreciation	Total Book Value
11 Property, plant and equipment			
As at 30 June 2017	\$	\$	\$
Leased buildings improvements	329,969	(5,682)	324,287
Furniture and fittings	178,700	(166,210)	12,490
Kitchen equipment	26,418	(26,418)	-
Office equipment	198,925	(146,471)	52,454
	<u>734,012</u>	<u>(344,781)</u>	<u>389,231</u>

The Board of Trustees have ensured that the fixed asset register has been reviewed for impairment. It is the Board's opinion that there has been no impairment losses in the current year. No property, plant and equipment is held under finance.

The Friendship House Trust
Notes to and forming part of the performance report
For the year ended 30 June 2017

	Cost or Valuation	Accumulated Depreciation	Total Book Value
Property, plant and equipment			
As at 30 June 2016	\$	\$	\$
Leased buildings improvements	186,085	(1,241)	184,844
Furniture and fittings	173,620	(159,924)	13,696
Kitchen equipment	26,418	(26,418)	-
Office equipment	164,901	(139,017)	25,884
	<u>551,024</u>	<u>(326,600)</u>	<u>224,424</u>

12 Related party transactions

During the year the Trust received a grant of \$10,000 from the Friendship House Foundation. Two of the trustees of the Trust are also trustees of the Friendship House Foundation.

No related party debts have been written off or forgiven during the year.

13 Capital and operating lease commitments

Capital commitments

The Trust had no capital commitments at balance date (2016: nil).

Operating lease commitments

At balance date the Trust had the operating lease commitments pertaining to the lease of its premises and its photocopier/printers. The commitments are summarised in the table below.

	2017	2016
	\$	\$
Within one year	170,464	98,676
Later than one year but not later than five years	153,083	-
	<u>323,547</u>	<u>98,676</u>

14 Contingencies

As at balance date the Trust had no contingent liabilities or assets (2016: nil).

15 Subsequent events

There have been no events subsequent to the balance date which require disclosure or adjustment to the financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Trustees of The Friendship House Trust

Opinion

We have audited the performance report of The Friendship House Trust on pages 1 to 18, which comprises entity information, the statement of service performance, the statement of financial performance, the statement of changes in accumulated funds and the statement of cash flows for the year ended 30 June 2017, the statement of financial position as at 30 June 2017, and the summary of significant accounting policies and other explanatory information.

In our opinion:

- (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 for the year ended 30 June 2017 on pages 1 to 18 gives a true and fair view of:
 - the entity information for the year then ended;
 - the service performance for the year then ended; and
 - the financial position of The Friendship House Trust as at 30 June 2017, and its financial performance, and cash flows for the year then ended

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

Basis for Opinion

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) ("ISAs (NZ)"), 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 The Friendship House Trust in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* 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 audit opinion.

Other than in our capacity as auditor, we have no relationship with, or interests in, The Friendship House Trust.

Trustees' Responsibility for the Performance Report

The trustees are responsible for:

- (α) 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;
- (β) 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 changes in equity, 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 trustees 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 trustees are responsible for assessing the trust'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 trustees either intend to liquidate the trust 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 trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trust'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 trust 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 trustees 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.

Restriction on Responsibility

This report is made solely to the trustees, as a body. Our audit work has been undertaken so that we might state to the trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Hudson Kasper

**Auckland
14 December 2017**