

Home and Family Counselling Incorporated
Financial Statements
For the year ended 31 March 2010



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For the year ended 31 March 2010

| | Page |
|--|-------------|
| Directory | 1 |
| Statement of Financial Performance | 2 |
| Statement of Movements in General Funds | 3 |
| Statement of Financial Position | 4 |
| Notes | 5-9 |
| Auditor's Report | 10 |

Home and Family Counselling Incorporated
Financial Statements
For the year ended 31 March 2010

Directory

Mission Statement Home and Family Counselling is dedicated to promoting the well-being of all individuals, improving relationships and enhancing family life.

Vision Statement Our vision is that Home and Family Counselling is recognised within the Auckland Region as the leading provider of individuals, couples and family counselling and group work where no individual is denied access because of their financial status.

Organisation activities To raise funds, and to provide counselling and group programmes for individuals and families in Auckland

Address: 344 Mt Eden Road 2A Seaview Ave
Mt Eden Northcote
Auckland 1024 North Shore 0627

Auditor: Carlton - DFK
Auckland

Bankers: ASB Auckland

Solicitors: Glaister Ennor
Penney Patel Law

Board: Sam Fairhall (Chair)
Ann Hargreaves (Vice Chair)
Ian Jagger (Treasurer)
Michael Perry (Minutes Secretary)
Michael Adams
Eric Allan
Edwina Pio
Carol White
Robin Yates

Home and Family Counselling Incorporated
Statement of Financial Performance
For The Year Ended 31 March 2010

| | Note | 2010 | 2009 |
|--|------|---------------|---------------|
| Income | | | |
| Client Donations | | 211,818 | 225,328 |
| Contract Counselling and Court Work | | 65,534 | 55,557 |
| Donations | 4 | 231,977 | 254,030 |
| Grants | 5 | 467,720 | 347,488 |
| Sundry Income | 6 | 16,729 | 22,360 |
| Total Operating Income | | 993,778 | 904,763 |
| Less Expenditure | | | |
| Audit Fee | | 1,810 | 3,500 |
| ACC Levies | | 4,230 | 2,639 |
| Advertising, Printing & Stationery | | 9,546 | 6,574 |
| Computer Expenses | | 9,514 | 3,051 |
| Depreciation | 10 | 12,684 | 12,190 |
| Fundraising | | 11,638 | 17,395 |
| Counselling Awareness Week | | - | 7,202 |
| Postage and Sundry Expenses | | 41,471 | 29,087 |
| Rates, Insurance and Electricity | | 12,077 | 12,851 |
| Rent | 8,11 | 100,000 | 36,879 |
| Repairs and Maintenance | | 7,312 | 7,560 |
| Staff Recruitment | | 901 | 1,287 |
| Telephones | | 7,903 | 10,231 |
| Training, Education, Supervision and Library | | 34,709 | 23,026 |
| Travel | | 2,132 | 846 |
| Wages and Salaries | | 709,674 | 671,795 |
| Total Expenditure | | 965,602 | 846,113 |
| Net Operating Surplus/(Deficit) | | 28,176 | 58,650 |

The accompanying notes and Auditors Report form an integral part of the financial statements.

**Home and Family Counselling Incorporated
Statement of Movements in General Funds
For The Year Ended 31 March 2010**

| | Notes | 2010 | 2009 |
|--|-------|----------------|----------------|
| General Funds as at 1 April 2009 | | 204,552 | 145,902 |
| Net Surplus/(Deficit) | | 28,176 | 58,650 |
| Total Recognised Revenues and Expenses | | 28,176 | 58,650 |
| Closing Balance of General Funds | | <u>232,728</u> | <u>204,552</u> |

The accompanying notes and Auditors Report form an integral part of the financial statements.


Home and Family Counselling Incorporated
Statement of Financial Position
As at 31 March 2010

| | Note | 2010 | 2009 |
|--|-------|---------------------------|---------------------------|
| General Funds | | | |
| Property Maintenance Provision | 7 | 6,000 | 6,000 |
| Retained earnings | 2 | <u>226,728</u> | <u>198,552</u> |
| Total General Funds | | <u><u>232,728</u></u> | <u><u>204,552</u></u> |
| <i>Represented by:</i> | | | |
| Current Assets | | | |
| Petty Cash | 14 | 130 | 130 |
| Cash and Deposits at Bank | 14 | 49,268 | 213,080 |
| Sundry Debtors and Accruals | 13 | 1,707 | 14,300 |
| Inventory on Hand at Valuation | | 500 | 500 |
| GST refundable (payable) | | 11,132 | (8,823) |
| Advance to Home & Family Trust Board | | 120,000 | 20,000 |
| Total Current Assets | | <u>182,737</u> | <u>239,187</u> |
| Current Liabilities | | | |
| Sundry Creditors | 12 | 47,226 | 54,456 |
| Unearned Income | | 115,113 | 85,702 |
| Total Current Liabilities | | <u>162,339</u> | <u>140,158</u> |
| Property, Plant and Equipment | 3 | 212,330 | 105,523 |
| Net Assets | | <u><u>232,728</u></u> | <u><u>204,552</u></u> |

Signed for and on behalf of the Society


 _____ Chairperson

2-8-2010


 _____ Hon. Treasurer

2-8-2010

The accompanying notes and Auditors Report form an integral part of the financial statements.

Home and Family Counselling Incorporated

Notes to the Financial Statements For the year ended 31 March 2010

1. Statement of Accounting Policies

The Home and Family Counselling Incorporated is a Society registered under the Incorporated Societies Act 1908. The financial statements of the Society are a general purpose report which has been prepared in accordance with generally accepted accounting practice.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis are followed by the Society.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of financial performance and financial position have been applied:

- Investments are stated at cost
- Property plant and equipment are recorded at cost less accumulated depreciation.
- Depreciation is provided on a diminishing value basis on all tangible fixed assets other than the freehold land, at rates calculated to allocate the assets cost less estimated residual value over their estimated lives. The depreciations rates used are:
 - i) Chattels 11.4% to 48%, depending on category
 - ii) Leasehold improvements 2% DV
- The financial statements have been prepared on a GST exclusive basis.
- The Society qualifies for differential reporting as it is not publicly accountable, and it is not large as defined in the Framework for Differential Reporting. The Society has taken full advantage of all differential reporting exemptions.
- Operating leases are those which all the risks and benefits are substantially retained by the lessor. Lease payments are expensed in the periods the amounts are payable.
- Inventories are valued by the Board at the lower of cost and net realisable value. Cost is determined on a first-in-first-out basis. Where necessary, the Board have provided for slow-moving and obsolete stock, in order to better reflect net realisable values.
- Grants and donations are recognised as operating revenue on a cash basis, unless specific conditions attach to a grant and repayment of the grant is required where these conditions are not met.
- Receivables are stated at their estimated realisable value.
- Income tax – The Society has charitable status and is exempt from income tax.

Changes in Accounting Policy

There have been no material changes in accounting policies. All policies have been applied on a basis consistent with those in previous years.

Home and Family Counselling Incorporated

**Notes to the Financial Statements
For the year ended 31 March 2010**

| 2. Retained Earnings | 2010 | 2009 |
|-----------------------------|----------------|----------------|
| General Reserve | | |
| Opening Balance | 198,552 | 139,902 |
| Net Surplus/(Deficit) | 28,176 | 58,650 |
| | <u>226,728</u> | <u>198,552</u> |

3. Property, Plant and Equipment

| | 2010 | | Net Book Value |
|------------------------|----------------|---------------------------------|-----------------------|
| | Cost | Accumulated Depreciation | |
| Leasehold Improvements | 180,372 | 10,116 | 170,256 |
| Chattels | 158,440 | 116,367 | 42,074 |
| | <u>338,812</u> | <u>126,482</u> | <u>212,330</u> |

| | 2009 | | Net Book Value |
|------------------------|----------------|---------------------------------|-----------------------|
| | Cost | Accumulated Depreciation | |
| Leasehold Improvements | 86,650 | 6,508 | 80,142 |
| Chattels | 132,671 | 107,290 | 25,381 |
| | <u>219,321</u> | <u>113,798</u> | <u>105,523</u> |

4. Donations

| | 2010 | 2009 |
|---------------------|----------------|----------------|
| Charitable Trusts | 95,940 | 87,206 |
| Other | 33,766 | 50,181 |
| ASB Community Trust | 30,800 | 52,500 |
| Fundraising Events | 71,471 | 64,143 |
| | <u>231,977</u> | <u>254,030</u> |

Home and Family Counselling Incorporated

Notes to the Financial Statements For the year ended 31 March 2010

| 5. Grants | 2010 | 2009 |
|---------------------|----------------|----------------|
| New Zealand Lottery | 37,087 | 32,083 |
| CYFS | 413,838 | 300,155 |
| COGS | 16,795 | 15,250 |
| | <u>467,720</u> | <u>347,488</u> |

| 6. Sundry Income | 2010 | 2009 |
|-------------------------|---------------|---------------|
| Subscriptions | 1,040 | 996 |
| Interest Received | 9,646 | 10,966 |
| Room Hire | 460 | 785 |
| Other | (2,268) | 905 |
| Supervision | 7,850 | 8,708 |
| | <u>16,729</u> | <u>22,360</u> |

7. Property Management

The property maintenance reserve has been set aside as set out in the lease agreement.

8. Related Party

During the year the Society rented their premises from the Home and Family Trust Board, no debts have been written off or forgiven during the year. 2010: 100,000 (2009: 20,000)

9. Commitments and Contingencies

There are no material commitments and contingencies as at 31 March 2010 (2009 Nil).

| 10. Depreciation | 2010 | 2009 |
|-------------------------|---------------|---------------|
| Chattels | 9,077 | 10,457 |
| Leasehold Improvements | 3,607 | 1,733 |
| | <u>12,684</u> | <u>12,190</u> |

Home and Family Counselling Incorporated

**Notes to the Financial Statements
For the year ended 31 March 2010**

11. Operating Lease Commitments

| Non-Cancellable Operating Leases | 2010 | 2009 |
|---|-------------|-------------|
| Up to one year | 62,500 | 31,299 |
| More than One Year | 350,000 | 260,000 |

12. Trade Creditors

| | 2010 | 2009 |
|-----------------|---------------|---------------|
| Trade creditors | 30,066 | 28,449 |
| Payroll | | 10,365 |
| PAYE | 17,160 | 15,642 |
| | <u>47,226</u> | <u>54,456</u> |

13. Sundry Debtors and Accruals

| | 2010 | 2009 |
|----------------------|--------------|---------------|
| Other debtors | 1,387 | 3,770 |
| Department of Courts | 320 | 10,450 |
| CYFS | - | 80 |
| Rent | - | - |
| | <u>1,707</u> | <u>14,300</u> |

14. Statement of Uncommitted Funds

| | 2010 | 2009 |
|------------------------------------|---------------|----------------|
| Funds held: | | |
| Cash | 130 | 130 |
| Bank Accounts | 49,268 | 38,750 |
| Term Deposits | - | 174,330 |
| | <u>49,398</u> | <u>213,210</u> |
| To meet the following commitments: | | |
| Current liabilities | 47,226 | 54,456 |
| | <u>47,226</u> | <u>54,456</u> |
| Leaving under-committed funds | <u>2,172</u> | <u>158,754</u> |

15. Financial Instruments

Credit Risk

Financial instruments which potentially subject the society to credit risk principally consist of bank balances, accounts receivable and investments.

Maximum exposures to credit risk as at balance date are:

| | 2010 | 2009 |
|-----------------------------|---------------|----------------|
| Bank Accounts | 49,268 | 38,750 |
| Sundry Debtors and Accruals | 1,707 | 14,300 |
| Term Deposits | - | 174,330 |
| | <u>50,975</u> | <u>227,380</u> |

No collateral is held on the above amounts.

Home and Family Counselling Incorporated

Notes to the Financial Statements For the year ended 31 March 2010

Concentrations of Credit Risk

The Society is not exposed to any concentrations of credit risk.

Credit Facilities

The Society does not have a bank overdraft facility.

Interest Rate Risk

The Society is exposed to interest rate risk in that the future interest rate movements will affect the returns earned, cash flows, and the market value of all financial instruments.

Fair values

The carrying amount of bank balances, accounts receivable, investments, and accounts payable, is the fair value for each of these classes of financial instrument.

16. Segment Reporting

The Society has only one activity as a non-profit organisation for the provision of social services. All operations are carried out within New Zealand.

17. Events Subsequent to Balance Date

No material events have occurred between 31 March 2010, and the date on which the Statement of Position was signed.

AUDITOR'S REPORT

TO THE MEMBERS OF HOME AND FAMILY COUNSELLING INCORPORATED

We have audited the financial report on pages 2 to 9. The financial report provides information about the past financial performance of the Home and Family Counselling Incorporated and its financial position as at 31 March 2010. This information is stated in accordance with the accounting policies set out on page 5.

EXECUTIVE COMMITTEE'S RESPONSIBILITIES

The Executive Committee is responsible for the preparation of a financial report which fairly reflects the financial position of the Home and Family Counselling Incorporated as at 31 March 2010 and the results of its operations for the year ended on that date.

AUDITOR'S RESPONSIBILITIES

It is our responsibility to express an independent opinion on the financial report presented by the Executive Committee and report our opinion to you.

BASIS OF OPINION

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial report. It also includes assessing:

- the significant estimates and judgments made by the Executive Committee in the preparation of the financial report, and
- whether the accounting policies are appropriate to the Home and Family Counselling Incorporated's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards except that our work was limited as explained below. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial report is free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial report.

Other than in our capacity as auditors, we have no relationship with, or interests in, the Home and Family Counselling Incorporated.

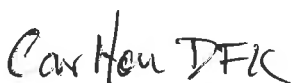
QUALIFIED OPINION

In common with other organisations of a similar type, control over donation income is limited and there are no practical audit procedures to determine the effects of this limited control.

In this respect alone, we have not obtained all the information and explanations that we have required.

In our opinion, subject to the limited control, the financial statements fairly reflect the position of the Society as at 31 March 2010 and the results of its operations for the year ended on that date.

Our audit report was completed on 19 July 2010 and our qualified opinion is expressed as at that date.



CARLTON-DFK

AUCKLAND