

Value Our Children

Cholmondeley Annual Report 2012



Cholmondeley
Value Our Children

President's Report

To say the 12 months of the last financial year at Cholmondeley have been anything other than busy, enjoyable, crucial or future defining would be an understatement because there is no doubt they have been all of that and more.

The earthquakes, while shattering and damaging, have given Cholmondeley a massive opportunity to define its future and it is for this reason we just have to get it right.

The Board, including new members Margaret Reeve and Justine Whitaker (previously co-opted) joined by Tania King who was co-opted to cover Finance after I moved to President, has been tireless in its commitment to the issues facing Cholmondeley. I thank each and every one of the Board for their efforts over these last twelve months, it has been a pleasure to be associated with you all.

At the same time our staff and management have done a sterling job under difficult circumstances at Living Springs, our temporary home. We are indebted to Living Springs for continuing to make the facility available to us, and to the Dublin Street Trust for their financial support of the costs of operating there. Above all, I can't say enough about the efforts of the staff, including our International Volunteers, in providing Cholmondeley's services to an incredibly high level under trying circumstances at our temporary home. Thank you to you all.

These too though are the reasons why we must move quickly, but with considerable care and diligence, to complete the rebuild of the home. We have set ourselves a target of Sept/Oct 2014 to be back on site in Cholmondeley Lane. Ambitious? Yes. Achievable? Quite definitely.

We are well advanced with the concept plans all but completed, and the necessary consultation with the neighbours and other requirements for the Resource Consent application are being finalized. At the same time we are about to move to the drawing of the full plans for the building, and have a sub committee working diligently under the guidance of Sarah Barrer to raise the up to \$4m in funds required to complete the rebuild. We aim to be in a position where we have let the tenders by the end of this calendar year with construction itself commencing either immediately before or after Christmas 2013.

We were delighted to finalise the claim settlement with our insurers on the original home during the year and are very satisfied with the outcome. My thanks in particular to Glenn Jones and Shane Murdoch, along with Arrow International for their work in respect of this piece of the rebuild puzzle.

Financially we have had a good year, and the Board is pleased to be able to report a surplus before extraordinary transactions of \$24,000, compared to a budgeted surplus of \$40,000. This year we did not have to dip in to our investments at all, the first time that has happened for many years. My thanks go to Tania King for the huge effort she has put in around the Finances since she joined the Board.

Our fundraising team have excelled again in raising in excess of \$1.2m in a changing and difficult funding environment for the year, a quite extraordinary effort given everything that is going on in Christchurch at present. My thanks go to Sarah, Sarah and Shelley for their commitment to achieving this target.

At the same time I would like to acknowledge all those who have contributed financially to Cholmondeley over the last year. Quite simply without you we would not survive. Our funding comes from a number of different sources and we value them all. A perfect illustration of the support we receive from around the country was the donation of \$120,000 from the Flight of the Concorde concert that was held in Christchurch.

Looking forward we need to be very cognizant of a future likely to see different agencies working closely and collaboratively together. We have been aware of this and have been putting the building blocks in place to position ourselves to take advantage of this as part of our strategic future.

During the year the Board had a review undertaken of the way in which we deliver education services within Cholmondeley, and in particular how our new Activity Based Learning programme fits in to how education will be delivered within our new facility. This is likely to be completed early in the first part of the new financial year.

In addition the Board and Management have considered the name of the organization and will be recommending to the Society members that the organization be known as Cholmondeley Children's Centre Inc. as we move into the future. The recommendation has not been made lightly, however, it recognises the need to position Cholmondeley such that it can adapt to a fast changing sector environment or risk being left behind.

Finally, I would like to acknowledge the contribution of two long serving supporters who will be acknowledged at the Annual Meeting. Marion Judge who has worked at Cholmondeley, been on our Board and also filled the role of Patron ends her current association with the Society. She has given outstanding service and commitment over many years, and in recognition will be nominated as a Life Member at the AGM.

Sir Kerry Burke retires from the Board to assume the role of Patron, thus ending many years of service in that role, the last three years of which were as President. Thank you Sir Kerry for your contribution and we are pleased that you have agreed to continue your association through accepting the role of Patron.

2012 has been busy, but enjoyable and we have continued to make progress. 2013 will be no different. We are in a period of change at Cholmondeley, a process which began with our restructure over two years ago, which has been added to by the effects of the earthquakes and which will continue in the year ahead. To ensure we get it right we must continue the excellent work that is already being done in many quarters so in late 2014 we achieve our dream.

Thank you one and all for your support and I look forward to it continuing in the future.

Kerry Dellaca
President

General Manager's Report

Tena Koutou Katoa

While 2012 was certainly less eventful than the previous year, it remains clear that the organisation continues to work within a community severely affected by the earthquakes, with subsequent stressors and distress occurring within families. One of the biggest indicators of this has been the number of children coming to Cholmondeley for the first time. Out of a total of 265 children coming to Cholmondeley in 2012, a remarkable 139 (52%) had not experienced Cholmondeley before. This also reflects a 36% increase in the number of new children in comparison to 2011 and 2010, another indication of our continued recovery and development.

Significantly and almost invariably, all new children came for further stays as a result of that first contact. As a result, those 265 children came for a total of 903 stays of between 3-5 days throughout the year.

While word of mouth appears to have had a significant influence, another factor in the increase has been a concerted effort to publicise the services that Cholmondeley can offer, increase awareness and demystify what and how the organisation can help children and families. This has had a positive impact, particularly amongst third party referrers and is something we will continue to do into the foreseeable future.

As the President alludes to in his report, Cholmondeley is operating in a sector and funding environment that is rapidly evolving, with significant reforms to how organisations are funded, being implemented over the next several years.

One of the key aspects of these changes is a shift in measuring an organisation's success from one of outputs ("how much did it do?") to one of outcomes ("did it do any good?")

While these changes are only now occurring the Cholmondeley Board identified in its 2011 Strategic Plan the need to begin developing a framework to identify those outcomes and reliably capture on-going data from those who use the service to measure the impact it is having.

Critical to the development of this framework has been an evaluation of Cholmondeley conducted by an external research company which was referred to in the 2011 annual report. The completion of this large project has been delayed and is now scheduled to be completed in mid-2013. The results of the evaluation will provide Cholmondeley with a baseline of outcome data that will form the foundation of a framework that will continue to gather both qualitative and quantitative information from children, their families and other key stakeholders in an on-going way.

At an operational level Cholmondeley implemented a more rigorous feedback system in 2012, regularly surveying children and families on their experiences with Cholmondeley and the impact their stay has had. Although still in its infancy the results of this feedback is very encouraging. With the evaluation completed the feedback process will be adjusted to build a more comprehensive evidence base, providing a strong case for on-going support and valuable information that will ensure we operate our services according to the needs of those we serve.

Both of these points, along with a desire and ability to work in partnership and collaborate with other organisations are critical to Cholmondeley's on-going sustainability.

Operationally Cholmondeley's care services remain relocated to Living Springs. Despite significant challenges our operational systems and personnel have remained relatively stable. This has been the key focus of the management team for the year. Work has continued on creating a greater level of integration between our care and education services with the key links being Cholmondeley's Philosophy of Care and the Activity Based Learning Programme, a key driver of the Board's review of Cholmondeley's education services referred to in the report of the President.

The end of 2012 saw a significant change in the management of Cholmondeley with Fundraising Manager, Sarah Barrer, moving on to fresh challenges in Wellington after four and a half years. As our financial reports indicate our fundraising team achieved a fantastic result in a very challenging environment once again and we are pleased that Sarah's association with Cholmondeley will continue through her work with the committee, led by Kerry Dellaca, developed to raise the capital fund required for the rebuild through 2013.

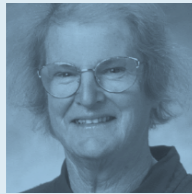
Crucially, those who tend to sit a little below the radar are our care and education staff; those who are interacting and working with the children on a daily basis. We have an extraordinary team of practitioners caring for and educating the children at Cholmondeley and my sincere thanks goes to them for the work they have done and are doing. They have bounced back from very trying circumstances; have taken on our Philosophy of Care and ABL programme with enthusiasm and passion and work together to create an amazingly positive and fun environment. The feedback from children and families confirms they are doing an excellent job and this needs to be acknowledged.

I also want to particularly thank the Cholmondeley Board for their support, advice and direction for the organisation during 2012. We continue to face numerous challenges over the next several years, not least to get the whole organisation back onto one site, but the leadership from the Board has been crucial to ensuring stability during the year. I am grateful for the countless volunteer hours they have collectively contributed to this organisation and look forward to our work continuing into 2013 and beyond.

Many, many people contribute to this organisation on an on-going basis at many different levels, and that support is critical to its ability to provide this service to this community. I simply want to say thank you for enabling us to do this. As all the data is showing, it is important work and that level of support is what makes Cholmondeley so extraordinary and unique.

Finally I want to thank the children who have attended Cholmondeley in 2012 and their families. It has been a very busy but fun and exciting year because of what you have brought to this place. Thank you for trusting us to give you a hand when you need one. *Nga mihi nui.*

Shane Murdoch
General Manager



Patron
Marion Judge



Board of Governance left to right
President - Kerry Dellaca
Vice President - Glenn Jones
Immediate Past President - Sir Kerry Burke



Board of Governance left to right
Nathan Mikaere-Wallis
Justine Whitaker
Nuk Korako
John Garside
David Johnstone
Gill Hay
Margaret Reeve
Tania King



Senior Management left to right
General Manager - Shane Murdoch
Care Services Manager - Edwina Poynton
Education Services Manager - Anney Collin
Sarah Barrer - Fundraising Manager.

Care & Education

Throughout this year our aim has been to cultivate an environment where we deliver a holistic education and care experience throughout the child's stay at Cholmondeley. In working towards this goal we have developed an integrated approach where the child's experiences of learning weave throughout their whole experience of Cholmondeley.

Professional Development training has taken place over the past year to ensure that the Cholmondeley education and care teams have a shared understanding of our philosophy of care, our vision statement, "Value our Children", and of our way of delivering a quality experience to the children and their families and whanau, where the child's psycho social and educational needs are met.

This approach has resulted in a team of adults who realise the importance of ensuring that the children develop relationships and connections and a sense of community that they can carry throughout their stay with us. We do this at the beginning and finish with a celebration of the children's learning. It is wonderful to see the children responding to the consistent and affirming way in which the adults interact with them, whether they are kayaking during an Adventure Based Learning activity, completing a piece of writing in the classroom, asking the administration staff for some milk to make scones or going swimming in the evenings. The adults are intentional in noticing and acknowledging the child's strengths and building on these.

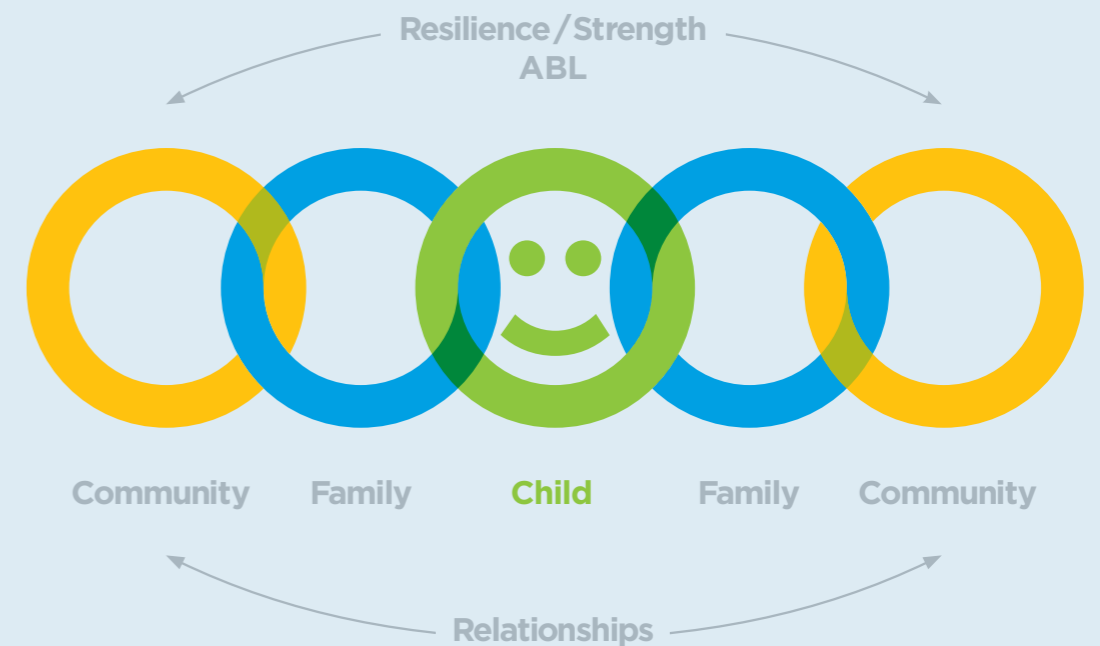
They are also skilled at encouraging them when they are taking calculated risks or reflecting on their actions in relation to others and supporting them with their social interactions with peers and others.

Activity and weekly planning is shared between the care and education teams to ensure that the children have opportunities for new experiences, play, quiet time and some structured learning time whether they are within the education setting or they are at Bellbird Heights in the evenings, weekends or holidays. Our focus is on encouraging the children to develop greater resilience through problem solving, communicating and self-management; working together to complete a task or project.

The Adventure Based Learning activities continue to be an enormous hit! The children are presented with the opportunity to experience new challenges safely and grow their knowledge of themselves and their environment. Throughout this the children are supported by enthusiastic adults who encourage and draw out the child's strengths. This year we have also introduced the Cholmondeley Challenge, an example of one of the numerous regular Cholmondeley Community activities that the children participate in, alongside the adults.

We build strong relationships and develop partnerships with families and whanau, schools and communities so that the value of the child's experience extends well beyond their stay with us.

Cholmondely Care & Education Model



The Rebuild

The beginning of 2012 presented Cholmondeley with one of the most poignant moments in the organisation's history with the deconstruction of Hugh Heber Cholmondeley's original home that was opened in 1925, after the damage sustained in the numerous earthquakes over 2010 and 2011 was assessed as being irreparable. Since that time much work has been undertaken to look at filling the empty space that now exists with a new purpose built facility that will take Cholmondeley into the future.

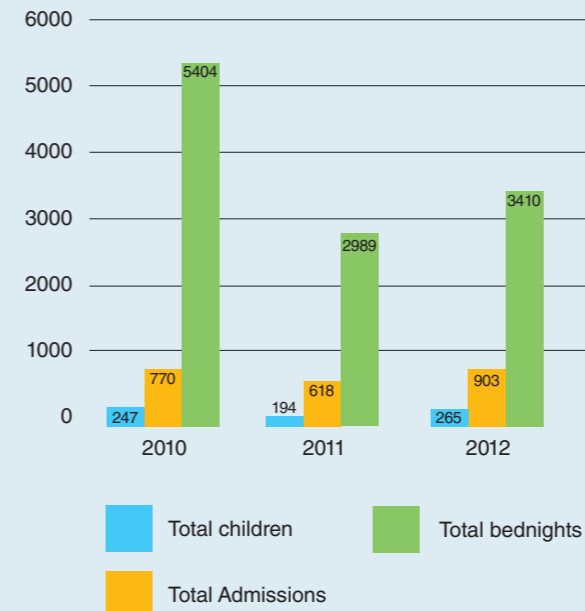
A committee comprising Mr Richard Ballantyne, Mr Malcolm Hudson and led by Board President Kerry Dellaca has been established to raise the \$4m required to cover the inevitable shortfall between our insurance and the projected cost of rebuilding. The Board and Staff are very aware of their responsibilities as the current "guardians" of Hugh Heber's vision and legacy and the need to realise this opportunity to the best of our ability. We are determined that this will continue for future generations long after we have gone.

The concept design for the new facility has been developed and fine-tuned over many months. At the end of 2012 the design was developed where we could begin a consultation process with our immediate neighbours in preparation for applying for resource consent. We are very excited with what we will be able to achieve with the opportunity that has been presented in these very tragic circumstances. Our current planning is for the construction of the new facility to begin by the end of 2013 with all of our services back on the one site by the last quarter of 2014.

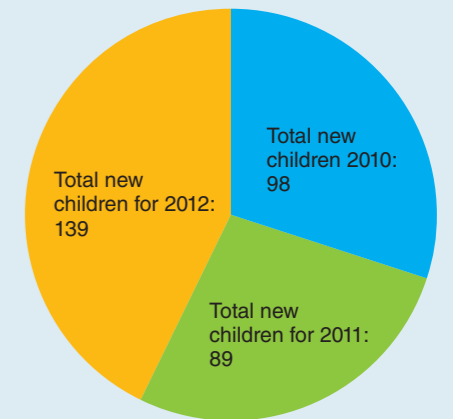


Key Statistics

Admissions, bednights & total no. of children at Cholmondeley for the last three years.



Number of children coming to Cholmondeley for the first time in 2012.



Carer feedback from 2012 annual survey

- 98% of 57 survey respondents stated that carers and their children were valued and respected throughout working relations with the Cholmondeley staff.
- 100% of 57 survey respondents stated that being involved with Cholmondeley was a positive experience for the carer and child.

Within those 57 responses,

- There were 42 comments that the staff were caring and understanding of their needs.
- There were 85 comments on how welcoming, friendly and amazing the Cholmondeley staff were.
- There were 35 comments on how knowledgeable, informed and helpful staff were.
- There were 9 comments on staff professionalism and communication skills.

Of the 57 questioned on the benefits of being involved with Cholmondeley,

- There were 90 comments on it being a safe, stimulating and fun place where a child can get a break.
- There were 40 comments that said the carer can benefit from time out.
- There were 22 comments which stated that the whole family benefited from the experience.
- There were 17 comments on how the visit helped increase the child's social skills and confidence.



Independent Auditor's Report

Audit

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To the Trustees of Cholmondeley Children's Home Incorporated

We have audited the summary financial statements of Cholmondeley Children's Home Incorporated for the year ended 31 December 2012.

Trustees responsibilities

The Trustees are responsible for the preparation of summary financial statements, in accordance with New Zealand law and generally accepted accounting practice.

Auditors' responsibilities

It is our responsibility to express to you an independent opinion on the summary financial statements.

Basis of opinion

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed procedures to ensure the summary financial statements are consistent with the full financial statements on which the summary report is based. We also evaluated the overall adequacy of the presentation of information in the summary financial statements against the requirements of FRS-39: Summary Financial Reports.

Other than in our capacity as auditor we have no relationship with or interests in Cholmondeley Children's Home Incorporated.

Qualified opinion

Control over cash and other donations and collections prior to being recorded is limited, and there are no practical audit procedures to determine the effect of this limited control.

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

In our opinion, the information reported in the summary financial statements complies with FRS-39: Summary Financial Reports and is consistent with the full financial statement from which it is derived and upon which we expressed a qualified audit opinion in our report to the trustees dated 19 March 2013.

Our examination of the Summary Financial Statements was completed on 19 March 2013 and our qualified opinion is expressed as at that date.

Emphasis of matter

In forming our qualified opinion we have considered the adequacy of the disclosures made in the full financial statements concerning the damage to the main home arising from a number of earthquakes, both before and after balance date. The home's operations have been impacted with severe damage to the main home that accommodates the children as a result of the February 2011 earthquake. Full details of the circumstances relating to the various earthquakes are described in note 12 of the full financial statements.

Our opinion is not further qualified in respect of the matter noted above.

Grant Thornton New Zealand Audit Partnership
Christchurch, New Zealand

Chartered Accountants
Grant Thornton (Christchurch), an independent member firm of Grant Thornton New Zealand.
Other independent member firms in Auckland, Wellington and Dunedin. Grant Thornton New Zealand is a member of Grant Thornton International.

Summary financial report

This summary financial report (audited) covers the operations of Cholmondeley Children's Home and the Cholmondeley Home School for the year ended 31 December 2012.

Statement of financial performance for the year ended 31 December 2012

	Note	2012	2011
		\$	\$
Operations of the Home			
Revenue	1	292,231	418,030
Home expenses		(1,481,500)	(1,089,854)
Administration expenses		(236,071)	(260,135)
Deficit before investment income and fundraising		(1,425,340)	(931,959)
Investment income	2	90,949	79,856
Donation - Canterbury Community Trust		75,000	65,000
Grant - Lotteries Grants Board		74,750	0
Grant - Cholmondeley Foundation		30,000	50,000
Fundraising income		1,091,846	1,215,032
Fundraising expenses		(41,172)	(55,256)
Evaluation project		0	15,000
Net investment and fundraising income		1,321,373	1,369,632
Operating surplus/(deficit)		(103,967)	437,675
Legacies		80,109	12,500
Management fee		0	0
Interest paid on loan		0	(12,704)
Revaluation of investments surplus/(deficit)		15,698	(40,025)
Earthquake costs		(37,325)	(105,105)
Earthquake funds received - business interruption		36,751	0
Write off of fixed assets		0	(256,447)
Provision for repairs		0	(432,000)
Capital gain on disposal of fixed assets - insurance settlement		2,413,987	0
Total surplus/(deficit) for the Home for the period		2,405,253	(396,106)
Operations of the School			
		2012	2011
		\$	\$
Ministry of Education operations grant		215,601	231,958
Donations, interest and fundraising		492	18,379
Staff salaries		(161,609)	(210,052)
Depreciation		(6,873)	(10,647)
Other expenses		(14,886)	(22,672)
Total surplus/(deficit) for the School for the period		32,725	6,967

Statement of movements in equity for the year ended 31 December 2012

	2012	2011
	\$	\$
Balance 1 January 2012	1,652,141	2,041,280
Surplus/(deficit) of the Home for the period	2,405,253	(396,106)
Surplus/(deficit) of the School for the period	32,725	6,967
Balance 31 December 2012	4,090,119	1,652,141

Balance sheet as at 31 December 2012

	2012	2011
	\$	\$
Assets		
Cash and cash equivalents	697,130	494,169
Trade receivables	7,414	24,912
Staff social club and expenses to be reimbursed	3,076	0
Non-trade receivables	2,818,348	64,974
Prepayments	32,612	29,779
Total current assets	3,558,581	613,834
Property, plant and equipment	1,174,620	1,166,258
Other investments	380,852	365,132
Total non current assets	1,555,472	1,531,390
Total assets	5,114,052	2,145,224
Equity		
	4,090,119	1,652,141
Liabilities		
Trade and other payables	492,498	68,947
Tagged grants unspent at balance date	600	87,600
Rebuild grants unspent at balance date	192,500	0
Provision for holiday pay	79,195	68,108
Income in Advance	58,838	68,141
Total current liabilities	823,631	292,796
Interest bearing loans	200,302	200,287
Total liabilities	1,023,933	493,083
Total equity and liabilities	5,114,052	2,145,224

Cholmondeley Children's Home Incorporated Summary financial report for the year ended 31 December 2012

Notes to the financial statements

	2012	2011
	\$	\$
1 Revenue		
Children's board from parents	22,339	17,945
Children's board from CYFS	250,407	398,779
Children's board from health funding agencies	19,376	0
Miscellaneous income	109	1,307
	<u>292,231</u>	<u>418,030</u>
2 Investment Income		
Dividends received	6,474	8,209
Interest received on fixed interest securities	20,250	11,697
Income from the Twigger Estate	24,225	19,950
Income from the Sheelagh Thompson Trust	<u>40,000</u>	<u>40,000</u>
	<u>90,949</u>	<u>79,856</u>

3 Contingent Assets

The deed of sub-trust dated 17 November 2003 provided that a donation of \$500,000 by Sheelagh Thompson to the Board of Cholmondeley Children's Home shall be held in trust administered by an independent financial advisor for 79 years during which the income earned on the \$500,000 will be used to carry out the objects of the Home. At the expiration of the 79 years the funds shall vest in the Home absolutely provided the Home is still in existence. Until the vesting of the trust capital the Home has no right or powers to deal with the capital. At 31 December 2012 the fair value of the investment fund was \$470,919 (2011, \$461,395). This amount has been treated as a contingent asset and is not included in the Home's balance sheet at 31 December 2012. The Home received income from the investments of \$40,000 (2011, \$40,000).

4 Subsequent events

While the September 2010 earthquake caused damage to the home, this was able to be repaired promptly and normal business continued after a week of disruption. The February 2011 earthquake in Christchurch caused severe damage to the main home that accommodates the children. As a result, Cholmondeley's emergency and respite care service for children aged 3-12 years was relocated to Living Springs in Governors Bay, and has been back to business as usual from that site since mid-March, 2011. Cholmondeley's management and administration continue to operate from the administration block in Cholmondeley Lane while the children have been able to attend school each day as well. Extra business costs associated with the earthquake are now isolated to the rental of an alternative facility during the rebuild period. This was initially covered through business interruption insurance until February, 2012 and is now sustained through the support of a major donor.

As a result of the original home having to be demolished the home buildings including the original home and buildings improvements have been written off along with various items of furniture, plant and fittings.

Deconstruction of the original home started in January and was completed by February, 2012. The concept design phase for a new purpose built care facility has been completed with building expected to commence in the later half of 2013.

For the foreseeable future our respite care service will continue to operate out of Living Springs. All Cholmondeley property is insured to its full replacement value, and the Board is committed to returning to operate Cholmondeley from the original Governors Bay site in the near future.

Relationship to the full financial report

- The summary financial report has been audited and examined by the auditor for consistency with the full financial report.
- This summary financial report cannot be expected to provide as complete an understanding as provided by the full financial report of the financial and service performance and financial position of the Home.
- **A copy of the full audited financial report may be obtained from Cholmondeley.**

Trusts & Grants 2012

Trusts & Grants

New Zealand Charitable Foundation
Todd Foundation Earthquake Recovery Fund
Christchurch Rotary Earthquake Charitable Trust
Pamela Webb Charitable Trust
Rural Women NZ Canterbury Charitable Fund
George Sevicke Jones Trust
The Christchurch Earthquake Appeal Trust (ANZA)
Burrows Bros Charitable Trust
The Lion Foundation
Farina Thompson Charitable Trust
New Zealand Lottery Grants Board
E B Milton Charitable Trust
COGs
Maurice Carter Charitable Trust

The Christchurch City Council
The Southern Trust
The Canterbury Community Trust
Christchurch Casinos Charitable Trust
Blogg Charitable Trust
The Robert and Barbara Stewart Charitable Trust
The Dublin Street Trust
Harvey Weir Charitable Trust
The Lady Tait Charitable Trust
Hyman Marks Trust
Jones Foundation
Un Cadeau Charitable Trust
Sheelagh Thompson Charitable Trust

Legacies & Bequests

Est of JP Cooper
EB Milton Charitable Trust
Margaret M Blackwell Bequest
Estate of John Twigger
M H Morris Estate
Rodney Eastgate
Estate Ronald Freeman Cattermole
Estate of Alexander Richard Thompson
J K Britten Estate



At Cholmondeley we believe that...

Children have the right to be unconditionally respected by adults.

Children have the right to feel safe and be free of violence.

Children have the right to have their physical, emotional, social, intellectual, cultural and spiritual needs met.

Children have the right to experience positive and secure attachments.

Children have the right to have fun.

Children have the right to experience opportunities for success.

Children have the right to expect adults to notice their strengths and to support them to further develop these.

Children thrive in relationships where they are valued.

Children thrive in warm, stimulating, nurturing and developmentally appropriate environments, and are capable of making choices and decisions about things that affect them.

The child knows what works for him or her self and has the right to expect the adults to acknowledge and build on this.

Children have the right to make mistakes without fear.

Children have the right to have their voices listened to.

Children have the right to ask for help and for advocacy.

Children have a right to expect their whole community and society to take responsibility for their safety and wellbeing.



Cholmondeley
Value Our Children

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