



# Value Our Children

Cholmondeley Annual Report 2013



Cholmondeley  
*Value Our Children*

# President's Report

At last we can all see light at the end of the tunnel. This time next year our dream may be a reality.

It has been a busy year, an enjoyable year, and now we find ourselves with our building consent lodged, our tender about to be let, and good positive progress around raising the \$4m we need to deliver the new facility debt free. The Board has continued to work tirelessly for the good of Cholmondeley, making some bold decisions, some excellent appointments and above all, in association with many others, achieved a position where we are very close to commencing the rebuild.

I thank each and every one of the Board members for their efforts over these last twelve months, and acknowledge the resignation of Justine Whitaker due to her job transfer to Sydney. Justine has skills which many do not possess and her presence at the Board table will be sorely missed. At the same time our staff and management have continued to do a sterling job under difficult circumstances at Living Springs, our temporary home and for Cholmondeley in general. We are indebted to Living Springs for continuing to make the facility available to us, and cannot say enough about the Dublin Street Trust and their on-going financial support of the additional costs of operating at that venue. My thanks to Shane Murdoch and his management team for their leadership of the organisation.

During the year the Board agreed on three key strategic targets through to when we were in the new facility - delivering the new building debt free, the financial stability of the centre and positioning ourselves for the future with a particular focus on collaborations and the like to go forward.

Financially Cholmondeley has struggled, and as you will see from the accounts we have an operating deficit for the year of just over \$200,000. While expenses were managed very well, unfortunately we were unable to meet our revenue targets due primarily to not meeting targets in the Trusts and Grants area.

While we are forecasting a deficit for the 2014 year, we can not allow Cholmondeley to run deficits and will do all we can to minimize the deficit for the current year. It is pleasing that early indications are that on returning to Cholmondeley Lane we can return to a surplus situation, and I stress that that is something that there is no alternative but to do. With respect to fundraising we must at all times be at the top of our game in this area, open to new opportunities and ways of raising funds, ensuring we communicate with the various age groups in the appropriate fashion, that people understand what Cholmondeley is about, and that our efforts and time go in to the areas where we are going to get the best return.

The rebuild has dominated the Board's work. Shortly after the AGM last year we had a peer review done of our original design, and decided on the basis of that report that we needed to change what we were intending to build. A very bold decision, but one which has proven to be absolutely the right one.

We appointed a new Architect and a new Project Manager, and in less than 12 months we have created a new design, obtained our resource consent, developed full plans and currently are awaiting the outcome of our Building Consent application at the same time as we await tenders for the work being submitted. I must acknowledge the work of, and thank, our Property Committee, and in particular David Johnstone as chair of that committee and our GM, Shane Murdoch who have worked closely with the parties involved to get to the stage where we are today.

Provided there are no undue concerns or delays with the Building Consent we are firmly on target to turn the first sod in early May, with an expectation of having everyone back together at Cholmondeley Lane in the first quarter of 2015. Our Capital Fundraising project, with Sarah Barrer at the helm, is making positive progress. While some way to go we believe we can reach our target of \$4m during the 2014 financial year, but also have back up in place should we need temporary assistance to enable us to get the build underway.

I acknowledge all those who have contributed operationally to Cholmondeley over the last year, or made commitments or donations to the Capital Fundraising project. Quite simply without each and every one of you we would not survive.

With the rebuild and the capital fundraising progressing in a positive direction, so the Board and the GM have been able to re-focus on the future, and held a strategy day recently as part of this process. It was just great to be talking about something other than earthquakes, insurance claims and the rebuild!

At the same time though we need to continue to be cognizant of a future likely to see different agencies working closely and collaboratively together.

The new year will be no different from the previous two, but with the decisions already made in the new year I am confident that 2014 will take us very close to the start of a new beginning and achieving our dream. Bring it on!

**Kerry Dellaca**  
**President**

# General Manager's Report

**E ngā mana, e ngā reo, e ngā iwi. No reira Tenā koutou, tenā koutou, tenā tātou katoa.**

In many respects 2013 could be regarded overall as "business as usual". Out of necessity there has been a sense of being strategically parked from a business point of view while Cholmondeley focuses on funding and building a new facility, and maintaining financial stability to continue operating despite the considerable extra cost.

From January 1st to December 31st Cholmondeley provided care and education for a total of 350 children from 313 families, an increase of 85 children from 2012. Almost half of those children (171) (139 in 2012) stayed at Cholmondeley for the first time. There were 1007 (903 in 2012) admissions in total for the year. To give an indication, this is a 41% increase in the total number of children attending Cholmondeley, a 74% increase in the number of new children, and a 30% increase in the total amount of admissions since 2010.

There appear to be various factors in this increase over the past several years. Anecdotally, the first and one of the most significant appear to be Cholmondeley's ability to respond to an added layer of distress within our community in relation to the earthquakes, along with the disruption to a family's usual system of support (such as extended family, friends and neighbours) who are also experiencing similar issues and may no longer be available or able to provide the support they used to.

In my view this level of growth is remarkable given we are still operating with some constraints in our alternative accommodation which can only provide 16 beds in four bunk rooms on any given day. After restructuring the organisation in 2010, the disruption caused through the loss of the original Cholmondeley Children's Home and subsequent relocation, it is only now that we are beginning to see total numbers that should be regarded as normative, establishing a new baseline for how the level of service use is measured for the future.

2013 saw continued evolution of Cholmondeley's model of practice in its work with children beginning with a re-visioning in 2010 and development of our Philosophy of Care in 2011. In 2012 the role of education at Cholmondeley was reviewed and in 2013, after renewing Cholmondeley's contract with the Ministry of Education for a further five years, a consultation and restructuring process resulted in the integration of care and education services under one senior manager; no longer operating as separate parts of the organisation. The roles of Care Services Manager and Education Services Manager were combined to form the new role of Integrated Services Manager. The unfortunate result of this change was the departure of Anney Collin as Education Services Manager who left the organisation with our thanks for the three years of service under challenging circumstances and best wishes in her new role of Principal at Okains Bay School.

In the time since considerable work has been done to integrate the two groups of staff in a highly collaborative, multi-disciplinary model using Social Pedagogy as the core

philosophy and Adventure Based Learning as the key vehicle for care and education at Cholmondeley.

Merely measuring success by usage volume along with the accumulation of anecdotal information will not be sufficient in the future.

Accordingly Cholmondeley commissioned an independent research company, Clarity Research, to undertake an evaluation of the outcomes Cholmondeley was achieving for children and families, with the generous support of the Lotteries Grant Board and their Community Sector Research Committee.

It is my pleasure to publicly release the final report of the evaluation today. In my view it is a key milestone for determining the future direction of the organisation as it navigates its way through a fast evolving social services sector. Peer reviewed by Dr Nicola Atwool from Otago University, the evaluation confirms Cholmondeley role in the community as an early intervention service, focused on helping families not only stay together during challenging times, but to also grow stronger as a result of their contact with it.

For this the credit goes to our remarkable practice team; our care staff (including our international volunteers and casual staff), registered teachers, ABL coordinator, social worker and their leaders at the supervisor level who are our frontline people producing these outcomes on a daily basis in, at times, very challenging circumstances.

However, guiding this team towards the standard of practice required to achieve these results has required strong and focused leadership despite the many challenges. On this I would like to thank our Integrated Services Manager, Edwina Poynton, for this leadership in both the development of the key milestones in our practice development, and their implementation.

I am honoured to lead a highly committed group of staff throughout all areas of the organisation and thank them for the remarkable year we have had.

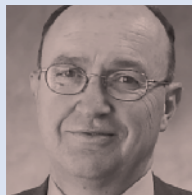
Thank you also to Cholmondeley's Board of Governance. As volunteers the amount of time and energy needed to ensure this organisation navigates this post-earthquake environment and its rebuilding successfully has been enormous on top of full time jobs, businesses and family. My particular thanks goes to Kerry Dellaca our president, for his on-going support and leadership of the board, not to mention his leadership of the capital fundraising campaign.

To all those who have supported Cholmondeley in some way I offer sincere thanks and hope you find that the results of the evaluation attest that this support is leading to remarkable outcomes for the children and families we serve.

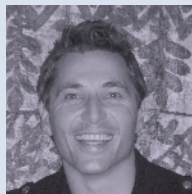
**Nga mihi nui**  
**Shane Murdoch**  
**General Manager**



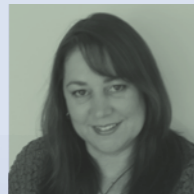
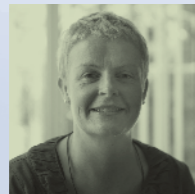
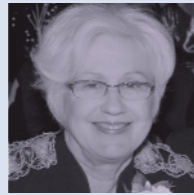
**Patron**  
Sir Kerry Burke



**Board of Governance left to right**  
President - Kerry Dellaca  
Vice President - Glenn Jones



**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  
Integrated Services Manager - Edwina Poynton  
Funding and Marketing Manager - Sarah Vidette

# The Evaluation

Clarity Research, were contracted by Cholmondeley to conduct the evaluation with funding from the New Zealand Lottery Grants Board through the Lottery Community Sector Research Committee.

The aim of this report is to present the findings of a wider comprehensive programme evaluation for Cholmondeley Children's Centre. Strengths and pertinent issues of the Cholmondeley programme were examined and the results will influence its course into the future.

The literature reviewed to accompany the evaluation outlines that at times families have considerable and multiple stressors, which may cause normal family function to be disrupted or even cease. In New Zealand, one third of the country's most vulnerable children are under six<sup>2</sup> and it is evident that families of children at risk need support to manage in times of distress or crisis. The review served as an information source to guide the development and focus of the evaluation. This summary report provides a brief overview of the main findings. The full report can be downloaded as a pdf on [www.cholmondeley.org.nz](http://www.cholmondeley.org.nz)

## An independent evaluation of Cholmondeley Children's Centre was designed to answer the following questions:

- What is Cholmondeley's role in the Canterbury community and the Canterbury social services sector?
- What impact does Cholmondeley have on the ability of families to keep their children safe, and prevent issues escalating to the point where care and protection concerns arise for the child?

## Qualitative, semi-structured interviews were undertaken with four groups of people essential to the day-to-day functioning of Cholmondeley:

- Children who had attended Cholmondeley in the period between 2009 and 2013 (27 interviews)
- The parents or carers of these children (25 interviews)
- Cholmondeley's referrers and brokering partners (12 interviews)
- Staff members of Cholmondeley (7 interviews)

All participants were randomly selected and interviewed between July 2012 and July 2013 by trained interviewers. This project was peer reviewed after completion in order to ensure methodological rigour.

Findings of this evaluation indicate a high level of support for Cholmondeley among interviewees with clear identification of a range of shorter and longer term outcomes for children, their families and the community at large.

## The four key group findings can be summarised as:

- The reports from key stakeholders and professionals involved with Cholmondeley are testimony to the efficacy of the service in keeping children safe and providing them with an environment where they can just be children and learn skills that will benefit them for life.
- Reports from the children suggest that they love Cholmondeley
- Reports from carers suggest that they wouldn't function effectively as a family without the benefit of Cholmondeley
- And staff and referrers/broker partners imply that the wider community would be poorer if it weren't for the existence of Cholmondeley in the region.

Our sincere thanks go to all those who participated in this evaluation giving us the precious gift of their stories as part of the Cholmondeley legacy.

*“Reports from the children suggest that they love Cholmondeley; reports from carers suggest that they wouldn't function effectively as a family without the benefit of Cholmondeley.”*

<sup>2</sup>Centre for Social Research and Evaluation. (2011). Vulnerable children: Numbers and risk factors. Wellington: Ministry of Social Development.



# The Rebuild

So much has happened as regards our rebuild over the 2013 year. We had hoped to be back on site at Cholmondeley Lane early 2014, but for various reasons this didn't happen. However as we write the light is definitely brighter and our dream a lot closer.

The Cholmondeley Board undertook a peer review of the original plan as a final level of due diligence. As a result of concerns raised in that review, particularly around cost and ability to meet deadlines, a bold decision was made to revisit the design and also appoint a new architect for Stage II.

While retaining the principles of the original design modifications have been made to the layout and positioning of certain areas, along with changing the roofline, to ensure we took advantage of the magnificent views of Lyttleton Harbour in the best possible way, and provide for a simpler build.

These changes, with the subsequent removal of the dormitory (built in 1993) along with the decision to refurbish Cholmondeley's original classrooms into accommodation for our volunteers and overseas students (rather than build a new wing), has allowed us to reduce the overall cost of the project, ensuring a more cost efficient building in terms of construction and ongoing operational expenses.

By the end of 2013 the Cholmondeley Board had approved these changes and obtained resource consent with the unanimous support of our affected neighbours. At the time of writing this report we have approved the full plans, applied for building consent and are currently waiting on tenders closing for the work.

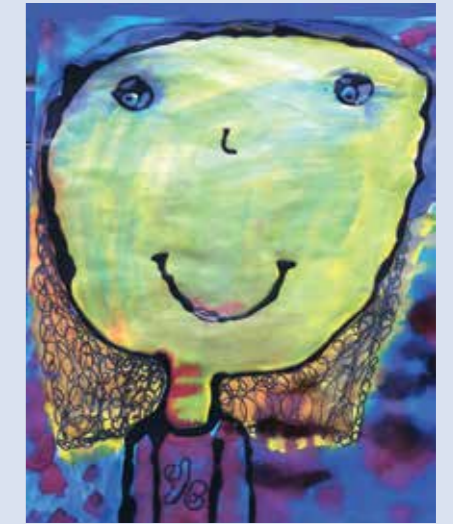
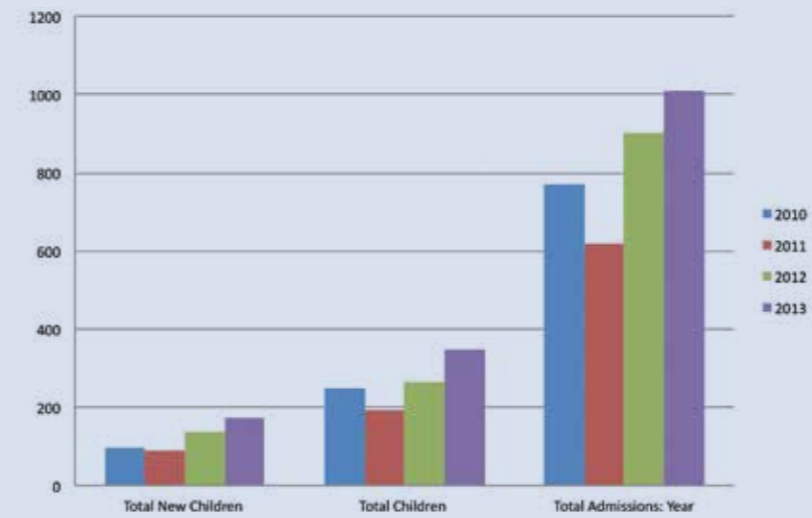
New buildings come at a cost, even with insurance, and the fundraising committee tasked with raising the \$4m inevitable shortfall between our insurance settlement and the actual cost to rebuild have made good progress, with over half of the required funds committed, a number of proposals under negotiation and a plan to complete the task well within the 2014 year. The Cholmondeley Board has committed to completing the rebuilding of Cholmondeley Children's Centre debt free.

Construction is now due to begin in May 2014 with all services returning to the original Cholmondeley site by the end of the first quarter in 2015.



# Key Statistics

Cholmondeley Admission and Bednight Figures for 2010 - 2013



# Care and Education

Throughout the last year we have been evolving Cholmondeley into a place where a child's experience of care and education is woven together and in order to achieve this we have integrated care and education staff into one practice team. This team consists of care workers, care supervisors, an Adventure Based Learning coordinator, a programme supervisor and teachers each who have their distinct roles.

Activity and weekly planning is shared within the team 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. The education programme focuses on the development of the key competencies and our aim is to support the children to develop greater resilience through problem solving, communicating and self-management; working together to complete a task or project.

This takes place when involved in a variety of situations including Adventure Based Learning activities, completing a piece of writing in the classroom, making scones or burgers for friends or going swimming in the evenings. The introduction of Discovery Time and a Play Pod has given the children additional opportunities to be creative, use their imagination, and experience new challenges safely and to grow their knowledge of themselves and their environment.

When children come to stay during term time the team consults with both the child's 'home' school and the child to set learning goals for the child's stay. At the end of the child's stay information is fed back to their parent or carers and their 'home' school in the form of a Learning Story.

Within our environment relationship is key to the child feeling safe and valued. At Cholmondeley children are supported by enthusiastic and charismatic adults who recognise, encourage and draw out the child's strengths.

**Edwina Poynton**  
*Integrated Service Manager*





# Independent Auditor's Report

## Audit

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Christchurch 8053

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We have audited the summary financial statements of Cholmondeley Children's Centre Incorporated for the year ended 31 December 2013.

### 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-43: Summary Financial Reports.

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

### Qualified opinion

Control over cash and other donations and collections prior to being recorded are 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-43: Summary Financial Reports and is consistent with the full financial statements from which it is derived and upon which we expressed a qualified audit opinion in our report to the trustees dated 27 March 2014.

Our examination of the Summary Financial Statements was completed on 27 March 2014 and our qualified opinion is expressed as at that date.

Grant Thornton New Zealand Audit Partnership  
Christchurch, New Zealand  
27 March 2014

Chartered Accountants  
Member of Grant Thornton International.

## Summary financial report

This summary financial report was authorised for issue by the Cholmondeley Children's Centre Board of Management on 27 March 2014.

### Statement of financial performance for the year ended 31 December 2013

	Note	2013	2012
		\$	\$
<b>Operations of the Centre</b>			
Revenue	1	582,340	507,832
Home expenses		(1,719,198)	(1,630,334)
Administration expenses		(246,336)	(257,830)
<b>Deficit before investment income and fundraising</b>		<b>(1,383,194)</b>	<b>(1,380,332)</b>
<b>Investment income</b>			
Investment income	2	77,405	90,949
Donation - Canterbury Community Trust		33,883	75,000
Grant - Lotteries Grants Board		47,450	74,750
Donation - Cholmondeley Foundation		51,203	30,000
Fundraising income		976,492	1,092,339
Fundraising expenses		(45,913)	(41,172)
<b>Net investment and fundraising income</b>		<b>1,140,520</b>	<b>1,321,866</b>
<b>Operating surplus/(deficit)</b>		<b>(242,674)</b>	<b>(58,466)</b>
<b>Legacies</b>			
Management fee		8,741	80,109
Interest paid on loan		0	0
Revaluation of investments surplus/(deficit)		(12,318)	(12,352)
Revaluation of investments surplus/(deficit)		48,255	15,698
Earthquake costs		0	(37,325)
Earthquake funds received - business interruption		0	36,751
Write off of fixed assets		(363)	(423)
Rebuild fundraising surplus/(deficit)		194,276	0
Capital gain on disposal of fixed assets - insurance settlement		0	2,413,987
<b>Total surplus/(deficit) for the Centre for the period</b>		<b>(4,082)</b>	<b>2,437,978</b>

### Statement of movements in equity for the year ended 31 December 2013

	2013	2012
	\$	\$
Balance 1 January 2013	4,090,119	1,652,141
Surplus/(deficit) of the Centre for the period	(4,082)	2,437,978
<b>Balance 31 December 2013</b>	<b>4,086,037</b>	<b>4,090,119</b>

### Balance sheet as at 31 December 2013

	2013	2012
	\$	\$
<b>Assets</b>		
Cash and cash equivalents	2,695,865	697,130
Trade receivables	103,800	7,414
Staff social club and expenses to be reimbursed	0	3,076
Non-trade receivables	0	2,818,348
Prepayments	58,361	32,612
<b>Total current assets</b>	<b>2,858,026</b>	<b>3,558,581</b>
Property, plant and equipment	1,365,283	1,174,620
Other investments	360,965	380,852
<b>Total non current assets</b>	<b>1,726,248</b>	<b>1,555,471</b>
<b>Total assets</b>	<b>4,584,273</b>	<b>5,114,052</b>
<b>Equity</b>		
	4,086,037	4,090,119
<b>Liabilities</b>		
Trade and other payables	33,334	492,498
Tagged grants unspent at balance date	43,540	600
Rebuild grants unspent at balance date	90,553	192,500
Employee Entitlements	130,525	79,195
Income in Advance	0	58,838
<b>Total current liabilities</b>	<b>297,952</b>	<b>823,631</b>
Interest bearing loans	200,284	200,302
<b>Total liabilities</b>	<b>498,236</b>	<b>1,023,933</b>
<b>Total equity and liabilities</b>	<b>4,584,273</b>	<b>5,114,052</b>

## Cholmondeley Children's Home Incorporated Summary financial report for the year ended 31 December 2013

### Notes to the financial statements

	2013	2012
	\$	\$
<b>1 Revenue</b>		
Children's board from parents	24,637	22,339
Children's board from CYFS	294,363	250,407
Children's board from health funding agencies	26,290	19,376
Miscellaneous income	12,671	109
Ministry of Education operations grant	224,379	215,601
	<b>582,340</b>	<b>507,832</b>
<b>2 Investment Income</b>		
Dividends received	8,526	6,474
Interest received on fixed interest securities	24,604	20,250
Income from the Twigger Estate	4,275	24,225
Income from the Sheelagh Thompson Trust	40,000	40,000
	<b>77,405</b>	<b>90,949</b>

### 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 Centre 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 Centre. At the expiration of the 79 years the funds shall vest in the Centre absolutely provided the Centre is still in existence. Until the vesting of the trust capital the Centre has no right or powers to deal with the capital. At 31 December 2013 the fair value of the investment fund was \$441,879 (2012, \$470,919). This amount has been treated as a contingent asset and is not included in the Centre's balance sheet at 31 December 2012. The Centre received income from the investments of \$40,000 (2012, \$40,000).

### 4 Subsequent events

Since February 2011, Cholmondeley's care services have been located at Living Springs in Governors Bay due to the damage caused to the original "home" by the Canterbury earthquakes, with demolition of the old homestead completed in February 2012. Management and administration continue to operate from the original site in Cholmondeley Lane, while the children are transported to the original classrooms at Cholmondeley on a regular basis for their education programme. There are significant extra costs (primarily rent) of operating at Living Springs, and we are fortunate to have received a significant donation which assists us with meeting these additional costs.

Over the last 12 months significant progress has been made on the rebuild of Cholmondeley on the original site with construction scheduled to begin in late April 2014 and completed by March 2015. A fundraising campaign to raise the shortfall between our insurance settlement and the cost of the new centre has been underway since early 2013 and is making good progress towards the target. The majority of cash reserves held are the insurance proceeds which are set aside for the rebuild of the Centre.

### 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 Centre.
- **A copy of the full audited financial report may be obtained from Cholmondeley.**



## Trusts/Grants 2013

Blogg Charitable Trust  
Christchurch Casinos Charitable Trust  
EB Millton Charitable Trust  
Estate J P Cooper  
Farina Thompson Charitable Trust  
Foodstuffs South Island  
Hyman Marks Trust  
Jack & Marjorie Ferrier Trust  
Jones Foundation  
Litcom Charitable Trust  
Mainland Foundation  
Maurice Carter Charitable Trust  
New Zealand Charitable Foundation  
New Zealand Red Cross  
Christchurch School Children's Grant  
Pamela Webb Charitable Trust  
Sheelagh Thompson Charitable Trust  
The Canterbury Community Trust  
The Christchurch City Council  
The Dublin Street Trust  
The Elizabeth Ball Charitable Trust  
The Four Winds Foundation  
The Kirby Trust  
The Lady Tait Charitable Trust  
The Lion Foundation  
The Robert & Barbara Stewart Charitable Trust  
The Southern Trust  
The Toc H New Zealand/Bowerbank Charitable Trust  
The Trusts Community Foundation

## Legacies & Bequests

Anne Margaret Goodwin Estate  
E V Ackland Bequest  
Estate of Dennis Gordon Deane  
Estate of Isobel Jessie Probert  
Estate of John Twigger  
Estate of Reona  
Margaret McNamara  
G Boyle Bequest  
J K Britten Estate  
KA Boyd Estate  
M H Morris Estate  
Margaret M Blackwell Bequest

# 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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