



ANNUAL REPORT 2008



DOWNTOWN
COMMUNITY
MINISTRY

Community

BOARD MEMBERS

Kevin McCormack (Chair)
Jason Darwin
Carolyn Goudswaard
Nick Jennings
Iona Pannett (resigned)
Joan Tyler
David Zwartz

STAFF

Current

Stephanie McIntyre (Director)
Kate Bell
Patricia Booth
David Cross
Laura Kearney
Debbie Leyland
Alan Norman
Dougal Speir
Karl Townsend
Joseph Wilson

Resigned

Graham Anderson
Paul Gray
Di Landy
Jen Long
Tangata Pokoati (Bookfair Driver)

MEMBER CHURCHES

- St Andrew's on the Terrace (Presbyterian)
- Wesley Wellington (Methodist)
- St Peter's, Willis St (Anglican)
- St John's In the City (Presbyterian)
- St Joseph's Mt Victoria (Catholic)
- The Wellington monthly meeting of the Religious Society of Friends (Quakers)

REGULAR VOLUNTEERS

Eugene Poinga
Hugh Daley
Jay Wards
Leigh Harrington

BOOKFAIR COMMITTEE

Graham Booth (Convenor)
Nancy Campbell
Lindsay Clark
Kay Douglas
Wendy Nelson
Neil and Barbara Robertson
Joan Tyler
Kaeti Rigarlsford

We also acknowledge the tremendous efforts of all our midweek, Saturday and Bookfair weekend volunteers.

CHRISTIAN ETHOS

DCM aligns itself with the poor and disadvantaged



DOWNTOWN COMMUNITY MINISTRY

OUR VISION

Wellington is a community in which collective responsibility and interdependence and the valuing of diversity are seen as the keys to a fair and just society.

OUR MISSION

DCM works to make a difference in Wellington through:

- providing practical assistance and advocacy for people in need
- advocacy for social and political change
- developing new services and projects
- working with others to find long term solutions to problems of poverty and social exclusion

SOCIAL JUSTICE

The organisation is committed to addressing the root causes of poverty and injustice.

Chairperson's Report

Kevin McCormack

It is time to reflect again on the past 12 months, and we can look back with pride on a year that has been both demanding and successful.

In its review of the performance and achievements of DCM for the year ended 30 June 2008, the Board noted, in a letter to the Director, that "the performance has been achieved in the face of considerable challenges presented by the absence of staff members for varying reasons. In reflecting on the situation the Board wishes to express its appreciation for your and your colleagues' endeavours in the particular circumstances that occurred during the year. In addition the Board has decided that some tangible recognition is also appropriate." To this I add my personal endorsement and gratitude. It is also worth repeating that our staff are indeed our greatest asset.

After several years where the level of income from our major fundraising activity has plateaued, the outcome from the 2007 Bookfair was outstanding. The final return, including the proceeds of several subsequent book auctions, resulted in an overall rise of just over 14%. This increase is a reflection of several factors - the collective expertise of dedicated volunteers, an improved preassessment process, and a concerted endeavour to extract added value by marking up prices in appropriate instances. As always, we greatly appreciate the continuing support from the thousands who attend this special event.

In May the 30 minute documentary film "Putting Homelessness in Focus" was shown in Wellington for the first time. The film is intended as a first step in pushing for a Government strategy on the issue. The venue was crowded, and

we were heartened by the large number of young persons in the audience. The film certainly provided an excellent representation of the realities facing many of our clients.

The nature of the central city has changed markedly over the past few years. Nowadays there are more than 12,000 people who live in apartments, and we are looking closely at how we can begin to engage with them, and tap into the valuable resource on our doorstep.

We also think it is timely to look at expanding the membership of DCM to include additional central city churches. We are in the process of taking some initial steps, which we hope will lead to a productive dialogue on this subject. It is both a privilege and a pleasure to serve on the Board of DCM. I am conscious of its many outstanding accomplishments and the resulting legacy. There is a very strong desire to provide a better future for those who lack the advantages that many people take for granted.

Thanks are due to Board members who give generously of their time and wisdom. Special thanks are due to Carolyn Goudswaard who, after several years of valuable contribution, will cease her membership of the Board at this AGM. We have been in contact with all member churches, and have raised with them the desirability of ensuring that each is represented on the Board. Finally, to you all - Board members, Stephanie and staff, volunteers, supporters, everyone who assists in any way whatsoever - I extend my thanks for your involvement and contribution.

May you all be truly blessed this Christmas.
Kevin McCormack

PRACTICALITY

The organisation is small and focused, and targets scarce resources wisely.

Director's Report

Stephanie McIntyre

A million dollars is a lot of money!

In particular, it is a lot of money for one small agency to fundraise. That is why we are eagerly anticipating the thrill of announcing that DCM's BookFairs will have collectively raised over \$1 million. Within the next few months, the hard slog of collecting, sorting and re-selling books over a decade will have brought \$1 million into DCM funds.

There are many reasons to be proud of this fact. For starters it is great to have a fundraiser that sits comfortably with DCM's values. As we all wake up to the need to recycle and live in a more sustainable fashion, the BookFair provides a win/win model for fundraising but it offers more than that. It adds to life in Wellington without taking anything away from the people we work with on a day to day basis.



The Bookfair raises 21% of DCM's income

At DCM we try to 'walk the talk' of our values by focusing on fundraising ventures that are inclusive of our service users. With each BookFair we have been able to involve service users more and more, for example, this year two people were employed by DCM to do all the pre-Fair book collections and they performed that role superbly. Others have joined our band of volunteers to help out either in the run up to the Fair, or over the weekend.

This level of fundraising also helps us to retain our independence. It is important when we see so much suffering to be able to comment on the reasons why people are marginalised and hurting. A number of other agencies we network with are fully funded by government contracts or accept large sums from the gambling industry and therefore feel their ability to speak out on social issues is compromised.

Another reason to be proud of this fundraising effort is that it enables DCM to be true to its calling to work with people in need in the city. By having our own fundraising base we can work to support people who rarely attract much in the way of contract funding and are at risk of being overlooked.

Tragically it's easy to waste a million dollars.

As we work to try to get a wet house established in Wellington, I have been reminded of a New Yorker article published in 2006. The article by Malcolm Gladwell entitled Million-Dollar Murray - why problems like homelessness may be easier to solve than manage (2006)

EMPOWERMENT

DCM helps people find and use their latent strengths, so that they can better control their environment.

describes the cost of chronic homelessness by following the experience of one long-term homeless person - Murray. Those who worked with him found that it cost \$1 million dollars not to do something about Murray.

The article and its findings come as no surprise to us at DCM as we work everyday with people with lengthy histories of homelessness and chronic alcohol dependence. Our experience confirms that there are sound economic arguments for finding a solution to the high cost of leaving an individual to cycle between the street, the hospital emergency department, the police cells and prison and the Night Shelter.

\$1 million is also the sum that is currently earmarked for setting up the wet house.

It is heartening that both Wellington City Council and Capital Coast District Health Board have between them contributed \$1 million to get this project off the ground. A project team has been working hard on locating suitable premises; sourcing longer term funding; identifying those who are most in need of a place in the house; and pinning down the details of the service model. I am pleased to say that we are making progress although in particular,



Stella Maris Wet hostel in Dublin

finding a building is proving a very hard task.

There are numerous humanitarian and social reasons to support the wet house, but at an economic level it also makes sense. Getting this venture up-and-running will go a significant distance to ensuring Wellington stops wasting precious resources to “do nothing” about the “Murrays” in our city.

It has been good over the past year to be able to promote some good news stories. The emergence of Street Football Aotearoa, for example, brought a new opportunity to the people we work with that is quite unlike anything else. Not only have two DCM service users been selected for the footy team that will travel to Melbourne to take part in the sixth Homeless World Cup, but others have had the benefit of an enjoyable, healthy social activity by participating in the weekly practices. Activities like this are vital to support people to overcome the social exclusion that often continues after people have been housed. As we look forward to the year ahead we have identified developing more social opportunities for our services users as high priority.

As we celebrate the achievements of the past year, it is wonderful to be able to say that DCM is in very good heart. This is largely thanks to our tremendous, dedicated staff team. We are very fortunate with the calibre of people who work for DCM and those who have more recently joined have continued to add to our strength and expertise. My special thanks goes to the staff as they persistently strive towards providing a more effective service for the people who come to us for help.

My sincere thanks also to DCM’s many supporters who contribute time, money, food and books so generously. Your contributions are invaluable and your commitment to the most marginalised people in our city buoys us up and inspires us to continue with this challenging work.

PARTICIPATION

DCM works with people, not for them. Service users are involved to the greatest extent possible in DCM’s activities.

Financial Report

In the year under review expenditure has increased by approx \$33,000. Fortunately income increased by a similar amount mainly due to increased revenue from members, general donations, fundraising and the Bookfair. The Bookfair provided a massive 14% increase over the takings of the previous year, a most satisfying result from one of our major revenue sources (21% of total revenue). Thanks are due to all those volunteers who work during the year and over the course of the weekend itself to make this event the tremendous success and revenue producer that it continues to be.

It will be noted under the Expenditure heading that the item "Rent, electricity" has increased markedly. This is mainly due to the fact that the rent, previously shown at the discounted level charged, is now being paid and recorded at market level. The discount is recorded as a Rent Rebate under the Income heading.

The overall net Surplus is \$50,981. A large proportion of this is due to savings on budgeted salaries due to illnesses and some staff turnover, which has put increased pressure on remaining staff. A small increase in staff numbers is planned for the coming year to

hopefully provide better backup when the inevitable illness, leave etc occasions occur.

While DCM aims to run a balanced Budget, it is most satisfactory that over the last few years we have been able to achieve some surpluses and build reserves to a level sufficient to match outgoings in the first 5 to 6 months of the Financial year. While outgoings continue as normal during those months, revenue from grants and the Bookfair is generally not received until several months later and DCM needs to be able to draw on Reserves to carry on normal operations in that interim period.

Joan Tyler CA (Retired)
Finance Committee Convenor

COMMUNITY INVOLVEMENT

Parishes and the greater community are kept informed about DCM's activities and are invited to become involved.

DOWNTOWN COMMUNITY MINISTRY (WELLINGTON) INCORPORATED
 STATEMENT OF FINANCIAL PERFORMANCE
 FOR THE YEAR ENDED 30 JUNE 2008

		2008	2007
INCOME:		\$	\$
Members		21,800	14,300
Charitable Trusts	note 5	31,000	30,000
Other Grants from Central and Local Government	note 6	221,848	235,256
Donations and Fundraising		113,138	108,406
Book Fair		117,192	102,090
Compassion Sisters rent rebate		14,250	
Recoveries from Office Expenses		490	100
Interest		20,055	13,467
Meeting Fees		10,000	10,178
TOTAL INCOME		<u>549,773</u>	<u>513,797</u>
EXPENDITURE:			
Audit Fee		4,977	3,000
Depreciation	note 9	7,865	7,764
Personnel costs		334,187	320,955
Administration Services		44,317	44,324
Various, including vehicle expenses		7,968	5,097
Rent, electricity		38,570	21,791
Fundraising Expenses		28,135	24,488
Book Fair		22,023	21,210
Office move to 2 Lukes Lane			3,884
Project Margin expenses		10,750	6,641
Loss on disposal of assets			6,056
TOTAL EXPENDITURE		<u>498,792</u>	<u>465,210</u>
Income/Expenditure			
Operating Surplus/(Deficit)		50,981	48,587
Transferred to accumulated funds		50,981	48,587

These accounts should be read in conjunction with the Notes which form part of the financial statements.



DIVERSITY

DCM values the mix of cultures, races, beliefs, abilities and lifestyles which make up the Wellington community.

DOWNTOWN COMMUNITY MINISTRY (WELLINGTON) INCORPORATED
 STATEMENT OF FINANCIAL POSITION
 AS AT 30 JUNE 2008

ACCUMULATED FUNDS AND RESERVES		2008	2007
		\$	\$
ACCUMULATED FUNDS		236,154	183,684
RESERVES			1,489
TOTAL ACCUMULATED FUNDS		<u>236,154</u>	<u>185,173</u>
Represented by:			
CURRENT ASSETS:			
Westpac Current Accounts		8,262	15,670
Presbyterian Church of ANZ (Anne Houlihan legacy)		25,997	25,997
Presbyterian Church of ANZ (investments)		220,000	170,000
Prepayments for bookfair		6,202	2,208
GST Refund due		238	460
Accounts receivable incl. interest due		10,232	4,551
		<u>270,931</u>	<u>218,886</u>
CURRENT LIABILITIES			
Sundry Creditors and Accruals		20,194	21,056
Accrued annual leave		9,300	13,465
Project Margin for A&D report	note 7	10,000	10,000
Project Margin -one month's income	note 7	10,833	10,833
SPP clients' savings		3,885	7,851
Grants received in advance		14,000	8,000
		<u>68,212</u>	<u>71,205</u>
WORKING CAPITAL		202,719	147,681
FIXED ASSETS:	note 8	<u>33,435</u>	<u>37,492</u>
		<u>236,154</u>	<u>185,173</u>



Stephanie McIntyre (Director) on behalf of the Board
 20th October 2008

These accounts should be read in conjunction with the Notes which form part of the financial statements.



COMMITMENT TO THE TREATY OF WAITANGI

DCM is committed to the Treaty of Waitangi as the founding document for modern New Zealand.

DOWNTOWN COMMUNITY MINISTRY (WELLINGTON) INCORPORATED
 STATEMENT OF MOVEMENTS IN EQUITY
 FOR THE YEAR ENDED 30 JUNE 2008

TOTAL ACCUMULATED FUNDS AND RESERVES	2008	2007
	\$	\$
Opening Balance	183,684	135,097
Net Surplus (Deficit)	50,981	48,587
Transfer from reserves	1,489	
Closing Balance	<u>236,154</u>	<u>183,684</u>
RESERVES		
Opening	1,489	1,489
Transfer to accumulated funds	(1,489)	
Balance	<u>236,154</u>	<u>185,173</u>

These accounts should be read in conjunction with the Notes which form part of the financial statements.



COMMUNITY BASE

DCM is part of the Wellington community and it represents groups and individuals within it.

1 STATEMENT OF ACCOUNTING POLICIES

Reporting Entity Downtown Community Ministry Wellington Inc. (Downtown Community Ministry) is incorporated under the Incorporated Societies Act of 1908. The financial statements have been prepared using generally accepted accounting practice in accordance with New Zealand Financial Reporting Standards (FRS's).

Specific Accounting Policies

(a) Depreciation on Fixed Assets

All fixed assets are stated at cost less accumulated depreciation.

Depreciation for Fixed Assets are provided at a rate of 20% diminishing value, except for leasehold improvements which are depreciated on a straight line basis over 3 years.

(b) The financial statements are prepared on a GST exclusive basis.

(c) Sundry Debtors are stated at net realisable value having taken into account any doubtful debts.

(d) Project Margin and Grants received in Advance Reserve funds represent unallocated funds that have been received for particular projects for the year, but at balance date remain unspent. As projects are completed, these funds are taken to income to match the expenditure incurred.

(e) Measurement Base Unless otherwise stated the measurement base used is that of historical cost.

(f) Changes in Accounting Policy There have been no changes in Accounting Policy. All policies have been applied on a basis consistent with previous years.

(g) Taxation Downtown Community Ministry has charitable status and is exempt from income tax.

(h) Disclosure Exemptions from Differential Reporting Downtown Community Ministry qualifies for certain disclosure exemptions under the New Zealand Institute of Chartered Accountants Framework for Differential Reporting.

Qualifying criteria include the absence of public accountability and size.

As a result of the exemptions, Downtown Community Ministry has taken advantage of all differential reporting exemptions available.

2 COMMITMENTS AND CONTINGENT LIABILITIES

As at balance date there are no capital commitments, contingent liabilities or guarantees given in relation to the activities of Downtown Community Ministry (2007 \$ nil).

3 OPERATING LEASE OBLIGATIONS

Downtown Community Ministry has signed a lease for premises at Shelly Bay which commenced on 17 October 2003. The lease was taken over by the Wellington City Council on 1 April 2005 and will continue indefinitely until revoked. The lease is revocable by 3 months' notice by either party. The annual lease is \$800 (excl. GST).

Downtown Community Ministry negotiated a new lease for offices on the premises of Compassion House, Lukes Lane, Wellington. The term of the lease is for six years beginning 11 October 2006 for \$20,000 per year for the first year, with subsequent rent having a discount of 40% of a commercial rental. The lease includes two carparks at \$1,200 per year each.

	2008	2007
Amounts due within one year	42,600	-
Amounts due within one-two years	42,600	-
Amounts due within two-three years	42,600	-
Amounts due within three-five years	85,200	-
Amounts due over five years	10,650	-

4 GOING CONCERN

Downtown Community Ministry is reliant on income derived from three principal sources, grants, donations and fundraising.

The continuing operation of Downtown Community Ministry in the foreseeable future is reliant upon income derived from these sources. Downtown Community Ministry believe that they will be successful in achieving the 10 year forecast levels of income in the current year.



GOOD EMPLOYER

DCM is a good employer.

Failure to achieve the forecast level of income may result in a substantial reduction in the scope and activity of Downtown Community Ministry, the financial consequences of which have not been considered in these financial statements.

5 CHARITABLE TRUSTS INCOME

	2008	2007
	\$	\$
T G Macarthy Trust	20,000	20,000
St John's Trust, Karori	6,000	6,000
J R McKenzie Trust	4,000	4,000
Sargood Bequest	1,000	
	31,000	30,000

6 GRANTS FROM CENTRAL & LOCAL GOVT

	2008	2007
	\$	\$
COGs Grant -advocacy	5,000	7,500
Ministry of Social Development (MSD)	86,848	82,778
MSD -Job Plus subsidies		4,978
Wellington City Council -Project Margin	130,000	130,000
CCDHB -workforce development		10,000
	221,848	235,256

7 PROJECT MARGIN

In December 2004 the Wellington City Council gave Downtown Community Ministry a grant of \$10,000 to produce a report on the links between homelessness in Wellington and Alcohol and Drug use. There have been no expenses incurred towards publishing this report so the full value of the grant has been deferred.

In August 2004 the Wellington City Council paid Downtown Community Ministry \$130,000 for twelve months of operating costs. Eleven months has been recognised and one month has been deferred to reflect the timing of the grant.

8 FIXED ASSETTS

2007/2008	Cost	Accumulated Depreciation	Carrying Value	Depreciation
Computer Equipment	13,880	4,641	9,239	2,235
Data bases	5,435	2,055	3,379	845
Office Equipment	15,906	10,595	5,311	1,328
Vehicles	18,815	5,827	12,988	3,247
Furniture	3,824	1,306	2,518	210
	57,860	24,424	33,435	7,865
2006/2007	Cost	Accumulated Depreciation	Carrying Value	Depreciation
Computer Equipment	12,090	2,406	9,684	2,291
Data bases	5,435	1,211	4,224	1,056
Office Equipment	15,906	9,266	6,640	1,660
Vehicles	18,815	2,580	16,235	2,580
Furniture	1,806	1,097	709	177
	54,052	16,560	37,492	7,764

9 STREET PEOPLE PROGRAMME

Downtown Community Ministry has acted as an agent for 110 clients (2007 99) during the year, receiving income on their behalf mainly from Work and Income New Zealand. The funds are then paid either to the client, or with the client's agreement, to their creditors. DCM does not charge clients for this service.

For the year ended 30 June 2008, \$580,241 (2007 \$669,014) was handled on their behalf.

At 30 June 2008, a total of \$25,972 (2007 \$22,118) is being held on behalf of 103 clients (2007, 119).

The funds are held on behalf of clients and are carried in bank accounts separated from the operating activities of Downtown Community Ministry. These bank accounts and associated liability to the clients are not recognised in these financial statements as Downtown Community Ministry has no control over these funds.



Audit Report

To The Stakeholders of Downtown Community Ministry (Wellington) Incorporated

We have audited the financial report on pages 1 to 5. The financial report provides information about the past financial performance of Downtown Community Ministry (Wellington) Incorporated and its financial position as at 30 June 2008. This information is stated in accordance with the accounting policies set out on page 4.

The Board's Responsibilities

The Board is responsible for the preparation of financial statements which fairly reflects the financial position of Downtown Community Ministry (Wellington) Incorporated as at 30 June 2008 and the results of operations for the year ended on that date.

Auditor's Responsibilities

It is our responsibility to express to you an independent opinion on the financial report presented by the Board and to report 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 judgements made by the Board in the preparation of the financial report; and
- whether the accounting policies are appropriate to Downtown Community Ministry (Wellington) Incorporated circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. 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 Downtown Community Ministry (Wellington) Incorporated.

Qualified Opinion

Control over income from donations, grants and fundraising 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 required.

In our opinion, except for adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning income from donations, grants, and fundraising the financial report on pages 1 to 5 fairly reflects the results of operations for the year ended 30 June 2008.

In our opinion the financial report on pages 1 to 5 fairly reflects the financial position of Downtown Community Ministry (Wellington) Incorporated as at 30 June 2008.

Our audit was completed on 20 October 2008 and our qualified opinion is expressed as at that date.

GRANT THORNTON
WELLINGTON

Action

PUBLICATIONS

- www.dcm.org.nz
- Active in the City (bi annual)
- The Bulletin (weekly)

EVENTS

- Winter and Christmas Food Bank appeal
- Bookfair
- U.S. Embassy Thanksgiving Community Lunch
- DCM Annual General Meeting

WORKING PARTIES

- Ministry of Social Development National Advocates Group
- Wet House Project Team
- NZCCSS Poverty and Housing Policy Group
- Capital Coast District Health Board Journey Forward Reference Group
- Wellington Homeless Prevention Strategy Group

NETWORKS

- Aro Valley Community Centre and CAB
- Beneficiary Advocacy Federation of New Zealand (BAFNZ)
- Benefit Rights Service
- CADS—Community A & D Services
- City Housing (WCC)
- Coalition of Wellington Regional Food Banks
- Easy Access Housing
- Housing New Zealand
- Hutt Valley Benefit Education Service Trust
- Inner City Project
- Key Property Management
- Night Shelter Wellington
- Problem Gambling Foundation
- Salvation Army: The Hope Centre
- Atareira
- St Vincent De Paul
- Suzanne Aubert Compassion Centre/Soup Kitchen
- TACT
- Te Aro Health Centre
- Wesley Community Action
- Wellington City Mission
- Wellington Council of Social Services (WELCOSS)
- Wellington Peoples Centre
Work and Income Wellington, Kilbirnie and Newtown Service Centres
- Work and Income Regional Office



Christmas Hampers ready to go

INDEPENDENT

DCM is not “owned”, and will not be directed, by a particular funder, group or section of society.

Supporters

ORGANISATIONS, TRUSTS, CENTRAL AND LOCAL GOVERNMENT:

Capital and Coast District Health Board
Community Organisation Grants (COGs)
Fullbright New Zealand
JR McKenzie Trust
Ministry of Social Development
Ngaio Union Church
St John's Trust Karori
TG Macarthy Trust
Wellington City Council
U.S. Embassy

FOOD BANK

Blueprint Church
Goulds Fine Foods
Island Bay Presbyterian Church
Metro New World
Ngaio Union Church
Pandoro Bakery
Tip Top Wellington
Unilever Petone
Wellington City New World
Suzanne Aubert Sisters of Compassion
Woolworths Kilbirnie

FOOD APPEAL

NewstalkZB
Wellington City New World
Newtown New World
Capital Mosaic

PUBLICATIONS

Prestige Print

BOOKFAIR

BP Oil NZ
Chubb Protective Services
EFTPOS NZ Ltd
Fullcircle
Hiremaster
Jets Transport
Phantom Bill Stickers
Riegers Copy Centre
Thorndon New World
Total Pos Solutions
Wellington City New World
Wellington Waterfront
Wellington City Council



Left over books at the Bookfair are recycled

ENVIRONMENT

DCM aims to minimise the adverse impact of its activities on the environment.



Downtown Community Ministry

Cover image of William Matangi taken by David Cross