



work**force**  
A U C K L A N D

2007

**Annual Report and Accounts**

# mission statement

“Assisting disabled Aucklanders to work in careers of their choice.”



## 35 Years of Service Award

*Recently we celebrated the achievement of 35 years service by the Flett twins, Elizabeth and Christine. Pictured (from left) Mike Bryan - Industries Manager, Pat Eldering - Personnel Manager, Elizabeth, David Brown - Chairman, Christine and Joy Ottaway - CEO.*

# Chairman's Report

The year ending 30 June 2007 was another successful year for Workforce Auckland. It was also a year of significant change, as we fundamentally altered the way we deliver services to clients, and Parliament passed the repeal of the Disabled Persons Employment Promotion Act.

With an innovative strategy, sound financial position and strong management team, I am confident that Workforce Auckland will continue to go from strength to strength.

## New way of delivering services to clients

We successfully implemented the "Single Door" approach that was outlined in last year's annual report.

We now offer clients a menu of career choices, including supported, sheltered and self employment, backed by development and training programmes as appropriate. Career plans, tailored for individuals, can involve multiple stages. As an example, a client could start with training, then undertake a work trial in a sheltered workshop, and then move into supported mainstream employment.

Our "Single Door" approach has quickly earned a positive reputation, and our CEO was invited to present on it at the August 2007 Workability International Oceania forum in Sydney.

To reflect this shift in focus from jobs to longer term careers, we have amended our mission statement to *"Assisting disabled Aucklanders to work in careers of their choice"*.

From December 2007, the "Single Door" service will be provided under the brand of *Elevator*, and the *Workforce Personnel* brand will be retired.

*Workforce Industries* will continue as a standalone division, employing disabled people in a commercial environment.

## Repeal of the DPEP Act

We are pleased that Parliament passed the repeal of the outdated DPEP Act, effective 1 December 2007. The repeal, which the government signalled as far back as 2001, will help to reduce the stigma that has unfairly tainted sheltered workshops.

Well run sheltered workshops, now to be called "business enterprises", have a bright future. While some providers may struggle without extra government support, reports in the media that the repeal will doom sheltered workshops were alarmist and caused unnecessary concern to our employees.

Implementing the new system of Minimum Wage Exemption Permits absorbed considerable resources and time. While the initial setup is now behind us, it does impose additional work on an ongoing basis.

## Key challenges

We achieved good progress on the 3 key challenges listed in the 2006 annual report:

1. **Implement our new strategy.** As noted in last year's report, key elements are:

- ✔ Providing a "Single Door" for clients. As discussed above, this was successfully implemented.
- ✔ Broadening the menu of employment choices. We have started several initiatives.

First, we are assisting clients to become self-employed and are currently working on a jewellery case study.

Second, we are looking at buying businesses that can provide employment for disabled Aucklanders. We have investigated several businesses, but are yet to find one that is worth buying.

Third, we are considering setting up a temporary staffing service, modelled on GoodTemps of New York.

- ✔ Significantly upgrading our training and development programme.
- ✔ Being more commercial and focussed on client service and outcomes. We achieved a much needed improvement in the service measures for supported employment.

The success of *Elevator* requires a change of mindset for some people, focusing on positive outcomes for clients rather than political correctness and ideology.

2. **Maintain a moderate operating surplus.** The operating surplus of \$479,739 was well ahead of budget

and 20% behind last year. While most businesses would be delighted with such a surplus, we had hoped to invest more in our social initiatives.

3. **Resolve the future of our site at Kirkbride Rd, Mangere.** After considerable research, analysis and consultation, the decision was taken to relocate to a more modern facility. We are in no hurry, and are seeking a suitable site.

### Future challenges

Our key challenges for 2007/8 are to:

1. Continue to implement our strategy, building a world class operation and significantly increasing the number of disabled Aucklanders that we assist.

We will continue to refine our strategy, learning from innovative disability service providers both overseas and here in New Zealand.

2. Maintain an operating surplus, but at a lower level as we invest in developing the potential of our disabled employees and clients.

The budgeted surplus for 2007/8 is \$89,986, a reduction of 81% on 2006/7.

### Acknowledgements

On behalf of the Board, I thank the many people who contributed to another outstanding year:

- Our loyal and hardworking employees and clients, and their family, whanau and caregivers.
- Our employee representative group, Workforce Link. Members of Workforce Link attend the monthly board meetings, and make a significant contribution.
- Our CEO and senior management team.
- Anna Macnicol, our Ministry of Social Development advisor, for her unfailing support.
- Lynn Booker and her colleagues at the Department of Labour for helping us through the Minimum Wage Exemption Permit process.
- The customers of Workforce Industries for the work that provides real jobs for our people.
- The employers who provide supported employment opportunities for our disabled clients.
- Our valued donors (who are listed on the back cover).

Finally, I thank my fellow directors for their invaluable contributions and support.



**David Brown**  
 Chairman



### Members of Workforce Link Group

*From left to right. Karen Solomon, Jean Biggins, Richard Clark, Peter Hiko, Dennis Eva, Michael Letoga, John Dwyer, Heather Parker, Chris Cox, Kerry Clark and Jimmy Malloch.*

Significant improvement in service delivery for our clients has been the major focus for the year to 30 June 2007. The major driving force behind this has been the change to the "Single Door" approach.

## The Single Door

The concept behind the Single Door is that all clients will be offered the same degree of employment choice irrespective of where they enter service at Workforce Auckland. The Single Door is therefore not one physical location, but a model of consistent service delivery based on what is best for the client, not on philosophical bias.

Rather than the traditional model of a client being effectively "captured" by the services offered in the employment stream they entered, either Workforce Industries or Workforce Personnel, the new model allows clients to access service at a level above these operational streams.

At the Single Door, our team of six specialists with diverse backgrounds undertake the career-planning exercise and outline all of the employment options on offer at Workforce Auckland. In quantifying the expected outcomes from this process, two organisational tenets were further refined at the Board Strategic Planning day in May 2007:

- We will focus on what is best for each disabled person, and in advising on the work options available, we will be honest, upfront and non-patronising. If this involves referring the individual to another provider, we will do so.
- Unless forced to by financial necessity, we will not turn away a disabled person because his or her productivity does not justify the costs incurred, provided that we can offer real work, reasonably meet the person's support needs and maintain adequate safety standards.

Under the previous model of service delivery, clients could remain on waiting lists for significant lengths of time, awaiting service we may not be equipped to provide. The new model ensures our service is targeted at those we can best serve and provides more honest and faster appraisals for those we need to refer elsewhere. Rather than this reducing the number of referrals to Workforce Auckland we have, in fact, never been busier.

Another significant aspect of the Single Door model is the option for clients to reapply to the Single Door at any time. This gives us an opportunity to reconsider our service delivery and review the client's goals and aspirations. This, in itself, helps to ensure the client does not become "captured" by one type of service delivery if this is not their wish.

The appointment of a dedicated Training Manager to the Single Door team in January 2007 has allowed additional initiatives to be developed. All clients accessing service via the Single Door now have the opportunity to attend a tailored

Pre-Employment Programme. Parents and caregivers are encouraged to attend this no-obligation programme which provides an introduction to the workplace, workplace health and safety, and work tasting/experience. This provides a low-stress opportunity to step onto the employment path with confidence and assists in the decision-making process as to which employment opportunity to pursue.

During the year we have also moved the 'Transition from School' programme away from Workforce Personnel and into the Single Door. This ensures those students have access to all of the services on offer at Workforce Auckland. The current MSD-funded transition programme, piloted by Workforce Auckland since 2003, limits us to working with those students that are ORRS-funded. In performing this work our existing Transition Specialist had identified a number of students who fell outside this criteria, but who would benefit significantly from the service we offer. The Board have agreed to fund an additional Transition Specialist for these students and this work is currently underway.

## Workforce Personnel

Workforce Personnel, continuing the recent trend, achieved a 20% increase in the number of people placed and supported in employment during the year. For the year to June 2007 we placed and supported 293 into employment, with a 6 month retention rate of 85.3%. At any given time we are also working with a further 180 people actively seeking employment.

In direct correlation to the increased referrals to the Single Door, referrals to Workforce Personnel increased by 50% for the six months from January to June 2007 compared to the July to December 2006 period. Waiting time between referral to Workforce Personnel and client contact has been reduced from as much as 2 months to 5 working days.

During the year the Workforce Personnel team formed itself into four geographical teams, covering the greater Auckland region. This geographical split ensures the Employment Consultants have a clearer area of responsibility for locating employers and supporting employees with a disability. Behind these geographical teams is a support team that covers the greater Auckland area.

Workforce Personnel continues to undergo a process of continuous improvement in service delivery. With career planning now being undertaken at the Single Door, Employment Consultants at Workforce Personnel are able to focus on securing employment opportunities and retention in employment.

Further improvements are planned for the forthcoming year, as enhanced service delivery methods are phased in. As a commitment to running an exceptional recruitment service for people with disabilities, Workforce Auckland Inc has joined the Recruitment & Consulting Services Association of New Zealand.

## Workforce Industries

Turnover for the year to 30 June 2007 increased by 9.5% on the previous year. While we saw one of our customers move their operation offshore to China, continuing work by our Commercial Accounts Manager has meant an inflow of new opportunities to replace this.

The scheduling of production across the two sites, Mangere and Henderson, was centralised at Mangere using a tailored production planning software tool. This has further enhanced the ability to manage the allocation of work and employees across the two sites.

During the first six months of the year new employees at Workforce Industries declined noticeably. Media reports that the repeal of the DPEP Act would see the closure of sheltered workshops were not only concerning to our existing employees, they proved even more off-putting for potential employees.

We were able to reverse this trend in the second half of the year, by increasing our profile and assuring potential employees that Workforce Auckland had a strong future.

With the repeal of the DPEP Act originally scheduled for 1 July 2007, and the delay in availability of the VASS Wage Assessment Tool, Workforce Auckland undertook its own research and the development of a Workforce Auckland-specific Wage Assessment Tool (WAT) over the December 2006/January 2007 period.

This tool allows an analysis of transferable skills (competence), an assessment of productivity, and measures of behavioural support, supervision needs and special training requirements. For our employees, this analysis was merely an extension of their Personal Development and Training Plans and skills assessments already in place.

However, we estimate it took in excess of 2,000 direct hours to take our employees through the assessment process and to obtain the required Minimum Wage Exemption Permits (MWEPs). This process will be on-going as new employees join Workforce Industries, and as current permits come up for annual renewal.

Rather than wait for the revised repeal date of 1 December 2007, we have chosen to begin the MWEPs from 1 July. This has afforded us the opportunity to fine-tune any issues that have arisen while we are still under the banner of the DPEP Act. Not unexpectedly, a number of our employees declined the higher wages offered due to the negative impact of increased taxation, and reduced benefits and allowances.

One very tangible benefit from using the WAT is the ability to accurately gauge an individual's training needs. The Personnel

and Training Managers now use this information to schedule tailored training sessions where a gap has been identified. Subsequent assessments will allow us to measure the success of this training.

## Looking Outwards

This year I was again fortunate to attend the Workability International Conference, this year hosted by Samhall in Stockholm, Sweden.

With Workability International representing providers from 32 countries and over 2 million people with disabilities, these conferences present an outstanding opportunity to learn from organisations offering best practice around the world.

Samhall alone provides employment opportunities for over 22,000 people with disabilities at any one time. While operations of this size cannot easily be scaled down to the New Zealand sector, their approaches to employing people with disabilities can. All of the European countries presenting at the conference clearly highlighted the significant level of Government investment in the disability sector.

In the same way that the DPEP Act has been consigned to the history books, the current New Zealand contributory funding model also needs to undergo significant change. New Zealand disability providers are achieving amazing results with low levels of funding. Imagine the potential impact of a significant on-going investment in people with disabilities.

## Acknowledgements

I would like to thank the Board for their unfailing support and encouragement, particularly of the new initiatives taking place at Workforce Auckland. During the past year this included two of our Board members travelling to Australia to observe best practice models first-hand.

To the management team and staff who have willingly embraced considerable change as we have strived to improve client service, my sincere appreciation.

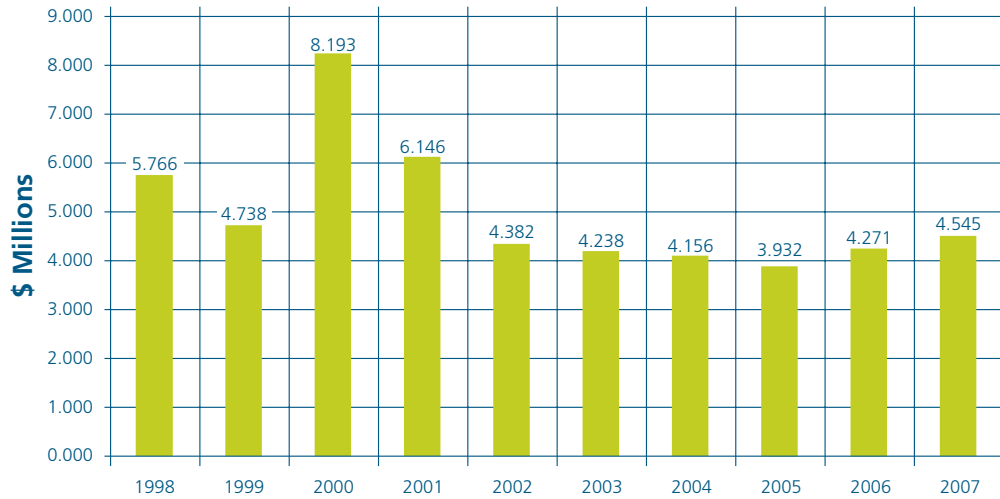
To the Single Door team my heartfelt thanks for your open-minded approach to the work you do with our clients. Your ability to remain open to all employment options is the key to success in ***"assisting disabled Aucklanders to work in careers of their choice"***.



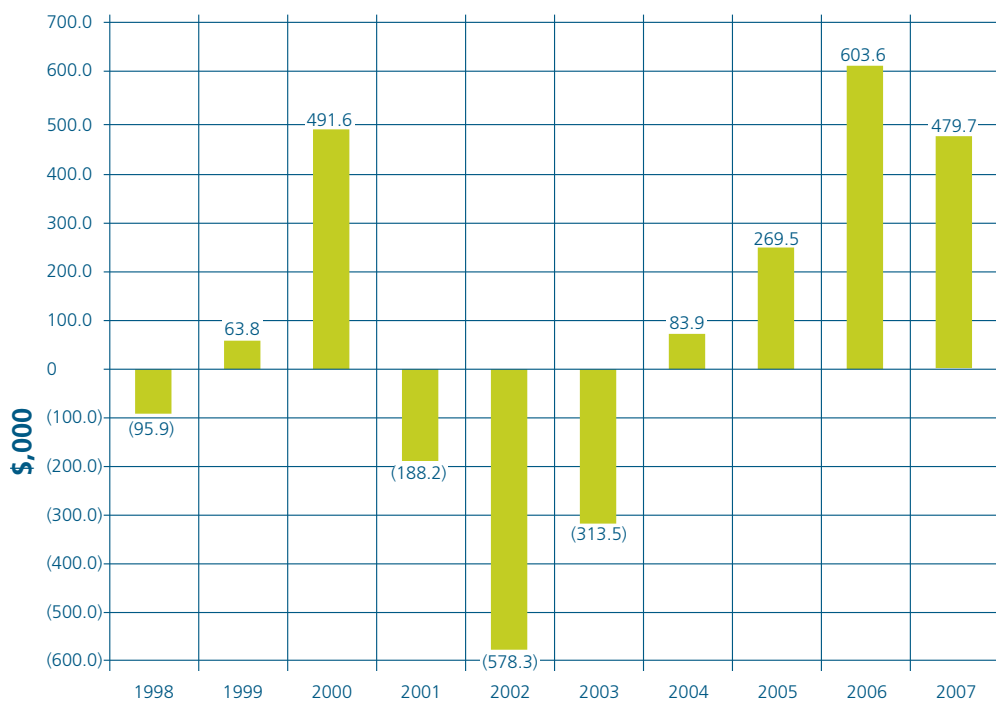
**Joy Ottaway**  
Chief Executive Officer

# Historical Statistics

## Revenue

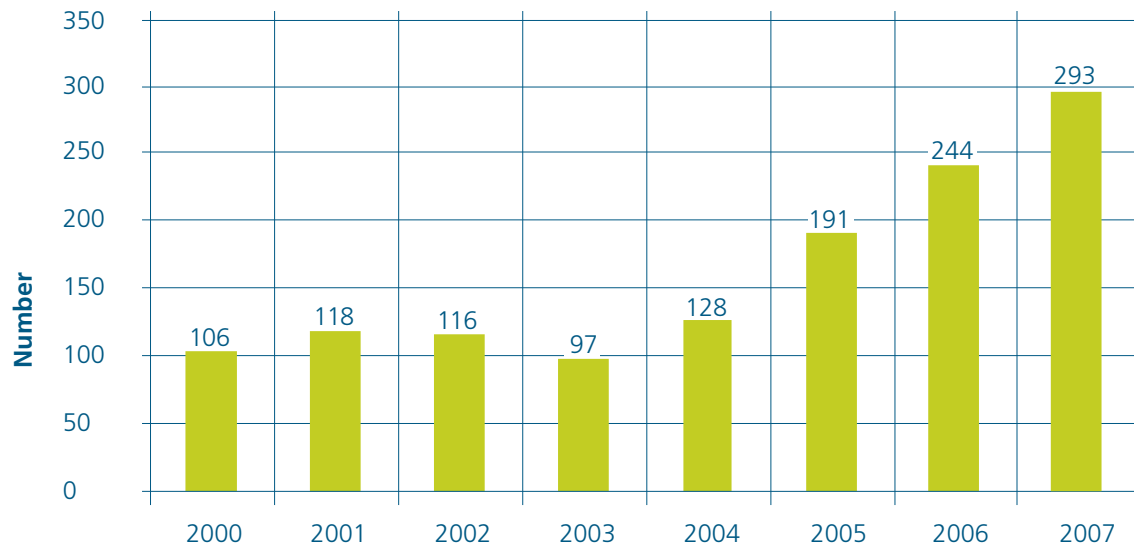


## Surplus/Deficit

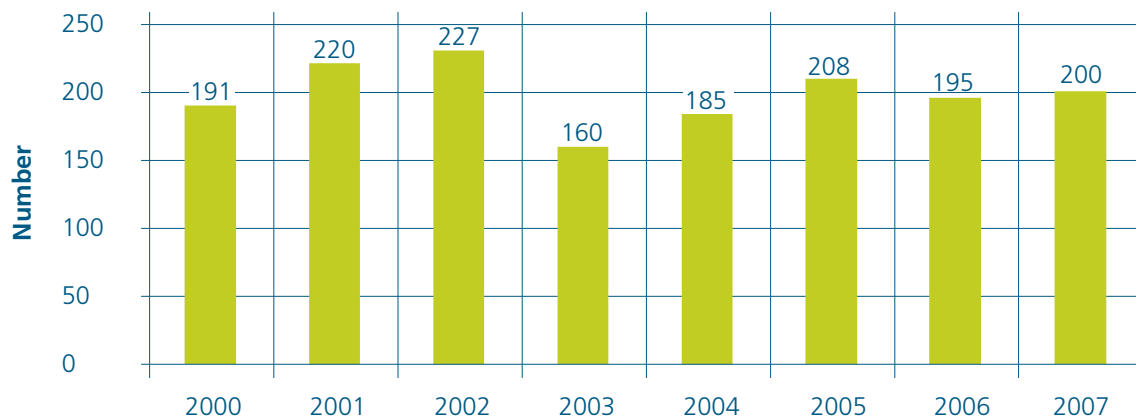




## Candidates placed and supported into open employment by Workforce Personnel



## Number of people with disabilities who attended Workforce Industries during the year





## **AUDIT REPORT TO THE MEMBERS OF WORKFORCE AUCKLAND INC.**

We have audited the financial statements on pages 9 to 15. The financial statements provide information about the past financial performance of Workforce Auckland Inc and its financial position as at 30 June 2007. This information is stated in accordance with the accounting policies set out on page 12.

### **Board of Directors' Responsibilities**

The Board of Directors' is responsible for the preparation, in accordance with New Zealand law and generally accepted accounting practice, of financial statements which fairly reflect the financial position of Workforce Auckland Inc as at 30 June 2007 and the results of operations and cash flows for the year ended on that date.

### **Auditors' Responsibilities**

It is our responsibility to express to you an independent opinion on the financial statements presented by the Board of Directors.

### **Basis of Opinion**

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

- the significant estimates and judgements made by the Board of Directors in the preparation of the financial statements, and
- whether the accounting policies are appropriate to the Workforce Auckland Inc's 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 statements are 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 statements.

Other than in our capacity as auditor, we have no relationship with or interests in Workforce Auckland Inc.

### **Unqualified Opinion**

We have obtained all the information and explanations that we have required.

In our opinion the financial statements on pages 9 to 15, fairly reflect the financial position of Workforce Auckland Inc. as at 30 June 2007 and the results of its operations and cash flows for the year ended on that date.

Our audit was completed on 1 October 2007 and our unqualified opinion is expressed as at that date.

A handwritten signature in blue ink that reads "Deloitte".

Chartered Accountants  
AUCKLAND, NEW ZEALAND



## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2007

		30 June 2007	30 June 2006
<b>FUNDS</b>	<b>NOTES</b>		
Accumulated Funds		3,780,935	3,301,196
<b>TOTAL ACCUMULATED FUNDS</b>		<b>\$ 3,780,935</b>	<b>\$ 3,301,196</b>
<b>REPRESENTED BY:-</b>			
<b>CURRENT ASSETS</b>			
Bank Balances		179,647	162,350
Accounts Receivable and Sundry Debtors		299,711	398,573
		<b>\$ 479,358</b>	<b>\$ 560,923</b>
<b>PROPERTY, PLANT AND EQUIPMENT</b>	<b>2</b>	<b>\$ 2,171,020</b>	<b>\$ 2,125,528</b>
<b>INVESTMENTS</b>	<b>4</b>	<b>\$ 1,600,000</b>	<b>\$ 1,100,000</b>
<b>TOTAL ASSETS</b>		<b>\$ 4,250,378</b>	<b>\$ 3,786,451</b>
<b>CURRENT LIABILITIES</b>			
Accounts Payable		74,312	84,784
Accruals & Provisions		49,375	22,844
Employee Entitlements		279,472	297,382
Goods & Services Tax		66,284	80,245
<b>TOTAL LIABILITIES</b>		<b>\$ 469,443</b>	<b>\$ 485,255</b>
<b>NET ASSETS</b>		<b>\$ 3,780,935</b>	<b>\$ 3,301,196</b>

Director

Director

The accompanying notes form part of these financial statements.

# Statement of Financial Performance

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2007

	NOTES	12 Months to 30 June 2007	12 Months to 30 June 2006
<b>INCOME</b>			
Operating Revenue		2,929,171	2,675,579
Government Subsidies	1	1,472,568	1,464,536
Interest Received		117,632	78,430
Other Revenue		26,237	53,041
<b>TOTAL INCOME</b>		<b>\$ 4,545,608</b>	<b>\$ 4,271,586</b>
<b>EXPENDITURE</b>			
Depreciation - Buildings	2	96,857	98,192
Plant & Equipment		36,227	39,400
Motor Vehicles		65,720	39,137
Office Equipment		38,494	43,472
Fixtures & Fittings		9,254	12,605
Audit Fees		6,585	8,950
Rent		235,961	270,877
Other Expenditure		3,576,771	3,155,358
<b>TOTAL EXPENDITURE</b>		<b>\$ 4,065,869</b>	<b>\$ 3,667,991</b>
<b>EXCESS INCOME OVER EXPENDITURE</b>		<b>\$ 479,739</b>	<b>\$ 603,595</b>

# Statement of Movement in Equity

## STATEMENT OF MOVEMENT IN EQUITY FOR THE YEAR ENDED 30 JUNE 2007

Opening Accumulated Funds	3,301,196	2,697,601
Total Recognised Income and Expenditure for the year	479,739	603,595
<b>TOTAL ACCUMULATED FUNDS</b>	<b>\$ 3,780,935</b>	<b>\$ 3,301,196</b>

*The accompanying notes form part of these financial statements.*



## STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2007

	NOTES	2007	2006
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
Receipts from Customers		3,028,033	2,557,180
Government Subsidies		1,472,568	1,464,536
Interest Received		117,632	78,430
Sundry		26,237	53,041
		<b>\$ 4,644,470</b>	<b>\$ 4,153,187</b>
<b>Cash was applied to:</b>			
Payment to Suppliers and Employees		(3,867,280)	(3,332,749)
<b>Net cashflows from operating activities</b>	<b>3</b>	<b>\$ 777,190</b>	<b>\$ 820,438</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
Proceeds from sale of Property, Plant and Equipment		32,445	1,707
<b>Cash was applied to:</b>			
Purchases of Property, Plant and Equipment		(292,338)	(142,705)
Purchase of Investments		(500,000)	(625,000)
<b>Net Cash Flows to Investing Activities</b>		<b>\$ (759,893)</b>	<b>\$ (765,998)</b>
<b>Net Increase / (Decrease ) in Cash Held</b>		<b>17,297</b>	<b>54,440</b>
Add cash at beginning of year		162,350	107,910
<b>Cash at end of year</b>		<b>\$ 179,647</b>	<b>\$ 162,350</b>

The accompanying notes form part of these financial statements.

# Notes to the Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

### 1. STATEMENT OF ACCOUNTING POLICIES

#### Reporting Entity

Workforce Auckland Inc. is a society incorporated under the Incorporated Societies Act 1908. The financial statements of Workforce Auckland Inc. have been prepared in accordance with generally accepted accounting principles in New Zealand.

#### Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of results on an historical cost basis, adjusted by the revaluation of certain assets, are followed by the Society.

#### Specific Accounting Policies

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

- *Property, Plant and Equipment*  
These are recorded at cost, or revaluation less depreciation. Depreciation is calculated on a straight line basis at annual rates of - Buildings 3%, Plant & Equipment 20%, Motor Vehicles 20%, Office Equipment 20% - 33.3%, Fixtures & Fittings 20%.  
The depreciation policies applied in the current year are consistent with those adopted in the prior year.
- *Government Grants*  
These are recognised as revenue when the conditions relating to the grants have been fulfilled. The conditions relate to the agreed volumes of services. The subsidies received for the 12 months being reported amounted to -  
Ministry of Social Development                      \$1,472,568 (2006: \$1,464,536)
- *Accounts Receivable*  
Accounts Receivable are valued at the expected realisable value after making provision for bad and doubtful debts.
- *Taxation*  
All items in the Statement of Financial Position are stated exclusive of GST, with the exception of accounts receivable and accounts payable, which include GST. All items in the Statement of Financial Performance and Cashflows are stated exclusive of GST. The society is exempt from Income Tax.
- *Operating Leases*  
Leases under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments are recognised as an expense in the periods they are payable.
- *Financial Instruments*  
Financial Instruments recognised in the Statement of Financial Position include cash balances, receivables, payables, term borrowings and investments.
- *Investments*  
Investments are valued at the lower of cost and market value.
- *Statement of Cash Flows*  
The statement of Cash Flows is prepared exclusive of GST, which is consistent with the method used in the Statement of Financial Performance. Definitions of the terms used in the Statement of Cash Flows:  
"Cash" includes coins and notes, demand deposits and other highly liquid investments readily convertible into cash used by the society as part of their day- to- day cash management.  
"Operating Activities" include all transactions and other events that are not investing or financing activities.  
"Investing Activities" are those activities relating to the acquisition and disposal of current and non-current investments and any other non-current assets  
"Financing Activities" are those activities relating to changes in the equity and debt capital structure of the society and those activities relating to the cost of servicing the society's equity capital.
- *Changes in Accounting Policies*  
There have been no changes in accounting policies. All policies have been applied on a consistent basis with those of the previous year.



## 2. PROPERTY, PLANT AND EQUIPMENT

	At Cost	Accumulated Depreciation	Book Value
<b>June 2007</b>			
Freehold Land	19,412	-	19,412
Buildings	3,259,101	1,599,752	1,659,349
Plant & Equipment	892,388	784,023	108,365
Motor Vehicles	551,900	238,191	313,709
Office Equipment	278,792	232,214	46,578
Fixtures & Fittings	140,899	117,292	23,607
<b>Total</b>	<b>5,142,492</b>	<b>2,971,472</b>	<b>2,171,020</b>

	At Cost	Accumulated Depreciation	Book Value
<b>June 2006</b>			
Freehold Land	19,412	-	19,412
Buildings	3,259,101	1,502,895	1,756,206
Plant & Equipment	884,721	747,796	136,925
Motor Vehicles	523,176	406,098	117,078
Office Equipment	256,953	193,906	63,047
Fixtures & Fittings	140,899	108,039	32,860
<b>Total</b>	<b>5,084,262</b>	<b>2,958,734</b>	<b>2,125,528</b>

The 2006 CV of the Land and Buildings is \$5,550,000

## 3. RECONCILIATION OF SURPLUS WITH NET CASH INFLOWS FROM OPERATING ACTIVITIES

	2007	2006
<b>Surplus for the Year</b>	<b>479,739</b>	<b>603,595</b>
<i>Add Non-cash Items</i>		
Depreciation and scrapped assets	246,552	232,806
<b>Cash Surplus</b>	<b>726,291</b>	<b>836,401</b>
<i>Movement in Working Capital</i>		
Decrease (Increase) in Accounts Receivable	98,863	(118,399)
(Decrease) Increase in Accounts Payable	(1,851)	39,462
(Decrease) Increase in GST	(13,961)	58,042
	<b>83,051</b>	<b>(20,895)</b>
<i>Items classified as Investing Activities</i>		
Loss (gain) on disposal of Property, Plant and Equipment	<b>(32,152)</b>	<b>4,932</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>777,190</b>	<b>820,438</b>

# Notes to the Financial Statements continued

## 4. INVESTMENTS

All investments are Fixed Term Deposits for varying periods, with an interest rate range of 7.89% - 7.93% pa.

## 5. FINANCIAL INSTRUMENTS

### Credit Risk

To the extent Workforce Auckland Inc. has a receivable from another party there is a credit risk in the event of non-performance by that counter party. Financial instruments that potentially subject Workforce Auckland Inc. to credit risk principally consist of bank balances and investments.

Workforce Auckland Inc. continuously monitors the credit quality of major financial institutions that are counter parties to its financial instruments and does not anticipate non-performance by the counter parties.

Workforce Auckland Inc. has a concentration of credit risk as it has invested \$1,600,000 with Westpac New Zealand Ltd, which has a credit rating of AA from Standard and Poor's.

### Credit Facilities

Workforce Auckland Inc. has total bank credit facility of \$Nil : ( \$Nil for year 2006 ).

### Interest Rate Risk

The society has no exposure to interest rate risk as it has no borrowings at year end (2006-nil).

### Fair Values

*Bank Balances, Investments, Receivables.*

The carrying amount is the fair value for each of these classes of financial instruments.

## 6. SEGMENT INFORMATION

Workforce Auckland Inc. reports as one segment, but provides the following additional information.

Workforce Auckland Inc. exists to provide training and employment opportunities for disabled people.

The surplus for the year was generated from the following activities:

	2007	2006
Workforce Industries	430,370	609,549
Workforce Personnel	23,132	(54,826)
Donations/Grants/Bequests	26,237	48,872
<b>Total</b>	<b>479,739</b>	<b>603,595</b>

Workforce Industries provides in house supported employment opportunities.

Workforce Personnel places and supports people with disabilities into external employment.

## 7. RELATED PARTY DISCLOSURES

The ASW Development Trust is a related party.

During the year, Workforce Auckland Inc received \$21,971 from the ASW Development Trust as a contribution towards costs incurred in setting up the Single Door service delivery model.



## 8. LEASE COMMITMENTS UNDER NON-CANCELLABLE OPERATING LEASES

	2007	2006
Less than 1 year	220,000	186,000
Between 1 - 2 years	173,000	115,000
Between 2 - 5 years	598,000	33,000

## 9. CAPITAL COMMITMENTS

As at 30 June 2007 there were no capital commitments (2006 - Nil).

## 10. INTERNATIONAL FINANCIAL REPORTING STANDARDS

On 14 September 2007 the Accounting Standards Review Board announced that mandatory adoption of International Financial Reporting Standards (IFRS) by certain small entities has been postponed. On the basis that Workforce Auckland Inc is not subject to the Financial Reporting Act 1993, is not publicly accountable and is not large as defined by the Framework for Differential Reporting, it is able to postpone the adoption of IFRS and intends to do so.

# Recognition Awards



*The 2007 award for "Workforce Industries Achiever of the Year" being presented to Paul Andrews by Workforce Auckland Chairman David Brown. Since his start at Workforce in 1993, Paul has progressed from being a packer (on a disability benefit) to recently being appointed a full time salaried supervisor.*



*Bert Smith proudly displays his 2007 "Workforce Personnel Employee of the Year" award, presented to him by David Brown - Chairman (left) and accompanied by his Employment Consultant Jonathan Aldom (right). Bert has been a nurseryman at Plantet Earth, Kumeu for a year and the award was to recognise his focus and dedication to his job.*

# Directory

## Board of Directors

### Chairman

David Brown LLB BCom MBA (Harvard)

### Deputy Chairman

Kevin Riley

### Directors

Tricia Fitzgerald BA MBA AFNZIM

Mick Mittiga

Peter Spencer

John Dwyer

## Executive Staff

### Chief Executive Officer

Joy Ottaway BBS (Hons) CA CMA

## Life Members

Mr J L Button

Mrs J Clayton

Mrs J Dromgoole

Mrs D I Eyre

Mr K McAnulty

Mr D H McDonnell

Mr I D Robinson

## Solicitors

Stafford Klaassen

Auckland

## Auditors

Deloitte

Auckland

## Patron

Dame Catherine Tizard GCMG DBE

## Vice Patrons

### The Mayors of:

Auckland City: Mr R Hubbard

Manukau City: Sir B J Curtis

Waitakere City: Mr R Harvey

North Shore City: Mr G Wood

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### Elevator *(previously Workforce Personnel)*

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Heather Taylor – Transition Specialist

Keya Bishop – Manager - Employment Specialists

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