

catholic diocese  
of christchurch



annual reports  
for the year ended  
30 june 2008

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*Dear Brothers and Sisters in Christ,*

*A well known phrase from the 2<sup>nd</sup> Vatican Council reminds us that the Church “is essentially both human and divine, visible but endowed with invisible realities...” As we know well, its mission from Christ the Lord is carried forward amongst the realities of life and depends on human resources as well as divine invisible resources.*

*This Annual Report of the Diocese gives us information about the how the resources of the Diocese are being put to the service of the Church’s mission. I am most grateful for the generous and on going financial support of the Catholic people for the work of the Church. I wish to acknowledge too, and thank, all those involved in the work of the Diocesan Advisory Boards and Councils, especially those who chair them; Geoff Bailey, the Diocesan Management and Finance Board, Rex Lynch, the Education Council, and Murray Winder, the Welfare Council.*

*Yours sincerely*

A handwritten signature in blue ink, consisting of a cross symbol followed by the letters 'B. Jones' in a cursive script.

**+ Barry Jones**  
**Bishop of Christchurch**

## | chairman's introduction

*The Management and Finance Board meets monthly. The meeting agenda covers the following areas of Diocesan activity:*

- Catholic Youth Team
- Pastoral Planning Office
- Diocesan Welfare Council
- Diocesan Education Council
- Financial Reports

*The work of the Pastoral Planning Office is of critical importance for the medium and long term planning of the Diocese given the changes taking place within the Church in New Zealand.*

1. Fewer priests in our Diocese
2. The challenge of providing full services in all parishes
3. The challenge of parishes working together as pastoral areas

*The financial world began its move from "boom to bust" during the year ended 30 June 2008.*

*Our Catherine fields subdivision project at Rolleston mirrored this economic change with our sections initially being very successfully marketed in October 2007, but by December 2007 the market for section sales had disappeared completely. The few remaining unsold sections have since been marketed at current market values and have sold steadily.*

## | financial year ended 30 june 2008

*The annual accounts for this year are reported under the requirements of the New Zealand International Financial Reporting Standards (IFRS) for the first time.*

*The net surplus for the year (page B6) was \$793,000 compared to a budgeted surplus of \$5,339,000.*

*The variation from budget was due to the following factors:*

- *Investment income was \$585,000 less than budgeted largely due to the impact of implementing the International Financial Reporting Standards (IFRS) within the CDF. This has resulted in a change in the calculation and timing of the distribution from the CDF.*
- *Other income is \$311,000 less than budgeted due to actual recorded proceeds from the sale of sections in the Catherine fields subdivision being the gain on sale component only whereas the budget was based on the gross sales amount. The cost of the original land and development costs associated with the sections sold has been excluded from the income. (Actual gross sales were greater than budgeted).*
- *Depreciation expense is \$1.086M greater than budgeted due to the implementation of IFRS and the change in policy to now depreciate all buildings. The budget did not include depreciation on buildings.*
- *Transfers to Special Funds are \$2.3M greater than budget due to the increased gross sales from section sales at Catherine fields. (The cash surplus on the development of Catherine fields has been set aside in a special purpose Property Reserve (refer Note 10 to the Accounts)).*
- *The level of Diocesan equity in the Statement of Financial Position (page B4) increased from \$136M to \$139.6M.*

*The financial position of the Diocese is very sound and as the Statement of Financial Position shows, there are very few liabilities.*

## **| catholic development fund**

*The annual surplus distribution the Diocese receives from the Catholic Development Fund is a major source of income to the Diocese.*

*This year the distribution to the Diocese was \$335,000.*

*The CDF result achieved by George Macfarlane, Chairman, his trustees and the Diocesan administration team was very good in difficult financial conditions.*

## **| diocesan administration staff**

*The Diocese and Advisory Boards are extremely well served by the staff of the Diocese.*

*Paddy Beban continues to provide an outstanding service as Financial Administrator. He has monitored and managed the Diocesan financial position particularly well during the current world financial crisis.*

*The administration team are always very pleasant and professional to work with.*

## **| conclusion**

*In conclusion, I thank each member of the Board for their contribution to the progress of the Diocese during the year.*

*The Board members possess a wide range of skills and together with the support of the Diocesan administration staff we are able to fulfil our advisory role for the Bishop.*



**Geoff Bailey**  
Chairman  
Diocesan Management & Finance Board

# | the pastoral planning office



from the bishop's deputy for the pastoral plan  
- mike stopforth

holiness ► communio ► collaboration ► mission



We are now into year two of our five year roll-out for our Diocesan Pastoral Plan (2005-2010). The year covering this reporting period was busy with a number of developments.

## | pastoral area development

### Christchurch South

*Addington, Akaroa, Beckenham, Halswell, Hoon Hay, Hillmorton Hospital and Princess Margaret Hospital (Hospital Chaplaincy).*

### Christchurch West

*Darfield, Hornby, Leeston, Lincoln, Riccarton, Sockburn, Canterbury and Lincoln Universities and College of Education (Tertiary Chaplaincy).*

### Christchurch North

*Bryndwr, Burnside, Papanui, St Albans, Nurse Maude Hospice (Hospital Chaplaincy).*

### Christchurch Central & Hills

*Cathedral, Christchurch North, Lyttleton, Sumner, Woolston, Holy Cross Chapel, Te Rangimarie (Maori Chaplaincy), Christchurch Hospital and Nazareth House (Hospital Chaplaincy), Polytech (Tertiary Chaplaincy).*

### Christchurch East

*Aranui, Burwood, Dallington, Mairehau, New Brighton, Burwood Hospital (Hospital Chaplaincy).*

### North Canterbury

*Cheviot, Hawarden, Hanmer, Kaiapoi, Rangiora.*

### West Coast

*Grey Valley-Ngahere, Greymouth, Hokitika, Kumara, Runanga-Cobden, South Westland.*

### Mid-Canterbury

*Ashburton, Methven, Rakaia, Tinwald.*

### South Canterbury

*Geraldine, Fairlie-Twizel, Pleasant Point, Temuka, Timaru North, Timaru South, Waimate.*

*The Chatham Islands, which is not formally linked to a particular Pastoral Area, will continue to have regular priestly visits.*

This year a fifth pastoral area (Christchurch East) was 'launched' by the Bishop with pastoral area councils in place in each one that meets regularly. The pastoral planning for our diocese primarily is at the level of representatives of parishes in a pastoral area coming together on a Pastoral Area Council and being creative in how to share and collaborate using the resources more effectively.

In addition some parishes (through the parish council) have asked for outside facilitation to help them develop goals or plans for their parish, which I have been happy to assist with.

Assistance was provided for the parishes of Burwood and Mairehau as they underwent a process of sharing the same parish priest. Bishop Barry approved a Mass schedule that did not include Sunday Mass being held at the Emmett Street Church. The final Mass was held on the feast day of the Church – St Pius X.



Overseas Priests:  
Fathers Francis Jolly, Gerry Nemi,  
John Rizzo FSSP, Roger Yarte

## | priests orientation

The membership of this committee is Reverend John Fitzmaurice, Reverend Simon Eccleton and Mr Mike Stopforth. Bishop Barry has invited four priests from overseas to come and work in the diocese. A one day orientation programme was developed and provided in May 2008 for three priests from overseas.

It is worth noting that our diocese has an ongoing relationship with the Diocese of Daet (Philippines) and Pusan (Korea).

In addition significant preparation is being undertaken for the arrival of four Vietnamese young men who will study English with a view to ordination for our diocese.

## | hospital chaplaincy

Hospital Chaplaincy is primarily to ensure that people have the opportunity to receive the sacraments. It is also seen as an expression of the care of the Church for those in need in terms of health. The presence of the Chaplaincy Team is often a source of inspiration and solace to people when they are unwell. They are also a support for the relatives and staff of the hospital.

The Christchurch Central (Christchurch Hospital and Nazareth House) and Christchurch South (The Princess Margaret and Hillmorton Hospitals) Pastoral Areas have responded to the need to provide pastoral care for these hospitals, and particularly Christchurch Hospital.

A new Volunteer Hospital Chaplaincy Assistants programme has been introduced. A process has been developed to identify suitable people for this ministry and undertake a ten week ecumenical training programme and completing a probationary period. Four lay people now spend one morning per week in this role; three at Christchurch Hospital and one person at The Princess Margaret Hospital.

The Diocese has a role in administering and supporting pastoral work in hospitals as follows:

**Burwood Hospital** - Sister Irene Jones RSM, Reverend Miles O'Malley;

**Christchurch Hospital and Christchurch Women's Hospital** - Sister Mary Hanrahan RSM;  
Reverend Kevin Wei

**Hillmorton Hospital** - Brother Stephen Coakley OH (until Feb '08), Mrs Jenny Rooney (from March '08)

**Nurse Maude Hospice and Hospital** - Sister Irene Jones RSM, Reverend Jack O'Connor

**The Princess Margaret Hospital** - Reverend Bernard Carney SM

In addition support is given to **St John of God Hospital** through the Chaplain, Sister Mary Boyes RSM.

During the year the Saturday Mass at the **Princess Margaret Hospital** was discontinued.

Bishop Barry Jones DD is the New Zealand Catholic Bishops' Conference Deputy for the Inter-church Council for Hospital Chaplaincy Aotearoa, New Zealand.



Volunteer Hospital Chaplaincy Assistants:  
Brother Pat Hill FMS, Sharon Henshaw,  
Stuart Thow, Anne Fogarty



## | lay ministry formation

In collaboration with the Catholic Education Office, a new Certificate in Pastoral Ministry was offered in the 2008 calendar year. Courses are NZQA approved and provide an introductory level of courses. 50 people studied at least one course in 2008.

Ongoing liaison with pastoral workers continues. In parishes, there are:

- 13 pastoral workers - predominantly part time.
- 7 religious and 6 lay
- All are women

They cover 11 parishes.

During 2008 the Marist Missionary Sisters (SMSM) began a new community of two living at the St Albans Presbytery. They are pastoral workers for the St Albans and Bryndwr parish (one full time equivalent).

A generic position description for a pastoral worker has been developed and is a resource for the diocese.

A day was held for the Pastoral Workers which enabled the opportunity to provide diocesan support for them and to offer formation. The day included input from Bishop Barry, Mass and discussion.

A 'Parish Secretaries Day' was held with the Pastoral Planning Office assisted. 22 of our parish secretaries participated in the day (plus five apologies). This day provided the secretaries the opportunity for:

- Sharing best practise and resources among themselves.
- Prayer and reflection (Sr Jill McLoughlin)
- An input on boundaries (Msgr Gerry O'Connor)
- Administration matters (Paddy Beban & Janice Rennell)
- The Pastoral Plan (the writer)



## | parish pastoral councils

New diocesan guidelines are being developed for parish pastoral councils. Many dioceses have these and it is useful to have other dioceses material from throughout the world to draw upon. At the time of writing these are in draft form.



## | catholics returning home

This programme has happened in parishes for some years. This year a new approach is being undertaken with the bringing together of the people from parishes (and a pastoral area) who lead this programme. This has enabled the pooling of resources such as:

An advertising campaign with banners outside parishes and radio advertising.

A single phone number 0508 HOME NOW (0508 466 366).

A website established [www.catholicshomenow.co.nz](http://www.catholicshomenow.co.nz)

## | diocesan website

For the first time the parish Holy Week and Easter liturgy times were on the diocesan website. The Christmas timetable will also be added to the website.

Further information about the Pastoral Plan can be found on the website:

[www.chch.catholic.org.nz/pastoralplan](http://www.chch.catholic.org.nz/pastoralplan)

# | the diocesan education council

from the chairman – rex lynch

*The Council met regularly during the year.*

*The Catholic Education Office produces an excellent report each month which is the discussion document for our meeting. The Education Council provides a forum for discussion on and reporting from the Catholic Education Office that is then reported to the Diocesan Board of Management and Finance.*

*I am pleased to report that the Catholic Education Office is functioning well and offering an ever increasing range of educational opportunities to the catholic population of the diocese. There are now wonderful opportunities for teachers, parish workers and youth workers to up-skill themselves by way of the large number of certificated courses now made available by the Catholic Education Office. At a recent count 97 students were enrolled in Diplomas and Certificate papers.*

*Changing populations have finally caused the Board of Trustees of St Joseph's School Lyttelton to recommend to Bishop Barry that the school is no longer a viable proposition and should be closed. The pupils will be welcomed at St Anne's Woolston and Star of the Sea Sumner or any other catholic school in the 2009 year.*

*My thanks to members of the Council – David Lamb (Bryndwr Parish), Robin Kilworth (Ashburton Parish), Father John Fitzmaurice (Cathedral Parish and Bishop's Deputy for Education), Mike Nolan (Manager Catholic Education Office), also to Paddy Beban (Diocesan Financial Administrator) Donna Malone (Minutes Secretary).*



# | the diocesan welfare council

from the chairman - murray winder

*The Diocesan Welfare Council is a body established by the Bishop to more effectively carry out the responsibility to provide for the relief of human need following the teaching of the Catholic Church. As at June this year, the Council consisted of myself as Chairman, Charlotte Boyes, Mary Caldwell, Brian Cowan, Brian Dilger, Joan Doocey, John Kennedy, and Lynda MacDonald. Council thanks Carey Haines for his contribution to Council, who resigned during the year.*

*The Tindall Foundation provided the Diocese with some \$50,000 which Council, in order to distribute, called for applications from Catholic and non-Catholic welfare organisations. Total applications received numbered 16 requesting \$101,000. Successful organisations included Home & Family Society Christchurch Inc, Catholic Social Services, Faith & Light Rainbow Community, Catholic Youth Team, Waipuna Youth & Community Trust, Future Life Foundation Trust. It is very humbling to observe the diversity and contribution of so many, often unsung, organisations within our local community. Council was surprised that more Catholic welfare agencies did not see the need to apply for Tindall support.*

*The Diocesan Welfare Council was involved in a diverse number of activities, including visits with Catholic youth team, Faith & Light Rainbow Community, Our Lady of Assumption Parish Council, 0800 Hungry, and provided advisory information to the Bishop in relation to the use of gambling proceeds by charitable organisations.*

*Donna Malone, at Cathedral House, continues to go well beyond her secretarial duties in assisting Council, which is grateful for that support. Catholic Social Services, whose board of governance is the Diocesan Welfare Council, continues to respond to the diverse demands for complex and urgent need, including mental health, within our increasingly violent society where it is usually the very young and most vulnerable who are the pawns within our human existence. The service assisted 4,300 persons in the year to December 2007. The need is not decreasing. We are indeed fortunate to have Jon Brian, manager, and all the staff and volunteers at the coal face of Catholic Social Services providing a totally free service to both Catholics and non-Catholics alike.*



# annual financial report

for the year ended

30 june 2008

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***Bishop***

*Most Reverend Barry Jones DD*

***Bishop Emeriti***

*Most Reverend John Cunneen DD*

*Most Reverend Basil Meeking DD*

***Vicar General***

*Reverend Monsignor Gerard O'Connor*

***Chancellor***

*Reverend Monsignor James Harrington*

***College of Consultors***

*Reverend Peter Costello*

*Reverend Simon Eccleton*

*Reverend John Fitzmaurice*

*Reverend Monsignor James Harrington*

*Reverend Rick Loughnan*

*Reverend Monsignor Gerard O'Connor*

***Diocesan Management and Finance Board***

*Geoff Bailey, Chairman*

*Greg Bevin*

*Stephen Boock*

*Robin Corcoran (RIP 6.11.08)*

*Most Reverend Barry Jones DD*

*Rex Lynch*

*George Macfarlane*

*Barbara Matthews*

*Brian Phillips*

*Murray Winder*

***Diocesan Education Council***

*Rex Lynch, Chairman*

*Reverend John Fitzmaurice*

*Robin Kilworth*

*David Lamb*

*Reverend Monsignor Gerard O'Connor*

***Diocesan Welfare Council***

*Murray Winder, Chairman*

*Charlotte Boyes*

*Mary Caldwell*

*Brian Cowan*

*Brian Dilger*

*Joan Doocey*

*John Kennedy (Appointed 2.5.2008)*

*Lynda Macdonald*

# | executive directory

## **Managers**

Diocesan Financial Administrator  
Catholic Education Office  
Diocesan Youth Team  
Catholic Social Services  
Finance  
Pastoral Planning Office

Paddy Beban  
Mike Nolan  
Clare Dooley  
Jon Brian  
Janice Rennell  
Mike Stopforth

## **Auditor**

***Ernst & Young***  
34-36 Cramner Square  
Christchurch

## **Solicitors**

***Cavell Leitch Law***  
Level 15  
Clarendon Towers  
Cnr Oxford Terrace & Worcester Street  
Christchurch

## **Investment Advisors**

***Goldman Sachs JB Were (NZ) Ltd***  
141 Cambridge Terrace  
Christchurch

## **Bankers**

***Westpac***  
Level 4  
Canterbury Centre  
166 Cashel Street  
Christchurch

## **Engineers**

***Eliot Sinclair & Partners Ltd***  
Level 5  
Transport House  
151 Kilmore Street  
Christchurch

***Opus International Consultants Ltd***  
20 Moorhouse Avenue  
Christchurch

## **Location**

***Cathedral House***  
122 Barbadoes Street  
Christchurch



# statement of financial position - For the year ending 30 June 2008

	Notes	30 June 2008 '000	30 June 2007 '000
<b>Current Assets</b>			
Cash and Cash Equivalents		1,621	1,169
Trade and Other receivables	3	870	530
Inventories		29	25
Other Financial Assets	5	10,414	12,903
Property Under Development		<u>2,793</u>	<u>2,711</u>
<b>Total Current Assets</b>		<b>15,727</b>	<b>17,338</b>
<b>Non Current Assets</b>			
Other Financial Assets	5	11,588	6,753
Property, Plant and Equipment	6	120,092	119,534
Intangible Assets	7	<u>4</u>	<u>9</u>
<b>Total Non Current Assets</b>		<b>131,684</b>	<b>126,296</b>
<b>Current Liabilities</b>			
Trade and Other Payables	8	1,619	722
Borrowings	9	<u>719</u>	<u>766</u>
<b>Total Current Liabilities</b>		<b>2,338</b>	<b>1,488</b>
<b>Non Current Liabilities</b>	9	<b>5,509</b>	<b>6,143</b>
<b>Net Assets</b>		<b><u>139,564</u></b>	<b><u>136,003</u></b>
<b>Total Equity</b>	10	<b><u>139,564</u></b>	<b><u>136,003</u></b>

For and on behalf of the Management and Finance Board, which authorised the issue of the financial report on 29 April 2009.

+ B. Jones

+ Barry Jones  
Roman Catholic Bishop of Christchurch



G Bailey  
Chairman

# | statement of movements in equity - For the year ending 30 June 2008

	Notes	2008 Actual '000	2007 Actual '000
<b>Opening Equity</b>		<b>136,003</b>	<b>134,100</b>
Net Operating Surplus for the period		4,466	1,923
Income and Expenses recognised directly in Equity			
Fair Value gains/losses on Available for Sale Assets			
Unrealised Gains Reserve on Shares		(855)	131
Unrealised Gains Reserve on Bonds		(50)	(151)
		<u>(905)</u>	<u>(20)</u>
<b>Total Income and Expenses for the Period</b>		<b><u>3,561</u></b>	<b><u>1,903</u></b>
<b>Closing Equity</b>	10	<b><u><u>139,564</u></u></b>	<b><u><u>136,003</u></u></b>

# statement of financial performance - For the year ending 30 June 2008

2007 Actual '000		Notes	2008 Budget (Unaudited) '000	2008 Actual '000	2009 Budget (Unaudited) '000
<b>Operating Income</b>					
1,073	Grants and Donations		816	921	673
519	Allocations		540	539	545
2,414	Government Grants	13	2,462	2,408	2,368
1,541	Investment Income		1,962	1,377	1,775
1,706	Other Income	14	5,661	5,350	3,738
<b>7,253</b>	<b>Total</b>		<b>11,441</b>	<b>10,595</b>	<b>9,099</b>
<b>Less Expenditure</b>					
1,897	Employee Benefits & Expenses		2,058	2,003	2,181
369	Consultancy		324	416	285
1,779	Depreciation & Amortisation		707	1,793	1,102
333	School Maintenance		100	418	100
124	Finance Costs		395	155	164
1,338	Other Expenses		1,439	1,879	1,324
<b>5,840</b>	<b>Total</b>		<b>5,023</b>	<b>6,664</b>	<b>5,156</b>
<b>1,413</b>	<b>Net Operating Surplus</b>		<b>6,418</b>	<b>3,931</b>	<b>3,943</b>
510	Non Operating Revenue	15	276	535	276
<b>1,923</b>	<b>Total Surplus recognised for period</b>	18	<b>6,694</b>	<b>4,466</b>	<b>4,219</b>
1,135	Internal Recoveries		1,148	1,280	1,264
(1,135)	Less Internal Charges		(1,148)	(1,280)	(1,264)
<b>0</b>			<b>0</b>	<b>0</b>	<b>0</b>
(1,094)	Net Transfers (to)/from Special Funds		(1,355)	(3,673)	(2,830)
<b>829</b>	<b>Net Surplus (after internal transfers)</b>	16	<b>5,339</b>	<b>793</b>	<b>1,389</b>
(2,257)	Capital Expenditure	17	(5,578)	(5,763)	(2,928)
604	Loan Principal Receipts		190	190	0
(293)	Loan Principal Repayments		(182)	(312)	(182)
<b>(1,117)</b>	<b>Net Surplus (Deficit)</b>		<b>(231)</b>	<b>(5,092)</b>	<b>(1,721)</b>
	(after internal transfers and capital expenditure)				
<b>Net Cost by Activity</b>					
(282)	Ministry of Liturgy		(570)	(615)	(711)
(501)	Ministry of the Word		1,205	275	(106)
(262)	Ministry of Charity		(504)	(265)	(566)
1,874	Overheads		5,208	1,398	2,772
<b>829</b>	<b>Total Net Cost</b>		<b>5,339</b>	<b>793</b>	<b>1,389</b>

# statement of cash flows

- For the year ending 30 June 2008

	2008 '000	2007 '000
<b>Cash Flows From Operating Activities</b>		
Cash was provided from:		
Grants and Donations Received	921	1,073
Allocations Received	539	519
Government Grants Received	2,408	2,316
Investment Income Received	1,399	2,061
Net GST Received	0	43
Other Income Received	1,176	1,532
	<u>6,443</u>	<u>7,544</u>
Cash was applied to:		
Payments to employees and suppliers	4,201	3,920
Interest Paid	155	124
Net GST Payments	121	0
	<u>4,477</u>	<u>4,044</u>
<b>Net Cash Inflow (Outflow) From Operating Activities</b>	<b>1,966</b>	<b>3,500</b>
<b>Cash Flows From Investing Activities</b>		
Cash was provided from:		
Disposal of Property, Plant & Equipment	6,769	587
	<u>6,769</u>	<u>587</u>
Cash was applied to:		
Acquisition of Property, Plant & Equipment	4,908	2,461
Increase in Investments	3,251	1,168
	<u>8,159</u>	<u>3,629</u>
<b>Net Cash Inflow (Outflow) From Investing Activities</b>	<b>(1,390)</b>	<b>(3,042)</b>
<b>Cash Flows From Financing Activities</b>		
Cash was provided from:		
Advance of Term Liabilities	190	604
	<u>190</u>	<u>604</u>
Cash was applied to:		
Repayment of Term Liabilities	314	471
	<u>314</u>	<u>471</u>
<b>Net Cash Inflow (Outflow) From Financing Activities</b>	<b>(124)</b>	<b>133</b>
<b>Net Increase (Decrease) In Cash Funds</b>	<b>452</b>	<b>591</b>
<b>Cash balance as at 1 July 2007</b>	<b>1,169</b>	<b>578</b>
<b>Cash balance as at 30 June 2008</b>	<b><u>1,621</u></b>	<b><u>1,169</u></b>
This total is recorded in the financial statements as:		
Cash and Cash Equivalents	<u>1,621</u>	<u>1,169</u>

# statement of cost of services

## ministry of liturgy "to sanctify"

- For the year ending 30 June 2008

2007 Actual  '000		2008 Budget (Unaudited) '000	2008 Actual  '000	2009 Budget (Unaudited) '000
	<b>Operating Income</b>			
481	Grants and Donations	149	173	160
213	Other Income	151	197	127
<b>694</b>	<b>Total</b>	<b>300</b>	<b>370</b>	<b>287</b>
	<b>Less Expenditure</b>			
339	Personnel Costs	369	361	365
15	Consultancy	10	6	10
88	Depreciation	9	94	113
3	Interest on Loans	0	0	0
432	Other	420	467	414
<b>877</b>	<b>Total</b>	<b>808</b>	<b>928</b>	<b>902</b>
<b>(183)</b>	<b>Net Operating (Deficit)</b>	<b>(508)</b>	<b>(558)</b>	<b>(615)</b>
0	Non Operating Revenue	0	0	0
<b>(183)</b>	<b>Total (Deficit) recognised for period</b>	<b>(508)</b>	<b>(558)</b>	<b>(615)</b>
0	Internal Recoveries	6	7	5
(78)	Less Internal Charges	(88)	(102)	(102)
<b>(78)</b>		<b>(82)</b>	<b>(95)</b>	<b>(97)</b>
(21)	Net Transfers (to)/from Special Funds	20	38	1
<b>(282)</b>	<b>Net (Deficit )</b>	<b>(570)</b>	<b>(615)</b>	<b>(711)</b>
(46)	Capital Expenditure	(4)	(11)	(8)
0	Loan Principal Receipts	0	0	0
(140)	Loan Principal Repayments	0	0	0
<b>(468)</b>	<b>Net Operating (Deficit)</b>	<b>(574)</b>	<b>(626)</b>	<b>(719)</b>
	(after internal transfers and capital expenditure)			
	<b>Net Cost by Activity</b>			
(175)	Pastoral Initiatives	(207)	(175)	(244)
(108)	Pastoral Planning Office	(118)	(86)	(105)
(80)	Chaplaincy	(99)	(92)	(105)
(95)	Priestly Formation	(97)	(151)	(149)
176	Cathedral	(49)	(113)	(108)
0	Cathedral Music	0	2	0
<b>(282)</b>	<b>Total Net Cost</b>	<b>(570)</b>	<b>(615)</b>	<b>(711)</b>



# statement of cost of services

## ministry of the word "to teach" - For the year ending 30 June 2008

2007 Actual '000		2008 Budget (Unaudited) '000	2008 Actual '000	2009 Budget (Unaudited) '000
	<b>Operating Income</b>			
26	Grants and Donations	84	98	1
2,320	Government Grants	2,428	2,375	2,302
65	Investment Income	60	71	65
1,022	Other Income	766	1,000	756
<b>3,433</b>	<b>Total</b>	<b>3,338</b>	<b>3,544</b>	<b>3,124</b>
	<b>Less Expenditure</b>			
607	Personnel Costs	676	627	737
147	Consultancy	89	122	88
1,542	Depreciation	634	1,559	866
333	School Maintenance	100	418	100
121	Interest on Loans	395	155	164
289	Other	349	492	316
<b>3,039</b>	<b>Total</b>	<b>2,243</b>	<b>3,373</b>	<b>2,271</b>
<b>394</b>	<b>Net Operating Surplus</b>	<b>1,095</b>	<b>171</b>	<b>853</b>
0	Non Operating Revenue	0	0	0
<b>394</b>	<b>Total Surplus recognised for period</b>	<b>1,095</b>	<b>171</b>	<b>853</b>
413	Internal Recoveries	436	436	419
(478)	Less Internal Charges	(503)	(519)	(507)
(65)		(67)	(83)	(88)
(830)	Net Transfers (to)/from Special Funds	177	187	(871)
<b>(501)</b>	<b>Net Operating Surplus/(Deficit)</b>	<b>1,205</b>	<b>275</b>	<b>(106)</b>
(1,654)	Capital Expenditure - Diocesan Schools	(2,288)	(2,042)	(2,270)
(65)	Capital Expenditure - Other	(43)	(314)	(17)
(1,719)	Total Capital Expenditure	(2,331)	(2,356)	(2,287)
604	Loan Principal Receipts	190	190	0
(318)	Loan Principal Repayments	(182)	(312)	(182)
<b>(1,934)</b>	<b>Net (Deficit)</b>	<b>(1,118)</b>	<b>(2,203)</b>	<b>(2,575)</b>
	(after internal transfers and capital expenditure)			
	<b>Net Cost by Activity</b>			
36	Catholic Education Office	32	92	(56)
165	Attendance Dues	7	253	0
(418)	Diocesan Schools	1,504	297	366
(228)	Youth and Young People	(264)	(292)	(313)
(56)	Tertiary Chaplaincy	(74)	(75)	(103)
0	CCJP	0	0	0
<b>(501)</b>	<b>Total Net Cost</b>	<b>1,205</b>	<b>275</b>	<b>(106)</b>

# statement of cost of services

## ministry of charity "to care for"

- For the year ending 30 June 2008

2007 Actual  '000		2008 Budget (Unaudited) '000	2008 Actual  '000	2009 Budget (Unaudited) '000
	<b>Operating Income</b>			
469	Grants and Donations	381	374	375
94	Government Grants	34	33	66
411	Other Income	211	190	224
<b>974</b>	<b>Total</b>	<b>626</b>	<b>597</b>	<b>665</b>
	<b>Less Expenditure</b>			
440	Personnel Costs	488	482	498
14	Consultancy	11	13	12
56	Depreciation	19	50	71
415	Other	379	394	383
<b>925</b>	<b>Total</b>	<b>897</b>	<b>939</b>	<b>964</b>
<b>49</b>	<b>Net Operating Surplus</b>	<b>(271)</b>	<b>(342)</b>	<b>(299)</b>
0	Non Operating Revenue	0	0	0
<b>49</b>	<b>Total Surplus recognised for period</b>	<b>(271)</b>	<b>(342)</b>	<b>(299)</b>
68	Internal Recoveries	46	90	77
(276)	Less Internal Charges	(242)	(320)	(303)
(208)		(196)	(230)	(226)
(103)	Net Transfers (to)/from Special Funds	(37)	307	(41)
<b>(262)</b>	<b>Net Operating Surplus/(Deficit)</b>	<b>(504)</b>	<b>(265)</b>	<b>(566)</b>
(234)	Capital Expenditure	(130)	(382)	(18)
0	Loan Principal Receipts	0	0	0
0	Loan Principal Repayments	0	0	0
<b>(496)</b>	<b>Net Operating Surplus/(Deficit)</b> <i>(after internal transfers and capital expenditure)</i>	<b>(634)</b>	<b>(647)</b>	<b>(584)</b>
	<b>Net Cost by Activity</b>			
103	Welfare - Catholic Social Services	(76)	(4)	(56)
(17)	Welfare - Other	18	260	(24)
(133)	Governance	(241)	(289)	(266)
(113)	Bishop's Conference	(115)	(115)	(120)
1	Catholic Shop	(11)	(3)	(18)
(13)	Tribunal	(12)	(6)	(15)
(82)	Thanks Giving	(59)	(99)	(60)
(8)	Inform	(8)	(9)	(7)
<b>(262)</b>	<b>Total Net Cost</b>	<b>(504)</b>	<b>(265)</b>	<b>(566)</b>

# statement of cost of services

## overhead activities

- For the year ending 30 June 2008

2007 Actual '000		2008 Budget (Unaudited) '000	2008 Actual '000	2009 Budget (Unaudited) '000
	<b>Operating Income</b>			
97	Grants and Donations	202	276	137
519	Allocations	540	539	545
1,476	Investment Income	1,902	1,306	1,710
60	Other Income	4,533	3,963	2,631
<b>2,152</b>	<b>Total</b>	<b>7,177</b>	<b>6,084</b>	<b>5,023</b>
	<b>Less Expenditure</b>			
511	Personnel Costs	525	533	581
193	Consultancy	214	275	175
93	Depreciation	45	90	52
0	Interest on Loans	0	0	0
202	Other	291	526	211
<b>999</b>	<b>Total</b>	<b>1,075</b>	<b>1,424</b>	<b>1,019</b>
<b>1,153</b>	<b>Net Operating Surplus</b>	<b>6,102</b>	<b>4,660</b>	<b>4,004</b>
510	Non Operating Revenue	276	535	276
<b>1,663</b>	<b>Total Surplus recognised for period</b>	<b>6,378</b>	<b>5,195</b>	<b>4,280</b>
654	Internal Recoveries	660	750	763
(303)	Less Internal Charges	(315)	(342)	(352)
<b>351</b>		<b>345</b>	<b>408</b>	<b>411</b>
(140)	Net Transfers (to)/from Special Funds	(1,515)	(4,205)	(1,919)
<b>1,874</b>	<b>Net Surplus (after internal transfers)</b>	<b>5,208</b>	<b>1,398</b>	<b>2,772</b>
(258)	Capital Expenditure	(3,113)	(3,014)	(615)
0	Loan Principal Receipts	0	0	0
0	Loan Principal Repayments	0	0	0
<b>1,616</b>	<b>Net Surplus</b>	<b>2,095</b>	<b>(1,616)</b>	<b>2,157</b>
	(after internal transfers and capital expenditure)			
	<b>Net Cost by Activity</b>			
0	Diocesan Financial Administrator	0	(1)	0
(10)	Cathedral House Building	0	(8)	0
(3)	Other Diocesan Properties	3,013	(8)	489
0	Administration	0	(2)	(12)
0	Insurance	0	0	0
971	Other Income	907	1,105	850
916	Investment Income	1,288	312	1,445
<b>1,874</b>	<b>Total Net Cost</b>	<b>5,208</b>	<b>1,398</b>	<b>2,772</b>

# notes to and forming part of the financial statements

- For the year ending 30 June 2008

## 1. corporate information

The Roman Catholic Bishop of the Diocese of Christchurch is a corporation sole established in civil law under the statutory authority of the Roman Catholic Bishops Empowering Act 1997. The Roman Catholic Bishop of the Diocese of Christchurch is domiciled in Christchurch, New Zealand.

These financial statements relate to the administration function and other prime responsibilities of the Roman Catholic Bishop of the Diocese of Christchurch. There are other assets which are owned by the Roman Catholic Bishop of the Diocese of Christchurch (Diocese) as a corporation sole, for example, parishes, which are not included in these financial statements.

The primary objective of the Diocese is to provide administration services for the Catholic community rather than making a financial return. Accordingly, the Diocese has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of the Diocese are for the year ended 30 June 2008. The financial statements were authorised for issue by the Management and Finance Board on 29 April 2009.

## 2. statement of accounting policies

### Basis of preparation:

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand. The financial statements have also been prepared on a historical cost basis, except for investments, which have been measured at fair value; and land, buildings and property under development which have been measured at deemed cost.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000). The functional currency of the Diocese is New Zealand dollars.

### Statement of Compliance:

These financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities applying differential reporting.

This is the first set of financial statements prepared using NZ IFRS and comparatives for the year ended 30 June 2007 have been restated to NZ IFRS accordingly. Reconciliations of equity at 1 July 2006 and 30 June 2007, and surplus/(deficit) for the year ended 30 June 2007 under NZ IFRS to the balances reported in the 30 June 2007 financial statements are detailed in note 24.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing an opening NZ IFRS statement of position as at 1 July 2006 for the purposes of the transition to NZ IFRS.

### Standards and interpretation issued and not yet adopted

There are no standards, interpretations, and amendments that have been issued, but are not yet effective, other than NZ IAS 1, NZ IAS 23 and NZ IFRS 8 (not applicable) that the Diocese has not yet applied.

When effective, these standards will require additional disclosures in the financial statements.

### Significant accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements.

**(a) Differential Reporting**

The Catholic Diocese of Christchurch qualifies for differential reporting because it is not publicly accountable and the Roman Catholic Bishop of the Diocese of Christchurch is corporation sole under The Roman Catholic Bishops' Empowering Act 1997. The Bishop is the beneficial owner and governing body for the diocese. The Diocese has taken advantage of all differential reporting exemptions, with the exception of NZ IAS 7 Statement of Cash Flows.

**(b) Goods and Services Tax (GST)**

These financial statements have been prepared on a GST exclusive basis except for Receivables and Payables in the Statement of Financial Position, which are recorded at their GST inclusive values.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to the investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

**(c) Income Tax**

The Catholic Diocese of Christchurch is exempt from income taxation under the provisions of section CW34 and CW35 of the Income Tax Act 2004.

**(d) Revenue Recognition**

1. Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the group and the revenue can be reliably measured.
2. Interest income is recognised using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.
3. Dividends are recognised when received.
4. Gifts, donations and bequests are recorded as income for the year in which they are received.
5. Property Sales are recognised at the date of settlement.

**(e) Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**(f) Trade and Other Receivables**

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of receivables is established when there is objective evidence that the Diocese will not be able to collect all amounts due according to the original terms of receivables. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest rate computed at initial recognition.

**(g) Inventory**

Inventory represents Catholic Shop inventory on hand as at balance date. Inventories are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the First In First Out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.



The write down from cost to current replacement cost or net realisable value is recognised in the income statement.

**(h) *Property Under Development***

Property under Development represents unsold lots, as at balance date, in the Catherine fields subdivision in Rolleston. It is measured at the deemed cost of the original land, plus development expenditure incurred to balance date, less the cost of sections sold.

**(i) *Financial Assets***

The Diocese classifies its financial assets into the following categories: loans and receivables and available for sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determine the classification of investments at initial recognition and re-evaluate this designation at every reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the income statement.

Purchases and sales of investments are recognised on trade-date, the date on which the Diocese commit to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Diocese has transferred substantially all the risks and rewards of ownership.

**1. *Loans and receivables***

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition, they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the income statement. Loans and receivables are classified as 'trade and other receivables' in the balance sheet.

Currently, the Diocese has short term deposits and trade and other receivables in this category.

**2. *Available for sale financial assets***

These are non-derivative financial assets, principally equity securities and fixed interest deposits that are designated as available for sale or are not classified as loans and receivables. After initial recognition available for sale assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised as profit or loss.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The fair value of available for sale financial assets has been determined by Goldman Sachs JB Were (NZ) Ltd. Equity investments are at market value as determined by the various stock exchanges that the assets are held on, eg NZX, ASX, FTSE, NYSE. For fixed interest deposits, market value is determined by either the NZX Debt market or the Trading Banks market spread data for those securities that do not trade on the NZ Debt market platform.

Currently, the Diocese has equity securities and fixed interest deposits in this category.

**(j) *Impairment of Financial Assets***

At each balance date the Diocese assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the statement of financial performance.

**(i) Available for Sale Financial Assets**

For available for sale financial assets, classed as fair value through equity, a significant or prolonged decline in the fair value of the investment below its cost is considered an indicator of impairment. If such evidence exists the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the statement of financial performance) is removed from equity and recognised in the statement of financial performance.

**(ii) Loans and receivables**

Impairment of a loan or a receivable is established when there is objective evidence that the Diocese will not be able to collect amounts due according to the original terms. Significant financial difficulties of the debtor/client, probability that the debtor/client will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. Impairment losses are recognised directly against the instruments carrying amount.

**(k) Property, Plant & Equipment**

Property, plant and equipment consist of:

- Land and Buildings;
- School Improvements;
- Computer equipment;
- Furniture, fixtures and equipment;
- Motor vehicles and
- Work in Progress.

Under NZ IFRS 1 'First Time Adoption of New Zealand Equivalents to International Financial Reporting Standards' The Diocese has elected to use the fair value of land and buildings at the date of transition (1 July 2006) as the deemed cost. Land and buildings are no longer being revalued. The rating values as at 1 July 2006 have been assessed as the deemed cost. This is the closest proximity to fair value given the unique nature and use of the land and buildings and the fact that there is no active market.

Property, plant and equipment are shown at cost less accumulated depreciation and accumulated impairment losses. Cost represents the value of the consideration given to acquire the asset and the value of other directly attributable costs that have been incurred in bringing the asset to the location and condition necessary for its intended use.

Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the income statement.

**Depreciation**

Depreciation is provided on a straight line basis on all property plant and equipment excluding land and work in progress at rates that will write off the cost (or deemed cost) of the assets to their estimated residual values over their estimated useful lives. The depreciation rates are as follows:

Buildings	50 years	2%
Computer Equipment	3 years	33%
Furniture, Fixtures and Equipment	20 years	5%
Motor Vehicles	4 years	25%
School improvements	5 -60 years	1.7% - 20%

The estimated useful lives and residual values are reviewed at each financial year end.

**Derecognition**

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

**(l) *Impairment of non-financial assets other than goodwill***

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The Diocese conducts an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non financial assets other than goodwill that suffered an impairment are tested for possible reversal of the impairment whenever events or circumstances indicate that the impairment may have reversed.

**(m) *Foreign Currencies***

Transactions in foreign currencies are initially recorded in the functional currency by applying a rate of exchange ruling at the date of the transaction.

At balance date foreign monetary assets are translated at the closing rate, and exchange variations arising from these translations are recognised in the income statement.

**(n) *Provisions***

Provisions are recognised when the Diocese has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Diocese expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date using a discounted cash flow methodology. The risks specific to the provision are factored into the cash flows and as such a risk-free government bond rate relative to the expected life of the provision is used as a discount rate. If the effect of the time value of money is material, provisions are discounted using a current rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

**(o) *Employee benefits***

Provision is made for benefits accruing to employees in respect of salaries and wages, annual leave, sick leave and retirement entitlements when there is a present obligation arising from a past event.

***Short-term benefits***

Employee benefits that the Diocese expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay, which are expected to approximate to the remuneration rate expected to apply at the time of settlement.

These include salaries and wages accrued up to balance date, annual leave earned, but not yet taken at balance date and expected to be taken within the next 12 months and accumulating sick leave.

The Diocese recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that the Diocese anticipate it will be used by staff to cover those future absences.

**(p) Intangible assets**

**Software**

Software is a finite life intangible asset and is recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight line basis over their estimated useful lives between 1 and 3 years. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period

Costs associated with maintaining computer software are recognised as an expense when incurred.

**Software Licenses**

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use, the specific software.

**Amortisation**

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the income statement

The useful lives and associated amortisation rates for software have been estimated as follows:

Software	3 years	33%
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**(q) Trade and Other Payables**

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

**(r) Borrowings**

Borrowings are initially recognised at their fair value net of transaction costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the borrowings.

Borrowings are classified as current liabilities unless the Diocese has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

**Borrowing Costs**

Borrowing costs are recognised as an expense when incurred. The Diocese does not currently hold qualifying assets but if it did, the borrowing costs directly associated with this asset would be capitalised (including any other associated costs directly attributable to the borrowing and temporary investment income earned on the borrowing).

**(s) Government Grants**

Government Grants are recorded as income in the Statement of Financial Performance when they are received. Any surplus/deficit remaining in the cost centre at balance date is transferred to/from equity by way of a special reserve relating to that cost centre.

The Diocese receives government grants relating to Diocesan schools and from Child Youth and Family. There is an obligation to use the grants for the purpose they were granted for.

**(t) Suspensory Loans**

Suspensory Loans in respect of diocesan schools have been recorded at their historic value less the proportion of the loan forgiven by the Government to date. Suspensory Loans are forgiven over a twenty-five year period from the date that the loans were originally advanced.

### 3. trade and other receivables

	2008 '000	2007 '000
Trade & Other Debtors	547	378
(less Provision for Impairment of Debtors)	0	(103)
Interest Receivable	156	180
GST Receivable	125	26
Prepayments	42	49
<b>Total</b>	<b>870</b>	<b>530</b>

### 4. provision for impairment of debtors

	2008 '000	2007 '000
As at 1 July	103	82
Arising during the year	0	21
Used during the year	(103)	0
As at 30 June	<b>0</b>	<b>103</b>

This provision relates to debtors where it is evident that not all amounts due will be able to be collected.

### 5. other financial assets

	2008 '000	2007 '000
Catholic Development Fund Deposits	7120	9,389
Bonds & Notes	11,255	5,662
Mortgage	540	0
Loans	0	21
Catholic Development Fund Equity (see Note 19)	0	1,079
Shares	3,087	3,505
<b>Total</b>	<b>22,002</b>	<b>19,656</b>
Less Current Portion	(10,414)	(12,903)
<b>Total Non Current Investments</b>	<b>11,588</b>	<b>6,753</b>

### 6. property plant and equipment

30 June 2008	Cost '000	Current Yr Depn. '000	Accum Depn '000	Book Value '000
Land	45,187	0	0	45,187
Buildings	22,878	444	881	21,997
Buildings (Work in Progress)	4	0	0	4
Furniture & Equipment	528	73	355	173
Motor Vehicles	356	55	214	142
School Improvements	54,630	1,221	2,982	51,648
School Improvements (Work in progress)	941	0	0	941
<b>Total</b>	<b>124,524</b>	<b>1,793</b>	<b>4,432</b>	<b>120,092</b>



<i>30 June 2007</i>	<i>Cost '000</i>	<i>Current Yr Depn. '000</i>	<i>Accum Depn '000</i>	<i>Book Value '000</i>
Land	45,002	0	0	45,002
Buildings	21,842	437	437	21,405
Buildings (Work in Progress)	605	0	0	605
Furniture & Equipment	419	94	281	138
Motor Vehicles	341	62	172	169
School Improvements	53,039	1,186	1,762	51,277
School Improvements (Work in progress)	938	0	0	938
<b>Total</b>	<b>122,186</b>	<b>1,779</b>	<b>2,652</b>	<b>119,534</b>

Land and buildings contained in fixed assets to the value of \$338,000 have been donated for specific use as a tertiary chaplaincy centre. Should the Diocese cease to use the building for the purpose specified in the original terms of the donation, ownership of the building will revert to the previous owners. Diocesan management consider the likelihood of this occurring to be remote.

## 7. intangible assets

	<i>Cost or Revaluation '000</i>	<i>Current Yr Depn. '000</i>	<i>Accum Depn '000</i>	<i>Book Value '000</i>
<i>30 June 2008</i>				
Software	85	4	81	4
<i>30 June 2007</i>				
Software	85	4	76	9

## 8. trade and other payables

	<i>2008 '000</i>	<i>2007 '000</i>
Creditors & Accruals	1,352	378
Employee Entitlements	122	186
Other Current Liabilities	145	158
<b>Total</b>	<b>1,619</b>	<b>722</b>

## 9. borrowings

Pre-suspensory and Suspensory Loans are secured over school land and buildings. The majority of the Other Loans and Mortgages are unsecured, being in respect of properties owned by the Catholic Diocese.

Pre-Suspensory loans are with Ichthus Limited. The interest rate is 7.5% p.a. These loans will be repaid by the year 2013.

Suspensory Loans are forgiven by the Government over a twenty-five year period; these loans are interest free and will be forgiven by the year 2023. Loans forgiven in 2007 amounted to \$402,000.

Other Loans are held with the Catholic Development Fund. The current interest rates on these loans vary from 0% p.a. to 8.5% p.a.

	2008 '000	2007 '000
Pre-suspensory Loans	606	994
Suspensory Loans	3,927	4,329
Other Loans	1,403	1,272
Future GST Liability	292	314
Total	6,228	6,909
Less Current Portion	(719)	(766)
<b>Total Non Current Liabilities</b>	<b>5,509</b>	<b>6,143</b>

## 10. equity

Equity is made up of general equity, special purpose funds and unrealised gain reserves.

The special purpose funds result from:

- bequests that have restrictions over their use;
- contractual funding for specific purposes;
- decisions taken by the Diocesan Management and Finance Board to set funds aside for a specific purpose.

Sufficient cash and investment balances are retained to cover these special purpose funds.

The unrealised gains reserves are used to record increments and decrements in the fair value of available for sale assets.

<b>Equity</b>	2008 '000	2007 '000
General Equity	123,080	122,261
Special Purpose Funds	16,730	13,083
Unrealised Gains Reserves	(246)	659
<b>Total Equity</b>	<b>139,564</b>	<b>136,003</b>

<b>Special Purpose Funds</b>	2008 '000	2007 '000
Education - Diocesan School Capital & Maintenance Programme	2,434	2,266
Education - Attendance Dues	125	188
Education - General	502	484
Youth	39	39
Youth & Education	110	104
Catholic Social Services	755	741
Pastoral - Missionary	193	69
Pastoral - Ongoing Formation, Education & Seminary	954	880
Aged Care - Armstrong Village	458	636
Bishop's Capital Health Fund (90% Income distributed to Clergy Health Fund)	179	177
Gamblins Rd (Income distributed to Cathedral College Proprietors Trust Board)	1,018	1,018
CCJP	15	14
Darfield Parish	100	97
Chatham Island Parish	15	14
Property Reserve	9,560	6,164
Cathedral Music	58	57
Other	215	135
<b>Total Special Purpose Funds</b>	<b>16,730</b>	<b>13,083</b>

**Unrealised Gains Reserves****2008**  
'000**2007**  
'000*Unrealised Gains Reserve on Shares*

Opening Balance	714	583
Movement during the year	(855)	131
Closing Balance	(141)	714

*Unrealised Gains Reserve on Bonds*

Opening Balance	(55)	96
Movement during the year	(50)	(151)
Closing Balance	(105)	(55)

<b>Total Unrealised Gains Reserves</b>	<b>(246)</b>	<b>(659)</b>
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**II. capital management**

The Diocese capital is its equity, which comprises retained earnings and reserves. Equity is represented by net assets. When managing capital, management's objective is to ensure the entity continues as a going concern. It is the policy of the Diocese to fund operational expenses from operational income each year. Some non operational expenditure is funded from reserves. Special purpose reserves may be used to fund or partially fund activities that meet the criteria (special purpose) of the reserve.

Capital is also managed in terms of the Diocese's Treasury Policy which is reviewed from time to time by the Bishop's advisors.

The Diocese is not subject to any external capital requirements.

**12. financial instruments**

Detail of the significant accounting policies and method adopted, including the criteria for recognition and the basis in which income and expenses are recognition in respect of each class of financial asset, and financial liability are disclosed in the Statement of Accounting Policies.

	<b>Cash &amp; Cash Equivalents</b>	<b>Trade &amp; Other Receivables</b>	<b>Other Financial Assets</b>	<b>Total Financial Assets</b>
<b>30 June 2008</b>				
Loans and Receivables	1,621	870	0	2,491
Available For Sale	0	0	22,002	22,002
<b>Total Financial Assets</b>	<b>1,621</b>	<b>870</b>	<b>22,002</b>	<b>24,493</b>
		<b>Trade &amp; Other Payables</b>	<b>Borrowings</b>	<b>Total Financial Liabilities</b>
Recorded at Amortised Cost		1,609	6,228	7,837
<b>Total Financial Liabilities</b>		<b>1,609</b>	<b>6,228</b>	<b>7,837</b>
<b>Net Exposure</b>	<b>1,621</b>	<b>(739)</b>	<b>15,774</b>	<b>16,656</b>

	Cash & Cash Equivalents	Trade & Other Receivables	Other Financial Assets	Total Financial Assets
<b>30 June 2007</b>				
Loans and Receivables	1,169	530	0	1,699
Available For Sale	0	0	19,656	19,656
<b>Total Financial Assets</b>	<b>1,169</b>	<b>530</b>	<b>19,656</b>	<b>21,355</b>
		Trade & Other Payables	Borrowings	Total Financial Liabilities
Recorded at Amortised Cost		722	6,909	7,631
<b>Total Financial Liabilities</b>		<b>722</b>	<b>6,909</b>	<b>7,631</b>
<b>Net Exposure</b>	<b>1,169</b>	<b>(192)</b>	<b>12,747</b>	<b>13,724</b>

### 13. government grants

Government Grants are received from the Ministry of Education for major capital and maintenance work to be undertaken within the Diocesan schools; and from the Child Youth and Family service for foster care and other services provided by Catholic Social Services.

### 14. other income

	2008 '000	2007 '000
Education (Attendance Dues, Religious Education Fees & Foreign Fee Paying Students)	778	779
Catholic Shop Sales	140	153
Cathedral Trust	11	27
Prison Chaplaincy Service	62	54
Programmes & Events (Youth & Education)	120	32
Gain on Property Sales	3,902	99
Other Income	337	562
<b>Total</b>	<b>5,350</b>	<b>1,706</b>

### 15. non operating revenue

Non Operating Income includes items of a non operating nature and is separately disclosed so as not to distort the results from normal operating activities. Non operating revenue is made up of the reduction in school loans and the amount forgiven on suspensory loans during the financial year.

### 16. net operating surplus/(deficit)

	2008 '000	2007 '000
<i>After Charging:</i>		
Auditor's Fees - Audit Fees	13	10
Auditor's Fees – Other Services	3	2
Employee Benefits and Expenses	2,003	1,897
Donations Expense	8	3
Interest Expense	155	124
Provision for Doubtful Debts	0	21
Loss on Sale of Assets	2	0

*Including:*

Interest Revenue	1,293	1,093
Dividend Revenue	351	121
Gain on Sale of Assets	3,898	113

## 17. capital expenditure

	2008 '000	2007 '000
Diocesan Schools	2,041	1,652
Land & Buildings	642	404
Property Under Development	2,942	0
Computer Equipment	65	70
Vehicles	31	116
Other Plant & Equipment	42	15
	<b>5,763</b>	<b>2,257</b>

## 18. reconciliation of net surplus with cash flows from operating activities

	2008 '000	2007 '000
Net Surplus	4,466	1,923
<b>Add/(Less) Non Cash Items:</b>		
Depreciation	1,793	1,779
Non Operating Revenue (Loans forgiven)	(535)	(510)
(Gain)/Loss on Sale of Asset	(3,900)	(74)
Unrealised Loss on Investment	0	913
	<b>1,824</b>	<b>4,031</b>
<b>Movements in Other Working Capital Items:</b>		
Decrease/(Increase) in Prepayments	7	2
Decrease/(Increase) in Accounts Receivable	(248)	(18)
Decrease/(Increase) in Stock	(4)	0
Decrease/(Increase) in GST Receivable	(121)	43
Decrease/(Increase) in GST Payable	0	0
(Decrease)/Increase in Accounts Payable	961	(244)
(Decrease)/Increase in Holiday Pay	(64)	31
(Decrease)/Increase in Income in Advance	0	(98)
	<b>531</b>	<b>(284)</b>
Less Fixed Assets in Accounts Payable	<b>(389)</b>	<b>(247)</b>
	<b>(389)</b>	<b>(247)</b>
<b>Net Cash Flow from Operating Activities</b>	<b>1,966</b>	<b>3,500</b>

## 19. catholic development fund

The Catholic Development Fund (CDF) is a charitable trust that is administered by the Catholic Diocese. It provides a facility for investors to deposit funds, and a loan facility for Catholic objectives. The investment in the CDF has been reflected in the financial statements on an equity accounting basis, on the basis that the Diocese has the capacity to affect, but not unilaterally control, the operating activities of the fund.

The Roman Catholic Bishop of the Diocese of Christchurch provides a guarantee in respect of depositors funds placed with the Catholic Development Fund. The likelihood of this guarantee being called is considered to be remote.

**Catholic Development Fund**

	<b>2008</b> '000 (31 March)	<b>2007</b> '000 (31 March)
Surplus	448	353
Distribution to Diocese	335	500
Unrealised gains/(losses) in fair value of Available for Sale Financial Assets	(1,221)	(431)
Diocese Investment in CDF:		
Opening Carrying Amount	(30 June) 1,079	(30 June) 1,562
Closing Carrying Amount	0	1,079

The CDF 2008 financial statements were the Fund's first to be prepared in accordance with NZ IFRS. For a complete explanation of the fund's transition to NZ IFRS refer to note 16 in the Fund's full financial statements. Refer also to Note 23 of these financial statements for events subsequent to balance date in relation to the CDF.

## 20. related party transactions

The Catholic Diocese of Christchurch invests funds in the Catholic Development Fund. The Diocese provides assistance to the Fund in managing its day to day operations. In October 2002 the Management and Finance Board of the Diocese resolved to stop charging the Fund for these services. An annual distribution was received from the Fund. Interest on deposits is received from and interest on loans has been paid to the Fund. No debts were forgiven or written off during the period.

During the year, The Catholic Diocese purchased the professional services of Mackay, Bailey, Butchard Ltd. Mr Geoff Bailey, a Partner of Mackay, Bailey, Butchard, is a board member of the Diocesan Board of Management and Finance. The Diocese purchased \$9,990 worth of professional services during the 2007/2008 financial year.

## 21. contingent liabilities

A contingent liability exists in respect of suspensory loans, which become repayable to the extent of any outstanding balance on a loan if a school closes before the loan is forgiven. The suspensory loans recorded as a non current liability in the Statement of Financial Position as at 30 June 2008 were \$3,927,475 (2007:\$4,328,192). The likelihood of any schools closing is considered remote.

## 22. capital commitments

As at 30 June 2008 there are capital commitments for the following:

	<b>2008</b> '000	<b>2007</b> '000
School Improvements	1,024	237
Property Under Development	1,066	0
<b>Total Amount</b>	<b>2,090</b>	<b>237</b>

## 23. events subsequent to balance date

Following adjustments made to the equity of the Catholic Development Fund as a result of the transition to NZ IFRS in the financial year ended 31 March 2008, the Trustees of the Catholic Development Fund and the Diocese considered the level of equity in the Fund. On 27 August 2008, the Roman Catholic Bishop of the Diocese of Christchurch resolved to increase its equity in the CDF to the equivalent of 10% or greater of total depositors' funds. Following this resolution, equity has been increased to \$3m as at 30 September 2008.

## 24. impact of adopting nzifrs equivalents

### Reconciliation of Equity

		<i>Previous NZ GAAP 1 July 2006 \$000's</i>	<i>Effect on transition to NZ IFRS 1 July 2006 \$000's</i>	<i>NZ IFRS 1 July 2006 \$000's</i>	<i>Previous NZ GAAP 30 June 2007 \$000's</i>	<i>Effect on transition to NZ IFRS 30 June 2007 \$000's</i>	<i>NZ IFRS 30 June 2007 \$000's</i>
	<i>Notes</i>						
<b>Assets</b>							
<b>Current Assets</b>							
Cash & Cash Equivalents	<i>a</i>	578	211	789	1,169	0	1,169
Trade & Other Receivables	<i>d</i>	530	(52)	478	613	(83)	530
Inventories		25	0	25	25	0	25
Other Financial Assets	<i>d</i>	12,343	19	12,362	12,902	1	12,903
Property Under Development					0	2,711	2,711
<b>Total Current Assets</b>		<b>13,476</b>	<b>178</b>	<b>13,654</b>	<b>14,709</b>	<b>2,629</b>	<b>17,338</b>
<b>Non-Current Assets</b>							
Property, Plant & Equipment	<i>b,c,d</i>	39,065	83,262	122,327	40,045	79,489	119,534
Intangible Assets	<i>c</i>	0	5	5	0	9	9
Other Financial Assets	<i>a,d</i>	6,556	(94)	6,462	7,283	(530)	6,753
<b>Total Non-Current Assets</b>		<b>45,621</b>	<b>83,173</b>	<b>128,794</b>	<b>47,328</b>	<b>78,968</b>	<b>126,296</b>
<b>Total Assets</b>		<b>59,097</b>	<b>83,351</b>	<b>142,448</b>	<b>62,037</b>	<b>81,597</b>	<b>143,634</b>
<b>Liabilities</b>							
<b>Current Liabilities</b>							
Trade & Other Payables		953	0	953	722	0	722
Income in Advance		98	0	98	0	0	0
Borrowings	<i>e</i>	397	354	751	389	377	766
<b>Total Current Liabilities</b>		<b>1,448</b>	<b>354</b>	<b>1,802</b>	<b>1,111</b>	<b>377</b>	<b>1,488</b>
<b>Non-Current Liabilities</b>							
Borrowings	<i>e</i>	3,380	3,166	6,546	3,378	2,765	6,143
<b>Total Non-Current Liabilities</b>		<b>3,380</b>	<b>3,166</b>	<b>6,546</b>	<b>3,378</b>	<b>2,765</b>	<b>6,143</b>
<b>Total Liabilities</b>		<b>4,828</b>	<b>3,520</b>	<b>8,348</b>	<b>4,489</b>	<b>3,142</b>	<b>7,631</b>
<b>Net Assets</b>		<b>54,269</b>	<b>79,831</b>	<b>134,100</b>	<b>57,548</b>	<b>78,455</b>	<b>136,003</b>
<b>Equity</b>							
Accumulated Funds	<i>b,d,e</i>	23,737	97,703	121,440	25,783	96,478	122,261
Special Purpose Funds		11,981	0	11,981	13,083	0	13,083
Unrealised Gains Reserves	<i>d</i>	18,551	(17,872)	679	18,682	(18,023)	659
<b>Total Equity</b>		<b>54,269</b>	<b>79,831</b>	<b>134,100</b>	<b>57,548</b>	<b>78,455</b>	<b>136,003</b>



## Reconciliation of Surplus for the Year ended 30 June 2007

		Previous NZ GAAP 30 June 2007 \$000's	Effect on transition to NZ IFRS 30 June 2007 \$000's	NZ IFRS 30 June 2007 \$000's
	Notes			
<b>Income</b>				
Donations & Grants		1,073	0	1,073
Allocations From Parishes		519	0	519
Government Grants		2,414	0	2,414
Interest received	a	2,104	(563)	1,541
Dividends Received		0	0	0
Revenue - Other	d	1,741	(35)	1,706
Other Gains/(Losses)		0	0	0
<b>Total Income</b>		<b>7,851</b>	<b>(598)</b>	<b>7,253</b>
<b>Expenditure</b>				
Consultancy Costs		369	0	369
Depreciation & Amortisation	c	756	1,023	1,779
Employee Benefits Expenses		1,897	0	1,897
School Maintenance		333	0	333
Finance Costs	b	289	(165)	124
Other expenses	a	1,343	(5)	1,338
<b>Total Operating Expenditure</b>		<b>4,987</b>	<b>853</b>	<b>5,840</b>
<b>Surplus</b>		<b>2,864</b>	<b>(1,451)</b>	<b>1,413</b>

### Notes to the reconciliation of equity:

- The Diocese has reclassified bonds maturing within 3 months as cash & cash equivalents in the Statement of Financial Position. These had previously been disclosed as Bonds & Notes in Investments. This has the effect of increasing Current Assets in the Statement of Financial Position in the year ended 30 June 2007 by \$211,000 and reducing Other Financial Assets by the same amount.
- Under NZ GAAP, the Diocese had not recorded primary schools land and buildings on the face of the financial statements. Under NZ IFRS the Diocese has recorded all school land and buildings in the face of the financial statements. In addition under NZ GAAP the Diocese did not record depreciation on buildings owned by the Diocese. Under NZ IFRS, depreciation on buildings is required. These factors have resulted in an increase in book value for property plant and equipment of \$83,262,000 in the 1 July 2006 values and \$82,200,000 in the 30 June 2007 values. Equity has also increased by the same amounts.
- Under NZ GAAP, intangible assets such as computer software, were disclosed as property, plant and equipment. Under NZ IFRS, intangibles must be disclosed as a separate non current asset. As a result, the Statement of Financial Position has been adjusted to reflect this. Property, plant and equipment has reduced in value as at 1 July 2006 by \$5,000 (30 June 2007: \$4,000) with a corresponding increase in intangible assets.
- Under NZ GAAP, the Diocese recorded bonds at cost and disclosed these bonds as other financial assets. Under NZ IFRS, bonds must be recorded at market value. The Diocese has revalued bonds to market value. Under NZ GAAP the Diocese revalued its land and buildings to rating values. Under NZ IFRS, the Diocese has recorded all land and buildings at deemed cost (refer note 2(k)). This has resulted in adjustments to the amounts showing in trade and other receivables, other financial assets (both current and non current), accumulated funds and unrealised gains reserves in both the 1 July 2006 and 30 June 2007 balance sheets.
- Under NZ GAAP, the Diocese had not recorded suspensory and pre-suspensory loans held by Diocese primary schools on the face of the Statement of Financial Position. It disclosed them under the Contingent Liability note. On transition to NZ IFRS, the Diocese has recorded these loans on the face of the Statement of Financial Position resulting in an increase in non current liabilities and a resulting decrease in equity.

### *Notes to the reconciliation of surplus for the year ended 30 June 2007:*

- a. Under NZ GAAP, the Diocese has recorded investments at face value, amortising any discounts and premiums and accruing interest receivable. On transition to NZ IFRS, the Diocese has recorded these investments at market value on the face of the Statement of Financial Position resulting in adjustments to the Statement of Financial Performance for the year ended 30 June 2007 of a reduction to investment income of \$563,000 and a reduction to other expenses of \$5,000.
- b. Under NZ GAAP, the Diocese had not recorded suspensory and pre-suspensory loans held by Diocese primary schools on the face of the Statement of Financial Position. It disclosed them under the Contingent Liability note. On transition to NZ IFRS, the Diocese has recorded these loans on the face of the Statement of Financial Position. This has also had an impact on the Statement of Financial Performance by increasing other income by \$213,000 and decreasing finance costs by \$165,000.
- c. Under NZ GAAP, the Diocese did not record depreciation on buildings owned by the Diocese. Under NZ IFRS, depreciation on buildings is required. This has resulted in an increase in the depreciation charge recorded in the Statement of Financial Performance for the year ended 30 June 2007 of \$1,023,000.
- d. Under NZ GAAP, the Diocese had valued land and buildings at rating valuation. Under NZ IFRS, land and buildings have been recorded at deemed cost as at 1 July 2006. This has resulted in a change to the deemed cost of a property that was sold in 2007, resulting in a decrease in the gain on sale. Other income in the Statement of Financial Performance has decreased by \$35,000.

### *Statement of Cashflows*

As a result of the transition to NZIFRS, \$165,000 of Interest Paid (Operating Cash Outflow) has been reclassified to Repayment of Term Liabilities (Financing Cash Outflow). This is in relation to Pre-suspensory Loans

## auditor's report

### To the Roman Catholic Bishop of Christchurch

We have audited the financial statements on pages B4 to B27. The financial statements provide information about the past financial performance of the Catholic Diocese of Christchurch (the Diocese) and its financial position as at 30 June 2008. This information is stated in accordance with the accounting policies set out on pages B12 to B17.

This report is made solely to the Bishop as a corporation sole, in accordance with the Roman Catholic Bishop's Empowering Act 1997 and other relevant legislation by which the Bishop is governed. Our audit has been undertaken so that we might state to the Bishop those matters we are required to state to him in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Bishop as a corporation sole, for our audit work, for this report, or for the opinions we have formed.

### Diocesan Management and Finance Board's Responsibilities

The Diocesan Management and Finance Board are responsible for the preparation of financial statements which comply with generally accepted accounting practice in New Zealand and fairly present the financial position of the Diocese as at 30 June 2008 and its financial performance and cash flows for the year ended on that date.

### Auditor's Responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the Diocesan Management and Finance Board and report our opinion to you.

### Basis of Opinion

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

- the significant estimates and judgements made by the Diocesan Management and Finance Board in the preparation of the financial statements; and
- whether the accounting policies are appropriate to the circumstances of the Diocese, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. 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 give 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.

Ernst & Young provides other extended assurance services to the Diocese.

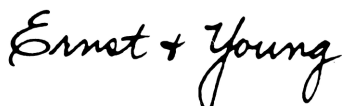
### Unqualified Opinion

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

In our opinion the financial statements on pages B4 to B27

- comply with generally accepted accounting practice in New Zealand; and
- fairly present the financial position of the Diocese as at 30 June 2008 and its financial performance and cash flows for the year ended on that date.

Our audit was completed on 29 April 2009 and our unqualified opinion is expressed as at that date.



Ernst and Young  
Christchurch



