



Catholic diocese Of Christchurch

To sanctify - to teach - to care for

Annual reports

For the year ended 30 June 2009

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| foreword



Dear brothers and sisters in Christ,

The mystery of the Incarnation by which the Word of God took flesh from the Virgin Mary and dwelt among us is reflected in the mystery of the Church. As the bishops of the 2nd Vatican Council wrote "... Christ established and ever sustains here on earth his holy Church, the community of faith, hope and charity as a visible organisation through which he communicates truth and grace...". To accomplish her mission, holy Church needs resources, both spiritual and physical.

I am pleased to offer this Annual Report of the Diocese of Christchurch which delineates carefully the use of material resources for the mission of the Church. I thank every person who has given of their own resources for that purpose. As the Lord teaches us in regard to the humble offering of the poor widow in the gospel, it is love that gives spiritual value to such offerings.

I thank also those who generously give their time and expertise to the service of the Church on the Diocesan Advisory Boards and Councils. In particular, I thank the respective chairpersons of the Diocesan Management and Finance Board, the Diocesan Education Council and the Diocesan Welfare Council, Geoff Bailey, Rex Lynch and Murray Winder.

Yours sincerely

A handwritten signature in blue ink that reads "+ B. Jones". The signature is written in a cursive, flowing style.

† 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 financial year ended 30 June 2009 was challenging as we worked our way through the worldwide investment market turmoil.

The Diocese has come through this period very well.

Soon after the end of the financial year we sold the last of the available sections in the Catherine fields Rolleston subdivision.

Financial Year Ended 30 June 2009

The financial result for the year was a net surplus before transfer to Special Funds of \$1.8m (2008 \$4.5m).

The main variations from last year were:

1. Investment income was \$922,000 higher than last year. This included an increased distribution from the Catholic Development Fund.
2. The gain on sales from Catherine fields subdivision was \$2.9m less than 2008 because the majority of lots were sold down and settled during the previous year (*see Note 14*).
3. Other Expenses - \$623,000 higher than 2008, including the write off of investments not expected to realise full value.

The level of equity in the Statement of Financial Position (*page B4*) increased from \$139.6m to \$141.5m. Included in the equity figure is the balance held in Special Purpose Funds (*Note 10*). This year Special Purpose Funds increased from \$16.7m at 30 June 2008 to \$19.4m at 30 June 2009.

The most significant increase this year being in the Property Reserve Account; an increase from \$9.6m to \$11.7m. This reserve has been built up from the Halswell and Rolleston subdivision projects.

The financial position of the Diocese is very sound.

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 \$572,000.

Mr George Macfarlane retired as Chairman of the Fund in March 2009 after 16 years as Chairman. Mr Des Boyle has succeeded Mr Macfarlane as Chairman.

Diocesan Administration Staff

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

Paddy Beban continues to provide outstanding senior management service to the Diocese. His leadership through the last twelve months has been particularly valuable and very much appreciated by the Management and Finance Board.

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

Robin Corcoran

Robin passed away on 6 November 2008.

Robin was a very experienced senior lawyer who, from an early stage in his professional career, gave voluntarily of his time and abilities to many organisations, including our Diocese.

The Diocese benefitted tremendously from his abilities.

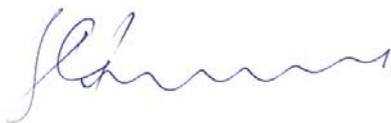
In recent years his health deteriorated, but during this period he Chaired our Property Subcommittee and his legal skills guided the Diocese through our two very successful property subdivisions at Halswell and Rolleston.

Robin will be remembered as an outstanding contributor to Catholic life in Christchurch during his lifetime.

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



The Diocesan Pastoral Plan continues to evolve and develop and as you will see below has a number of benefits for our Diocese. As part of the Pastoral Plan, Bishop Barry continues to plan for the provision of Sunday Mass into the future and this is a very clear priority for him.

Pastoral Area Development

Some parish reorganisation has happened this year with Bishop Barry directing the parishes of Sacred Heart Timaru and St Joseph's Timaru North to work together to become one parish by 2011. This now includes St Patrick's Waimate which is administered by Sacred Heart Timaru.

Later in the year the Bishop asked that St Anne's Woolston and the Cathedral parishes work to become one parish by 2011. These changes have become necessary due to the decreasing number of clergy.

Our diocesan pastoral planning generally is at the level of collaboration aiming to utilise parish resources to their best ability. Parishes within pastoral areas are collaborating on such things as:

- Discussing Mass times for a pastoral area when a change to a parish has been directed by the Bishop.
- Engaging in discussions, characterised by imagination and generosity, on how to ensure the provision of essential priestly services.
- Adult pastoral formation programmes held at the pastoral area level.
- Formation for bereavement and funeral ministry.
- Sacramental preparation teams gathering for the purpose of networking and resourcing leaders from various parishes.
- Sacramental programmes.
- Formation for lay leaders.
- Coordination of sacraments such as Easter and Christmas liturgies.
- Communicating through pastoral area newsletters from time to time.
- Developing a plan for pastoral areas to present to Bishop Barry.

The hope perhaps for structural change to come from the Diocesan Pastoral Plan from the principle of subsidiarity has not eventuated to date.

Centralised Pastoral Support

Catholics Returning Home was held in Christchurch in August 2008 in three venues. The centralised support enabled teams from various parishes to gather for support and resource sharing, a website (www.catholicshomenow.co.nz), a media campaign, bright orange signs in high traffic areas and one phone number for potential attendees to phone.

A second programme was held early in 2009 in four venues in the city. Greymouth also took up the programme after Easter utilising the same resources.

Another programme is being held in Christchurch in Lent 2010 and the hope is that this programme will continue to spread to all pastoral areas of the diocese.

Many Dioceses have guidelines for parish councils; however our Diocese has not ever had these. At the request of the Council of Priests I have put together a document of **Guidelines for Parish Pastoral Councils** and these have been circulated to priests, parish councils and pastoral area councils. A couple of workshops have been held with parish councils to provide some formation about these new guidelines and the role of the parish pastoral council.

The **Pastoral Plan Statistics** were updated into a booklet including Mass Counts, Census information, School numbers, Church capacity and updated clergy projections to 2020.

Catholics On Air has been on broadcasting for 12 years thanks to a committed group of faithful volunteers. This year the remaining volunteers hung up their microphones after many years of loyal service. After a period a new group has gathered to look at a new structure and delivery of a Catholic radio presence, including podcasting on the diocesan website.



Marie-Therese McRae - the first graduate in Christchurch with a Diploma in Religious Studies - Pastoral Ministry.

Lay Ministry Formation

The Parish Pastoral Workers were hosted for a day at Cathedral House, to provide an opportunity for diocesan support and formation, including Bishop Barry providing input and responding to questions.

Wellington Catholic Education Centre courses are provided by the off-site campus of the Christchurch Catholic Education Office. In 2007 the Certificate in Pastoral Ministry was introduced and in 2008 the Diploma in Religious Studies (Pastoral Ministry Stream) introduced. Various courses are taught in Christchurch, Timaru and Greymouth. Approximately 50 people have taken the opportunity for formation through these pastoral ministry courses each year.

A **Diocesan Chaplains Day** for prison, hospital and tertiary chaplaincies to come together for a day of formation was held in October 2008. This included time with the Bishop, Mass, resource sharing, input on the Diocesan Welfare Council and professional boundaries.

A **Time Management and Planning** seminar was held in November 2008 by Mr Reg Garters, Chief Executive of the New Zealand Institute of Management for pastoral workers, chaplains and diocesan staff.

A visit to the Diocese of **Father Stuart Sellar** was organised for the week of 14th to 19th September 2008. Father Stuart spoke throughout the Diocese about the pastoral principles, focussing on Holiness, Communion and Mission.

Bishop Barry introduced the **St John the Baptist Scholarship** for the first time to support people from our Diocese who choose to study at Good Shepherd College and/or the Catholic Discipleship College. There were four recipients in 2009.

In collaboration with the Diocesan Liturgy Commission a resource is being developed for **Sunday Celebration in the Absence of a Priest** (previously known as Liturgy of the Word With Holy Communion). This includes the provision of workshops for Lay Leaders.

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 Pastoral Planning Office provides the overall coordination, administration and support for the hospitals in Christchurch city. Catholic Chaplaincy is provided 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 February 2008),
Mrs Jenny Rooney (from March 2008);

Nurse Maude Hospice and Hospital

Sister Irene Jones RSM, Reverend Jack O'Connor;

The Princess Margaret Hospital

Reverend Bernard Carney SM.



Chaplains from Hospital, Prison and Tertiary gather for a day of formation Wednesday 4th June.



Father Stuart Sellar spoke throughout the Diocese about the pastoral principles, focussing on Holiness, Communion and Mission.



2009 St John the Baptist recipients: Frances Ogier, Angela Trolove, Anita Read (all Catholic Discipleship College), Jason McTague (Good Shepherd College)

Parishes outside Christchurch provide the pastoral coordination for hospitals within their parish.

The Christchurch Central and Hills Pastoral Area provides pastoral care for Christchurch Hospital and Nazareth House. Hoon Hay Parish coordinates and provides pastoral care for The Princess Margaret and Hillmorton Hospitals.

In addition Bishop Barry has four appointed Volunteer Hospital Chaplaincy Assistants who spend one morning per week in a hospital visiting and taking Communion to Catholic patients. They have all undergone an ecumenical formation programme and additional formation for Catholic Chaplaincy. These Chaplaincy Assistants are as follows:

Christchurch Hospital -

Mrs Anne Fogarty, Brother Pat Hill FMS, Mr Stuart Thow

The Princess Margaret Hospital -

Mrs Sharon Henshaw

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

Priests' and Students' Orientation Committee

Fathers Simon Eccleton and John Fitzmaurice and myself make up this committee.

The role of this committee is to provide for priests who come from overseas, of which we currently have six:

- Practical support when the priests arrive.
- A one week orientation programme (held in October 2008).
- Organise ongoing mentoring from a New Zealand priest.
- Ongoing support.

This year two Filipino priests took up residence in Addington parish.

The Committee also oversees on behalf of the Bishop the four students who are here from Vietnam learning English before going to the national seminary in 2010.

Clergy Formation

Following the workshop Reg Gartners provided for pastoral workers, he provided a similar workshop for clergy, titled "Time Management for Priests"

Pastoral Advisory Group

A very important group that has met regularly throughout the year is the Pastoral Advisory Group, who act as a sounding board for me. Their ongoing support is appreciated.

Diocesan Website

This year for the first time the parish Mass and Liturgy times for Advent/Christmas and Holy Week/Easter were on the diocesan website, which from the feedback, seemed to be useful for many people. In addition advertising was placed in The Press for the Church Feature issues, advertising the website address for people to find out Mass times.



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



Huynh Tran, Thanh Tran, Do Nguyen and Tien Cao are students who are here from Vietnam learning English before going to the national seminary in 2010.



Reg Gartners, Chief Executive of the New Zealand Institute of Management.

Catholic Diocese of Christchurch

For a complete listing of Christmas Masses and Sacrament of Reconciliation times in all parishes throughout the Catholic Diocese visit:

www.chch.catholic.org.nz

For God so loved the world that He gave His only begotten Son

The diocesan education council



From the chairman
- rex lynch

The Council met regularly during the year.

The Catholic Education Office produces a substantial report each month which is the discussion document for our meetings.

The Education Council is a forum for discussion on the activities of the Catholic Education Office. Each month a report is tabled to the Diocesan Board of Management and Finance for consideration.

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 121 (97 last year) students were enrolled in Diplomas and Certificate papers.

I must mention the loss we suffered in August 2009 with the untimely death of David Lamb. David was a long serving member of this Council and a lifelong advocate for Catholic Education. We will miss his considered opinion and clear view-points at our meetings. Our thoughts and prayers go out to his wife Jane and his family.

My thanks to members of the Council; We are indeed fortunate to have recourse to their knowledge and wisdom: - David Lamb (RIP), Robin Kilworth (Ashburton Parish), Father John Fitzmaurice (Cathedral Parish and Episcopal Vicar for Education), Mike Nolan (Manager Catholic Education Office), also to Paddy Beban (Diocesan Financial Administrator) and Donna Malone (Minute Secretary).

The diocesan welfare council



From the chairman
- Murray Winder

“Hey, it’s good to be Catholic”

This was the catch cry for the second of our Celebration Expos held in May this year. On a wet Saturday, 24 welfare agencies took part. The Expo provided a platform for welfare agencies of diversity to meet together for dialogue and support. Those present enjoyed songs from the Blessed Sacrament Junior Choir, and participated in the Liturgy prepared by Sister Jill McLoughlin RSJ, celebrated by Father John Adams. On the previous Thursday, a full page “The Press” supplement publicised the event and the work undertaken by welfare agencies throughout the Diocese. Just one example of the co-ordinating role undertaken by this Council.

Another major activity, undertaken by Council, is the seeking and granting of funding applications in relation to the Tindall Foundations funding the Bishops’ Conference. Funds available are approximately \$60,000 annually. A highlight in 2008 was the support given to Future Life, a programme dedicated to reducing the growing youth crime rate. Future Life sought funds for a pilot programme where youth at risk undertook the construction of a log building where they experienced the advantages of project planning, chainsaw use, team building, and working with other people. This project was very successful and now features on the Tindall Foundation website as one of their success stories.

Catholic Social Services, under the effective and efficient management of Jon Brian, staff, and volunteers continues to be the flagship of the Diocesan Welfare Council. Some statistics, for three monthly periods follow:

	3 Months December 2007	3 Months December 2008	3 Months June 2009
Referrals	110	111	144
Groups	8	7	7
Foodbank	115	114	163

The increasing need for Catholic Social Services in these difficult economic times is demonstrated in looking at the June figures for this year.

Our Council is a busy one, as you can see. The innovation and extent of Council work can only take place through the dedicated work of our team, Lynda Macdonald, Mary Caldwell, Brian Cowan, Brian Dilger, Joan Doocey, Charlotte Boyes, John Kennedy and our newly appointed spiritual leader, Father Kevin Wei.

Donna Malone and Rosalie Matthews, from Cathedral House, continue to go beyond on the call of duty by way of their freely given support and expertise to Council work.

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

30 JUNE 2009

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| DIRECTORY

Bishop

Most Reverend Barry Jones DD

Bishops Emeriti

Most Reverend John Cunneen DD
Most Reverend Basil Meeking DD

Vicar General

Reverend Rick Loughnan

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 (RIP 27.08.09)

Diocesan Welfare Council

Murray Winder, Chairman
Charlotte Boyes
Mary Caldwell
Brian Cowan
Brian Dilger
Joan Doocey
John Kennedy
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 Cranmer 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

Financial Statements

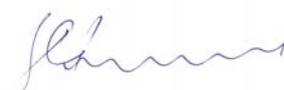
statement of financial position - for the year ending 30 June 2009

	Notes	30 June 2009 '000	30 June 2008 '000
Current Assets			
Cash and Cash Equivalents		1,904	1,621
Trade and Other receivables	3	402	870
Inventories		19	29
Other Financial Assets	5	9,743	10,414
Property Under Development		1,310	2,793
Total Current Assets		13,378	15,727
Non Current Assets			
Other Financial Assets	5	14,571	11,588
Property, Plant and Equipment	6	120,565	120,092
Intangible Assets	7	5	4
Total Non Current Assets		135,141	131,684
Current Liabilities			
Trade and Other Payables	8	1,041	1,619
Borrowings	9	672	719
Total Current Liabilities		1,713	2,338
Non Current Liabilities	9	5,262	5,509
Net Assets		141,544	139,564
Total Equity	10	141,544	139,564

For and on behalf of the Board of Management and Finance, which authorised the issue of the financial report on 30 September 2009.

+ B. Jones

+ Barry Jones
Roman Catholic Bishop of Christchurch



G Bailey
Chairman

| statement of movements in equity - for the year ending 30 June 2009

	<i>Notes</i>	2009 Actual '000	2008 Actual '000
Opening Equity		139,564	136,003
Net Operating Surplus for the period		1,765	4,466
Income and Expenses recognised directly in Equity			
Fair Value gains/losses on Available for Sale Assets			
Unrealised Gains Reserve on Shares		(17)	(855)
Unrealised Gains Reserve on Bonds		232	(50)
		<u>215</u>	<u>(905)</u>
Total Income and Expenses for the Period		<u>1,980</u>	<u>3,561</u>
Closing Equity	10	<u><u>141,544</u></u>	<u><u>139,564</u></u>

(The attached notes form part of and should be read in conjunction with these financial statements)

statement of financial performance - for the year ending 30 June 2009

2008 Actual		Notes	2009 Budget (Unaudited) '000	2009 Actual '000	2010 Budget (Unaudited) '000
'000					
	Operating Income				
921	Grants and Donations		673	916	664
539	Allocations		545	547	550
2,408	Government Grants	13	2,368	2,563	2,732
1,377	Investment Income		1,775	2,299	2,001
5,350	Other Income	14	3,738	2,419	2,631
<u>10,595</u>	Total		<u>9,099</u>	<u>8,744</u>	<u>8,578</u>
	Less Expenditure				
2,003	Employee Benefits & Expenses		2,181	2,094	2,213
416	Consultancy		285	409	314
1,793	Depreciation & Amortisation		1,102	1,779	1,586
418	School Maintenance		100	537	100
155	Finance Costs		164	159	198
1,879	Other Expenses		1,324	2,502	1,512
<u>6,664</u>	Total		<u>5,156</u>	<u>7,480</u>	<u>5,923</u>
3,931	Net Operating Surplus		3,943	1,264	2,655
535	Non Operating Revenue	15	276	501	454
<u>4,466</u>	Total Surplus recognised for period	18	<u>4,219</u>	<u>1,765</u>	<u>3,109</u>
1,280	Internal Recoveries		1,264	1,454	1,346
(1,280)	Less Internal Charges		(1,264)	(1,454)	(1,346)
<u>0</u>			<u>0</u>	<u>0</u>	<u>0</u>
(3,673)	Net Transfers (to)/from Special Funds		(2,830)	(2,704)	(555)
<u>793</u>	Net Surplus (after internal transfers)	16	<u>1,389</u>	<u>(939)</u>	<u>2,554</u>
(5,763)	Capital Expenditure	17	(2,928)	(2,641)	(4,507)
190	Loan Principal Receipts		0	442	998
(312)	Loan Principal Repayments		(182)	(213)	(230)
<u>(5,092)</u>	Net Surplus (Deficit) (after internal transfers and capital expenditure)		<u>(1,721)</u>	<u>(3,351)</u>	<u>(1,185)</u>
	Net Cost by Activity				
(615)	Ministry of Liturgy		(711)	(680)	(875)
275	Ministry of the Word		(106)	138	1,838
(265)	Ministry of Charity		(566)	(495)	(556)
1,398	Overheads		2,772	98	2,147
<u>793</u>	Total Net Cost		<u>1,389</u>	<u>(939)</u>	<u>2,554</u>

(The attached notes form part of and should be read in conjunction with these financial statements)

| statement of cash flows - for the year ending 30 June 2009

	Note	2009 '000	2008 '000
Cash Flows From Operating Activities			
Cash was provided from:			
Grants and Donations Received		916	921
Allocations Received		547	539
Government Grants Received		2,563	2,408
Investment Income Received		2,361	1,399
Net GST Received		440	0
Other Income Received		1,724	1,176
		<u>8,551</u>	<u>6,443</u>
Cash was applied to:			
Payments to employees and suppliers		5,768	4,201
Interest Paid		159	155
Net GST Payments		0	121
		<u>5,927</u>	<u>4,477</u>
Net Cash Inflow (Outflow) From Operating Activities	18	2,624	1,966
Cash Flows From Investing Activities			
Cash was provided from:			
Disposal of Property, Plant & Equipment		4,670	6,769
		<u>4,670</u>	<u>6,769</u>
Cash was applied to:			
Acquisition of Property, Plant & Equipment		4,790	4,908
Increase in Investments		2,451	3,251
		<u>7,241</u>	<u>8,159</u>
Net Cash Inflow (Outflow) From Investing Activities		(2,571)	(1,390)
Cash Flows From Financing Activities			
Cash was provided from:			
Advance of Term Liabilities		443	190
		<u>443</u>	<u>190</u>
Cash was applied to:			
Repayment of Term Liabilities		213	314
		<u>213</u>	<u>314</u>
Net Cash Inflow (Outflow) From Financing Activities		230	(124)
Net Increase (Decrease) In Cash Funds		283	452
Cash balance as at 1 July 2008		1,621	1,169
Cash balance as at 30 June 2009		<u>1,904</u>	<u>1,621</u>
This total is recorded in the financial statements as:			
Cash and Cash Equivalents		<u>1,904</u>	<u>1,621</u>

(The attached notes form part of and should be read in conjunction with these financial statements)

Statement of cost of services

Ministry of liturgy "to sanctify" - for the year ending 30 June 2009

2008 Actual '000		2009 Budget (Unaudited) '000	2009 Actual '000	2010 Budget (Unaudited) '000
	Operating Income			
173	Grants and Donations	160	187	146
197	Other Income	127	170	123
<u>370</u>	Total	<u>287</u>	<u>357</u>	<u>269</u>
	Less Expenditure			
361	Personnel Costs	365	351	380
6	Consultancy	10	7	10
94	Depreciation	113	111	111
0	Interest on Loans	0	1	0
467	Other	414	540	626
<u>928</u>	Total	<u>902</u>	<u>1,010</u>	<u>1,127</u>
(558)	Net Operating (Deficit)	(615)	(653)	(858)
0	Non Operating Revenue	0	0	0
<u>(558)</u>	Total (Deficit) recognised for period	<u>(615)</u>	<u>(653)</u>	<u>(858)</u>
7	Internal Recoveries	5	5	9
(102)	Less Internal Charges	(102)	(108)	(104)
<u>(95)</u>		<u>(97)</u>	<u>(103)</u>	<u>(95)</u>
38	Net Transfers (to)/from Special Funds	1	76	78
<u>(615)</u>	Net (Deficit)	<u>(711)</u>	<u>(680)</u>	<u>(875)</u>
(11)	Capital Expenditure	(8)	(18)	(95)
<u>(626)</u>	Net Operating (Deficit) (after internal transfers and capital expenditure)	<u>(719)</u>	<u>(698)</u>	<u>(970)</u>
	Net Cost by Activity			
(175)	Pastoral Initiatives	(244)	(269)	(304)
(86)	Pastoral Planning Office	(105)	(93)	(113)
(92)	Chaplaincy	(105)	(78)	(113)
(151)	Priestly Formation	(149)	(104)	(239)
(113)	Cathedral	(108)	(136)	(106)
2	Cathedral Music	0	0	0
<u>(615)</u>	Total Net Cost	<u>(711)</u>	<u>(680)</u>	<u>(875)</u>

(The attached notes form part of and should be read in conjunction with these financial statements)

Statement of cost of services

Ministry of the word "to teach" - for the year ending 30 June 2009

2008 Actual '000		2009 Budget (Unaudited) '000	2009 Actual '000	2010 Budget (Unaudited) '000
	Operating Income			
98	Grants and Donations	1	153	25
2,375	Government Grants	2,302	2,483	2,660
71	Investment Income	65	72	53
1,000	Other Income	756	966	790
3,544	Total	3,124	3,674	3,528
	Less Expenditure			
627	Personnel Costs	737	694	757
122	Consultancy	88	127	98
1,559	Depreciation	866	1,531	1,354
418	School Maintenance	100	537	100
155	Interest on Loans	164	158	198
492	Other	316	351	345
3,373	Total	2,271	3,398	2,852
171	Net Operating Surplus	853	276	676
0	Non Operating Revenue	0	0	0
171	Total Surplus recognised for period	853	276	676
436	Internal Recoveries	419	471	509
(519)	Less Internal Charges	(507)	(534)	(554)
(83)		(88)	(63)	(45)
187	Net Transfers (to)/from Special Funds	(871)	(75)	1,207
275	Net Operating Surplus/(Deficit)	(106)	138	1,838
(2,042)	Capital Expenditure - Diocesan Schools	(2,270)	(2,246)	(4,282)
(314)	Capital Expenditure - Other	(17)	(78)	(25)
(2,356)	Total Capital Expenditure	(2,287)	(2,324)	(4,307)
190	Loan Principal Receipts	0	442	998
(312)	Loan Principal Repayments	(182)	(213)	(230)
(2,203)	Net (Deficit) (after internal transfers and capital expenditure)	(2,575)	(1,957)	(1,701)
	Net Cost by Activity			
92	Catholic Education Office	(56)	64	(4)
253	Attendance Dues	0	117	100
297	Diocesan Schools	366	303	2,104
(292)	Youth and Young People	(313)	(269)	(265)
(75)	Tertiary Chaplaincy	(103)	(77)	(97)
0	CCJP	0	0	0
275	Total Net Cost	(106)	138	1,838

(The attached notes form part of and should be read in conjunction with these financial statements)

Statement of cost of services

Ministry of charity "to care for" - for the year ending 30 June 2009

2008 Actual '000		2009 Budget (Unaudited) '000	2009 Actual '000	2010 Budget (Unaudited) '000
	Operating Income			
374	Grants and Donations	375	403	343
33	Government Grants	66	80	72
190	Other Income	224	247	237
<u>597</u>	Total	<u>665</u>	<u>730</u>	<u>652</u>
	Less Expenditure			
482	Personnel Costs	498	478	510
13	Consultancy	12	13	13
50	Depreciation	71	67	64
394	Other	383	402	393
<u>939</u>	Total	<u>964</u>	<u>960</u>	<u>980</u>
(342)	Net Operating Surplus	(299)	(230)	(328)
0	Non Operating Revenue	0	0	0
<u>(342)</u>	Total Surplus recognised for period	<u>(299)</u>	<u>(230)</u>	<u>(328)</u>
90	Internal Recoveries	77	35	42
(320)	Less Internal Charges	(303)	(273)	(265)
<u>(230)</u>		<u>(226)</u>	<u>(238)</u>	<u>(223)</u>
307	Net Transfers (to)/from Special Funds	(41)	(27)	(5)
<u>(265)</u>	Net Operating Surplus/(Deficit)	<u>(566)</u>	<u>(495)</u>	<u>(556)</u>
(382)	Capital Expenditure	(18)	(59)	(14)
<u>(647)</u>	Net Operating Surplus/(Deficit) (after internal transfers and capital expenditure)	<u>(584)</u>	<u>(554)</u>	<u>(570)</u>
	Net Cost by Activity			
(4)	Welfare - Catholic Social Services	(56)	30	(38)
260	Welfare - Other	(24)	(6)	(18)
(289)	Governance	(266)	(302)	(276)
(115)	Bishop's Conference	(120)	(120)	(123)
(3)	Catholic Shop	(18)	(10)	(6)
(6)	Tribunal	(15)	(11)	(12)
(99)	Thanks Giving	(60)	(69)	(77)
(9)	Inform	(7)	(7)	(6)
<u>(265)</u>	Total Net Cost	<u>(566)</u>	<u>(495)</u>	<u>(556)</u>

(The attached notes form part of and should be read in conjunction with these financial statements)

Statement of cost of services

Overhead activities - for the year ending 30 June 2009

2008 Actual '000		2009 Budget (Unaudited) '000	2009 Actual '000	2010 Budget (Unaudited) '000
	Operating Income			
276	Grants and Donations	137	173	150
539	Allocations	545	547	550
1,306	Investment Income	1,710	2,227	1,948
3,963	Other Income	2,631	1,036	1,481
<u>6,084</u>	Total	<u>5,023</u>	<u>3,983</u>	<u>4,129</u>
	Less Expenditure			
533	Personnel Costs	581	571	566
275	Consultancy	175	262	148
90	Depreciation	52	70	57
526	Other	211	1,209	173
<u>1,424</u>	Total	<u>1,019</u>	<u>2,112</u>	<u>944</u>
4,660	Net Operating Surplus	4,004	1,871	3,185
535	Non Operating Revenue	276	501	454
<u>5,195</u>	Total Surplus recognised for period	<u>4,280</u>	<u>2,372</u>	<u>3,639</u>
750	Internal Recoveries	763	943	786
(342)	Less Internal Charges	(352)	(539)	(423)
<u>408</u>		<u>411</u>	<u>404</u>	<u>363</u>
(4,205)	Net Transfers (to)/from Special Funds	(1,919)	(2,678)	(1,855)
<u>1,398</u>	Net Surplus (after internal transfers)	<u>2,772</u>	<u>98</u>	<u>2,147</u>
(3,014)	Capital Expenditure	(615)	(240)	(131)
<u>(1,616)</u>	Net Surplus (after internal transfers and capital expenditure)	<u>2,157</u>	<u>(142)</u>	<u>2,016</u>
	Net Cost by Activity			
(1)	Diocesan Financial Administrator	0	0	(1)
(8)	Cathedral House Building	0	5	0
(8)	Other Diocesan Properties	489	(1,540)	(55)
(2)	Administration	(12)	0	0
0	Insurance	0	0	0
1,105	Other Income	850	1,046	1,006
312	Investment Income	1,445	587	1,197
<u>1,398</u>	Total Net Cost	<u>2,772</u>	<u>98</u>	<u>2,147</u>

(The attached notes form part of and should be read in conjunction with these financial statements)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

- for the year ending 30 June 2009

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 2009. The financial statements were authorised for issue by the Management and Finance Board on 30 September 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.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

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 CW41 and CW42 of the Income Tax Act 2007.

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.

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:

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

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) Leases

Operating lease payments are recognised as an expense in the Statement of Financial Performance on a straight-line basis over the lease term.

m) 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.

n) 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.

o) 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.

p) 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.

q) 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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r) 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.

s) 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).

t) 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.

u) **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

	2009 '000	2008 '000
Trade & Other Debtors	272	547
(less Provision for Impairment of Debtors)	(16)	0
Interest Receivable	94	156
GST Receivable	0	125
Prepayments	52	42
Total	402	870

4. Provision for Impairment of Debtors

	2009 '000	2008 '000
As at 1 July	0	103
Arising during the year	16	0
Used during the year	0	(103)
As at 30 June	16	0

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

5. Other Financial Assets

	2009 '000	2008 '000
Catholic Development Fund Deposits	5,231	7,120
Bonds & Notes	12,562	11,255
Mortgage	540	540
Catholic Development Fund Equity (see Note 19)	3,402	0
Shares	2,579	3,087
Total	24,314	22,002
Less Current Portion	(9,743)	(10,414)
Total Non Current Investments	14,571	11,588

For details of impairment of Financial Assets refer to Notes 10 and 16.

6. Property Plant & Equipment

30 June 2009	Cost '000	Current Yr Depn. '000	Accum Depn '000	Book Value '000
Land	45,204	0	0	45,204
Buildings	22,912	459	1,340	21,572
Buildings (Work in Progress)	40	0	0	40
Furniture & Equipment	506	71	287	219
Motor Vehicles	346	50	257	89
School Improvements	55,859	1,193	4,177	51,682
School Improvements (Work in progress)	1,759	0	0	1,759
Total	126,626	1,773	6,061	120,565

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
Total	124,524	1,793	4,432	120,092

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

	Cost or Revaluation '000	Current Yr Depn. '000	Accum Depn '000	Book Value '000
30 June 2009				
Software	90	5	85	5
30 June 2008				
Software	85	4	81	4

8. Trade and Other Payables

	2009 '000	2008 '000
Creditors & Accruals	453	1,352
GST Payable	338	0
Employee Entitlements	116	122
Other Current Liabilities	134	145
Total	1,041	1,619

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 2009 amounted to \$404,000 (2008: \$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.

	2009 '000	2008 '000
Pre-suspensory Loans	393	606
Suspensory Loans	3,524	3,927
Other Loans	1,748	1,403
Future GST Liability	269	292
Total	<u>5,934</u>	<u>6,228</u>
Less Current Portion	<u>(672)</u>	<u>(719)</u>
Total Non Current Liabilities	<u>5,262</u>	<u>5,509</u>

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.

Equity	2009 '000	2008 '000
General Equity	122,172	123,080
Special Purpose Funds	19,403	16,730
Unrealised Gains Reserves	(31)	(246)
Total Equity	<u>141,544</u>	<u>139,564</u>
Unrealised Gains Reserves	2009 '000	2008 '000
<i>Unrealised Gains Reserve on Shares</i>		
Opening Balance	(141)	714
Movement during the year	(17)	(855)
Closing Balance	<u>(158)</u>	<u>(141)</u>
<i>Unrealised Gains Reserve on Bonds</i>		
Opening Balance	(105)	(55)
Movement during the year	232	(50)
Closing Balance	<u>127</u>	<u>(105)</u>
Total Unrealised Gains Reserves	<u>(31)</u>	<u>(246)</u>

The Diocese has identified a small number of bonds and shares with a significant and prolonged decline in fair value below cost. Consequently the cumulative loss on these assets has been removed from equity and recognised in the Statement of Financial Performance. Refer to Note 16 for further details.

<i>Special Purpose Funds</i>	2009	2008
	'000	'000
Education - Diocesan School Capital & Maintenance Programme	2,909	2,434
Education - Attendance Dues	(25)	125
Education - General	510	502
Youth	39	39
Youth & Education	114	110
Catholic Social Services	768	755
Pastoral - Missionary	206	193
Pastoral - Ongoing Formation, Education & Seminary	964	954
Aged Care - Armstrong Village	571	458
Bishop's Capital Health Fund (90% Income distributed to Clergy Health Fund)	206	179
Gamblins Rd (Income distributed to Cathedral College Proprietors Trust Board)	1,018	1,018
CCJP	16	15
Darfield Parish	100	100
Chatham Island Parish	16	15
Property Reserve	11,669	9,560
Cathedral Music	75	58
Other	247	215
Total Special Purpose Funds	19,403	16,730

11. 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.

30 June 2009	Cash & Cash Equivalents	Trade & Other Receivables	Other Financial Assets	Total Financial Assets
	'000	'000	'000	'000
Loans and Receivables	1,904	402	0	2,306
Available For Sale	0	0	24,314	24,314
Total Financial Assets	1,904	402	24,314	26,620
		Trade & Other Payables	Borrowings	Total Financial Liabilities
Recorded at Amortised Cost		1,041	5,934	6,975
Total Financial Liabilities		1,041	5,934	6,975
Net Exposure	1,904	791	18,380	21,075

30 June 2008	Cash & Cash Equivalents '000	Trade & Other Receivables '000	Other Financial Assets '000	Total Financial Assets '000
Loans and Receivables Available For Sale	1,621	870	0	2,491
	0	0	22,002	22,002
Total Financial Assets	1,621	870	22,002	24,493
		Trade & Other Payables	Borrowings	Total Financial Liabilities
Recorded at Amortised Cost		1,609	6,228	7,837
Total Financial Liabilities		1,609	6,228	7,837
Net Exposure	1,621	(739)	15,774	16,656

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

	2009 '000	2008 '000
Education (Attendance Dues, Religious Education Fees & Foreign Fee Paying Students)	745	778
Catholic Shop Sales	159	140
Cathedral Trust	9	11
Prison Chaplaincy Service	64	62
Programmes & Events (Youth & Education)	52	120
Gain on Property Sales	988	3,902
Other Income	402	337
Total	2,419	5,350

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)

	2009 '000	2008 '000
<i>After Charging:</i>		
Auditor's Fees - Audit Fees	21	13
Auditor's Fees - Other Services	0	3
Employee Benefits and Expenses	1,921	2,003
Donations Expense	20	8
Interest Expense	159	155
Lease Expense	10	0
Provision for Doubtful Debts	16	0
Bad Debts Written Off	20	0
Loss on Sale of Assets	0	2
Impairment Loss on Investments	354	0
<i>Including:</i>		
Interest Revenue	1,453	1,293
Dividend Revenue	142	351
Gain on Sale of Assets	988	3,898

17. Capital Expenditure

	2009 '000	2008 '000
Diocesan Schools	2,246	2,041
Land & Buildings	86	642
Property Under Development	186	2,942
Computer Equipment	39	65
Vehicles	0	31
Other Plant & Equipment	79	42
Intangible Assets	5	0
	<u>2,641</u>	<u>5,763</u>

18. Reconciliation of Net Surplus with Cash flows from Operating Activities

	2009 '000	2008 '000
Net Surplus	1,765	4,466
Add/(Less) Non Cash Items:		
Depreciation and Amortisation	1,778	1,793
Non Operating Revenue (Loans forgiven)	(501)	(535)
(Gain)/Loss on Sale of Asset	(988)	(3,900)
Impairment Loss on Investment	354	0
	<u>2,408</u>	<u>1,824</u>
Movements in Other Working Capital Items:		
Decrease/(Increase) in Prepayments	(10)	7
Decrease/(Increase) in Accounts Receivable	353	(248)
Decrease/(Increase) in Stock	10	(4)
Decrease/(Increase) in GST Receivable	440	(121)
(Decrease)/Increase in Accounts Payable	(912)	961
(Decrease)/Increase in Holiday Pay	(6)	(64)
(Decrease)/Increase in Income in Advance	2	0
	<u>(123)</u>	<u>531</u>
Less Fixed Assets in Accounts Payable	339	(389)
	<u>338</u>	<u>(389)</u>
Net Cash Flow from Operating Activities	<u><u>2,624</u></u>	<u><u>1,966</u></u>

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.

<i>Catholic Development Fund</i>	2009 '000 (31 March)	2008 '000 (31 March)
Surplus	67	448
Distribution to Diocese	172	335
Capital Injection from the Diocese	2,800	0
Unrealised gains/(losses) in fair value of Available for Sale Financial Assets	832	(1,221)
<i>Diocese Investment in CDF:</i>	<i>(30 June)</i>	<i>(30 June)</i>
Opening Carrying Amount	0	1,079
Closing Carrying Amount	3,403	0

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 \$1,969 worth of professional services during the 2008/2009 financial year.

21. Contingent Liabilities

A contingent liability exists in respect of suspensory loans, which becomes 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 2009 were \$3,523,794 (2008: \$3,927,475). The likelihood of any schools closing is considered remote.

22. Commitments

As at 30 June 2009 there are commitments for the following:

	2009 '000	2008 '000
Capital Commitments		
School Improvements	169	1,024
Property Under Development	53	1,066
Total Capital Commitments	222	2,090
Lease Commitments		
Within one year	9	9
Two to five years	5	14
Total Lease Commitments	14	23

The Diocese has entered into a long term lease arrangement for certain school land. The lease has a term of 21 years from 1 March 1990 with the right of renewal.

23. Events Subsequent to Balance Date

There were no significant events after balance date affecting the financial statements.

To the Roman Catholic Bishop of Christchurch

We have audited the financial statements on pages B4 to B23. 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 2009. 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 2009 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.

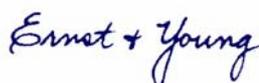
| Unqualified Opinion

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

In our opinion the financial statements on pages B4 to B23:

- comply with generally accepted accounting practice in New Zealand; and
- fairly present the financial position of the Diocese as at 30 June 2009 and its financial performance and cash flows for the year ended on that date.

Our audit was completed on 30 September 2009 and our unqualified opinion is expressed as at that date.



Christchurch



Catholic diocese
Of Christchurch

To sanctify - to teach - to care for