



catholic diocese
of christchurch

to sanctify - to teach - to care for

12

Annual Reports for the year ended 30 June 2012

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FOREWORD



October 2012

Dear brothers and sisters in Christ

It is my duty and privilege as bishop of the diocese to introduce the Annual Report of the Diocese of Christchurch for the year ended 30 June 2012. As we all know the Church is a visible organic body in the world whose purpose is to communicate to the human family the redemption won for us by Our Lord Jesus Christ. The Gospels show Him living amongst a particular people with its own particular culture and drawing upon material resources to enable His mission to be accomplished.

The same reliance on material resources for spiritual purposes characterises the mission of the Church in the Diocese of Christchurch. This Annual Report sets out the material resources of the diocese in its various works to promote the mission of Christ in this place. I offer my thanks to every person who has contributed to the life and mission of the Church.

I offer my sincere gratitude to those who serve the diocese on its various advisory boards and councils. I thank the respective chairpersons of the Diocesan Management and Finance Board, the Diocesan Education Council, Diocesan Youth Council and the Diocesan Welfare Council; Geoff Bailey, Rex Lynch, Rachel Pitcaithly and Murray Winder.

Yours sincerely



+ Barry Jones
Bishop of Christchurch

CHAIRMAN'S INTRODUCTION

This report covers the year ended 30 June 2012.

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

- ▶ Earthquake Recovery/Management Reports
- ▶ Pastoral Planning Office
- ▶ Diocesan Education Council
- ▶ Catholic Youth Team
- ▶ Diocesan Welfare Council
- ▶ Financial Reports

Earthquake Recovery

Since the first major earthquake in September 2010 the Board has focused on the diocesan recovery process.

The management of earthquake damaged property and the ongoing business activity has been exceptionally well executed by Mr Paddy Beban and Mr Mike Nolan has managed the catholic education matters with the same professional skill.

The insurance claim process is now complete. Tranches of settlement proceeds have begun to be received, which is beneficial for the diocese compared to having to make regular

claims as repair and replacement projects progress.

However, insurance claims never fully restore property assets to their previous state.

There will ultimately be a need for the diocese to commit further capital to these earthquake recovery projects.

A Strategy Committee has been appointed to advise the Bishop on:

- ▶ Location of churches and schools throughout the whole of the diocese, emphasis and priority to be given to the Christchurch area covered by CERA
- ▶ The planning horizon for the draft scheme to be thirty to fifty years

Financial Year Ended 30 June 2012

The Statement of Financial Position shows diocesan equity has risen from \$138 million at 30 June 2011 to \$220 million at 30 June 2012.

This increase reflects the increase in the Earthquake Recovery Special Purpose Fund from \$1.2 million in 2011 to \$86 million in 2012.

These insurance claim funds will be used to repair and restore earthquake damaged properties.



Geoff Bailey, Chairman, Diocesan Management & Finance Board

Interest and dividend income for the last two years has been:

2011 \$1.6 million

2012 \$1.8 million

Throughout the post-earthquake period the day to day activities have continued without any adverse impact on the diocesan financial position.

Catholic Development Fund

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

This year the distribution to the Diocese is \$1.5 million.

The Diocesan investment in the CDF at 30 June 2012 was \$4.06 million.

The CDF result achieved by Mr Des Boyle, Chairman, his Trustees and the Diocesan Administration Team was very good.

Diocesan Administration Staff

The diocese and Advisory Boards are extremely well served by the management and administration staff of the diocese.

Mr Paddy Beban has worked extremely hard and successfully to manage the Diocese through the earthquake recovery and insurance claim period. This work has been in addition to all his usual management responsibilities.

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

Conclusion

I thank each member of the Management and Finance Advisory Board for their contribution to the Diocese during this exceptional period in the history of the Diocese.

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

A handwritten signature in blue ink, appearing to read 'Geoff Bailey'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Geoff Bailey
Chairman
Diocesan Management & Finance Board

BISHOP'S PASTORAL OFFICE

In the past year there have been two major tasks in the Diocesan Pastoral Planning Office; the bringing together of parishes in the parish amalgamation process and being part of the diocesan earthquake recovery team.

The Provision of Sunday Mass in the Catholic Diocese of Christchurch

In January 2012 the Bishop formally amalgamated parishes in the first four of our nine pastoral areas. In his introduction to the document, Bishop Barry stated that "Sunday Mass is at the heart of the life of the Church", hence his clear focus on the planning for Sunday Mass to be provided in the Diocese.

The first of the parishes to undertake the amalgamation process were:

Christchurch Central and Hills

- ▶ Cathedral/St Mary's
- ▶ Woolston/Lyttelton/Sumner

Christchurch East

- ▶ Burwood/Dallington/Mairehau
- ▶ Aranui/New Brighton

Christchurch North:

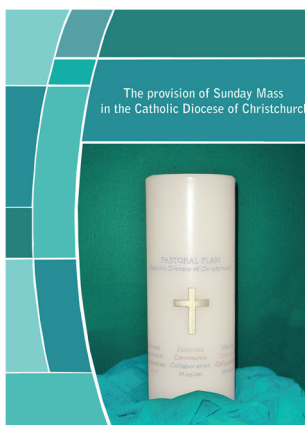
- ▶ Bryndwr/St Albans

South Canterbury

- ▶ Sacred Heart/Timaru North
- ▶ Geraldine/Pleasant Point/Temuka
- ▶ Fairlie/Twizel

The lead up to these parish amalgamations in fact has taken some years, beginning with the Diocesan Pastoral Plan (promulgated in 2005) and the process of consultation the Bishop undertook in *The Provision of Sunday Mass in the Catholic Diocese of Christchurch* that began in 2009.

The first round of parish amalgamations in 2012 is part of a three year roll out.



Provision of Sunday Mass Booklet



A number of parish secretaries gather for the Parish Secretaries Day



The Catholics Returning Home team enjoy an evening with Jan Heath of Brisbane, Australia



Mike Stopforth, Director

Orientation Committee

This committee comprises Father Simon Eccleton (Convenor), Sister Raylene Dwyer RSM and the writer. On behalf of the Bishop we look after the priests on loan from overseas and the Vietnamese Seminarians.

Two priests have returned to home dioceses; Father Gerry Nemi (Philippines) and Father Nathan Vail FSSP (USA) and other priests arrived to work amongst us; Father John Jolliffe SM and Father John Craddock SM.

A three day orientation programme was held in December 2011 for eight priests which provides input about the ministry as a priest in New Zealand and formation about New Zealand culture.



evening

Parish Support

A **Parish Secretaries Day** was held in November 2011 at Washington Way with approximately 20 parish secretaries. The programme included Bishop Barry celebrating Mass, administration matters (particularly new diocesan banking policies), a tour round Washington Way to meet diocesan staff, some spiritual reflection by Sister Jill McLoughlin RSJ and networking / sharing of best practise.

A newly instigated process this year is the provision of an **induction of new parish secretaries**. This involves hosting new parish secretaries at Cathedral House, meeting staff, talking about relevant administrative issues and knowing who to contact when various queries arise.

Catholics Returning Home was again held this year and coordinated centrally. The small but committed team of parish leaders again led this programme in three parishes after Easter 2012. In addition a small extra programme had to be held as there were additional people who asked about 'returning home'.

The introduction of the new **Roman Missal** saw distribution of 120 of the missals to all churches in the diocese.

Diocesan Support

The **St John the Baptist Scholarship** has been established by the Bishop to support people undertaking formation at either the Catholic Discipleship College or Good Shepherd College – both located in Auckland. The Scholarship named after the patron saint of our Diocese provides some financial support towards a recipients formation. This year it was awarded to two people; Julie-Ann Buick – to attend the Catholic Discipleship College and Matthew O’Connell – to study courses by distance at Good Shepherd College.

Bishop Barry sent four people to attend the **Proclaim Conference**, organised by the Australian Catholic Bishops’ Conference based on the new evangelisation. This excellent conference was very fruitful and will provide material for celebration of the Year of Faith.

Communications

The Diocesan communication strategy continues to be an important means of communicating ‘internally’ to Catholics in the Diocese and then ‘externally’ to all others. This includes the Bishop’s newsletter *Inform*, the Diocesan website, Diocesan Facebook page and Sounds Catholic.

Sounds Catholic continues to air each Sunday on Plains FM and can also be heard online via the Diocesan website. In May 2012 one

particular programme won an award in the prestigious 2012 NZ Radio Industry Award for best spoken programme in the Community and Access category. The winning episode featured highlights from a year of challenges faced by the Christchurch Diocese. At times the sound of an aftershock can be heard during a recording. Sounds Catholic is capably hosted by Ken Joblin and assisted by an Overseeing Committee.

Chaplaincies

Hospital Chaplaincy

The Interchurch Council for Hospital Chaplaincy is the national provider of hospital chaplaincy services in New Zealand under a shared funding arrangement between the Government’s Ministry of Health and the Churches. The New Zealand Catholic Bishops’ Conference receives a portion of this funding to enable each diocese to employ hospital chaplains.

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.



Proclaim Conference attendees – Mike Stopforth, Father John Adams, Marianne Daly, Rachel Pitcaithly, Father John O’Connor



Inform – Diocesan Quarterly



www.chch.catholic.org.nz

Prison Chaplaincy

The Prison Chaplaincy Service of Aotearoa New Zealand Trust Board is contracted to the Department of Corrections to provide chaplaincy services in our prisons. The bishop in each diocese employs chaplains according to the needs of each diocese and is funded out of the national agreement according to a set formula.

The Christchurch Diocese employs four part-time (2.25 FTE's) chaplains based at Christchurch Men's, Christchurch Women's and Rolleston Prisons.

Earthquake

Status of Parish Churches

The earthquake has affected the Diocese's buildings significantly.

In summary, as of July 2012:

Christchurch City

Five parish churches have been demolished:

- ▶ St Paul's, Dallington
- ▶ St Joseph's, Lyttelton
- ▶ Korean Catholic Community, New Brighton
- ▶ St Mary's, New Brighton
- ▶ Our Lady Star of the Sea, Sumner

Thirteen parish churches damaged – unable to be used:

- ▶ St Peter's, Beckenham
- ▶ St Matthew's, Bryndwr
- ▶ Holy Family, Burwood
- ▶ Cathedral of the Blessed Sacrament, City
- ▶ Our Lady of the Assumption, Hoon Hay
- ▶ St John the Evangelist, Leeston
- ▶ St Patrick's, Lincoln
- ▶ St John the Evangelist, Little River
- ▶ Our Lady of Fatima, Mairehau
- ▶ St Joseph's, Papanui
- ▶ Our Lady of Perpetual Help, St Albans
- ▶ St Brendan's, Templeton
- ▶ St Anne's, Woolston

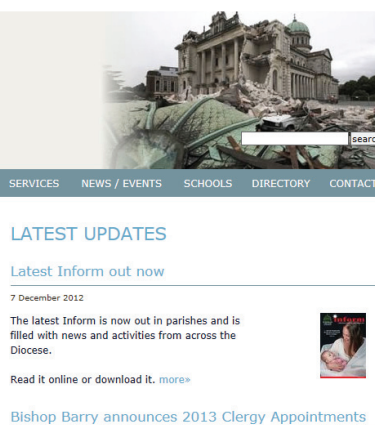
One church unable to be used due to being in the Christchurch City 'Red Zone':

- ▶ Holy Cross Chapel

Outside Christchurch City

Four churches outside Christchurch City unable to be used:

- ▶ St Mary's, Hokitika
- ▶ St Mary's, Pleasant Point
- ▶ Ss Mary and Francis de Sales, Rangiora
- ▶ St Joseph's, Temuka



The Sounds Catholic Team – David O'Neill, Ken Joblin, Mike Stopforth, Gerard Duignan, Maryanne Martin

Greater Christchurch Area

In the greater Christchurch area we have 11 churches open.

Earthquake Recovery Coordinator

Bishop Barry established a new position in November 2011 of "Earthquake Recovery Coordinator". This role has nothing to do with 'bricks and mortar', but to assist the Bishop in allocating the significant amount of money he was donated to assist people in need after the earthquake.

Matthew O'Connell was appointed to this position and quickly set about putting in place a structure for the effective allocation of these funds.

As of June 30th funds have been allocated to over 29 projects and all allocations are listed on our website:

www.chch.catholic.org.nz/eqrecovery

The role also includes visiting schools and parishes affected by the earthquake to assist them to help those in need due to the earthquake. These include:

- ▶ Visits to parish priests, key parish personnel (such as secretaries, pastoral workers), parish councils, St Vincent de Paul members and others. The purpose is to speak to them about the Earthquake Recovery Fund. These visits will continue.

- ▶ Visiting all primary school principals in the Christchurch area, ascertaining their needs and informing them about the Bishop's fund.

Networking is also a key element of the role; liaising with catholic agencies, ecumenical contacts and other organisations.

Bishop's Pastoral Office

At the time of writing, Bishop Barry has announced that the Pastoral Planning Office has undergone some restructuring to become the Bishop's Pastoral Office, which incorporates into it some other parts of the Diocesan organisation.

The rationale for the proposed changes includes the following:

- ▶ There has been significant growth in the work of the office since its inception and the promulgation of the Diocesan Pastoral Plan under Bishop John Cunneen. This growth incorporates more than pastoral planning.
- ▶ The current structure already includes a number of aspects that are outside a pastoral planning function, for example hospital chaplaincy, that are part of the Bishop's pastoral response.
- ▶ The new Bishop's Pastoral Office will provide an opportunity for a greater level of support for pastoral activities in the organisation.

The Office will oversee Hospital Chaplaincy, Prison Chaplaincy, Thanksgiving Programme, Earthquake Recovery Coordinator and a yet to be appointed part-time Communications person.



Father Robert Barron of WordOnFire.org speaks to a full public meeting about evangelisation - December 2011

THE DIOCESAN EDUCATION COUNCIL



Rex Lynch, Chairperson

It seems that all of New Zealand is now aware that we do indeed live in the 'shaky isles' and that earthquakes do happen. In the previous year we had four serious earthquakes that caused considerable damage. This year on January 2nd 2012 alone we had three. The damage to schools and churches has been extensive and as more information becomes available we find more and more of our class rooms need strengthening to bring them up to code. The initial work is all about safety not about anything else. We are fortunate and thankful to have a team of engineers and builders who work all hours to see to the safety of the students in our schools.

There are now 'seismic standards for schools' which come under three headings – the Building Act, the Ministry of Education guidelines and thirdly the standard expected of those who act in the place of parents.

The work of the Catholic Education Office has continued despite the endless disruptions caused by earthquake issues. In conjunction with Caritas NZ we have provided additional staff to help students and their parents who have trouble coping with the fall-out from the earthquakes.

As can be imagined property insurance is a matter of concern for the Diocese. Our manager Mike Nolan has spent endless hours with Paddy Beban (the Diocesan Financial Administrator) and the insurance people to try to bring some sense into an exceedingly complex situation.

In Christchurch we are fortunate to be part of the New Zealand Catholic Education Office which is our pathway to Government. NZCEO is headed by Brother Pat Lynch FSC who works constantly for the good of catholic education in all of New Zealand. As you will be aware the Government intends to be a major player in the future of State Schools in Christchurch. We don't expect this to be the case for our Catholic Schools.

Our staff continues to serve the Catholic community both schools and parishes to the best of their ability. Our thanks go to Sister Kath Rushton RSM, Parish Advisor; Sister Eleanor Capper RSJ, Education and Formation for Future Parish Leadership and Parish Service; Marianne Daly, Education, Formation and Support for Parish Ministry; Cushla O'Connor, Primary Schools Advisor; Charles Shaw, Secondary Curriculum Advisor; Maureen Kerr, Catholic Leadership and Education and Special Character; Sister Jill McLoughlin RSJ, Catholic Special Character Support Services and Mike Nolan the manager of the Catholic Education Office. We are privileged to have such loyal and caring staff.

My personal thanks go to the members of the Education Council who have worked steadily during the year to assist our Bishop in his educational endeavours. I thank Robin Kilworth, Father John Adams, Paddy Beban, Mike Nolan and Donna Malone (minute secretary) for their attention and wise counsel.

THE DIOCESAN WELFARE COUNCIL



Murray Winder, Chairperson

Year of Pluses' and Minuses'

Minuses'

No 'Celebration' event this year, but we hope the third Celebration, of Catholic welfare in the diocese, will take place in 2013.

Our Council suffered the earthquakes just like everyone else. Sometimes we struggled for a quorum as members attended to our own career and personal demands.

Father Kevin Wei, in whom we had lost a real contributor, resigned.

Pluses'

In the 2012 financial year our Council assisted in distributing \$75,100 of the Tindall Foundation funds to many and varied, Catholic and non-Catholic, worthy organisations – good to be a part of that process.

Council is in the process of reviewing Catholic Social Services key operating procedures and processes, and looking to establish a new strategic plan.

Subsequent to balance date, Peter Sivertsen and Francis Sullivan were, thankfully, appointed as new council members.

Thanks to all Council, but especially to Rosalie Matthews, our dedicated, competent secretary.

THE DIOCESAN YOUTH COUNCIL



Rachel Pitcaithly, Chairperson

The Diocesan Youth Council convened for the first time on 15 February 2011. The Council was formed to oversee the work of the Diocesan Youth Team, established in 1987. Early on in the formation of the Diocesan Youth Team, a supervisory committee had met to meet and support the Director. However, this committee and support ceased to exist some time ago. A working group put together by Bishop Barry saw the need for a Youth Council to oversee and support the Diocesan Youth Team and its Director, hence the formation of the Diocesan Youth Council.

In a sense the Council was commissioned by Bishop Barry to oversee the work of the Diocesan Youth Team and Tertiary Chaplaincy in their work to 'catch the youth' of our diocese. The Council members are - Mrs Rachel Pitcaithly (Chair), Father Rick Loughnan VG, Mrs Janice Rennell, Mr Sergio Ruiz, Mrs Jacinta Stopforth, Miss Sarah Waggott and Mr Makafalani Tatafu. – all who share a passion and enthusiasm for youth.

Over the past eighteen months we have witnessed the hard work being done by the Catholic Youth Team, including the Mission Team, ably led by Mr Chris Lysaght, and the Tertiary Chaplaincy Team consisting of Father Filippo Borri and Mr Ken Joblin. These teams face the challenges of presenting the truth of the love of God to our youth in a society that consistently presents love and happiness as by-products of commercialism. The growing numbers attending camps, talks, community service events and, most importantly the Eucharistic celebrations are living indications that our youth are searching for and are determined to find the truth of God.

My thanks to the members of the Council for their generosity of time since our formation and to Donna Malone our accurate and attentive minute secretary. I thank you all for your hard work.

On behalf of the Youth Council I extend to Maka our prayers and good wishes on his journey to better health.

ANNUAL FINANCIAL REPORT

for the year ended 30 June 2012

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DIRECTORY

Bishop

Most Reverend Barry Jones DD

Bishop Emeritus

Most Reverend Basil Meeking DD

Vicar General

Reverend Rick Loughnan

Chancellor

Reverend Monsignor William Middleton

College of Consultors

Reverend Peter Costello
Reverend Simon Eccleton
Reverend John Fitzmaurice (Resigned – 24.08.2011)
Reverend Kevin Foote (Appointed – 02.12.2011)
Reverend Rick Loughnan
Reverend Monsignor William Middleton
Reverend John Noonan (Appointed – 02.12.2011)

Diocesan Management and Finance Board

Geoff Bailey, Chairman
Greg Bevin
Stephen Boock
Most Reverend Barry Jones DD
Rex Lynch
George Macfarlane
Barbara Matthews
Brian Phillips
Murray Winder

Diocesan Education Council

Rex Lynch, Chairman
Reverend John Adams (Appointed – 13.01.2012)
Reverend John Fitzmaurice (Resigned – 24.08.2011)
Robin Kilworth

Diocesan Welfare Council

Murray Winder, Chairman
Charlotte Boyes
Mary Caldwell
Brian Cowan
Brian Dilger
Joan Doocey
Lynda Macdonald
Kerry McCashin
Reverend Kevin Wei (Resigned – 13.09.2011)

Diocesan Youth Council

Rachel Pitcaithly, Chairperson
Reverend Rick Loughnan
Janice Rennell
Sergio Ruiz
Jacinta Stopforth
Makafalani Tatafu
Sarah Waggott

EXECUTIVE DIRECTORY

Managers

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

Paddy Beban
Mike Nolan
Chris Lysaght
Jon Brian
Janice Rennell
Mike Stopforth

Auditor

Ernst & Young
20-22 Twigger St, Addington
P O Box 2091
Christchurch 8104

Solicitors

Cavell Leitch Law
Ground Floor
6 Hazeldine Road
Addington
Christchurch

Investment Advisors

JB Were Pty. (NZ) Ltd
Level 6
HSBC Tower
62 Worcester Boulevard
Christchurch

Bankers

Westpac
Level 2
2 Show Place
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 on Washington
2, 9 Washington Way
Christchurch

STATEMENT OF FINANCIAL POSITION

- as at 30 June 2012

		30 June 2012 '000	30 June 2011 '000
	<i>Notes</i>		
Current Assets			
Cash and Cash Equivalents		3,170	3,785
Trade and Other receivables	3	59,122	1,922
Inventories		15	11
Other Financial Assets	5	40,316	14,531
Property Under Development		0	0
Total Current Assets		102,623	20,249
Non Current Assets			
Other Financial Assets	5	16,743	16,811
Property, Plant and Equipment	6	109,173	107,576
Intangible Assets	7	25	33
Total Non Current Assets		125,941	124,420
Current Liabilities			
Trade and Other Payables	8	3,231	1,495
Income in Advance		322	0
Borrowings	9	709	719
Total Current Liabilities		4,262	2,214
Non Current Liabilities	9	3,931	4,637
Net Assets		220,371	137,818
Total Equity	10	220,371	137,818

For and on behalf of the Board of Management and Finance, which authorised the issue of the financial report on 26 September 2012

+ B. Jones

+ Barry Jones

Roman Catholic Bishop of Christchurch

H G Bailey

H G Bailey
Chairman

STATEMENT OF CHANGES IN EQUITY

- for the year ended 30 June 2012

	Notes	2012 Actual '000	2011 Actual '000
Opening Equity		137,818	148,570
Net Operating Surplus for the period (deficit)		82,805	(11,143)
Other Comprehensive Income		(252)	391
Total Comprehensive Income for the Period (loss)		82,553	(10,752)
Closing Equity	10	220,371	137,818

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

STATEMENT OF COMPREHENSIVE INCOME

- for the year ended 30 June 2012

2011 Actual '000		Notes	2012 Budget (Unaudited) '000	2012 Actual '000	2013 Budget (Unaudited) '000
Operating Income					
1,706	Grants and Donations		510	826	613
539	Allocations		562	567	565
3,537	Government Grants	13	3,221	3,267	3,294
3,084	Investment Income		3,310	2,091	6,914
4,867	Other Income	14	1,469	90,158	76,702
13,733	Total		9,072	96,909	88,088
Less Expenditure					
2,258	Employee Benefits & Expenses		2,376	2,266	2,459
340	Consultancy		395	979	448
1,866	Depreciation & Amortisation		1,602	1,765	1,729
145	School Maintenance		100	827	100
155	Finance Costs		144	149	134
20,509	Other Expenses		2,032	8,515	2,844
25,273	Total		6,649	14,501	7,714
(11,540)	Net Operating Surplus (deficit)		2,423	82,408	80,374
397	Non Operating Revenue	16	400	397	378
(11,143)	Total Surplus recognised for period (deficit)	18	2,823	82,805	80,752
1,443	Internal Recoveries		1,471	1,373	1,494
(1,443)	Less Internal Charges		(1,471)	(1,373)	(1,494)
0			0	0	0
(1,934)	Net Transfers (to)/from Special Funds		194	(83,795)	(77,589)
(13,077)	Net Surplus (Deficit) (after internal transfers)	16	3,017	(990)	3,163
Other Comprehensive Income					
Fair Value gains/(losses) on Available for Sale Assets					
335	Unrealised Gains/(losses) Reserve on Shares		0	(175)	0
56	Unrealised Gains/(losses) Reserve on Bonds		0	(77)	0
391	Total Other comprehensive Income		0	(252)	0
(3,767)	Capital Expenditure	17	(3,200)	(3,635)	(4,006)
0	Loan Principal Receipts		0	0	0
(287)	Loan Principal Repayments		(295)	(293)	(318)
(16,740)	Total Comprehensive Income (after internal transfers and capital expenditure)		(478)	(5,170)	(1,161)
Net Cost by Activity					
(1,019)	Ministry of Liturgy		(1,045)	(873)	(1,366)
1,815	Ministry of the Word		1,629	1,999	2,137
(618)	Ministry of Charity		(687)	(660)	(915)
(13,255)	Overheads		3,120	(1,456)	3,307
(13,077)	Total Net Cost		3,017	(990)	3,163

STATEMENT OF CASHFLOWS

- for the year ended 30 June 2012

	Note	2012 '000	2011 '000
Cash Flows From Operating Activities			
Cash was provided from:			
Grants and Donations Received		826	1,706
Allocations Received		567	539
Government Grants Received		3,267	3,537
Investment Income Received		2,213	2,628
Net GST Received		1,712	0
Other Income Received		34,289	3,335
		<u>42,874</u>	<u>11,745</u>
Cash was applied to:			
Payments to employees and suppliers		12,365	6,405
Interest Paid		149	155
Net GST Payments		0	22
		<u>12,514</u>	<u>6,582</u>
Net Cash Inflow (Outflow) From Operating Activities	19	30,360	5,163
Cash Flows From Investing Activities			
Cash was provided from:			
Disposal of Property, Plant & Equipment		185	1,272
		<u>185</u>	<u>1,272</u>
Cash was applied to:			
Acquisition of Property, Plant & Equipment		3,517	4,306
Increase in Investments		27,347	495
		<u>30,864</u>	<u>4,801</u>
Net Cash Inflow (Outflow) From Investing Activities		(30,679)	(3,529)
Cash Flows From Financing Activities			
Cash was provided from:			
Advance of Term Liabilities		0	0
		<u>0</u>	<u>0</u>
Cash was applied to:			
Repayment of Term Liabilities		296	288
		<u>296</u>	<u>288</u>
Net Cash Inflow (Outflow) From Financing Activities		(296)	(288)
Net Increase (Decrease) In Cash Funds		(615)	1,346
Cash balance as at 1 July 2011		3,785	2,439
Cash balance as at 30 June 2012		<u>3,170</u>	<u>3,785</u>
This total is recorded in the financial statements as:			
Cash and Cash Equivalents		<u>3,170</u>	<u>3,785</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 ended 30 June 2012

2011 Actual		2012 Budget (Unaudited)	2012 Actual	2013 Budget (Unaudited)
'000		'000	'000	'000
	Operating Income			
316	Grants and Donations	77	112	102
139	Other Income	101	216	100
455	Total	178	328	202
	Less Expenditure			
378	Personnel Costs	414	410	427
4	Consultancy	12	24	121
111	Depreciation	20	20	31
789	Other	857	957	1,155
1,282	Total	1,303	1,411	1,734
(827)	Net Operating (Deficit)	(1,125)	(1,083)	(1,532)
0	Non Operating Revenue	0	0	0
(827)	Total (Deficit) recognised for period	(1,125)	(1,083)	(1,532)
21	Internal Recoveries	9	9	14
(128)	Less Internal Charges	(122)	(115)	(152)
(107)		(113)	(106)	(138)
(85)	Net Transfers (to)/from Special Funds	193	316	304
(1,019)	Net (Deficit)	(1,045)	(873)	(1,366)
(4)	Capital Expenditure	(7)	(9)	(106)
0	Loan Principal Receipts	0	0	0
0	Loan Principal Repayments	0	0	0
(1,023)	Net Operating (Deficit) (after internal transfers and capital expenditure)	(1,052)	(882)	(1,472)
	Net Cost by Activity			
(412)	Pastoral Initiatives	(253)	(270)	(440)
(102)	Pastoral Planning Office	(162)	(120)	(120)
0	Pastoral Earthquake Recovery	0	0	(43)
(85)	Chaplaincy	(110)	(92)	(111)
(309)	Priestly Formation	(433)	(295)	(519)
(111)	Cathedral	(39)	(39)	(25)
0	Cathedral Music	(48)	(57)	(108)
(1,019)	Total Net Cost	(1,045)	(873)	(1,366)

STATEMENT OF COST OF SERVICES

MINISTRY OF THE WORD - "TO TEACH"

- for the year ended 30 June 2012

2011 Actual '000		2012 Budget (Unaudited) '000	2012 Actual '000	2013 Budget (Unaudited) '000
	Operating Income			
6	Grants and Donations	20	65	86
3,444	Government Grants	3,149	3,183	3,209
39	Investment Income	95	40	35
1,675	Other Income	1,207	1,437	1,400
5,164	Total	4,471	4,725	4,730
	Less Expenditure			
750	Personnel Costs	775	723	833
104	Consultancy	129	432	121
1,590	Depreciation	1,431	1,591	1,564
145	School Maintenance	100	827	100
155	Interest on Loans	144	149	134
800	Other	653	715	925
3,544	Total	3,232	4,437	3,677
1,620	Net Operating Surplus	1,239	288	1,053
0	Non Operating Revenue	0	0	0
1,620	Total Surplus recognised for period	1,239	288	1,053
509	Internal Recoveries	588	509	567
(578)	Less Internal Charges	(659)	(569)	(626)
(69)		(71)	(60)	(59)
264	Net Transfers (to)/from Special Funds	461	1,771	1,143
1,815	Net Operating Surplus/(Deficit)	1,629	1,999	2,137
(3,420)	Capital Expenditure - Diocesan Schools	(3,053)	(3,563)	(3,668)
(19)	Capital Expenditure - Other	(88)	(23)	(113)
(3,439)	Total Capital Expenditure	(3,141)	(3,586)	(3,781)
0	Loan Principal Receipts	0	0	0
(287)	Loan Principal Repayments	(295)	(293)	(318)
(1,911)	Net (Deficit)	(1,807)	(1,880)	(1,962)
	(after internal transfers and capital expenditure)			
	Net Cost by Activity			
59	Catholic Education Office	65	61	(2)
73	Attendance Dues	180	180	126
2,083	Diocesan Schools	1,804	2,143	2,420
(299)	Youth and Young People	(314)	(291)	(312)
(101)	Tertiary Chaplaincy	(106)	(94)	(95)
0	CCJP	0	0	0
1,815	Total Net Cost	1,629	1,999	2,137

(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 ended 30 June 2012

2011 Actual '000		2012 Budget (Unaudited) 000	2012 Actual '000	2013 Budget (Unaudited) '000
	Operating Income			
414	Grants and Donations	336	371	331
93	Government Grants	72	84	85
197	Other Income	135	145	154
704	Total	543	600	570
	Less Expenditure			
532	Personnel Costs	576	537	580
55	Consultancy	23	40	42
62	Depreciation	61	60	57
407	Other	348	441	541
1,056	Total	1,008	1,078	1,220
(352)	Net Operating Surplus (Deficit)	(465)	(478)	(650)
0	Non Operating Revenue	0	0	0
(352)	Total Surplus recognised for period (Deficit)	(465)	(478)	(650)
73	Internal Recoveries	18	51	11
(318)	Less Internal Charges	(255)	(282)	(266)
(245)		(237)	(231)	(255)
(21)	Net Transfers (to)/from Special Funds	15	49	(10)
(618)	Net Operating Surplus/(Deficit)	(687)	(660)	(915)
(15)	Capital Expenditure	(4)	(13)	(38)
0	Loan Principal Receipts	0	0	0
0	Loan Principal Repayments	0	0	0
(633)	Net Operating Surplus/(Deficit) (after internal transfers and capital expenditure)	(691)	(673)	(953)
	Net Cost by Activity			
33	Welfare - Catholic Social Services	(119)	26	(105)
(18)	Welfare - Other	0	(18)	(18)
(340)	Governance	(303)	(319)	(298)
(133)	Bishop's Conference	(126)	(218)	(314)
(39)	Catholic Shop	(21)	(17)	(17)
(10)	Tribunal	(7)	(10)	(9)
(92)	Thanks Giving	(94)	(92)	(98)
(19)	Inform	(17)	(12)	(56)
(618)	Total Net Cost	(687)	(660)	(915)

STATEMENT OF COST OF SERVICES

OVERHEAD ACTIVITIES

- for the year ended 30 June 2012

2011 Actual '000		2012 Budget (Unaudited) '000	2012 Actual '000	2013 Budget (Unaudited) '000
	Operating Income			
970	Grants and Donations	77	278	94
539	Allocations	562	567	565
3,045	Investment Income	3,215	2,051	6,879
2,856	Other Income	26	88,358	75,048
7,410	Total	3,880	91,254	82,586
	Less Expenditure			
598	Personnel Costs	611	596	619
177	Consultancy	231	483	164
103	Depreciation	90	94	77
18,513	Other	174	6,402	223
19,391	Total	1,106	7,575	1,083
(11,981)	Net Operating Surplus (Deficit)	2,774	83,679	81,503
397	Non Operating Revenue	400	397	378
(11,584)	Total Surplus recognised for period (Deficit)	3,174	84,076	81,881
840	Internal Recoveries	856	804	902
(419)	Less Internal Charges	(435)	(407)	(450)
421		421	397	452
(2,092)	Net Transfers (to)/from Special Funds	(475)	(85,931)	(79,026)
(13,255)	Net Surplus (after internal transfers) (Deficit)	3,120	(1,458)	3,307
(309)	Capital Expenditure	(48)	(27)	(81)
0	Loan Principal Receipts	0	0	0
0	Loan Principal Repayments	0	0	0
(13,564)	Net Surplus (Deficit) (after internal transfers and capital expenditure)	3,072	(1,485)	3,226
	Net Cost by Activity			
0	Diocesan Financial Administrator	5	0	0
3	Cathedral House Building	0	2	0
(50)	Other Diocesan Properties	(79)	(216)	(40)
(17)	Administration	0	0	0
0	Insurance	(6)	(104)	0
967	Other Income	890	832	1,205
2,083	Investment Income	2,408	901	2,244
(16,241)	Earthquake Recovery	(98)	(2,873)	(102)
(13,255)	Total Net Cost	3,120	(1,458)	3,307

(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 ended 30 June 2012

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 2012. The financial statements were authorised for issue by the Management and Finance Board on 26 September 2012.

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.

The Diocese has adopted the following new and amended NZIFRS as of 1 July 2011:

NZ IAS 24 - Related party Disclosures
 NZ IFRS 7, NZ IAS 1, 34 - Improvements to NZ Equivalents to IFRS (2010)
 FRS 44 - New Zealand Additional Disclosures

Standards and interpretation issued and not yet adopted

Other Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Diocese for the annual reporting period ending 30 June 2012. These are outlined below:

Reference	Title	Summary	Application date of standard	Impact on Diocese's Financial Statements	Application date for Diocese
NZ IFRS 9	Financial Instruments	<p>This standard is part of the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i>. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of NZ IAS 39. The revised Standard introduces a number of changes to the accounting for financial assets, the most significant of which included:</p> <ul style="list-style-type: none"> ▶ Two categories for financial assets are being amortised cost or fair value ▶ Removal of the requirement to separate embedded derivatives in financial assets ▶ Strict requirements to determine which financial assets can be classified as amortised cost or fair value. Financial assets can only be classified as amortised cost if (a) the contractual cash flows from the instrument represent principal and interest and (b) the entity's purpose for holding the instrument is to collect the contractual cash flows. ▶ An option for investments in equity instruments which are not held for trading to recognise fair value changes through other comprehensive income with no impairment testing and no recycling through profit or loss on derecognition. ▶ Reclassifications between amortised cost and fair value no longer permitted unless the entity's business model for the asset changes. 	1 January 2013	The Diocese's financial assets are currently measured at fair value, the impact on the Diocese's financial statements is expected to be minimal.	1 June 2013

Reference	Title	Summary	Application date of standard	Impact on Diocese's Financial Statements	Application date for Diocese
NZ IFRS 9 (Continued)	Financial Instruments	<ul style="list-style-type: none"> Changes to the accounting and additional disclosures for equity instruments classified as fair value through other comprehensive income. 	1 January 2013	The Diocese's financial assets are currently measured at fair value, the impact on the Diocese's financial statements is expected to be minimal.	1 June 2013
Improvements to NZ Equivalents to IFRS (2009-11)	Amendments to NZ Accounting Standards arising from the Annual Improvements Project (2010) (NZ IFRS 7, NZ IAS 1, 34,)	<p>The amendments to NZ IAS 1 clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.</p> <p>The amendments to NZ IAS 34 provides guidance to illustrate how to apply disclosure principles in NZ IAS 34 and add disclosure requirements around:</p> <ul style="list-style-type: none"> The circumstances likely to affect fair values of financial instruments and their classification Transfers of financial instruments between different levels of the fair value hierarchy Changes in classification of financial assets Changes in contingent liabilities and assets 	1 January 2013	The impact of this standard on the Diocese's financial statements is expected to be minimal.	1 July 2013
NZ IFRS 7	Amendments to NZ IFRS 7 Financial Instruments: Disclosures — Transition Disclosures	<p>These amendments to NZ IFRS 7 remove the requirement for the restatement of comparative period financial statements upon initial application of the classification and measurement requirements of NZ IFRS 9.</p> <p>Instead, the amendments introduce additional disclosures on transition from the classification and measurement requirements of NZ IAS 39 Financial Instruments: Recognition and Measurement to those of NZ IFRS 9.</p> <p>For entities adopting NZ IFRS 9 from 2013 onwards, these disclosures are required even if they choose to restate the comparative figures for the effect of applying NZ IFRS 9.</p>	1 January 2013		1 July 2013

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 Diocese 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) 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.

(i) 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 income statement.

(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 income statement) is removed from equity and recognised in the income statement.

(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.

(j) Property, Plant & Equipment

Property, plant and equipment consist of:

- ▶ Land and Buildings;
- ▶ School Improvements (new buildings, additions to existing buildings, fitouts);
- ▶ 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:

Buildings	50 years	2%
Computer Equipment	3 years	33%
Furniture, Fixtures and Equipment	10 years	10%
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.

(k) Leases

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

(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

(p) Intangible assets (Continued)

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 income statement 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

	2012 '000	2011 '000
Trade & Other Debtors	59,057	1,626
<i>(less Provision for Impairment of Debtors)</i>	<i>(119)</i>	<i>(85)</i>
Interest Receivable	86	134
GST Receivable	0	138
Prepayments	98	108
Total	59,122	1,922

4. Provision for Impairment of Debtors

	2012 '000	2011 '000
As at 1 July	85	3
Arising during the year	119	85
Used during the year	<i>(85)</i>	<i>(3)</i>
As at 30 June	119	85

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

5. Other Financial Assets

	2012 '000	2011 '000
Catholic Development Fund Deposits	6,931	9,264
Bonds & Notes	12,703	12,145
Bank Deposits	29,267	0
Loans	4	4
Catholic Development Fund Equity (see Note 20)	4,062	5,678
Shares	4,092	4,251
Total	57,059	31,342
Less Current Portion	<i>(40,316)</i>	<i>(14,531)</i>
Total Non Current Investments	16,743	16,811

For details of impairment of Financial Assets refer to Notes 12 and 17.

6. Property Plant & Equipment

30 June 2012	Cost	Current Yr Depn.	Accum Depn	Book Value
	'000	'000	'000	'000
Land	42,356	0	0	42,356
Buildings	13,092	264	1,526	11,566
Buildings (<i>Work in Progress</i>)	2	0	0	2
Furniture & Equipment	802	101	547	255
Motor Vehicles	376	19	348	28
School Improvements	61,093	1,373	7,507	53,586
School Improvements (<i>Work in progress</i>)	1,380	0	0	1,380
Total	119,101	1,757	9,928	109,173

30 June 2011	Cost	Current Yr Depn.	Accum Depn	Book Value
	'000	'000	'000	'000
Land	42,486	0	0	42,486
Buildings	13,128	(531)	1,268	11,860
Buildings (<i>Work in Progress</i>)	2	0	0	2
Furniture & Equipment	772	100	450	322
Motor Vehicles	349	31	329	20
School Improvements	55,862	733	6,134	49,728
School Improvements (<i>Work in progress</i>)	3,158	0	0	3,158
Total	115,757	333	8,181	107,576

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.

Land, buildings and school improvements of \$16.3m were written off in 2011 as a result of damage caused by the Canterbury Earthquakes. This write off has been included in Other Expenses (refer Note 17). Proceeds received during 2012 (refer Note 14) amount to \$31,538,000 (2011 \$2,461,000). This covers costs incurred to date for stabilisation/make safe repairs, deconstruction work and partial indemnity payments on the major buildings affected. An insurance claim settlement amount has been agreed with the insurer. However, as a significant portion of the settlement has yet to be received at the date of signing these financial statements, and the remaining uncertainty as to the final amount due, only amounts received up to the date of signing these financial statements have been recorded as revenue in the financial year (refer Note 14). A receivable (refer Note 3) for the insurance proceeds has only been recognised to the extent of CDC share in cash proceeds received to date given the uncertainties around the ultimate recovery. Final settlement is expected to be received by 30 September 2012.

All Diocesan assets continue to be fully insured against all risks with the exception of Natural Disaster (earthquake, subterranean fire, volcanic eruption, tsunami, geothermal activity, hydrothermal activity or fire caused by any one of these) other than that separately provided for the residential units and contents under the Earthquake Commission.

7. Intangible Assets

	Cost or Revaluation '000	Current Yr Depn. '000	Accum Depn '000	Book Value '000
30 June 2012				
Software	114	8	106	8
(Work in Progress)	17	0	0	17
	131	8	106	25
30 June 2011				
Software	114	9	98	16
(Work in Progress)	17	0	0	17
	131	9	98	33

8. Trade and Other Payables

	2012 '000	2011 '000
Creditors & Accruals	1,353	1,139
GST Payable	1,512	0
Employee Entitlements	189	205
Other Current Liabilities	177	151
Total	3,231	1,495

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 2012 amounted to \$397,000 (2011: \$397,000).

Other Loans (\$2,037,000) are held with the Catholic Development Fund. The current interest rates on these loans vary from, 0% p.a. to 8.5% p.a.

	2012 '000	2011 '000
Pre-suspensory Loans	80	145
Suspensory Loans	2,322	2,722
Other Loans	2,037	2,265
Future GST Liability	201	224
Total	4,640	5,356
Less Current Portion	(709)	(719)
Total Non Current Liabilities	3,931	4,637

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	2012 '000	2011 '000
General Equity	112,311	113,303
Special Purpose Funds	107,189	23,396
Unrealised Gains Reserves	871	1,123
Total Equity	220,371	137,818

Special Purpose Funds	2012 '000	2011 '000
Education – Diocesan School Capital & Maintenance Programme	2,380	3,868
Education – Attendance Dues	128	92
Education – General	577	553
Education – Dallington School	82	0
Youth	227	39
Youth & Education	128	124
Catholic Social Services	808	793
Pastoral – Missionary	254	236
Pastoral – Ongoing Formation, Education & Seminary	1,376	1,335
Aged Care – Armstrong Village	778	727
Bishop's Capital Health Fund (90% Income distributed to Clergy Trust Fund)	219	216
Gamblins Rd (Income distributed to Cathedral College Proprietors Trust Board)	1,019	1,019
CCJP	17	16
Darfield Parish (Income distributed to Darfield Parish)	100	100
Chatham Island Parish	13	15
Property Reserve	12,687	12,687
Cathedral Music	0	51
Earthquake Recovery	86,096	1,184
Other	300	341
Total Special Purpose Funds	107,189	23,396

10. Equity (Continued)

Unrealised Gains Reserves	2012	2011
	'000	'000
<i>Unrealised Gains Reserve on Shares</i>		
Opening Balance	290	(45)
Movement during the year	(176)	335
Closing Balance	114	290
<i>Unrealised Gains Reserve on Bonds</i>		
Opening Balance	833	777
Movement during the year	(76)	56
Closing Balance	757	833
Total Unrealised Gains Reserves	871	1,123

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 recognised in respect of each class of financial asset, and financial liability are disclosed in the Statement of Accounting Policies.

	Cash & Cash Equivalents	Trade & Other Receivables	Other Financial Assets	Total Financial Assets
30 June 2012				
Loans and Receivables	3,170	59,122	0	62,292
Available For Sale	0	0	57,059	57,059
Total Financial Assets	3,170	59,122	57,059	119,351
30 June 2012		Trade & Other Payables	Borrowings	Total Financial Liabilities
Recorded at Amortised Cost		3,553	4,640	8,193
Total Financial Liabilities		3,553	4,640	8,193
Net Exposure	3,170	55,569	52,419	111,158

12. Financial Instruments *(Continued)*

	Cash & Cash Equivalents	Trade & Other Receivables	Other Financial Assets	Total Financial Assets
30 June 2011				
Loans and Receivables	2,785	1,926	0	4,711
Available For Sale	0	0	32,342	32,342
Total Financial Assets	2,785	1,926	32,342	37,053

	Trade & Other Payables	Borrowings	Total Financial Liabilities
30 June 2011			
Recorded at Amortised Cost	1,495	5,356	6,851
Total Financial Liabilities	1,495	5,356	6,851
Net Exposure	2,785	26,916	30,202

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

	2012 '000	2011 '000
Education (Attendance Dues, Special Character Contributions & Foreign Fee Paying Students)	1,071	1,158
Catholic Shop Sales	78	111
Prison Chaplaincy Service	63	59
Programmes & Events (Youth & Education)	57	298
Gain on Property Sales	14	354
Insurance Proceeds	87,839	2,461
Other Income	982	426
Total	90,158	4,867

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 amount forgiven on suspensory loans during the financial year.

16. Net Operating Surplus/(Deficit)

	2012 '000	2011 '000
<i>After Charging:</i>		
Auditor's Fees - Audit Fees	17	18
Auditor's Fees – Other Services	11	0
Employee Benefits and Expenses	2,078	2,065
Donations Expense	317	80
Interest Expense	149	155
Lease Expense	233	120
Provision for Doubtful Debts	34	85
Bad Debts Written Off	0	(3)
Loss on Assets (Earthquake Damaged Property)	0	16,301
<i>Including:</i>		
Interest Revenue	1,654	1,435
Dividend Revenue	155	139
Gain on Sale of Assets	14	354

17. Capital Expenditure

	2012 '000	2011 '000
Diocesan Schools	3,562	3,624
Land & Buildings	12	12
Computer Equipment	10	54
Vehicles	27	0
Other Plant & Equipment	24	60
Intangible Assets	0	17
	3,635	3,767

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

	2012 '000	2011 '000
Net Surplus (deficit)	82,805	(11,143)
Add/(Less) Non Cash Items:		
Depreciation and Amortisation	1,765	1,866
Non Operating Revenue (Loans forgiven)	(397)	(397)
(Gain)/Loss on Sale of Asset	(14)	(354)
Loss on Assets (Earthquake Damaged Property)	0	16,301
Change in CDF Equity	1,618	(325)
Accrued Interest	(240)	0
	85,537	5,948

18. Reconciliation of Net Surplus with Cash flows from Operating Activities *(Continued)*

Movements in Other Working Capital Items:

Decrease/(Increase) in Prepayments	10	(57)
Decrease/(Increase) in Accounts Receivable	(57,348)	(1,228)
Decrease/(Increase) in Stock	(4)	12
Decrease/(Increase) in GST Receivable	0	(32)
(Decrease)/Increase in GST Payable	1,627	0
(Decrease)/Increase in Accounts Payable	240	567
(Decrease)/Increase in Holiday Pay	(16)	50
(Decrease)/Increase in Income in Advance	322	0
	<hr/> 55,169	<hr/> (688)
Less Fixed Assets in Accounts Payable	(8)	(27)
	<hr/> (8)	<hr/> (27)
Net Cash Flow from Operating Activities	30,360	5,233

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 closing carrying amount takes into account material movements that occurred between 31 March and 30 June.

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>	<i>2012</i> <i>'000</i> <i>(31 March)</i>	<i>2011</i> <i>'000</i> <i>(31 March)</i>
Surplus	1,249	1,270
Distribution to Diocese	1,488	1,200
Unrealised gains/(losses) in fair value of Available for Sale Financial Assets	(495)	255
Diocese Investment in CDF:	<i>(30 June)</i>	<i>(30 June)</i>
Opening Carrying Amount	5,678	5,353
Closing Carrying Amount	4,062	5,678

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 \$3,985 worth of professional services during the 2012 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 2012 were \$2,722,359 (2011: \$3,123,077). The likelihood of any schools closing is considered remote.

22. Commitments

As at 30 June 2012 there are commitments for the following:

	2012 '000	2011 '000
Capital Commitments		
School Improvements	380	797
Total Capital Commitments	380	797
Lease Commitments		
Within one year	193	203
Two to five years	703	431
Five years plus	900	107
Total Lease Commitments	1,796	741

The Diocese has entered into a long term lease arrangements for certain school land, and Diocesan office space. The leases have a term of 6 years with the right of renewal.

23. Subsequent Events

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

AUDITOR'S REPORT



Independent Auditor's Report to the Roman Catholic Bishop of the Diocese of Christchurch

Report on the Financial Statements

We have audited the financial statements of Catholic Diocese of Christchurch ("the Diocese") on pages B4 to B30, which comprise the statement of financial position of the Diocese as at 30 June 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Bishop as a corporation sole, in accordance with the Roman Catholic Bishops 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 them 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 Responsibility for the Financial Statements

The Diocesan Management and Finance Board are responsible for the preparation of the financial statements, in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate, and for such internal control as the Diocesan Management and Finance Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). These auditing standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected, depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we have considered the internal control relevant to the entity's preparation of the financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Ernst & Young provided advisory services to the Diocese during the year.

Partners and employees of our firm may deal with the Diocese on normal terms within the ordinary course of trading activities of the Diocese.

Opinion

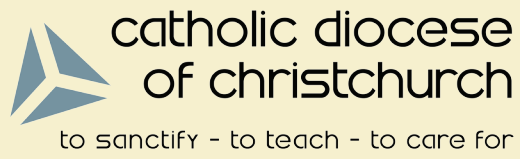
In our opinion, the financial statements on pages B4 to B30:

- ▶ comply with generally accepted accounting practice in New Zealand; and
- ▶ give a true and fair view of the financial position of the Diocese as at 30 June 2012 and its financial performance and cash flows for the year then ended.

A stylized, handwritten-style signature of 'Ernst & Young' in blue ink.

26 September 2012
Christchurch

NOTES



catholic diocese
of christchurch

to sanctify - to teach - to care for