



catholic diocese  
of christchurch

to sanctify - to teach - to care for

# 13

Annual Reports for the year ended 30 June 2013

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# FOREWORD



December 2013

Dear members of the Diocesan family,

It gives me pleasure to write these words of introduction for the Annual Report of the Diocese of Christchurch for the year ended June 30, 2013. As I write we are still receiving messages from persons who attended the Diocesan Mass for Christ the King and the other Faithfest activities. All who came seem to have been delighted by the dignity and splendour of the day.

That whole day in the CBS Arena is a demonstration in action of the material resources of the Diocese being employed to further the mission of the Church. It made abundantly clear what is usually unobtrusive and taken for granted – the property of the Church is always at the service of her mission of promoting the worship of God and the holiness of persons. The Annual Report records how that has occurred in the last year. I thank every person who has supported the life and work of the Church in the past year.

I thank all those who have served the Church by membership of the various Diocesan councils and advisory boards. I thank their respective chairpersons; Geoff Bailey for the Diocesan Management and Finance Board; Rex Lynch for the Diocesan Education Council; Rachel Pitcaithly for the Diocesan Youth Council; and Charlotte Cummings for the Diocesan Welfare Council.

Yours sincerely

+ Barry Jones  
Bishop of Christchurch

# CHAIRMAN'S INTRODUCTION

This report covers the year ended 30 June 2013.

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

The full insurance claim proceeds were received during the year ended 30 June 2013.

These funds have, with the consent of Parishes, been pooled into a common fund.

The Diocesan Strategy Committee was appointed in 2012 to advise Bishop Barry on the location of churches and schools to serve the Diocese for the next 30 to 50 years.

This committee has recently completed its draft report.

This report will be considered by the Bishop

and he will then consult with his Diocesan Advisory Groups and individual parishes. A lot of the background work has been completed for church repair projects and initial meetings have been held with parish groups.

The Earthquake Recovery programme is a huge task and a decision has been made to appoint a Diocesan Property and Development Manager to lead the delivery of the Diocesan recovery plan.

Temporary solutions have provided very satisfactory accommodation for parishioners, school students and staff since the earthquakes.

## Financial Year Ended 30 June 2013

The Statement of Financial Position shows Diocesan equity at 30 June 2013 as \$232 million. This is an increase of \$12 million for the year and this is held in the Earthquake Recovery Reserve Fund (see Note 10).

The financial results for the year show a cash surplus of \$1.6 million after operating costs, capital expenditure and transfers to Special Reserve Funds.

The budget for year ended 30 June 2014 forecasts a deficit of \$309,000.

This deficit will be funded from accumulated surpluses.



Geoff Bailey, Chairman, Diocesan Management & Finance Advisory Board

These figures exclude earthquake repair and recovery work.

The Diocese faces a financially challenging period during the repair and rebuilding phase of the earthquake recovery programme. We know the insurance proceeds will not fully cover the earthquake related costs. The shortfall will be funded from Diocesan reserves, borrowing and fundraising.

### Catholic Development Fund

The annual grant 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 \$886,000.

The Diocesan equity investment in the CDF at 30 June 2013 was \$4.17 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.

The Diocesan staff and management has worked extremely hard and successfully in

very challenging circumstances. Management demonstrated outstanding leadership during this period of insurance claim finalisation and the early stages of repair and rebuild planning initiatives that will shape the future of our Diocese.

This workload has been in addition to managements usual day to day management responsibilities.

Throughout this period the administration team have always been cheerful and totally committed to their responsibilities.

### Conclusion

I thank each member of the Management and Finance Advisory Board for their contribution to the Diocese during this challenging 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'.

Geoff Bailey  
Chairman  
Diocesan Management & Finance  
Advisory Board

# BISHOP'S PASTORAL OFFICE

*The Bishop's Pastoral Office supports the Bishop by offering guidance, support and resources to parishes and individuals.*

## Year of Faith

Pope Benedict called the universal Church to have a *Year of Faith* beginning from October 2012 (50 years since the opening of Vatican II) to November 2013 (the feast of Christ the King). The purpose of this *Year of Faith* is to help Catholics appreciate the gift of faith, deepen their relationship with God and strengthen their commitment to sharing faith with others. A number of initiatives are being held in the Diocese to mark this significant Year...

- ▶ 18,000 wallet cards were printed and distributed on the First Sunday of Lent through parishes and schools
- ▶ 10,000 prayer books (used with permission from Dunedin Diocese) were printed and distributed throughout parishes.

- ▶ 20,000 prayer cards of Mary Mother of the Church, were printed and distributed throughout parishes and schools
- ▶ A formation programme of five seminars have been developed and are being delivered across the Diocese.
- ▶ The icon "Mary Mother of the Church" was commissioned by the Diocese and is making a pilgrimage to every parish and secondary school in the Diocese.

The most significant event for the Diocese since the visit of Pope John Paul II in 1986 will be the Faithfest event to be held at the CBS Canterbury Arena in November 2013. The event is being coordinated by the Bishop's Pastoral Office with a number of key volunteers.



Year of Faith Advertising

Mary Mother of the Church  
Icon

Faithfest Logo



Mike Stopforth, Director

## The Provision of Sunday Mass in the Catholic Diocese of Christchurch

2013 saw the second round of parish amalgamations take place, as part of the Bishop's overall strategy in providing for Sunday Mass in the Diocese. These parishes are as follows:

- ▶ Christchurch West:
  - Darfield / Hornby forming the new parish of Hornby and Darfield
- ▶ Mid Canterbury:
  - Ashburton / Methven / Rakaia / Tinwald forming the new parish of Mid Canterbury
- ▶ North Canterbury:
  - Cheviot / Hanmer Springs / Hawarden forming the new parish of Hurunui
  - Kaiapoi / Rangiora forming the new parish of Waimakariri
- ▶ West Coast
  - Greymouth / Grey Valley / Kumara / Runanga forming the new parish of Greymouth
  - Hokitika and Ross forming the new parish of Hokitika

These changes in the overall structure of parishes are significant for all parishioners with endings and new beginnings. These amalgamations follow the first round undertaken in 2012 and are the culmination of a number of years of pastoral planning, 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.



## Visit of Dr Denis McNamara

There have been many of our churches affected by the earthquake. Bishop Barry has invited Dr Denis McNamara to the Diocese to speak on

Catholic Church Architecture. Dr McNamara is the assistant director and faculty member at The Liturgical Institute, Chicago. His visit will provide an important opportunity for formation for priests and key lay faithful as we move to a phase of rebuilding churches in the Diocese. At the time of writing, preparation for his visit is being finalised.

## Orientation Committee

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

Two priests came from overseas on loan to us to serve in the Diocese; Father Sam Michael Raj (India) and Father Joselito Quinones (Philippines). A three day orientation



*Faithfest Team: (back) Phil Gourdie, Fr Chris Friel, Matt O'Connell, Mike Stopforth, Don Whelan, Edmund le Grelle (front) Eleanor Capper RSJ, Raylene Dwyer RSM, Josephine Oorschot*



programme was held for them providing input about the ministry as a priest in New Zealand and formation about New Zealand culture. Two further Vietnamese men have arrived in the Diocese to learn English prior to beginning formation at Holy Cross Seminary.

### Parish Secretaries, Pastoral Workers and Chaplains

A day was held with 30 of the above group to provide formation and networking opportunities. The input included the Church and the Year of Faith, Pastoral Care - with a particular focus on post-earthquake care and Boundaries.

### Diocesan Survey

At the request of the Diocesan Strategic Planning Committee, a survey was undertaken on the weekend of 11/12 May at all Masses in the Diocese to provide a profile of Mass attendees. The survey information requested included such data as age, ethnicity and travel mode. 7,333 surveys were processed providing some very good data.

### Earthquake Meetings

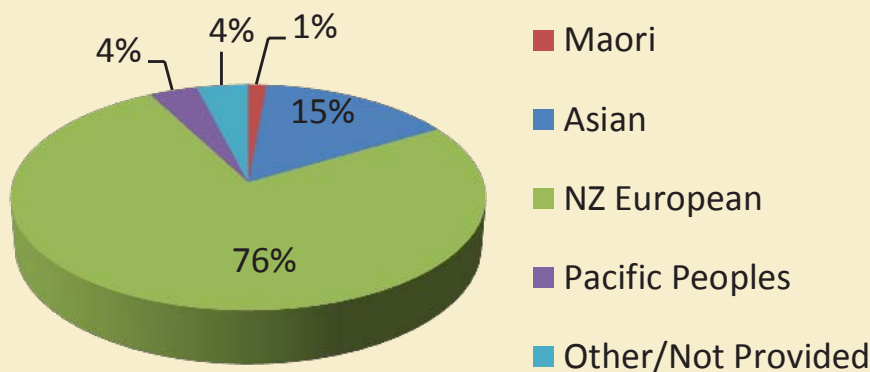
The Bishop's Pastoral Office continues to meet as part of the earthquake recovery team to assist in the work of restoring and repairing our churches.

### Earthquake Recovery Coordinator

The Earthquake Recovery Fund was set up by Bishop Barry to distribute money donated to him following the earthquake of September 4th, 2010 and the subsequent earthquakes. The fund exists to help people affected by the earthquakes. To do this, the Diocese helps parishes, schools and organisations respond to the needs of their own community and also to the wider community. As of 8 November 2013, 134 projects have received funding from the Bishop's Earthquake Fund and all allocations are listed on our website:

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

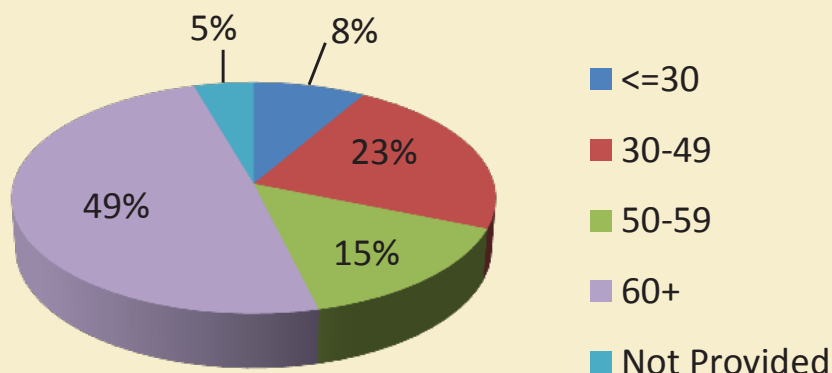
#### Adult Ethnicity



*The adult ethnicity shows that 76% of those who attend Sunday Mass are NZ European and 15% are Asian.*

*The adult age bands show that 49% of those attending Sunday Mass in the Diocese is aged 60 and over.*

#### Adult Age Bracket





# Earthquake Recovery Fund Statistics

as at 8 November 2013



Percentage of the fund allocated



Projects approved



People reached by one or more projects



Parishes have run at least one project



Parish Bus trips



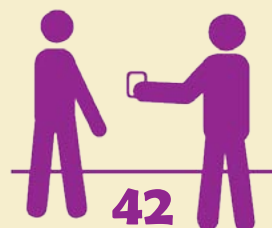
People who have gone on a bus trip



Primary school students have participated in the "Resilience through drama" programme



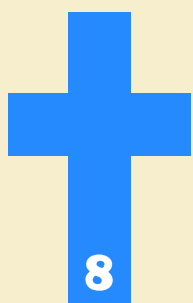
Schools have run at least one project



Percentage of the fund allocated to Catholic and other groups to directly assist the elderly, poor and most vulnerable after the earthquakes through food, clothing, firewood, payment of bills etc



Projects in Catholic Schools



Spiritual retreats provided or part funded for people to attend



Emotional Recovery Workshops funded all over Christchurch



Parish social events to build spirit and resilience

3126 people have participated

Parish Earthquake Providence funds set up to assist people

5



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## Ecumenical Network

Our participation in the city ecumenical network continues as part of the post-earthquake environment. This provides mutual benefit in sharing of information and resources.

## Thanksgiving

The Thanksgiving Renewal programme is available to all parishes of the Diocese. The programme provides an opportunity for parishioners to review and renew the way they support, participate in, and carry out their faith in the parish community. The programme has a threefold approach – how we share and use our ‘Time’, our ‘Talent’ and our ‘Treasure’. The major beneficiaries of the programme are the individual parishioners, the parish, the diocese and the wider Church. It is through the Thanksgiving Programme that we deepen our own faith, support the faith of other parishioners, support the clergy of our diocese, support the Bishop in his work and support the growth of our faith throughout the world.

## Chaplaincies

### Hospital Chaplaincy

The Interchurch Council for Hospital Chaplaincy (IHC) 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.

The Bishop’s Planning Office provides the overall coordination, administration and support for the hospitals in Christchurch city.

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

### 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 the diocese and is partly funded out of the national agreement according to a set formula.

Catholic Chaplains work within the Christchurch Men’s, Rolleston and Christchurch Women’s Prisons, providing pastoral, spiritual and practical help, group work, teaching bible study and church services.

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

## Sounds Catholic

Catholic life continues to be presented through the weekly radio programme each week on Plains FM community radio. This can also be heard online via the Diocesan website. Once again this year for the second year in a row, Sounds Catholic won the “Spoken Programmes” section for access radio broadcasting with the highest award in its category. Sounds Catholic is capably hosted by Ken Joblin and assisted by an Overseeing Committee.

## St John the Baptist Scholarship

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 Joseph Houghton and David Jackman to study courses by distance at Good Shepherd College.

# THE DIOCESAN EDUCATION COUNCIL



Rex Lynch, Chairperson

The implementation of Tomorrows Schools by the Government in 1989 brought about an examination of Catholic Education in the Diocese of Christchurch. The Catholic Education Board was disbanded and as a result of discussions and recommendations made by a working party the Diocesan Education Council was instituted. The Council works to a mandate authorised by the Bishop.

The Diocesan Education Council is an advisory body whose members are invited by the Bishop to consider matters relating to Catholic Education in the Diocese and to make recommendations to him on these matters. It is not a decision making body.

The Council is required to report to the Bishop each year and this is usually done in conjunction with the Annual Report prepared for the Diocese which is circulated throughout the Diocese.

The Council meets each month to consider a detailed report from the Catholic Education Office and from that reports to the Management and Finance Board of the Diocese.

The Catholic Education Office finished the year in good heart. The Office is divided into school related and parish related activities. We have Primary and Secondary advisers who move around our schools with programmes appropriate to the age of the children. Assistance is offered to the Directors of Religious Studies in schools at both Primary and Secondary level. Our Parish advisers offer sacramental programmes suitable for children not in Catholic Schools. We also offer programmes of education and formation for future Parish Leadership and Parish Service.

At the tertiary level we work as the Christchurch Campus of the Catholic Institute of Aotearoa New Zealand; Te Putahi Katorika ki Aotearoa. A range of theological papers are offered each term which can lead to a Diploma or Certificate in Religious Studies or other options. The Pastoral Ministry stream is very popular at present. It is important that teachers in our Catholic Schools hold these diplomas or certificates. At 20 June 2013 there were 96 students enrolled.

# THE DIOCESAN WELFARE COUNCIL



Charlotte Cummings, Chairperson

The last year has been one of change for the Diocesan Welfare Council (DWC).

Murray Winder resigned from the DWC and his role as Chairperson after seven years of service. We thank Murray for his contribution and leadership. More recently, Kerry McCashin has resigned after four years, and Lynda MacDonald has resigned after being a member of the Council since its inception over 20 years ago. These people have all been faithful and energetic contributors to the DWC, and we thank them for their involvement.

The remaining members of the Council are Mary Caldwell, Brian Cowan, Brian Dilger, Joan Doocey, Peter Sivertsen, Francis Sullivan, and myself as Chairperson.

Again, a highlight of the work of the Council is assisting the Bishop with distributing funds received by the New Zealand Bishop's Council from The Tindall Foundation. Around \$75,000 has been allocated to various Catholic and non-Catholic social services across the Diocese. We are delighted to see more

Catholic groups applying for funds, and funds being utilised for projects on the West Coast and in South Canterbury, which the Council have worked hard to encourage.

This year has also been a time of transition in terms of the role and function of the DWC. The DWC exists to assist the Bishop in his role overseeing the Catholic response to welfare needs across the Diocese, and our focus will be altering to better achieve this. We are excited to be embarking on the role of facilitating communication between a wide range of Catholic welfare organisations and workers, and receiving reports on their activity. This will be a great honour and privilege. The Council are excited to see the fruits of this effort to liaise with these groups.

All of the DWC members are passionate about supporting Catholic efforts to enhance the wellbeing of people in the Diocese, and I thank them for this.

We look forward to the upcoming year of service.

# THE DIOCESAN YOUTH COUNCIL



Rachel Pitcaithly, Chairperson

The role of the Youth Council is to oversee the work of the Diocesan Youth team and Tertiary Team. This year we welcomed Miss Sarah Waggott to the team. Sarah offers good insight into Tertiary Ministry. Whilst Makafalani Tatafu is still a member of the team, illness has kept him away this year.

This year the Catholic Youth Team has continued to work hard on their programmes such as Antioch, Ignite, Arise, Theology on Tap and the Mission Team, covering all age groups under their scope. Numbers are strong at each event and the team continues to look at ways to improve their material and reach out to others. Digital media is one avenue of

connecting with youth and young adults and the team has embraced this.

The Youth Team is developing many new initiatives for 2014 and beyond whilst building on some very good programmes already running. The presenting and running of school retreats at both primary and secondary schools is a good example of this. As a Council, we look forward to supporting them in their mission of evangelisation and sharing the truth of God.

My thanks to the Council for their good will, enthusiasm and commitment to their faith.



# ANNUAL FINANCIAL REPORT

for the year ended 30 June 2013

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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 John Adams (Appointed 13.12.2012)  
Reverend Peter Costello (Resigned 11.11.2012)  
Reverend Simon Eccleton  
Reverend Kevin Foote (Resigned 06.05.2013)  
Reverend Rick Loughnan  
Reverend Monsignor William Middleton  
Reverend John Noonan

## **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 (Resigned 31.03.2013)

## **Diocesan Education Council**

Rex Lynch, Chairman  
Reverend John Adams  
Robin Kilworth

## **Diocesan Welfare Council**

Murray Winder, Chairman (Resigned 31.03.2013)  
Charlotte Cummings, Chairperson  
(Appointed Chair 12.04.2013)  
Mary Caldwell  
Brian Cowan  
Brian Dilger  
Joan Doocey  
Lynda Macdonald  
Kerry McCashin

## **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  
Bishop's Pastoral 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 2013

	Notes	30 June 2013 '000	30 June 2012 '000
<b>Current Assets</b>			
Cash and Cash Equivalents		7,729	3,170
Trade and Other receivables	3	2,151	59,122
Inventories		11	15
Other Financial Assets	5	91,414	40,316
<b>Total Current Assets</b>		<b>101,305</b>	<b>102,623</b>
<b>Non Current Assets</b>			
Other Financial Assets	5	28,144	16,743
Property, Plant and Equipment	6	107,696	109,173
Intangible Assets	7	17	25
<b>Total Non Current Assets</b>		<b>135,857</b>	<b>125,941</b>
<b>Current Liabilities</b>			
Trade and Other Payables	8	1,244	3,231
Income in Advance		227	322
Borrowings	9	647	709
<b>Total Current Liabilities</b>		<b>2,118</b>	<b>4,262</b>
<b>Non Current Liabilities</b>	9	<b>3,284</b>	<b>3,931</b>
<b>Net Assets</b>		<b>231,760</b>	<b>220,371</b>
<b>Total Equity</b>	10	<b>231,760</b>	<b>220,371</b>

For and on behalf of the Management and Finance Board, which authorised the issue of the financial report on 25 September 2013.

+ B. Jones

+ Barry Jones

Roman Catholic Bishop of Christchurch

H G Bailey

H G Bailey

# STATEMENT OF CHANGES IN EQUITY

- for the year ended 30 June 2013

	Notes	2013 Actual '000	2012 Actual '000
<b>Opening Equity</b>		<b>220,371</b>	<b>137,818</b>
Net Operating Surplus for the period (Deficit)		11,195	82,805
Other Comprehensive Income		194	(252)
<b>Total Comprehensive Income for the Period (Loss)</b>		<b>11,389</b>	<b>82,553</b>
<b>Closing Equity</b>	10	<b>231,760</b>	<b>220,371</b>

(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 2013

2012 Actual		Notes	2013 Budget (Unaudited) '000	2013 Actual '000	2014 Budget (Unaudited) '000
'000					
	<b>Operating Income</b>				
826	Grants and Donations		613	1,082	694
567	Allocations		565	565	560
3,267	Government Grants	13	3,294	3,362	3,423
2,091	Investment Income		6,914	4,691	5,085
90,158	Other Income	14	76,702	16,331	1,611
<b>96,909</b>	<b>Total</b>		<b>88,088</b>	<b>26,031</b>	<b>11,373</b>
	<b>Less Expenditure</b>				
2,266	Employee Benefits & Expenses		2,459	2,412	2,489
979	Consultancy		448	1,154	539
1,765	Depreciation & Amortisation		1,729	1,727	1,660
827	School Maintenance		100	2,384	300
149	Finance Costs		134	112	92
8,515	Other Expenses		2,844	7,422	2,989
<b>14,501</b>	<b>Total</b>		<b>7,714</b>	<b>15,211</b>	<b>8,069</b>
<b>82,408</b>	<b>Net Operating Surplus (Deficit)</b>		<b>80,374</b>	<b>10,820</b>	<b>3,304</b>
397	Non Operating Revenue	15	378	375	390
<b>82,805</b>	<b>Total Surplus recognised for period (Deficit)</b>	18	<b>80,752</b>	<b>11,195</b>	<b>3,694</b>
1,373	Internal Recoveries		1,494	1,461	1,599
(1,373)	Less Internal Charges		(1,494)	(1,461)	(1,599)
<b>0</b>			<b>0</b>	<b>0</b>	<b>0</b>
(83,795)	Net Transfers (to)/from Special Funds		(77,589)	(13,752)	(2,874)
<b>(990)</b>	<b>Net Surplus (Deficit) (after internal transfers)</b>	16	<b>3,163</b>	<b>(2,557)</b>	<b>820</b>
	<b>Other Comprehensive Income</b>				
	Fair Value gains/(Losses) on Available for Sale Assets				
(175)	Unrealised Gains/(Losses) Reserve on Shares		0	591	0
(77)	Unrealised Gains/(Losses) Reserve on Bonds		0	(397)	0
<b>(252)</b>	<b>Total Other comprehensive Income</b>		<b>0</b>	<b>194</b>	<b>0</b>
(3,635)	Capital Expenditure	17	(4,006)	(1,605)	(2,966)
0	Loan Principal Receipts		0	0	0
(293)	Loan Principal Repayments		(318)	(308)	(285)
<b>(5,170)</b>	<b>Total Comprehensive Income</b>		<b>(1,161)</b>	<b>(4,276)</b>	<b>(2,431)</b>
	(after internal transfers and capital expenditure)				
	<b>Net Cost by Activity</b>				
(873)	Ministry of Liturgy		(1,366)	(1,039)	(1,410)
1,999	Ministry of the Word		2,137	136	1,187
(660)	Ministry of Charity		(915)	(2,108)	(774)
(1,456)	Overheads		3,307	454	1,817
<b>(990)</b>	<b>Total Net Cost</b>		<b>3,163</b>	<b>(2,557)</b>	<b>820</b>

# STATEMENT OF CASHFLOWS

- for the year ended 30 June 2013

	Note	2013 '000	2012 '000
<b>Cash Flows From Operating Activities</b>			
Cash was provided from:			
Grants and Donations Received		1,082	826
Allocations Received		565	567
Government Grants Received		3,362	3,267
Investment Income Received		4,599	2,213
Net GST Received		0	1,712
Other Income Received		72,121	34,289
		<u>81,729</u>	<u>42,874</u>
Cash was applied to:			
Payments to employees and suppliers		12,922	12,365
Interest Paid		112	149
Net GST Payments		27	0
		<u>13,061</u>	<u>12,514</u>
<b>Net Cash Inflow (Outflow) From Operating Activities</b>	18	<b>68,668</b>	<b>30,360</b>
<b>Cash Flows From Investing Activities</b>			
Cash was provided from:			
Disposal of Property, Plant & Equipment		0	185
		<u>0</u>	<u>185</u>
Cash was applied to:			
Acquisition of Property, Plant & Equipment		1,417	3,517
Increase in Investments		62,385	27,347
		<u>63,802</u>	<u>30,864</u>
<b>Net Cash Inflow (Outflow) From Investing Activities</b>		<b>(63,802)</b>	<b>(30,679)</b>
<b>Cash Flows From Financing Activities</b>			
Cash was provided from:			
Advance of Term Liabilities		0	0
		<u>0</u>	<u>0</u>
Cash was applied to:			
Repayment of Term Liabilities		307	296
		<u>307</u>	<u>296</u>
<b>Net Cash Inflow (Outflow) From Financing Activities</b>		<b>(307)</b>	<b>(296)</b>
<b>Net Increase (Decrease) In Cash Funds</b>		<b>4,559</b>	<b>(615)</b>
<b>Cash balance as at 1 July 2012</b>		<b>3,170</b>	<b>3,785</b>
<b>Cash balance as at 30 June 2013</b>		<b><u>7,729</u></b>	<b><u>3,170</u></b>
This total is recorded in the financial statements as:			
Cash and Cash Equivalents		<u><u>7,729</u></u>	<u><u>3,170</u></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 2013

2012 Actual  '000		2013 Budget (Unaudited) '000	2013 Actual  '000	2014 Budget (Unaudited) '000
	<b>Operating Income</b>			
112	Grants and Donations	102	164	131
224	Other Income	118	219	185
<b>336</b>	<b>Total</b>	<b>220</b>	<b>383</b>	<b>316</b>
	<b>Less Expenditure</b>			
474	Personnel Costs	496	470	538
24	Consultancy	121	52	73
25	Depreciation	35	30	29
971	Other	1,178	1,199	1,220
<b>1,494</b>	<b>Total</b>	<b>1,830</b>	<b>1,751</b>	<b>1,860</b>
<b>(1,158)</b>	<b>Net Operating (Deficit)</b>	<b>(1,610)</b>	<b>(1,368)</b>	<b>(1,544)</b>
0	Non Operating Revenue	0	0	0
<b>(1,158)</b>	<b>Total (Deficit) recognised for period</b>	<b>(1,610)</b>	<b>(1,368)</b>	<b>(1,544)</b>
9	Internal Recoveries	14	9	15
(132)	Less Internal Charges	(172)	(166)	(177)
(123)		(158)	(157)	(162)
316	Net Transfers (to)/from Special Funds	304	469	296
<b>(965)</b>	<b>Net (Deficit )</b>	<b>(1,464)</b>	<b>(1,056)</b>	<b>(1,410)</b>
(9)	Capital Expenditure	(133)	(160)	(3)
0	Loan Principal Receipts	0	0	0
0	Loan Principal Repayments	0	0	0
<b>(974)</b>	<b>Net Operating (Deficit)</b>	<b>(1,597)</b>	<b>(1,216)</b>	<b>(1,413)</b>
	(after internal transfers and capital expenditure)			
	<b>Net Cost by Activity</b>			
(270)	Pastoral Initiatives	(440)	(267)	(362)
0	Archives	0	0	(10)
(120)	Bishop's Pastoral Office	(120)	(111)	(135)
0	Pastoral Earthquake Recovery	(43)	(2)	(12)
0	Perpetual Adoration	0	(1)	(9)
(12)	Communication	(56)	(17)	(60)
(92)	ThanksGiving Programme	(98)	(86)	(97)
(92)	Chaplaincy	(111)	(64)	(87)
(295)	Priestly Formation	(519)	(401)	(525)
(39)	Cathedral	(25)	(25)	(16)
(57)	Cathedral Music	(108)	(82)	(97)
<b>(977)</b>	<b>Total Net Cost</b>	<b>(1,520)</b>	<b>(1,056)</b>	<b>(1,410)</b>



# STATEMENT OF COST OF SERVICES

MINISTRY OF THE WORD - "TO TEACH"

- for the year ended 30 June 2013

2012 Actual  '000		2013 Budget (Unaudited) '000	2013 Actual '000	2014 Budget (Unaudited) '000
	<b>Operating Income</b>			
65	Grants and Donations	86	82	99
3,183	Government Grants	3,209	3,277	3,338
40	Investment Income	35	33	35
1,437	Other Income	1,400	1,537	1,321
<b>4,725</b>	<b>Total</b>	<b>4,730</b>	<b>4,929</b>	<b>4,793</b>
	<b>Less Expenditure</b>			
723	Personnel Costs	833	812	877
432	Consultancy	121	736	270
1,591	Depreciation	1,564	1,566	1,545
827	School Maintenance	100	2,384	300
149	Interest on Loans	134	112	92
715	Other	925	757	948
<b>4,437</b>	<b>Total</b>	<b>3,677</b>	<b>6,367</b>	<b>4,032</b>
<b>288</b>	<b>Net Operating Surplus</b>	<b>1,053</b>	<b>(1,438)</b>	<b>761</b>
0	Non Operating Revenue	0	0	0
<b>288</b>	<b>Total Surplus (Deficit) recognised for period</b>	<b>1,053</b>	<b>(1,438)</b>	<b>761</b>
509	Internal Recoveries	567	568	577
(569)	Less Internal Charges	(626)	(622)	(654)
<b>(60)</b>		<b>(59)</b>	<b>(54)</b>	<b>(77)</b>
1,771	Net Transfers (to)/from Special Funds	1,143	1,628	503
<b>1,999</b>	<b>Net Operating Surplus/(Deficit)</b>	<b>2,137</b>	<b>136</b>	<b>1,187</b>
(3,563)	Capital Expenditure - Diocesan Schools	(3,668)	(1,344)	(2,680)
(23)	Capital Expenditure - Other	(113)	(88)	(214)
(3,586)	Total Capital Expenditure	(3,781)	(1,432)	(2,894)
0	Loan Principal Receipts	0	0	0
(293)	Loan Principal Repayments	(318)	(308)	(285)
<b>(1,880)</b>	<b>Net (Deficit)</b>	<b>(1,962)</b>	<b>(1,604)</b>	<b>(1,992)</b>
	(after internal transfers and capital expenditure)			
	<b>Net Cost by Activity</b>			
61	Catholic Education Office	(2)	399	25
180	Attendance Dues	126	159	326
2,143	Diocesan Schools	2,420	20	1,338
(291)	Youth and Young People	(312)	(349)	(401)
(94)	Tertiary Chaplaincy	(95)	(93)	(101)
0	CCJP	0	0	0
<b>1,999</b>	<b>Total Net Cost</b>	<b>2,137</b>	<b>136</b>	<b>1,187</b>

(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 2013

2012 Actual  '000		2013 Budget (Unaudited) '000	2013 Actual  '000	2014 Budget (Unaudited) '000
	<b>Operating Income</b>			
371	Grants and Donations	331	391	294
84	Government Grants	85	85	85
135	Other Income	134	125	88
<b>590</b>	<b>Total</b>	<b>550</b>	<b>601</b>	<b>467</b>
	<b>Less Expenditure</b>			
474	Personnel Costs	512	498	496
40	Consultancy	42	18	10
55	Depreciation	52	55	33
426	Other	517	1,921	525
<b>995</b>	<b>Total</b>	<b>1,123</b>	<b>2,492</b>	<b>1,064</b>
<b>(405)</b>	<b>Net Operating Surplus</b>	<b>(573)</b>	<b>(1,891)</b>	<b>(597)</b>
0	Non Operating Revenue	0	0	0
<b>(405)</b>	<b>Total Surplus recognised for period</b>	<b>(573)</b>	<b>(1,891)</b>	<b>(597)</b>
51	Internal Recoveries	11	19	70
(263)	Less Internal Charges	(245)	(242)	(293)
(212)		(234)	(223)	(223)
49	Net Transfers (to)/from Special Funds	(10)	24	46
<b>(568)</b>	<b>Net Operating Surplus/(Deficit)</b>	<b>(817)</b>	<b>(2,090)</b>	<b>(774)</b>
(13)	Capital Expenditure	(11)	(2)	(19)
0	Loan Principal Receipts	0	0	0
0	Loan Principal Repayments	0	0	0
<b>(581)</b>	<b>Net Operating Surplus/(Deficit)</b>	<b>(828)</b>	<b>(2,092)</b>	<b>(793)</b>
	(after internal transfers and capital expenditure)			
	<b>Net Cost by Activity</b>			
26	Welfare - Catholic Social Services	(105)	(45)	(122)
(18)	Welfare - Other	(18)	(1,435)	(40)
(319)	Governance	(298)	(290)	(279)
(218)	Bishop's Conference	(314)	(290)	(301)
(17)	Catholic Shop	(17)	(23)	(22)
(10)	Tribunal	(9)	(7)	(10)
<b>(556)</b>	<b>Total Net Cost</b>	<b>(761)</b>	<b>(2,090)</b>	<b>(774)</b>

# STATEMENT OF COST OF SERVICES

## OVERHEAD ACTIVITIES

- for the year ended 30 June 2013

2012 Actual '000		2013 Budget (Unaudited) '000	2013 Actual '000	2014 Budget (Unaudited) '000
	<b>Operating Income</b>			
278	Grants and Donations	94	445	170
567	Allocations	565	565	560
2,051	Investment Income	6,879	4,658	5,050
88,358	Other Income	75,048	14,450	17
<b>91,254</b>	<b>Total</b>	<b>82,586</b>	<b>20,118</b>	<b>5,797</b>
	<b>Less Expenditure</b>			
596	Personnel Costs	619	632	578
483	Consultancy	164	348	186
94	Depreciation	77	76	53
6,402	Other	223	3,545	296
<b>7,575</b>	<b>Total</b>	<b>1,083</b>	<b>4,601</b>	<b>1,113</b>
<b>83,679</b>	<b>Net Operating Surplus</b>	<b>81,503</b>	<b>15,517</b>	<b>4,684</b>
397	Non Operating Revenue	378	375	390
<b>84,076</b>	<b>Total Surplus recognised for period</b>	<b>81,881</b>	<b>15,892</b>	<b>5,074</b>
804	Internal Recoveries	902	865	937
(407)	Less Internal Charges	(450)	(431)	(475)
397		452	434	462
(85,931)	Net Transfers (to)/from Special Funds	(79,026)	(15,873)	(3,719)
<b>(1,458)</b>	<b>Net Surplus (Deficit) (after internal transfers)</b>	<b>3,307</b>	<b>453</b>	<b>1,817</b>
(27)	Capital Expenditure	(81)	(11)	(50)
0	Loan Principal Receipts	0	0	0
0	Loan Principal Repayments	0	0	0
<b>(1,485)</b>	<b>Net Surplus (Deficit)</b>	<b>3,226</b>	<b>442</b>	<b>1,767</b>
	(after internal transfers and capital expenditure)			
	<b>Net Cost by Activity</b>			
0	Diocesan Financial Administrator	0	0	0
2	Cathedral House Building	0	2	0
(216)	Other Diocesan Properties	(40)	(78)	(31)
0	Administration	0	0	10
(104)	Insurance	0	0	0
832	Other Income	1,205	1,802	1,475
901	Investment Income	2,244	2,255	481
(2,873)	Earthquake Recovery	(102)	(3,528)	(118)
<b>(1,458)</b>	<b>Total Net Cost</b>	<b>3,307</b>	<b>453</b>	<b>1,817</b>

(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 2013

## 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 2013. The financial statements were authorised for issue by the Management and Finance Board on 25 September 2013.

## 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 2012:

NZ IFRS 9 - Financial Instruments: Disclosures  
 NZ IFRS 7, NZ IAS 1, 34 - Improvements to NZ Equivalents to IFRS (2010)  
 NZ IFRS 7 - Financial Instruments

#### 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 2013. 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>.</p> <p>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"> <li>▶ Two categories for financial assets are being amortised cost or fair value</li> <li>▶ Removal of the requirement to separate embedded derivatives in financial assets</li> <li>▶ 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.</li> <li>▶ 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.</li> <li>▶ Reclassifications between amortised cost and fair value no longer permitted unless the entity's business model for the asset changes.</li> <li>▶ Changes to the accounting and additional disclosures for equity instruments classified as fair value through other comprehensive income.</li> </ul>	1 January 2015	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 July 2015

Reference	Title	Summary	Application date of standard	Impact on Diocese's Financial Statements	Application date for Diocese
NZ IFRS (2009)	Financial Instruments	<p>NZ IFRS 9 (2010) supersedes NZ IFRS 9 (2009). The requirements for classifying and measuring financial liabilities were added to NZ IFRS 9 as issued in 2009. The existing NZ IAS 39 <i>Financial Instruments: Recognition and Measurement</i> requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities, the change in fair value is accounted for as follows:</p> <ul style="list-style-type: none"> <li>▶ The change attributable to changes in credit risk are presented in other comprehensive income (OCI)</li> <li>▶ The remaining change is presented in profit or loss</li> </ul> <p>If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.</p>	1 January 2015	The Diocese's financial liabilities are low, therefore the impact on the Diocese's financial statements is expected to be minimal.	1 July 2015
NZ IFRS (2009) <i>(Continued)</i>	PBE Standards for Tier 1 and Tier 2 Public Sector Entities	<p>The package of PBE Standards issued, applicable for Tier 1 and Tier 2 public sector PBEs consists of the following standards:</p> <ul style="list-style-type: none"> <li>▶ Standard XRB A1 <i>Accounting Standards Framework</i>, which is the overarching standard that sets out the accounting standards framework;</li> <li>▶ A suite of 39 PBE Standards; and</li> <li>▶ The Public Benefit Entities (conceptual) Framework.</li> </ul> <p>The new PBE Standards are based on International Public Sector Accounting Standards, which are themselves based on IFRS. Therefore major changes to accounting policies are not expected. Nevertheless, there are some potentially significant differences and also a range of smaller differences between the PBE Standards and NZ IFRS.</p> <p>Early adoption of PBE Standards by Tier 1 and Tier 2 public sector PBEs is not permitted.</p>	1 July 2014	The impact of this standard on the Diocese's financial statements is expected to be minimal.	1 July 2014



## 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 Software is a finite life intangible asset and is recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight line basis over their estimated

useful lives between 1 and 3 years. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

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

#### **Software Licenses**

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

#### **Amortisation**

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

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

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

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

#### **(r) Borrowings**

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

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

#### **Borrowing Costs**

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

#### **(s) Government Grants**

Government Grants are recorded as income in the 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

	<b>2013</b> '000	<b>2012</b> '000
Trade & Other Debtors	1,741	59,057
<i>(less Provision for Impairment of Debtors)</i>	<i>(122)</i>	<i>(119)</i>
Interest Receivable	69	86
GST Receivable	274	0
Prepayments	189	98
<b>Total</b>	<b>2,151</b>	<b>59,122</b>

### 4. Provision for Impairment of Debtors

	<b>2013</b> '000	<b>2012</b> '000
As at 1 July	119	85
Arising during the year	3	119
Used during the year	0	(85)
As at 30 June	122	119

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

### 5. Other Financial Assets

	<b>2013</b> '000	<b>2012</b> '000
Catholic Development Fund Deposits	5,607	6,931
Bonds & Notes	19,086	12,703
Bank Deposits	74,289	29,267
Offshore Bond Fund	11,179	0
Loans	0	4
Catholic Development Fund Equity (see Note 20)	4,171	4,062
Shares	5,226	4,092
<b>Total</b>	<b>119,558</b>	<b>57,059</b>
Less Current Portion	(91,414)	(40,316)
<b>Total Non Current Investments</b>	<b>28,144</b>	<b>16,743</b>

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



## 6. Property Plant & Equipment

<b>30 June 2013</b>	<b>Cost</b>	<b>Current Yr</b>	<b>Accum</b>	<b>Book Value</b>
	<b>'000</b>	<b>Depn.</b>	<b>Depn</b>	<b>'000</b>
Land	41,656	0	0	41,656
Buildings	12,260	264	1,674	10,586
Buildings ( <i>Work in Progress</i> )	2	0	0	2
Furniture & Equipment	919	90	637	282
Furniture & Equipment ( <i>Work in Progress</i> )	11	0	0	11
Motor Vehicles	435	28	303	132
School Improvements	62,945	1,338	8,844	54,101
School Improvements ( <i>Work in progress</i> )	926	0	0	926
<b>Total</b>	<b>119,154</b>	<b>1,720</b>	<b>11,458</b>	<b>107,696</b>

<b>30 June 2012</b>	<b>Cost</b>	<b>Current Yr</b>	<b>Accum</b>	<b>Book Value</b>
	<b>'000</b>	<b>Depn.</b>	<b>Depn</b>	<b>'000</b>
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
<b>Total</b>	<b>119,101</b>	<b>1,757</b>	<b>9,928</b>	<b>109,173</b>

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

Land, buildings and school improvements of \$16.3m were written off in 2011 as a result of damage caused by the Canterbury Earthquakes. No further damage has been sustained or identified requiring any further write down to asset carrying values. Proceeds from the insurance claim recognised as income during 2013 (refer Note 14) amount to \$13,222,000 (2012 \$87,839,000; total claim \$103,522,000). The insurance claim is now settled and nothing further is expected to be received. \$98.6m is recorded in the Earthquake Recovery Special Purpose Fund within Equity, as disclosed at note 10.

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

	<b>Cost or Revaluation</b> '000	<b>Current Yr Depn.</b> '000	<b>Accum Depn</b> '000	<b>Book Value</b> '000
<b>30 June 2013</b>				
Software	114	8	114	0
(Work in Progress)	17	0	0	17
	<b>131</b>	<b>8</b>	<b>114</b>	<b>17</b>
<b>30 June 2012</b>				
Software	114	8	106	8
(Work in Progress)	17	0	0	17
	<b>131</b>	<b>8</b>	<b>106</b>	<b>25</b>

## 8. Trade and Other Payables

	<b>2013</b> '000	<b>2012</b> '000
Creditors & Accruals	871	1,353
GST Payable	0	1,512
Employee Entitlements	189	189
Other Current Liabilities	184	177
<b>Total</b>	<b>1,244</b>	<b>3,231</b>

## 9. Borrowings

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

Pre-Suspensory loans are with Ichthus Limited. The interest rate is 7.5% p.a. These loans will be repaid by the end of the 2014 financial year.

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 2013 amounted to \$375,000 (2012: \$397,000).

Other Loans (\$1,789,000) are held with the Catholic Development Fund. The current interest rates on these loans are 5.47% p.a.

	<b>2013</b> '000	<b>2012</b> '000
Pre-suspensory Loans	20	80
Suspensory Loans	1,943	2,322
Other Loans	1,789	2,037
Future GST Liability	179	201
<b>Total</b>	<b>3,931</b>	<b>4,640</b>
Less Current Portion	(647)	(709)
<b>Total Non Current Liabilities</b>	<b>3,284</b>	<b>3,931</b>

## 10. Equity

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

The special purpose funds result from:

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

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

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

<b>Equity</b>	<b>2013</b>	<b>2012</b>
	'000	'000
General Equity	109,752	112,311
Special Purpose Funds	120,943	107,189
Unrealised Gains Reserves	1,065	871
<b>Total Equity</b>	<b>231,760</b>	<b>220,371</b>

<b>Special Purpose Funds</b>	<b>2013</b>	<b>2012</b>
	'000	'000
Education – Diocesan School Capital & Maintenance Programme	2,142	2,380
Education – Attendance Dues	87	128
Education – General	597	577
Education – Dallington School	88	82
Youth	239	227
Youth & Education	133	128
Catholic Social Services	822	808
Pastoral – Missionary	271	254
Pastoral – Ongoing Formation, Education & Seminary	1,603	1,376
Aged Care – Armstrong Village	851	778
Bishop's Capital Health Fund (90% Income distributed to Clergy Trust Fund)	222	219
Gamblins Rd (Income distributed to Cathedral College Proprietors Trust Board)	1,019	1,019
CCJP	15	17
Darfield Parish (Income distributed to Darfield Parish)	100	100
Chatham Island Parish	9	13
Property Reserve	12,687	12,687
Dallington Land Settlement Reserve	1,167	0
Earthquake Recovery	98,627	86,096
Other	264	300
<b>Total Special Purpose Funds</b>	<b>120,943</b>	<b>107,189</b>

## 10. Equity (Continued)

<b>Unrealised Gains Reserves</b>	<b>2013</b>	<b>2012</b>
	'000	'000
<i>Unrealised Gains Reserve on Shares</i>		
Opening Balance	114	290
Movement during the year	591	(176)
Closing Balance	705	114
<i>Unrealised Gains Reserve on Bonds</i>		
Opening Balance	757	833
Movement during the year	(397)	(76)
Closing Balance	360	757
<b>Total Unrealised Gains Reserves</b>	<b>1,065</b>	<b>871</b>

## 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.

	<b>Cash &amp; Cash Equivalents</b>	<b>Trade &amp; Other Receivables</b>	<b>Other Financial Assets</b>	<b>Total Financial Assets</b>
<b>30 June 2013</b>				
Loans and Receivables	7,729	2,151	0	9,880
Available For Sale	0	0	91,414	91,414
<b>Total Financial Assets</b>	<b>7,729</b>	<b>2,151</b>	<b>91,414</b>	<b>101,294</b>
		<b>Trade &amp; Other Payables</b>	<b>Borrowings</b>	<b>Total Financial Liabilities</b>
<b>30 June 2013</b>				
Recorded at Amortised Cost		1,244	3,931	5,175
<b>Total Financial Liabilities</b>		<b>1,244</b>	<b>3,931</b>	<b>5,175</b>
<b>Net Exposure</b>	<b>7,729</b>	<b>907</b>	<b>87,483</b>	<b>96,119</b>

## 12. Financial Instruments *(Continued)*

	Cash & Cash Equivalents	Trade & Other Receivables	Other Financial Assets	Total Financial Assets
<b>30 June 2012</b>				
Loans and Receivables	3,170	59,122	0	62,292
Available For Sale	0	0	57,059	57,059
<b>Total Financial Assets</b>	<b>3,170</b>	<b>59,122</b>	<b>57,059</b>	<b>119,351</b>

	Trade & Other Payables	Borrowings	Total Financial Liabilities
<b>30 June 2012</b>			
Recorded at Amortised Cost	3,553	4,640	8,193
<b>Total Financial Liabilities</b>	<b>3,553</b>	<b>4,640</b>	<b>8,193</b>
<b>Net Exposure</b>	<b>3,170</b>	<b>52,419</b>	<b>111,158</b>

## 13. Government Grants

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

## 14. Other Income

	<b>2013</b> '000	<b>2012</b> '000
Education (Attendance Dues, Special Character Contributions & Foreign Fee Paying Students)	1,168	1,071
Catholic Shop Sales	88	78
Prison Chaplaincy Service	71	63
Programmes & Events (Youth & Education)	101	57
Gain on Property Sales	1,160	14
Insurance Proceeds	13,222	87,839
Other Income	521	982
<b>Total</b>	<b>16,331</b>	<b>90,158</b>

## 15. Non Operating Revenue

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

## 16. Net Operating Surplus/(Deficit)

	<b>2013</b> '000	<b>2012</b> '000
<i>After Charging:</i>		
Auditor's Fees - Audit Fees	19	17
Auditor's Fees – Other Services	3	11
Employee Benefits and Expenses	2,203	2,078
Donations Expense	386	317
Interest Expense	112	149
Lease Expense	226	233
Provision for Doubtful Debts	19	34
Bad Debts Written Off	0	0
Loss on Assets (Armstrong Village gifted to Sisters of Nazareth)	1,416	0
<i>Including:</i>		
Interest Revenue	3,253	1,654
Dividend Revenue	224	155
Gain on Sale of Assets	220	14

## 17. Capital Expenditure

	<b>2013</b> '000	<b>2012</b> '000
Diocesan Schools	1,344	3,562
Land & Buildings	0	12
Computer Equipment	22	10
Vehicles	132	27
Other Plant & Equipment	107	24
	<b>1,605</b>	<b>3,635</b>

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

	<b>2013</b> '000	<b>2012</b> '000
Net Surplus (deficit)	11,195	82,805
<b>Add/(Less) Non Cash Items:</b>		
Depreciation and Amortisation	1,727	1,765
Non Operating Revenue (Loans forgiven)	(375)	(397)
(Gain)/Loss on Sale of Asset	256	(14)
Change in CDF Equity	(109)	1,618
Accrued Interest	0	(240)
	<b>12,694</b>	<b>85,537</b>

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

<b>Movements in Other Working Capital Items:</b>	<b>2013</b> '000	<b>2012</b> '000
Decrease/(Increase) in Prepayments	(91)	10
Decrease/(Increase) in Accounts Receivable	57,336	(57,348)
Decrease/(Increase) in Stock	4	(4)
Decrease/(Increase) in GST Receivable	(1,809)	0
(Decrease)/Increase in GST Payable	0	1,627
(Decrease)/Increase in Accounts Payable	(475)	240
(Decrease)/Increase in Holiday Pay	0	(16)
(Decrease)/Increase in Income in Advance	(95)	322
	<hr/> 54,870	<hr/> 55,169
Less Fixed Assets in Accounts Payable	1,104	(8)
	<hr/> 1,104	<hr/> (8)
<b>Net Cash Flow from Operating Activities</b>	<b>68,668</b>	<b>30,360</b>

## 19. Catholic Development Fund

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

<b>Catholic Development Fund</b>	<b>2013</b> '000 (31 March)	<b>2012</b> '000 (31 March)
Surplus	1,069	1,249
Distribution to Diocese	1,300	1,488
Unrealised gains/(losses) in fair value of Available for Sale Financial Assets	368	(495)
Diocese Investment in CDF:		
Opening Carrying Amount	(30 June) 4,062	(30 June) 5,678
<b>Closing Carrying Amount</b>	<hr/> <b>4,171</b>	<hr/> <b>4,062</b>

## 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, this amount of \$886,000 is included in Accounts Receivable (Note 3). 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 \$11,322 worth of professional services during the 2013 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 2013 were \$1,943,072. (2012: \$2,321,641). The likelihood of any schools closing is considered remote.

## 22. Commitments

As at 30 June 2013 there are commitments for the following:

	<b>2013</b> <i>'000</i>	<b>2012</b> <i>'000</i>
<b>Capital Commitments</b>		
School Improvements	217	380
<b>Total Capital Commitments</b>	<b>217</b>	<b>380</b>
<b>Lease Commitments</b>		
Within one year	104	193
Two to five years	101	703
Five years plus	0	900
<b>Total Lease Commitments</b>	<b>205</b>	<b>1,796</b>

The Diocese has entered into long term lease arrangements for certain school land, and Diocesan office space. The leases have remaining terms ranging from 9 months to 4 ½ years, with rights of renewal ranging from 1 to 21 years.

## 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 2013, 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 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 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 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 2013 and its financial performance and cash flows for the year then ended.

*Ernst & Young*

1 October 2013  
Christchurch

# NOTES





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