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Annual Reports for the year ended 30 June 2014

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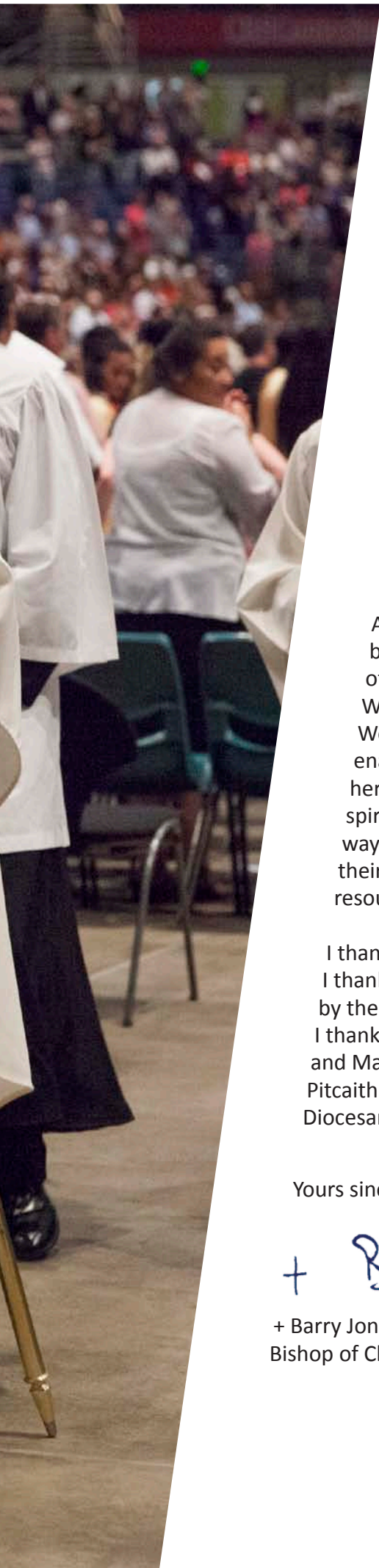
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With thanks to Peter Fleming for permission to use his beautiful Faithfest Images throughout this report.

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FOREWORD

October 2014

Dear friends in Christ,

As I write, Spring is everywhere in evidence and the beauty of the blossoms this year is stunning. I write to introduce the Annual Report of the Catholic Diocese of Christchurch for year ending June 30, 2014. We know that Christ's one Church lives in history and yet transcends it. We can see her visible reality in many manifestations yet the eyes of faith enable us to see her spiritual reality as the bearer of divine life. Through her, the Lord communicates truth and grace to all people. Her holy and spiritual mission is made possible by material resources in exactly the way the holy women of the gospels are shown as supporting Jesus with their resources. This Annual Report sets out the picture of how material resources supported the mission of the Church in the last year.

I thank every person who has shared in that financial support of the Church. I thank too those who have given their time and competence to the Church by their membership of the various Diocesan councils and advisory boards. I thank the respective chair persons; Geoff Bailey of the Diocesan Finance and Management Board, Rex Lynch of the Diocesan Education Council, Rachel Pitcaithly of the Diocesan Youth Council, and Charlotte Cummings of the Diocesan Welfare Council.

Yours sincerely

+ B. Jones

+ Barry Jones
Bishop of Christchurch



This report covers the year ended 30 June 2014.

The Management and Finance Advisory Board meets monthly. The monthly 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 Diocesan Strategy Committee was appointed in 2012 to advise Bishop Jones on the location of churches and schools to serve the Diocese for the next 30 – 50 years.

This committee reported in the last quarter of 2013.

This report has been considered by the Bishop and his advisory groups.

The repair and rebuild priorities have been established and parishes and school communities are being consulted at present.

Mr Keith Beal has been appointed Diocesan Property and Development Manager. His role is to lead the delivery of the Diocesan Recovery Plan.

CHAIRMAN'S INTRODUCTION

Geoff Bailey, Chairman, Diocesan Management & Finance Advisory Board



Financial Year Ended 30 June 2014

The Statement of Financial Position shows Diocesan equity at 30 June 2014 at \$231 million.

The total net cost of Diocesan activities during the year was \$2.9 million. The details of these costs are set out on pages B6-B11 of the annual financial report. This figure excludes capital expenditure, unrealised gains/losses on investments.

The Diocese faces a financially challenging period during the repair and rebuild phase of the Earthquake Recovery programme. We know the insurance proceeds will not fully cover the costs, the shortfall will be funded from various reserves, borrowing and fundraising.

We have developed a financial model incorporating all earthquake repair and rebuild projects. This model will ensure we manage the financial and construction capacity in the most efficient manner. We will also be able to forecast and manage any financial shortfall.

Catholic Development Fund

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

This year the distribution to the Diocese was \$1.05 million.

The Diocesan equity investment in the CDF at 30 June 2014 was \$3.96 million.

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

Diocesan Administration Staff

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

During this Earthquake Recovery period the Cathedral House team have taken on many tasks and responsibilities in addition to their day to day workload and in all cases this work has been handled very efficiently.

The Cathedral House offices are always a calm and cheerful place to visit for meetings.

Conclusion

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



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

FAITHFEST - CHRIST THE KING OF ALL PEOPLES

Bishop Jones invited people from across the Diocese to conclude the Year of Faith with a day of activities on the Feast of Christ the King (Sunday 24th November 2013) at the CBS Arena.

There were five separate events in the day's activities; Mass, Expo, Children's Choir, Cultural Festival and an Ecumenical Choir Concert.

As people gathered for the Mass they were able to enjoy the 300 voice Primary School's Combined Choir. The main focus of the day was the Mass celebrated by Bishop Jones, beginning with a trumpet fanfare accompanying Bishop Jones, Emeritus Bishop Meeking, some 50 priests and 10 seminarians to the altar. The icon of Mary Mother of the Church, commissioned for the Year of Faith, was brought to the altar with a traditional Maori welcome (karanga), having spent the past year visiting every parish in the diocese. Music was provided by the Cathedral Choir recalling the majesty of Christ the King of all peoples.

The size and diversity of the People of God was readily apparent throughout the day, with all ages and stages of life represented, including the Carmelites on a rare excursion from their monastery.

In the afternoon, several of the Diocese's cultural communities gathered, in an array of vibrant costumes, to share song and dance at the Cultural Festival which was spectacular and expressed appropriately our cultural diversity.

Later that evening, an ecumenical choral festival brought together many of the choirs displaced from city churches after the earthquakes. The day finished with all present singing the Hallelujah chorus, appropriately for a day that had brought the People of God together under one roof to "give

BISHOP'S PASTORAL OFFICE

Mike Stopforth, Director



glory and honour to Christ the King with trumpets and choirs and hymns and incense" as Bishop Jones said in his homily.

ORIENTATION COMMITTEE

On behalf of the Bishop the orientation committee looks after the priests on loan from overseas and the Vietnamese Seminarians.

A three day orientation programme was held for new priests from overseas. This programme provides 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.

In addition two Vietnamese sisters have arrived to learn English. They are being supported by the Bishop for their time here and are living at the John Paul II Centre. They are members of the order of "Lovers of the Holy Cross".

OUR RECOVERY POST EARTHQUAKE

It has been a significant year in terms of earthquake recovery for our churches and other church property. Almost all of our churches have been evaluated and this provides accurate information as to the requirement of any repair and strengthening.

Many parish meetings have been held with parish priests and their advisors.

This year we have had three further churches demolished; Our Lady of Perpetual Help (St Albans), Our Lady of Fatima (Mairehau) and Holy

Family (Burwood). This brings the total number of churches demolished to 8.

The Bishop has recently released a document called, *"The House of God"* to provide some guidance to parishes as we move into the stage of preparing to build new churches.

NEW EVANGELISATION

Martha Fernandez-Sardina visit to the Diocese

The Diocese hosted the visit of Martha Fernandez-Sardina, on the weekend of May 3-4 entitled *"The Joy of the Gospel: The New Evangelisation - what it is and how we play our part in it"*. Martha is a woman passionate about evangelisation and her visit was part of an overall renewed focus on new evangelisation and mission.

An all day seminar was held for 80 people from parishes across the Diocese, providing an excellent day with good information shared as well as inspiring those present on mission and evangelisation. Martha also spoke to a group of 35 senior secondary school students and some staff from our Colleges.





Perpetual Adoration

The perpetual adoration chapel commenced at St Gregory's, Bishopdale on Sunday June 30th, 2013. There are approximately 400 rostered adorers who adore the Blessed Sacrament for one hour per week. Every hour of the week, day and night, has at least one adorers and most have two. In addition the chapel attracts many visitors.



Catholics Returning Home

The programme invites people to rejoin the parish faith community and was held in three parishes in Christchurch as well as Geraldine and Timaru. There continues to be a small number attending each programme, however the programme is consistently offered each year. A training night for new parish leaders was held and a review and planning meeting held.

EARTHQUAKE RECOVERY COORDINATOR

The Earthquake Recovery Fund was set up by Bishop Barry to distribute money donated as a result of the various earthquakes. The fund exists to help people affected by the earthquakes and to do this, the Diocese helps parishes, schools and community organisations respond to the needs of their own community and also to the wider community. During this financial year 59 projects were approved making a total of 173 projects since the fund opened in February 2012. Since its inception the fund has received total donations amounting to \$919,848 and paid out \$819,361 for projects. Details of all projects funded can be found on our website www.chch.catholic.org.nz/eqrecovery

Six **spiritual retreats** have been organised this year and held for those affected by the earthquakes. These have been held at the Beatitudes Community and have attracted approximately 100 people.

THANKSGIVING PROGRAMME

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 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. Programmes this year were held in Bryndwr, Mairehau and Papanui Parishes.

CHAPLAINCIES

Pastoral Workers and Chaplains Day

A very good day was had with prison and hospital chaplains and parish pastoral workers (22 in total). This provided an opportunity for input and discussion.

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 Pastoral 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.

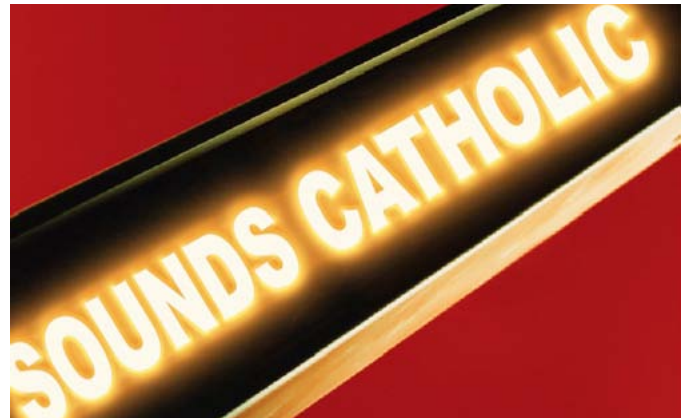
Prison Chaplaincy

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.

SOUNDS CATHOLIC

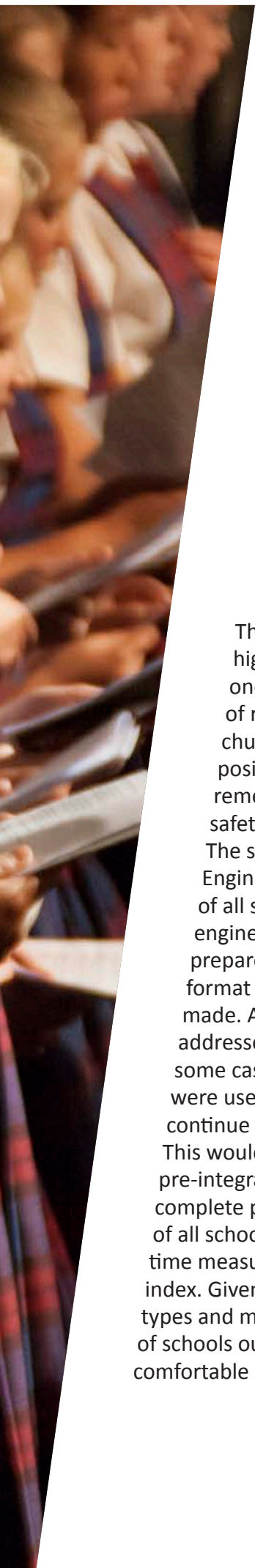
Catholic life continues to be presented through the weekly radio programme on Plains FM community radio. This can also be heard online via the Diocesan website. Sounds Catholic is capably hosted by Ken Joblin and assisted by an Overseeing Committee.



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 recipient’s formation. This year it was awarded to five students to study courses by distance at Good Shepherd College.





THE DIOCESAN EDUCATION COUNCIL

Rex Lynch, Chairperson

There were a number of highlights during the year each one important to the progress of restoring our schools (and churches) to pre-earthquake positions and in some cases remedying previously unknown safety issues that became apparent. The starting point was the Detailed Engineering Evaluation (DEE) made of all school property. Qualified engineers inspected all schools and prepared the DEE using a standard format so comparisons could be made. Any safety matters were addressed as quickly as possible. In some cases temporary classrooms were used so that teaching could continue as the work was being done. This would be the first time since the pre-integration days of the 1980s that a complete property check has been made of all schools at more or less the same time measured against a standard building index. Given the age range, construction types and methods and the various sizes of schools our property people were comfortable with the result.

The two serious property victims of the earthquakes were Marian College and St Paul's Dallington. Both schools were declared uninhabitable and urgent temporary solutions sought so the students were not disadvantaged. St Paul's was re-located at a vacant state school site nearby and Marian re-located to the south side of the Catholic Cathedral College site. Both schools were able to continue teaching.

A symposium for Boards of Trustees was held at Villa Maria College during March. Bishop Charles Drennan and Br Pat Lynch provided two excellent addresses. Both made many references to the forty page document recently released by the Catholic Bishops Conference titled 'The Catholic Education of School-Age Children.'

As part of Bishop Barry's reorganisation of Parishes St Pauls Dallington, Holy Family Burwood and our Lady of Fatima Mairehau have come together to form the new Parish of St Francis of Assisi. Plans are well advanced for new school buildings to be built at Mairehau on the Parish of St Francis of Assisi site in Innes Road. More details are on the Catholic Education Office website which will be updated as information comes to hand.

www.chchceo.org.nz



THE DIOCESAN YOUTH COUNCIL

Rachel Pitcaithly, Chairperson

The Diocesan Youth Council has continued to meet bi-monthly in our role to oversee and support the work being done by the Diocesan Youth Team and Tertiary Chaplaincy.

The Youth Team has continued to reflect on their current programmes and events looking at ways to continue to evangelise in all areas of the diocese. Much work has also been done on policies and year plans ensuring that the team are able to work to the best of their abilities in providing safe and varied opportunities for young people to encounter God – opportunities such as Eucharistic celebrations, prayer, camps, school visits, retreats, social events and visiting speakers .

Encompassing Youth Ministry, Young Adults and the Mission Team the Diocesan Youth Team office is a busy place and place that offers great hope.

This year the team farewelled Jason McTague and Olivia Gray who we thank for their hard work and commitment to the youth of the diocese. Sinead Gilgunn, Maria Boddington, Di Ingle and Delbert Castillo now make up the Diocese Youth Team along with Tim Malone and director, Chris Lysaght.

Fr Clement continues his very active and positive role as Tertiary Chaplain, assisted by Ken Joblin and is currently involved at the University of Canterbury, Lincoln University and CPIT.

My thanks to the members of the team for their generosity, dedication and enthusiasm.



THE DIOCESAN WELFARE COUNCIL

Charlotte Cummings, Chairperson

This has been a year of new developments, as well as positive ongoing activity for the Diocesan Welfare Council.

The Diocesan Welfare Council has begun facilitating meetings of Catholic welfare agencies, bringing these groups together quarterly. The purpose of the meetings has been to grow connections between the agencies, fostering the view of all working together in the mission of the Church. Our thanks to the Catholic Commission for Justice and Peace, Saint Vincent de Paul, Catholic Social Services, the John Paul II Centre for Life and Saint John of God Waipuna for their participation in this new initiative. It has been a pleasure to have this link with these agencies, each of whom make a significant contribution in meeting needs across our Diocese.

Leading the process of administering The Tindall Foundation funds received by the NZ Catholic Bishops Conference continues to be another key area of work for the Diocesan Welfare Council. This year, over \$70,000 was distributed to a number of initiatives across the Diocese. We were particularly delighted to be supporting projects in South Canterbury and the West Coast, in addition to the applications from Christchurch based groups. Again, it has been a privilege to have this link with welfare activity, and to assist organisations to submit applications which will be eligible for these funds.

My thanks to our council members for their time and efforts over this last year.

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ANNUAL FINANCIAL REPORT

for the year ended 30 June 2014

DIRECTORY

Bishop

Most Reverend Barry Jones DD

Bishop Emeritus

Most Reverend Basil Meeking DD

Vicar General

Reverend Rick Loughnan

Chancellor

Reverend Geoff Gray (Appointed 29.05.2014)
Reverend Monsignor William Middleton
(Resigned 06.05.2014)

College of Consultors

Reverend John Adams
Reverend Simon Eccleton
Reverend Geoff Gray (Appointed 29.05.2014)
Reverend Frank Kelly (Appointed 10.07.2014)
Reverend Rick Loughnan
Reverend Monsignor William Middleton
(Resigned 06.05.2014)
Reverend John Noonan

Diocesan Management and Finance Board

Geoff Bailey, Chairman
Greg Bevin
Stephen Boock (Resigned 06.04.2014)
Most Reverend Barry Jones DD
Rex Lynch
George Macfarlane
Barbara Matthews
Brian Phillips

Diocesan Education Council

Rex Lynch, Chairman
Reverend John Adams
Robin Kilworth

Diocesan Welfare Council

Charlotte Cummings, Chairperson
Mary Caldwell
Brian Cowan
Brian Dilger
Joan Doocey
Lynda Macdonald (Resigned 10.09.2013)
Kerry McCashin (Resigned 08.10.2013)
Francis Sullivan
Peter Sivertsen

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
Property & Development

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

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 2014

	Notes	30 June 2014 '000	30 June 2013 '000
Current Assets			
Cash and Cash Equivalents		1,385	7,729
Trade and Other receivables	3	2,504	2,151
Inventories		13	11
Other Financial Assets	5	82,274	91,414
Total Current Assets		86,176	101,305
Non Current Assets			
Other Financial Assets	5	42,382	28,144
Property, Plant and Equipment	6	107,346	107,696
Intangible Assets	7	38	17
Total Non Current Assets		149,766	135,857
Current Liabilities			
Trade and Other Payables	8	1,308	1,244
Income in Advance		354	227
Borrowings	9	598	647
Total Current Liabilities		2,260	2,118
Non Current Liabilities	9	2,686	3,284
Net Assets		230,996	231,760
Total Equity	10	230,996	231,760

For and on behalf of the Management and Finance Board, which authorised the issue of the financial report on 24 September 2014.



+ Barry Jones
Roman Catholic Bishop of Christchurch



H G Bailey
Chairman

STATEMENT OF CHANGES IN EQUITY

- for the year ended 30 June 2014

	Notes	2014 Actual '000	2013 Actual '000
Opening Equity		231,760	220,371
Net Operating Surplus for the period (deficit)		(1,739)	11,195
Other Comprehensive Income		975	194
Total Comprehensive Income for the Period (loss)		(764)	11,389
Closing Equity	10	230,996	231,760

STATEMENT OF COMPREHENSIVE INCOME

- for the year ended 30 June 2014

2013 Actual '000		Notes	2014 Budget '000 (Unaudited)	2014 Actual '000	2015 Budget '000 (Unaudited)
Operating Income					
1,082	Grants and Donations		694	1,025	510
565	Allocations		560	560	562
3,362	Government Grants	13	3,423	3,418	3,384
4,691	Investment Income		5,713	6,608	6,487
16,331	Other Income	14	1,573	2,414	2,081
26,031	Total		11,963	14,025	13,024
Less Expenditure					
2,412	Employee Benefits & Expenses		2,489	2,432	2,650
1,154	Consultancy		539	1,018	365
1,727	Depreciation & Amortisation		1,660	1,698	1,738
2,384	School Maintenance		300	4,274	200
112	Finance Costs		92	90	95
7,422	Other Expenses		3,038	6,586	11,763
15,211	Total		8,118	16,098	16,811
10,820	Net Operating Surplus (deficit)		3,845	(2,073)	(3,787)
375	Non Operating Revenue	15	390	334	385
11,195	Total Surplus recognised for period (deficit)	18	4,235	(1,739)	(3,402)
1,461	Internal Recoveries		1,604	1,688	2,200
(1,461)	Less Internal Charges		(1,604)	(1,688)	(2,200)
0			0	0	0
(13,752)	Net Transfers (to)/from Special Funds		(2,769)	(1,259)	3,181
(2,557)	Net Surplus (Deficit) (after internal transfers)	16	1,466	(2,998)	(221)
Other Comprehensive Income					
Fair Value gains/(losses) on Available for Sale Assets					
591	Unrealised Gains/(losses) Reserve on Shares		0	154	0
(397)	Unrealised Gains/(losses) Reserve on Bonds		0	821	0
194	Total Other Comprehensive Income		0	975	0
(1,605)	Capital Expenditure	17	(3,077)	(1,452)	(3,520)
0	Loan Principal Receipts		0	0	500
(308)	Loan Principal Repayments		(285)	(286)	(310)
(4,276)	Total Comprehensive Income <i>(after internal transfers and capital expenditure)</i>		(1,896)	(3,761)	(3,551)
Net Cost by Activity					
(913)	Ministry of Liturgy		(1,080)	(835)	(1,235)
39	Ministry of the Word		1,253	(280)	927
(2,137)	Ministry of Charity		(1,152)	(703)	(964)
454	Overheads		2,445	(1,180)	1,051
(2,557)	Total Net Cost		1,466	(2,998)	(221)

STATEMENT OF CASHFLOWS

- for the year ended 30 June 2014

	Note	2014 '000	2013 '000
Cash Flows From Operating Activities			
<i>Cash was provided from:</i>			
Grants and Donations Received		1,025	1,082
Allocations Received		560	565
Government Grants Received		3,418	3,362
Investment Income Received		6,845	4,599
Net GST Received		1	0
Other Income Received		2,141	72,121
		<u>13,990</u>	<u>81,729</u>
<i>Cash was applied to:</i>			
Payments to employees and suppliers		14,136	12,922
Interest Paid		90	112
Net GST Payments		0	27
		<u>14,226</u>	<u>13,061</u>
Net Cash Inflow (Outflow) From Operating Activities	18	(236)	68,668
Cash Flows From Investing Activities			
<i>Cash was provided from:</i>			
Disposal of Property, Plant & Equipment		19	0
		<u>19</u>	<u>0</u>
<i>Cash was applied to:</i>			
Acquisition of Property, Plant & Equipment		1,504	1,417
Increase in Investments		4,336	62,385
		<u>5,840</u>	<u>63,802</u>
Net Cash Inflow (Outflow) From Investing Activities		(5,821)	(63,802)
Cash Flows From Financing Activities			
<i>Cash was provided from:</i>			
Advance of Term Liabilities		0	0
		<u>0</u>	<u>0</u>
<i>Cash was applied to:</i>			
Repayment of Term Liabilities		287	307
		<u>287</u>	<u>307</u>
Net Cash Inflow (Outflow) From Financing Activities		(287)	(307)
Net Increase (Decrease) In Cash Funds		(6,344)	4,559
Cash balance as at 1 July 2013		7,729	3,170
Cash balance as at 30 June 2014		1,385	7,729
<i>This total is recorded in the financial statements as:</i>			
Cash and Cash Equivalents		1,385	7,729

STATEMENT OF COST OF SERVICES

MINISTRY OF LITURGY - "TO SANCTIFY"

- for the year ended 30 June 2014

2013 Actual '000		2014 Budget '000 (Unaudited)	2014 Actual '000	2015 Budget '000 (Unaudited)
	Operating Income			
127	Grants and Donations	141	160	83
215	Other Income	183	235	212
342	Total	324	395	295
	Less Expenditure			
535	Personnel Costs	608	582	637
1	Consultancy	14	6	8
33	Depreciation	37	38	42
1,011	Other	995	948	852
1,580	Total	1,654	1,574	1,539
(1,238)	Net Operating (Deficit)	(1,330)	(1,179)	(1,244)
0	Non Operating Revenue	0	0	0
(1,238)	Total (Deficit) recognised for period	(1,330)	(1,179)	(1,244)
9	Internal Recoveries	15	14	45
(93)	Less Internal Charges	(129)	(141)	(150)
(84)		(114)	(127)	(105)
409	Net Transfers (to)/from Special Funds	364	471	114
(913)	Net (Deficit)	(1,080)	(835)	(1,235)
(57)	Capital Expenditure	(83)	(91)	(10)
0	Loan Principal Receipts	0	0	0
0	Loan Principal Repayments	0	0	0
(970)	Net Operating (Deficit)	(1,163)	(926)	(1,245)
	<i>(after internal transfers and capital expenditure)</i>			
	Net Cost by Activity			
0	Archives	(10)	(23)	(50)
(111)	Bishop's Pastoral Office	(136)	(129)	(107)
(2)	Pastoral Earthquake Recovery	(12)	0	(53)
(1)	Perpetual Adoration	(9)	(4)	(5)
(17)	Communication	(67)	(19)	(68)
(86)	ThanksGiving Programme	(97)	(96)	(97)
(157)	Chaplaincy	(188)	(182)	(214)
(432)	Priestly Formation	(528)	(324)	(521)
(25)	Cathedral	(16)	38	(25)
(82)	Cathedral Music	(17)	(96)	(95)
(913)	Total Net Cost	(1,080)	(835)	(1,235)

STATEMENT OF COST OF SERVICES

MINISTRY OF THE WORD - "TO TEACH"

- for the year ended 30 June 2014

2013 Actual '000		2014 Budget '000 (Unaudited)	2014 Actual '000	2015 Budget '000 (Unaudited)
	Operating Income			
82	Grants and Donations	89	143	10
3,277	Government Grants	3,338	3,322	3,297
33	Investment Income	35	32	18
1,347	Other Income	1,280	1,402	1,321
4,739	Total	4,742	4,899	4,646
	Less Expenditure			
748	Personnel Costs	807	792	742
736	Consultancy	265	557	150
1,566	Depreciation	1,542	1,564	1,579
2,384	School Maintenance	300	4,274	200
112	Interest on Loans	92	90	95
736	Other	922	953	923
6,282	Total	3,928	8,230	3,689
(1,543)	Net Operating Surplus	814	(3,331)	957
0	Non Operating Revenue	0	0	0
(1,543)	Total Surplus recognised for period	814	(3,331)	957
568	Internal Recoveries	582	580	576
(614)	Less Internal Charges	(646)	(659)	(640)
(46)		(64)	(79)	(64)
1,628	Net Transfers (to)/from Special Funds	503	3,130	34
39	Net Operating Surplus/(Deficit)	1,253	(280)	927
(1,344)	Capital Expenditure - Diocesan Schools	(2,680)	(1,264)	(3,309)
(88)	Capital Expenditure - Other	(214)	(19)	(20)
(1,432)	Total Capital Expenditure	(2,894)	(1,283)	(3,329)
0	Loan Principal Receipts	0	0	500
(308)	Loan Principal Repayments	(285)	(286)	(310)
(1,701)	Net (Deficit) <i>(after internal transfers and capital expenditure)</i>	(1,926)	(1,849)	(2,212)
	Net Cost by Activity			
209	Catholic Education Office	(14)	133	26
159	Attendance Dues	326	127	112
20	Diocesan Schools	1,338	(97)	1,225
(349)	Youth and Young People	(397)	(443)	(436)
0	CCJP	0	0	0
39	Total Net Cost	1,253	(280)	927

STATEMENT OF COST OF SERVICES

MINISTRY OF CHARITY - "TO CARE FOR"

- for the year ended 30 June 2014

2013 Actual '000		2014 Budget '000 (Unaudited)	2014 Actual '000	2015 Budget '000 (Unaudited)
	Operating Income			
428	Grants and Donations	294	423	292
85	Government Grants	85	96	87
319	Other Income	94	216	193
832	Total	473	735	572
	Less Expenditure			
498	Personnel Costs	496	453	522
69	Consultancy	74	53	26
53	Depreciation	28	43	42
2,129	Other	823	754	806
2,749	Total	1,421	1,303	1,396
(1,917)	Net Operating Surplus	(948)	(568)	(824)
0	Non Operating Revenue	0	0	0
(1,917)	Total Surplus recognised for period	(948)	(568)	(824)
19	Internal Recoveries	70	43	63
(323)	Less Internal Charges	(356)	(371)	(337)
(304)		(286)	(328)	(274)
84	Net Transfers (to)/from Special Funds	82	193	134
(2,137)	Net Operating Surplus/(Deficit)	(1,152)	(703)	(964)
(106)	Capital Expenditure	(50)	(40)	(26)
0	Loan Principal Receipts	0	0	0
0	Loan Principal Repayments	0	0	0
(2,243)	Net Operating Surplus/(Deficit) <i>(after internal transfers and capital expenditure)</i>	(1,202)	(743)	(990)
	Net Cost by Activity			
(45)	Welfare - Catholic Social Services	(121)	65	(120)
(1,434)	Welfare - Other	(45)	(2)	12
(260)	Governance	(251)	(289)	(242)
(267)	Pastoral Initiatives	(402)	(260)	(395)
(101)	Bishop's Conference	(301)	(182)	(185)
(23)	Catholic Shop	(22)	(24)	(23)
(7)	Tribunal	(10)	(11)	(11)
(2,137)	Total Net Cost	(1,152)	(703)	(964)

STATEMENT OF COST OF SERVICES

OVERHEAD ACTIVITIES

- for the year ended 30 June 2014

2013 Actual '000		2014 Budget '000 (Unaudited)	2014 Actual '000	2015 Budget '000 (Unaudited)
	Operating Income			
445	Grants and Donations	170	299	125
565	Allocations	560	560	562
4,658	Investment Income	5,678	6,576	6,469
14,450	Other Income	16	561	355
20,118	Total	6,424	7,996	7,511
	Less Expenditure			
632	Personnel Costs	578	605	749
348	Consultancy	186	402	181
76	Depreciation	53	53	75
3,545	Other	298	3,931	9,182
4,601	Total	1,115	4,991	10,187
15,517	Net Operating Surplus	5,309	3,005	(2,676)
375	Non Operating Revenue	390	334	385
15,892	Total Surplus recognised for period	5,699	3,339	(2,291)
865	Internal Recoveries	937	1,051	1,516
(431)	Less Internal Charges	(473)	(517)	(1,073)
434		464	534	443
(15,873)	Net Transfers (to)/from Special Funds	(3,718)	(5,053)	2,899
453	Net Surplus (after internal transfers)	2,445	(1,180)	1,051
(11)	Capital Expenditure	(50)	(38)	(155)
0	Loan Principal Receipts	0	0	0
0	Loan Principal Repayments	0	0	0
442	Net Surplus (after internal transfers and capital expenditure)	2,395	(1,218)	896
	Net Cost by Activity			
0	Diocesan Financial Administrator	0	0	0
2	Cathedral House Building	0	0	0
(78)	Other Diocesan Properties	(31)	(61)	(39)
0	Administration	10	0	0
0	Insurance	0	25	0
1,802	Other Income	1,475	1,266	1,412
2,255	Investment Income	1,110	910	1,574
(3,528)	Earthquake Recovery	(119)	(3,320)	(1,896)
453	Total Net Cost	2,445	(1,180)	1,051





NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

- for the year ended 30 June 2014

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 2014. The financial statements were authorised for issue by the Management and Finance Board on 24 September 2014.

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.

There have been no new or amended NZIFRS adopted by the Diocese as of 1 July 2013.

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 2014. These are outlined below:

Reference	Title	Summary	Application date of standard	Impact on Diocese's Financial Statements	Application date for Diocese
	<i>PBE Standards for Tier 1 and Tier 2 Public Benefit Entities</i>	<p>The package of PBE Standards issued, applicable for Tier 1 and Tier 2 PBEs consists of the following standards:</p> <ul style="list-style-type: none"> ▶ Standard XRB A1 <i>Accounting Standards Framework</i>, which is the overarching standard that sets out the accounting standards framework; ▶ A suite of 39 PBE Standards; and ▶ The Public Benefit Entities (conceptual) Framework. <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. Examples of potential significant differences could include:</p> <ul style="list-style-type: none"> ▶ PBE Standards with no equivalent NZ IFRS ▶ PBE IPSAS 23 <i>Revenue from Non-Exchange Transactions</i>, which prescribes requirements for accounting for revenue from non-exchange transactions; ▶ PBE IPSAS 32 <i>Service Concession Arrangements: Grantor</i>, which prescribes the accounting for service concession arrangements by the grantor ▶ Differences between equivalent standards ▶ PBE IPSAS 20 <i>Related Party Disclosures</i>, exempts all transactions between related parties (except key management personnel remuneration) that occur on arm's length terms and conditions from disclosure, and provides a potentially wider definition of key management personnel compared to NZ IFRS 24 <i>Related Party Disclosures</i>. ▶ Please note that this is not a complete list of differences between PBE Standards and NZ IFRS. 	1 April 2015	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.	1 April 2015

Reference	Title	Summary	Application date of standard	Impact on Diocese's Financial Statements	Application date for Diocese
NZ IFRS 9 (PBE) (2009)	Financial Instruments	<p>NZ IFRS 9 (PBE) (2009) includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 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 (PBE). The revised Standard introduces a number of changes to the accounting for financial assets, the most significant of which includes:</p> <ul style="list-style-type: none"> ▶ two categories for financial assets 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 de-recognition; ▶ reclassifications between amortised cost and fair value no longer permitted unless the entity's business model for holding the asset changes; and ▶ changes to the accounting and additional disclosures for equity instruments classified as fair value through other comprehensive income. 	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 9 (PBE) (2010)	Financial Instruments	<p>NZ IFRS 9 (PBE) (2010) supersedes NZ IFRS 9 (PBE) (2009). The requirements for classifying and measuring financial liabilities were added to NZ IFRS 9 (PBE) as issued in 2009. The existing NZ IAS 39 (PBE) <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"> ▶ The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ▶ The remaining change is presented in profit or loss <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

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.

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.

(f) 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.

(g) 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.

(g) *Financial Assets (Continued)*

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.

(h) *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.

(i) 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.

(j) Leases

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

(k) 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.

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

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.

(l) *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.

(m) *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.

(n) *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.

(o) Employee benefits (Continued)

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.

(o) Intangible assets

Software

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

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

Software Licenses

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

Amortisation

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

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

Software	3 years	33%
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(p) 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.

(q) 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).

(r) 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.

(s) 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

	2014 '000	2013 '000
Trade & Other Debtors	2,119	1,741
<i>(less Provision for Impairment of Debtors)</i>	<i>(201)</i>	<i>(122)</i>
Interest Receivable	45	69
GST Receivable	339	274
Prepayments	202	189
Total	2,504	2,151

4. Provision for Impairment of Debtors

	2014 '000	2013 '000
As at 1 July	122	119
Arising during the year	79	3
Used during the year	0	0
As at 30 June	201	122

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

5. Other Financial Assets

	2014 '000	2013 '000
Catholic Development Fund Deposits	4,084	5,607
Bonds & Notes	38,330	19,086
Bank Deposits	66,250	74,289
Offshore Bond Fund	6,133	11,179
Catholic Development Fund Equity (see Note 20)	3,958	4,171
Shares	5,901	5,226
Total	124,656	119,558
Less Current Portion	(82,274)	(91,414)
Total Non Current Investments	42,382	28,144

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

6. Property Plant & Equipment

30 June 2014	Cost	Current Yr Depn.	Accum Depn	Book Value
	'000	'000	'000	'000
Land	41,644	0	0	41,644
Buildings	12,275	246	1,919	10,356
Buildings (<i>Work in Progress</i>)	24	0	0	24
Furniture & Equipment	1,068	82	719	349
Furniture & Equipment (<i>Work in Progress</i>)	1	0	0	1
Motor Vehicles	384	33	284	100
School Improvements	64,957	1,337	10,175	54,782
School Improvements (<i>Work in progress</i>)	91	0	0	91
Total	120,444	1,698	13,098	107,346

30 June 2013	Cost	Current Yr Depn.	Accum Depn	Book Value
	'000	'000	'000	'000
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
Total	119,154	1,720	11,458	107,696

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) amounted to \$13,222,000 (total claim \$103,522,000). The insurance claim is now settled and nothing further is expected to be received. \$101m 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

	<i>Cost or Revaluation '000</i>	<i>Current Yr Depn. '000</i>	<i>Accum Depn '000</i>	<i>Book Value '000</i>
30 June 2014				
Software	116	0	114	2
(Work in Progress)	36	0	0	36
	152	0	114	38
30 June 2013				
Software	114	8	114	0
(Work in Progress)	17	0	0	17
	131	8	114	17

8. Trade and Other Payables

	2014 '000	2013 '000
Creditors & Accruals	950	871
Employee Entitlements	182	189
Other Current Liabilities	176	184
Total	1,308	1,244

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 2014 amounted to \$334,000 (2013: \$375,000).

Other Loans (\$1,523,000) are held with the Catholic Development Fund. The current interest rates on these loans are 5.47% p.a.

	2014 '000	2013 '000
Pre-suspensory Loans	0	20
Suspensory Loans	1,605	1,943
Other Loans	1,523	1,789
Future GST Liability	156	179
Total	3,284	3,931
Less Current Portion	598	(647)
Total Non Current Liabilities	2,686	3,284

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	2014 <i>'000</i>	2013 <i>'000</i>
General Equity	106,752	109,752
Special Purpose Funds	122,204	120,943
Unrealised Gains Reserves	2,040	1,065
Total Equity	230,996	231,760

Special Purpose Funds	2014 <i>'000</i>	2013 <i>'000</i>
Education – Diocesan School Capital & Maintenance Programme	846	2,142
Education – Attendance Dues	(22)	87
Education – General	638	597
Education – Dallington School	97	88
Youth	255	239
Youth & Education	140	133
Catholic Social Services	845	822
Pastoral – Missionary	292	271
Pastoral – Ongoing Formation, Education & Seminary	1,642	1,603
Aged Care – Armstrong Village	896	851
Bishop's Capital Health Fund <i>(90% Income distributed to Clergy Trust Fund)</i>	226	222
Gamblins Rd <i>(Income distributed to Cathedral College Proprietors Trust Board)</i>	1,019	1,019
CCJP	15	15
Darfield Parish <i>(Income distributed to Darfield Parish)</i>	100	100
Chatham Island Parish	7	9
Property Reserve	12,687	12,687
Dallington Land Settlement Reserve	1,280	1,167
Earthquake Recovery	101,049	98,627
Other	192	264
Total Special Purpose Funds	122,204	120,943

10. Equity (Continued)

Unrealised Gains Reserves	2014 '000	2013 '000
<i>Unrealised Gains Reserve on Shares</i>		
Opening Balance	705	114
Movement during the year	154	591
Closing Balance	859	705
<i>Unrealised Gains Reserve on Bonds</i>		
Opening Balance	360	757
Movement during the year	821	(397)
Closing Balance	1,181	360
Total Unrealised Gains Reserves	2,040	1,065

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 2014				
Loans and Receivables	1,385	2,504	0	3,889
Available For Sale	0	0	124,656	124,656
Total Financial Assets	1,385	2,504	124,656	128,545
		Trade & Other Payables	Borrowings	Total Financial Liabilities
30 June 2014				
Recorded at Amortised Cost		1,308	3,284	4,592
Total Financial Liabilities		1,308	3,284	4,592
Net Exposure	1,385	1,196	121,372	123,953

12. Financial Instruments (Continued)

	Cash & Cash Equivalents	Trade & Other Receivables	Other Financial Assets	Total Financial Assets
30 June 2013				
Loans and Receivables	7,729	2,151	0	9,880
Available For Sale	0	0	119,558	119,558
Total Financial Assets	7,729	2,151	119,558	129,438

	Trade & Other Payables	Borrowings	Total Financial Liabilities
30 June 2013			
Recorded at Amortised Cost	1,244	3,931	5,175
Total Financial Liabilities	1,244	3,931	5,175
Net Exposure	7,729	907	115,627

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

	2014 <i>'000</i>	2013 <i>'000</i>
Education (Attendance Dues, Special Character Contributions & Foreign Fee Paying Students)	1,209	1,168
Catholic Shop Sales	92	88
Prison Chaplaincy Service	76	71
Programmes & Events (Youth & Education)	35	101
Gain on Property Sales	9	1,160
Insurance Proceeds	0	13,222
Other Income	993	521
Total	2,414	16,331

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)

	2014 <i>'000</i>	2013 <i>'000</i>
<i>After Charging:</i>		
Auditor's Fees - Audit Fees	19	19
Auditor's Fees – Other Services	22	3
Employee Benefits and Expenses	2,212	2,203
Donations Expense	395	386
Interest Expense	90	112
Lease Expense	214	226
Provision for Doubtful Debts	79	19
Bad Debts Written Off	(0)	(0)
Loss on Assets	20	1,416
<i>Including:</i>		
Interest Revenue	5,003	3,253
Dividend Revenue	315	224
Gain on Sale of Assets	462	220

17. Capital Expenditure

	2014 <i>'000</i>	2013 <i>'000</i>
Diocesan Schools	1,264	1,344
Land & Buildings	25	0
Computer Equipment	25	22
Vehicles	0	132
Other Plant & Equipment	117	107
Intangible Assets	21	0
	1,452	1,605

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

	2014 <i>'000</i>	2013 <i>'000</i>
Net Surplus (deficit)	(1,739)	11,195
Add/(Less) Non Cash Items:		
Depreciation and Amortisation	1,698	1,727
Non Operating Revenue (Loans forgiven)	(334)	(375)
(Gain)/Loss on Sale of Asset	11	256
Change in CDF Equity	213	(109)
	(151)	12,694

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

Movements in Other Working Capital Items:

Decrease/(Increase) in Prepayments	(13)	(91)
Decrease/(Increase) in Accounts Receivable	(275)	57,336
Decrease/(Increase) in Stock	(2)	4
Decrease/(Increase) in GST Receivable	(91)	(1,809)
(Decrease)/Increase in Accounts Payable	71	(475)
(Decrease)/Increase in Holiday Pay	(7)	0
(Decrease)/Increase in Income in Advance	127	(95)
	(190)	54,870
Less Fixed Assets in Accounts Payable	105	1,104
	105	1,104
Net Cash Flow from Operating Activities	(236)	68,668

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.

Catholic Development Fund	2014 <i>'000</i> <i>(31 March)</i>	2013 <i>'000</i> <i>(31 March)</i>
Surplus	987	1,069
Distribution to Diocese	886	1,300
Unrealised gains/(losses) in fair value of Available for Sale Financial Assets	(512)	368
Diocese Investment in CDF:	<i>(30 June)</i>	<i>(30 June)</i>
Opening Carrying Amount	4,171	4,062
Closing Carrying Amount	3,958	4,171

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 \$1,051,000 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.

Related Party Transactions (Continued)

During the year, The Catholic Diocese purchased the professional services of Mackay Bailey. Mr Geoff Bailey, a Consultant to Mackay Bailey, is a board member of the Diocesan Board of Management and Finance. The Diocese purchased \$1,025 worth of professional services during the 2014 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 2014 were \$1,605,000. (2013: \$1,943,000). The likelihood of any schools closing is considered remote.

22. Commitments

As at 30 June 2014 there are commitments for the following:

	2014 <i>'000</i>	2013 <i>'000</i>
Capital Commitments		
School Improvements	554	217
Total Capital Commitments	554	217
Lease Commitments		
Within one year	151	104
Two to five years	242	101
Five years plus	0	0
Total Lease Commitments	393	205

The Diocese has entered into a 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.



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 B31, which comprise the statement of financial position of Diocese as at 30 June 2014 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.

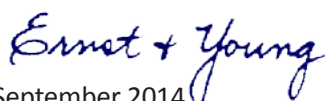
Ernst & Young provided advisory services to the Diocese during the year.

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 B31;

- ▶ 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 2014 and its financial performance and cash flows for the year then ended.



24 September 2014
Christchurch



www.chch.catholic.org.nz