The Roman Catholic Diocese of Christchurch

Diocesan Trust

ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2023

CATHOLIC DIOCESE
OF CHRISTCHURCH
TE TAKIWĀ Ō TE PĪHOPA

Contents

Additional Information

Directory

Bishop	Most Reverend Michael Gielen DD
College of Consultors	Reverend John Adams Reverend Simon Eccleton Reverend Peter Head SM Reverend Rick Loughnan Reverend Michael Therese Scheerger CSJ Reverend Job Thyikalamuriyil
Diocesan Finance Council	Most Reverend Michael Gielen DD Michael Wilkes - Chair Cedreece Tamagushiku Geoff Bailey Reuben Casey Kristy O'Connor Sara O'Connor
Diocesan Education Council	Reverend John Adams Robin Kilworth

Executive Directory

Senior Leadership Team

Diocesan General Manager	Simon Thompson
Catholic Education Office	Mike Nolan
Catholic Youth Team	James Bryant
Catholic Social Services	Luis Arevalo
Finance & Support Services	Janice Rennell
Bishop’s Pastoral Office	Mike Stopforth
Property Development	Tony Sewell
Communications	Conor Leahy
Transition Facilitator	Siobhan Bergin

Auditor

Ernst & Young
93 Cambridge Tce
P O Box 2091
Christchurch 8104

Solicitors

Cavell Leitch Law
Level 3
111 Cashel Mall
Christchurch

Investment Advisors

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

Bankers

Westpac
83 Cashel St
Christchurch

Location

Cathedral House on Washington
2, 9 Washington Way
Christchurch

Statement of Financial Position

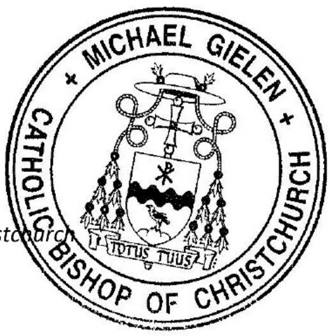
As at 30 June 2023

	Notes	30 June 2023 '000	30 June 2022 '000
Current Assets			
Cash and Cash Equivalents		5,111	5,579
Trade and Other Receivables	5	3,071	3,114
Inventories	7	7,703	24
Financial Assets	8	18,418	14,521
Total Current Assets		**34,303**	**23,238**
Non Current Assets			
Long Term Receivables	5	2,055	2,945
Investment in Associate	21	2,856	2,932
Investment in a Joint Venture	22	5,500	5,500
Financial Assets	8	4,117	13,464
Property, Plant and Equipment	9	264,882	247,678
Intangible Assets	10	10	10
Total Non Current Assets		**279,420**	**272,529**
Current Liabilities			
Trade and other Payables	11	3,666	4,322
Provision for Rebuild Costs	12	32	292
Income in Advance		826	975
Borrowings	13	373	431
Total Current Liabilities		**4,897**	**6,020**
Non Current Liabilities	13	**23,504**	**5,072**
Net Assets		**285,322**	**284,675**
Total Equity	14	**285,322**	**284,675**

The Diocesan Finance Council, an advisory board to the Roman Catholic Bishop of Christchurch, recommended that the financial statements be authorised, and he so authorised the issue.

+ M Gielen

Bishop Michael Gielen
Catholic Bishop of Christchurch
Roman Catholic Diocese of Christchurch
1 November 2023



Statement of Changes in Net Assets/Equity

For the Year Ended 30 June 2023

	Notes	2023 Actual '000	2022 Actual '000
Opening Equity		**284,675**	**270,924**
Net Operating Surplus for the Period		**715**	**15,882**
Fair Value through Equity Reserve			
Balance at 1 July		1,015	3,146
Realised (Gains) taken to Statement of Comprehensive Revenue & Expense (Disposal)		(26)	(91)
Realised Losses taken to Statement of Comprehensive Revenue & Expense (Disposal)		70	0
Unrealised Valuation Gains/(Losses)		(112)	(2,040)
Balance at 30 June		947	1,015
Movement in Other Comprehensive Revenue and Expenditure		**(68)**	**(2,131)**
Total Comprehensive Revenue for the Period		**647**	**13,751**
Closing Equity	14	**285,322**	**284,675**

THE ATTACHED NOTES FORM PART OF AND SHOULD BE
READ IN CONJUNCTION WITH THESE FINANCIAL STATEMENTS.

Statement of Comprehensive Revenue and Expense

For the Year Ended 30 June 2023

	Notes	2023 Actual '000	2022 Actual '000
Operating Revenue			
Grants and Donations		2,203	4,400
Allocations		526	481
Government Grants	17	8,720	6,923
Investment Income		1,932	1,132
Share of Surplus of Associate	22	500	450
Maryville Courts Trust Distributions		0	14,798
Other Income	18	9,963	6,436
Total	16	**23,844**	**34,620**
Less Expenditure			
Employee Benefits & Expenses		4,335	4,391
Consultancy		1,866	2,147
Depreciation & Amortisation		2,964	2,728
School Maintenance		50	11
Finance Costs		185	169
Capital Work in Progress Impairment		2,538	0
Rebuild Costs		4,632	5,080
Other Expenses		6,559	4,212
Total		**23,129**	**18,738**
Total Surplus recognised for the period	20	**715**	**15,882**
Other Comprehensive Revenue and Expense			
Unrealised Gains/(losses) Reserve on Shares		(38)	(1,590)
Unrealised Gains/(losses) Reserve on Bonds		(30)	(541)
Total Other Comprehensive Revenue and (Expense)		**(68)**	**(2,131)**
Total Comprehensive Revenue and (Expense)		**647**	**13,751**

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Statement of Cash Flows

For the Year Ended 30 June 2023

	Note	2023 '000	2022 '000
Cash Flows From Operating Activities			
Cash was provided from:			
Grants and Donations Received		2,271	4,401
Allocations Received		526	481
Government Grants Received		8,515	5,917
Interest Investment Income Received		1,734	298
Dividend Investment Income Received		752	252
Maryville Courts Trust Distributions		0	14,798
Other Income Received		10,800	13,043
		24,598	39,190
Cash was applied to:			
Payments to employees and suppliers		17,871	16,040
Interest Paid		185	169
		18,056	16,209
Net Cash Flows From Operating Activities	20	**6,542**	**22,981**
Cash Flows From Investing Activities			
Cash was provided from:			
Property, Plant & Equipment Sold		0	2
Decrease in Investments		13,226	0
		13,226	2
Cash was applied to:			
Acquisition of Property, Plant & Equipment		30,766	16,069
Increase in Investments		7,844	8,692
		38,610	24,761
Net Cash Flows Used in Investing Activities		**(25,384)**	**(24,759)**
Cash Flows From Financing Activities			
Cash was provided from:			
Receipt of Borrowings and Loans		18,607	2,388
		18,607	2,388
Cash was applied to:			
Repayment of Borrowings and Loans		233	411
		233	411
Net Cash Flows From Financing Activities		**18,374**	**1,977**
Net Increase (Decrease) in Cash Funds		**(468)**	**199**
Cash balance as at 01 July 2022		**5,579**	**5,380**
Cash balance as at 30 June 2023		**5,111**	**5,579**
This total is recorded in the financial statements as:			
Cash and Cash Equivalents		5,111	5,579

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Statement of Service Performance 2023

To Sanctify

Outcome:

- Support and enable parishes and priests in faith delivery in their parish and communities.
- Those in hospital and prison are supported
- Keeping those within our Diocese safe

Desired Outcomes	Performance Measures and Target	Achievement
Supporting and enabling faith delivery	Deliver 52 workshops throughout the year	54 Workshops were delivered during the year
	Organise and host the Ablaze Conference targeting 300 attendees	The Ablaze Conference was held with 279 attendees
Supporting those in hospital and in prison	2,000 pastoral encounters by Hospital Chaplains	2,762 pastoral encounters were delivered by Hospital Chaplains
	600 personal pastoral meetings and 130 group programmes by Prison Chaplains	Data was not available to report against this measure.
Keeping those with our Diocese safe	Deliver a safeguarding workshop in each of our 18 parishes, targeting 200 attendees	16 Safeguarding workshops were delivered during the year 505 attendees
	Archival information kept in accordance with Canon Law	Archival information has been kept in accordance with Canon Law

To Teach

Outcome:

- To support our Catholic school teachers to grow in their knowledge of the essentials of Catholic teaching as found in the *Catechism of the Catholic Church*.
- Provide a safe, comfortable, heathy environment in which to educate
- To connect with the young people of our Diocese, sharing the Gospel with them and journeying with them; preparing, teaching and empowering them for mission as disciples of Jesus Christ.

Desired Outcomes	Performance Measures and Target	Achievement
To develop and deliver blended (online and face-to-face) Te Kupenga - Catholic Theological College (CTC) qualifications to Religious Education (RE) teachers to further enhance RE teaching quality throughout the Catholic Diocese of Christchurch	Deliver 7 courses during the year targeting 100 students	In the July 2022 - June 2023 year we delivered 11 courses/papers with 150 teachers successfully completing papers
Provide a safe, comfortable, heathy environment in which to educate	Implementation of the 12YP property plan	In the July 2022- June 2023 year we completed 21 EPMP projects (circa \$7.8m). In addition, we completed a new classroom block (\$1.1m) at St Anne's School, Woolston
	Catholic School Roll numbers	▪ Primary School Roll is 4,642, an increase of 4.2% ▪ Secondary School Roll is 3,880, an increase of 1% ▪ Total Roll number 8,522
Supporting our Catholic Communities with training, formation and discipleship resources and programmes for Youth Ministry workers, volunteers and young people	Deliver 34 youth worker/ volunteer training events targeting 292 young people	Delivered 57 youth worker/ volunteer training events targeting 476 young people
	Deliver 73 youth events during the year with 3,300 participants	Delivered 105 youth events during the year with 4,361 participants. (Accurate data is not available to validate participant numbers)

To Care For

Outcome:

- To promote human dignity, equality, participation and respect for human life through supporting families and individuals on their life journeys (from the CSS website)

Desired Outcomes	Performance Measures and Target	Achievement
Families and individuals will feel supported on their life journeys	Provide 3,500 hours of face to face counselling	2,936.5 face to face counselling hours were provided during the year
	Increase outreach through 500 new client referrals	CSS outreach was increased with 632 new client referrals
	Deliver 10 courses with 60 attendees	12 courses with 78 attendees were delivered during the year

Notes to and Forming Part of the Financial Statements

for the Year Ended 30 June 2023

1. Corporate Information

These financial statements of the Roman Catholic Diocese of Christchurch Diocesan Trust (the "Diocese") for the year ended 30 June 2023 were authorised for issue by the Roman Catholic Bishop of the Diocese of Christchurch in accordance with a recommendation from the Diocesan Finance Council on 1 November 2023. The Diocese is registered as a charitable trust and is domiciled in Christchurch New Zealand.

The Diocese relates to the administration function of the Roman Catholic Diocese of Christchurch and is controlled by the Roman Catholic Bishop of the Diocese of Christchurch (the "Corporation Sole"), who is the sole trustee of the Diocesan Trust. The financial statements include the Diocese' investments in the Catholic Development Fund and Jason Sumner Ltd on an equity accounting basis.

The Diocese has been delegated authority by the Corporation Sole to hold and administer a number of Diocesan assets and matters which have been recorded in the Diocese financial statements:

- Land and buildings of some Catholic schools, and site of the former Cathedral of the Blessed Sacrament.

2. Basis of Preparation

Measurement Base:

The financial statements have 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:

The financial statements of the Diocese comply with Tier 2 PBE standards.

3. Use of judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(a) Judgements

Judgements made in applying accounting policies that have had the most significant effects on the amounts recognised in the consolidated financial statements include the following:

Judgement has been used to assess whether revenue is from an exchange or non-exchange transaction. Judgement is used to assess whether service given, or expenses incurred are of an equal value to the revenue received.

Judgment has been used to classify investments as 'Financial Assets at Fair Value through Other Comprehensive Revenue and Expense (OCRE)". Movements in fair value of Financial Assets at Fair Value through OCRE are recognised in other comprehensive revenue.

(b) Assumptions and estimation uncertainties

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 30 June 2023 include the useful lives, depreciation method and rate in relation to property, plant and equipment.

The useful lives and residual value of assets are assessed using the following indicators to determine potential future use and value from disposal:

- The condition of the asset
- The nature of the asset, its susceptibility and adaptability to change in technology and processes
- Availability of funding to replace the asset

The Dioceses uses a provision matrix to calculate Estimated Credit Losses (ECLs) for financial assets at fair value through OCRE. For bonds, the provision rates are based on the probability of default over the next 12 months for each S&P rating bracket. For trade receivables, the probability of default is based on historical data of bad debts as a proportion of attendance dues and special character contribution revenue.

The provision matrix is based on the Diocese' historical observed default rates. The Diocese will calibrate the matrix to adjust the historical credit loss experience with forward-looking information, if required. For instance, if forecast economic conditions expect a decline in investment markets. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Diocese's historical credit loss experience and forecast of economic conditions may also not be representative of Diocese's current financial asset at fair value through OCRE portfolio.

In the current year, the Diocese has used a lifetime approach. The risk has been assessed as minimal.

4. Significant Accounting Policies

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

(a) Tier 2 Public Benefit Entity Standards, Reduced Disclosure Regime

The financial statements of the Diocese have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Tier 2 PBE standards with disclosure concessions relevant for not-for-profit public benefit entities. The Diocese is eligible to report in accordance with Tier 2 PBE standards because it does not have public accountability and it is not large.

The primary objective of the Diocese is to provide administrative services for the Catholic community rather than making a financial return. As such, the Diocese is a public benefit entity for financial reporting purposes.

The accounting policies adopted in these financial statements are consistent with those of the previous financial year.

(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 Diocese is exempt from income taxation under the provisions of section CW41 and CW42 of the Income Tax Act 2007.

(d) Revenue Recognition

Revenue is recognised when the amount of revenue can be measured reliably, and it is probable that economic benefits will flow to the Diocese and measured at the fair value of consideration received or receivable.

The following specific recognition criteria in relation to the Diocese revenue streams must also be met before revenue is recognised.

Revenue from exchange transactions

1. 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.
2. Dividends are recognised when received.
3. Property Sales are recognised at the date of settlement.
4. Rebuild income arises from the expected recovery from parishes of a share of costs incurred by the diocese relating to parish rebuild projects and proceeds from sales of surplus property on behalf of parishes. Recovery of costs rebuild income is recognised as revenue by the Diocese on completion of the rebuild project and the invoicing to the parish of the amounts expected to be recovered from the parish.

Revenue from non-exchange transactions

Non-exchange transactions are those where the Diocese receives an inflow of resources (i.e. cash and other tangible or intangible items) but provides no (or nominal) direct consideration in return.

1. Gifts, donations, bequests, and distributions are recorded as income for the year in which they are received.
2. Government grants and other funding is 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. To the extent that there is a condition attached that would give rise to a liability to repay the grant amount or to return the granted asset, a deferred revenue liability is recognised instead of revenue. Revenue is then recognised only once the Diocese has satisfied these conditions.

(e) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position and statement of cashflows includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(f) Trade and Other Receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective credit loss model.

(g) Financial Assets

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, FVOCRE, and fair value through surplus or deficit. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Diocese's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or FVOCRE, it needs to give rise to cash flows that are SPPI on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through surplus or deficit, irrespective of the business model.

The Diocese's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCRE are held within a business model with the objective of both holding to collect contractual cash flows and selling.

The Diocese's financial assets include: cash and cash equivalents, receivables from exchange and non-exchange transactions and quoted and unquoted financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into below categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at FVOCRE with recycling of cumulative gains or losses (debt instruments)
- Financial assets designated at FVOCRE with no recycling of cumulative gains or losses upon derecognition (equity instruments)

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains or losses are recognised in surplus or deficit when the asset is derecognised, modified or impaired.

The Diocese's financial assets at amortised cost includes receivables from exchange transactions.

Financial assets at FVOCRE (debt instruments)

For debt instruments at FVOCRE, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of financial performance and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCRE. Upon derecognition, the cumulative fair value change recognised in OCRE is recycled to surplus or deficit.

The Diocese's debt instruments at FVOCRE includes investments in quoted debt securities included under current and non-current financial assets.

Financial assets designated at FVOCRE (equity instruments)

Upon initial recognition, the Diocese can elect to classify irrevocably its equity investments as equity instruments designated at FVOCRE when they meet the definition of equity under PBE IPSAS 28 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains or losses on these financial assets are never recycled to surplus or deficit.

Dividends are recognised as revenue from exchange transaction in the statement of financial performance when the right of payment has been established, except when the Diocese benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCRE. Equity instruments designated at FVOCRE are not subject to impairment assessment.

Derecognition

The Diocese derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Diocese neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Impairment

The Diocese calculates an allowance for expected credit losses (ECLs) for all debt instruments and trade receivables. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Diocese expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

(h) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through surplus or deficit, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Diocese's financial liabilities include payables under exchange transactions, borrowings including and bank overdrafts.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified as financial liabilities at amortised cost. After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains or losses are recognised in surplus or deficit when the liabilities are derecognised as well as through the EIR amortisation process. For more information refer Note 4 (p) and (q).

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, waived, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, then such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of financial performance.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. In the absence of an active market, the fair value of financial instruments is measured using valuation techniques with the objective of estimating what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations.

(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 initially measured at cost. 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. Subsequent to initial recognition, property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

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

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	5 years	20%
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.

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

(j) Investment Properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and impairment losses.

(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-cash-generating assets

For non-financial non-cash-generating assets, except for those assets that are valued using the revaluation model, the Diocese assesses at each reporting date whether there is an indication that a non-cash-generating asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Diocese estimates the asset's recoverable service amount. An asset's recoverable service amount is the higher of the non-cash-generating asset's fair value less costs to sell and its value in use.

Where the carrying amount of an asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its recoverable service amount.

(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 Statement of Comprehensive Revenue and Expense.

(n) Employee Benefits

Liability 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.

(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 3 and 5 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. The software has a finite life.

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 Statement of Comprehensive Revenue and Expense.

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

Software	3 - 5 years	20-33%

(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 directly associated with qualifying assets are capitalised (including any other associated costs directly attributable to the borrowing and temporary investment income earned on the borrowing). All other borrowing costs are recognised as an expense when incurred.

(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 Oranga Tamariki. There is an obligation to use the grants for the purpose they were granted for.

(s) Inventory

Inventory is initially measured at cost, except items acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

Inventories are subsequently measured at the lower of cost and net realisable value.

The cost of Shop inventory is based on first-in first out principle and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

In the case of Land inventory, cost includes the expenditure incurred in acquiring the land, and the development cost incurred in bringing it to its existing condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(t) Provisions

A provision for the estimated cost to rebuild Parish property is recognised when the Parish rebuild plan has been finalised and approved by the Diocesan Finance Council and the Bishop.

(u) Investment in Associates and Joint Ventures

Associates are entities over which the Diocesan Trust has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of another entity, but is not control or joint control over those policies.

The Diocesan Trust holds 100% of the ownership interest in the form of equity structure in its associate, the Catholic Development Fund. The Catholic Development Fund is a Trust established by the Roman Catholic Bishop of the Diocese of Christchurch by Deed of Trust dated 21 December 1967 and is domiciled in New Zealand. The trustees are appointed by the Roman Catholic Bishop of the Diocese of Christchurch.

A joint venture is a joint arrangement whereby the parties have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the agreed sharing of control of an arrangement by way of a binding arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The Diocese has a 50% shareholding in Jason Sumner Limited, a joint venture company which owns Land within the proposed new Cathedral Precinct in central Christchurch.

The Diocese investment in its associate and joint venture is accounted for using the equity method of accounting.

(v) Changes in Accounting Policy

Changes in accounting policy due to the application of a new PBE Standard:

New and amended standards and interpretations

PBE IPSAS 41 Financial Instruments

PBE IPSAS 41 Financial Instruments replaces parts of PBE IPSAS 29 Financial Instruments: Recognition and Measurement, bringing together all aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

PBE IPSAS 41 introduces new recognition and measurement requirements for financial assets and restricts the ability to measure financial assets at amortised cost to only those assets that are held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. In addition, measurement of financial assets at fair value through other comprehensive revenue and expense is also restricted.

CDC applied PBE IPSAS 41 prospectively, with an initial application date of 1 July 2022. CDC have not restated the comparative information, which continues to be reported under PBE IPSAS 29. There were no material differences arising from the adoption of PBE IPSAS 41, except for impact on presentation and disclosures. “Other financial assets” of CDC are now presented as “financial assets at fair value through other comprehensive revenue and expense” (FVOCRE) however, measurement and recognition of these “other financial assets” remain unchanged. Also, a new expected credit loss impairment model has been introduced, refer Note 3 and Note 4(g).

PBE FRS 48 Service Performance Reporting

This Standard was issued in November 2017 and establishes requirements for PBEs to select and present service performance information.

PBEs within the scope of this Standard need to provide users with:

- Sufficient contextual information to understand why the entity exists, what it intends to achieve in broad terms over the medium to long term, and how it goes about this; and
- Information about what the entity has done during the reporting period in working towards its broader aims and objectives.
- This standard applies to:
- All not-for-profit PBEs, and
- Public sector PBEs required by legislation to provide information in respect of service performance in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP).
- PBE FRS 48 Service Performance Reporting is effective for periods from 1 January 2022 and was adopted by the Diocese from 1 July 2022.

5. Trade and Other Receivables

	2023 '000	2022 '000
Trade & Other Debtors	4,802	5,482
(less Provision for Impairment of Debtors)	(403)	(325)
Interest Receivable	154	37
GST Receivable	573	865
Total	5,126	6,059
Less Non - Current Portion	(2,055)	(2,945)
Total Current Trade and Other Receivables	**3,071**	**3,114**

All trade and other receivables relate to exchange transactions.

6. Provision for Impairment of Debtors

	2023 '000	2022 '000
As at 1 July	325	156
Arising during the year	102	185
Released during the year	(24)	(16)
Used during the year	0	0
As at 30 June	**403**	**325**

This provision relates to debtors where it is evident that not all amounts due will be able to be collected using the expected credit loss model

7. Inventory

	2023 '000	2022 '000
Shop Inventory	23	24
Subdivision Land	7,680	0
Total Inventory	**7,703**	**24**

8. Financial Assets

	2023 '000	2022 '000
Catholic Development Fund Deposits	8,447	8,073
Bonds & Notes	4,216	6,022
Bank Deposits & Finance Company Deposits	3,000	4,000
Offshore Bond Fund - listed	792	1,042
Shares - listed	6,080	8,848
Total	22,535	27,985
Less Current Portion	(18,418)	(14,521)
Total Non-Current Investments	**4,117**	**13,464**

9. Property Plant & Equipment

30 June 2023	Opening Cost	Additions	Disposals & Reclassify*	Closing Cost	Current Yr Depn.	Closing Accum Depn	Closing Book Value
	'000	'000	'000	'000	'000	'000	'000
Land	118,586	184	*7,267	111,503	0	0	111,503
Buildings	24,230	453	0	24,683	493	4,876	19,807
Buildings *(Work in Progress)*	14,446	20,737	2,538	32,645	0	0	32,645
Furniture & Equipment	1,724	115	238	1,601	145	1,265	336
Motor Vehicles	568	47	68	548	47	434	113
School Improvements	112,888	5,163	0	118,051	2,272	25,999	92,052
School Improvements *(Work in progress)*	5,143	3,283	0	8,426	0	0	8,426
Total	**277,585**	**29,982**	**10,111**	**297,456**	**2,957**	**32,574**	**264,882**

30 June 2022	Cost	Current Yr Depn.	Closing Accum Depn	Closing Book Value
	'000	'000	'000	'000
Land	118,586	0	0	118,586
Buildings	24,230	485	4,383	19,847
Buildings *(Work in Progress)*	14,446	0	0	14,446
Furniture & Equipment	1,724	108	1,343	381
Motor Vehicles	568	60	455	113
School Improvements	112,888	2,064	23,726	89,162
School Improvements *(Work in progress)*	5,143	0	0	5,143
Total	**277,585**	**2,717**	**29,907**	**247,678**

Interest on borrowings amounting to $669,645 has been capitalised to Buildings (Work in Progress), (2022: nil)

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.

10. Intangible Assets

	Cost or Revaluation	Additions	Disposals	Closing Cost	Current Yr Amort	Accum Amort.	Book Value
30 June 2023	'000	'000	'000	'000	'000	'000	'000
Software	239	7	15	231	7	221	10
	239	**7**	**15**	**231**	**7**	**221**	**10**
30 June 2022							
Software	239	-0	0	239	11	229	10
	239	**0**	0	**239**	**11**	**229**	**10**

11. Trade and Other Payables

	2023 '000	2022 '000
Creditors & Accruals	3,293	3,032
Employee Entitlements	333	303
Other Current Liabilities	40	987
Total	**3,666**	**4,322**

Trade and other payables relate to exchange transactions.

12. Provision for Rebuild Costs

	2023 '000	2022 '000
As at 1 July	292	150
Arising during the year	0	292
Released during the year	0	(117)
Used during the year	(260)	(33)
As at 30 June	**32**	**292**

This provision relates to earthquake rebuild projects that have been approved but are not yet complete. The timing of the outflows are expected to be complete by 30 June 2024.

13. Borrowings

Other Loans are unsecured, being in respect of properties held by the Catholic Diocese.
Other Loans are due to the Catholic Development Fund ($3,682,000 at 5.92% interest).

ANZ Loan facility is for the development of Marian College. The term of this facility will end on 27 January 2027 and has a limit of $25,000,000. Interest is calculated at a 1.9% margin plus the applicable reference rate for the period. As at 30 June 2023, the loan was secured by a first charge over certain Diocesan land & buildings, and a $3,000,000 term deposit (refer note 8).

	2023 '000	2022 '000
Other Loans	3,682	3,115
ANZ Loan	20,195	2,388
Less Current Portion	(373)	(431)
Total Non-Current Liabilities	**23,504**	**5,072**

Subsequent to balance date, ANZ removed the interest cover covenant test for all future covenant test dates.

The Diocese is a member of the Catholic Schools' National Attendance Dues and Capital Indebtedness Sharing Scheme - Te Puna Waihanga - administered by the New Zealand Catholic Education Office. A portion of the Diocese's Attendance Dues revenue is paid to TPW and TPW funds the principal and interest payments of these loans.

14. 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 Finance Council 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 financial assets.

	2023 '000	2022 '000
Equity		
General Equity	263,809	260,244
Special Purpose Funds	20,566	23,416
Unrealised Gains Reserves	947	1,015
Total Equity	**285,322**	**284,675**
Special Purpose Funds		
Education - Diocesan School Capital & Maintenance Programme	3,199	2,788
Education - Attendance Dues	(381)	(223)
Education - General	1,073	1,028
Education - Dallington School	177	166
Youth	336	326
Youth & Education	187	182
Catholic Social Services	1,053	1,025
Pastoral - Missionary	742	731
Pastoral - Ongoing Formation, Education & Seminary	1,606	1,621
Aged Care	1,547	1,494
Bishop's Capital Health Fund *(90% Income distributed to Clergy Trust Fund)*	251	245
CCJP	11	12
Darfield Parish *(Income distributed to Darfield Parish)*	102	100
Capital Programme Reserves	10,663	12,713
Other	0	1,208
Total Special Purpose Funds	**20,566**	**23,416**
Unrealised Gains Reserves		
Unrealised Gains Reserve on Shares		
Opening Balance	1,211	2,801
Movement during the year	(38)	(1,590)
Closing Balance	**1,173**	**1,211**
Unrealised Gains Reserve on Bonds		
Opening Balance	(147)	394
Movement during the year	(30)	(541)
Closing Balance	**(177)**	**(147)**
Unrealised Gains/ Losses Reserve on CDF		
Opening Balance	(49)	(49)
Movement during the year	0	-
Closing Balance	**(49)**	**(49)**
Total Unrealised Gains Reserves	**947**	**1,015**

15. 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.

30 June 2023	Cash & Cash Equivalents	Trade & Other Receivables	Other Financial Assets	Total Financial Assets
Financial Assets at Amortised Cost	5,111	5,126	0	10,237
Financial Assets at FVOCRE - (Term Deposits)	0	0	11,447	11,447
Financial Assets at FVOCRE - (Debt & Equity)	0	0	11,088	11,088
Total Financial Assets	**5,111**	**5,126**	**22,535**	**32,772**
		Trade & Other Payables	**Borrowings**	**Total Financial Liabilities**
Financial Liabilities at Amortised Cost		3,698	23,877	27,575
Total Financial Liabilities		**3,698**	**23,877**	**27,575**
Net Exposure	**5,111**	**1,428**	**(1,342)**	**5,197**

30 June 2022	Cash & Cash Equivalents	Trade & Other Receivables	Other Financial Assets	Total Financial Assets
Financial Assets at Amortised Cost	5,579	6,059	0	5,57911,638
Financial Assets at FVOCRE – (Term Deposits)	0	0	12,073	12,073
Financial Assets at FVOCRE - (Debt & Equity)	0	0	15,912	15,912
Total Financial Assets	**5,579**	**6,059**	**27,985**	**39,623**
		Trade & Other Payables	**Borrowings**	**Total Financial Liabilities**
Financial Liabilities at Amortised Cost		4,614	5,503	10,117
Total Financial Liabilities		**4,614**	**5,503**	**10,117**
Net Exposure	**5,579**	**1,445**	**22,482**	**29,506**

16. Revenue

Revenue from Non-exchange Transactions

	2023 '000	2022 '000
Grants and Donations	2,203	4,400
Allocations	526	481
Government Grants	8,720	6,923
Maryville Courts Trust Distributions	0	14,798
Total	**11,449**	**26,602**

Revenue from Exchange Transactions

	2023 '000	2022 '000
Gain on Realisation of Investments	1,014	582
Interest Income	692	298
Dividend Income	226	252
Share of Surplus of Associate	500	450
Other Income (note 18)	9,963	6,436
Total	**12,395**	**8,018**
Total revenue from both Non-exchange and Exchange transactions	**23,844**	**34,620**

Grants and donations include Lotteries grants of $200,000 (2023) and $nil (2022) (excluding GST).

17. 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 Oranga Tamariki - Ministry for Children for services provided by Catholic Social Services.

18. Other Income

	2023 '000	2022 '000
Education (Attendance Dues, Special Character Contributions & Foreign Fee Paying Students)	4,572	2,898
Catholic Shop Sales	161	132
Gain on Sales	139	0
Rebuild Income (Refer comment below)	4,688	2,732
Other Income	403	674
Total	**9,963**	**6,436**

Rebuild income arises from the expected recovery from parishes of a share of costs incurred by the Diocese relating to Parish rebuild projects. Recovery of costs (Rebuild Income) is recognised as revenue by the Diocese on completion of the rebuild project and the invoicing to the Parish of the amounts expected to be recovered from the parish.

19. Net Operating Surplus

	2023 '000	2022 '000
After Charging:		
Auditor's Fees - Audit Fees	77	43
Auditor's Fees - Other Services	6	5
Employee Benefits and Expenses	4,335	4,391
Donations Expense	334	52
Interest Expense	185	169
Lease Expense	501	491
Provision for Doubtful Debts	78	169
Bad Debts Written Off	46	0
Loss on Assets	0	0
Loss on Investments	341	257

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

	2023 '000	2022 '000
Net Surplus	715	15,882
Add/(Less) Non Cash Items:		
Depreciation and Amortisation	2,964	2,728
(Gain)/Loss on Sale of Asset	(139)	0
Capital Work in Progress Impairment	2,531	0
Change in CDF Equity	76	510
	6,147	**19,120**
Movements in Other Working Capital Items:		
Decrease/(Increase) in Receivables	933	4,233
Decrease/(Increase) in Inventory	(412)	(1)
(Decrease)/Increase in Accounts Payable & Provisions	(916)	2,348
(Decrease)/Increase in Income in Advance	(149)	(768)
	(544)	**5,812**
Plus/ (Less) Fixed Assets in Accounts Payable	939	(1,951)
	939	**(1,951)**
Net Cash Flow from Operating Activities	**6,542**	**22,981**

21. Catholic Development Fund

The Catholic Development Fund (CDF) is a charitable Trust that is administered by the 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 CDF. 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 CDF. The likelihood of this guarantee being called is considered to be remote.

	2023 '000	2022 '000
Catholic Development Fund		
CDF Surplus for the year ended 31 March	386	355
CDF Distribution to Diocese for the year ended 31 March	450	900
CDF 's Other Comprehensive Income for the year ended 31 March	(56)	(319)
Diocese Investment in CDF		
Opening Carrying Amount at 30 June	2,932	3,442
Closing Carrying Amount at 30 June	2,856	2,932
CDF Distribution received during the year:		
Final Distribution for the year ended 30 June	500	450
Total Distribution Received	**500**	**450**

22. Joint Venture Investment

The Diocese has a 50% shareholding in Jason Sumner Limited, a joint venture company which owns Land within the in central Christchurch. The Diocese interest in Jason Sumner Limited is accounted for using the equity method in the Diocese financial statements.

	2023 '000	2022 '000
Carrying amount of investment in Diocese financial statements	5,500	5,500

23. Related Party Transactions

Notes 21 and 22 provide details about the Diocese investments in associate and investment in a joint venture.

Associate

The Diocese invests funds in the CDF (refer Note 8), and has borrowings from the CDF (refer Note 13). The Diocese provides assistance to the CDF in managing its day to day operations. In October 2002 the Diocesan Finance Council resolved to stop charging the CDF for these services. An annual distribution was received from the CDF of $500,000 in 2023 (2022: $450,000) (Refer note 21). Interest on deposits is received from and interest on loans has been paid to the CDF. No debts were forgiven or written off during the period.

Joint Venture

In 2023 the Diocese contributed $50,000 of working capital to Jason Sumner Limited (2022: $50,000).

Other

The Diocese has invoiced various Parishes for the recovery of costs incurred through the rebuild and repair of certain Parish owned buildings. There are extended payment terms on these invoices, with payment expected within 10 years of the invoice date. For the year ended 30 June 2023, the Diocese has not recorded any impairment of receivables relating to amounts owed by related parties (2022: Nil).

24. Key Management Personnel

Key Management Personnel of the Diocese includes the Diocesan Finance Council and the Senior Leadership Team. The members of the Diocesan Finance Council are volunteers. The total remuneration of key management personnel and number of individuals, on a full-time equivalent basis, receiving remuneration from the Diocese are:

	2023		**2022**	
		'000		'000
	Number	Remuneration	Number	Remuneration
Diocesan Finance Council (volunteers)	6	0	5	0
	FTE	Salary	FTE	Salary
Senior Leadership Team	8.4	1,242	7.9	1,264

There was no other remuneration, compensation, transactions or loans (including to close family members) in the year. (2022: nil).

25. Commitments

As at 30 June 2023 there are commitments for the following:

	2023 '000	2022 '000
Capital Commitments		
School Improvements	6,083	22,178
Other	2,185	331
Total Capital Commitments	**8,268**	**22,509**

	2023 '000	2022 '000
Lease Commitments		
Within one year	343	310
Two to five years	468	555
Five years plus	518	525
Total Lease Commitments	**1,329**	**1,390**

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 1 to 16 years.

26. Contingent Liabilities and Contingent Assets

The Catholic Diocese of Christchurch is a participant in The Abuse in Care Royal Commission of Inquiry, through Te Rōpū Tautoko (a collective established by the bishops and congregational leaders in the Catholic Church in New Zealand, to coordinate their engagement with the Inquiry). The Inquiry is considering the extent, impact, and ongoing issues related to abuse (including current and historical abuse) in the care of State and Faith-based institutions of children, young people, and vulnerable adults.

In 2021, He Purapura Ora, he Māra Tipu was produced by the Royal Commission, documenting a series of recommendations to the Government about redress for survivors of abuse in care. These recommendations, which followed the 2020 Interim Report, include the proposed establishment of an independent redress system and scheme that would support survivors of abuse in care to gain support and redress. With the final Royal Commission report due in March 2024, any such system scheme and a timetable for its implementation have yet to be determined by the Government. Therefore, we cannot reliably quantify any potential financial liability. As a result, the Diocese has not made any specific provision for financial redress that may result from approaches to the proposed scheme by survivors of abuse in the care of the Diocese.

A Contingent asset exists in respect of fundraising donations. Fundraising campaigns have begun in a number of Parishes throughout the Diocese. Total pledges to August 2023, including amounts to be received over the next 10 years, amount to $28.260m of which $11.279m has been received to date. This asset is contingent upon the donors honouring their pledges.

27. Subsequent Events

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

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Independent auditor's report to the trustee of The Roman Catholic Diocese of Christchurch Diocesan Trust

Opinion

We have audited the financial statements of The Roman Catholic Diocese of Christchurch Diocesan Trust ("the Diocesan Trust"), which comprises the service performance information, the statement of financial position of the Diocesan Trust as at 30 June 2023, and the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year then ended of the Diocesan Trust and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements presents fairly, in all material respects;

- the financial position of the Diocesan Trust as at 30 June 2023 and its financial performance and cash flows for the year then ended
- the service performance for the year ended 30 June 2023 in accordance with the Diocesan Trust's service performance criteria

in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

This report is made solely to The Roman Catholic Bishop of Christchurch, as trustee. Our audit has been undertaken so that we might state to the trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Diocesan Trust and the trustee, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) and the audit of the service performance information in accordance with NZ AS 1 *The Audit of Service Performance Information ("NZ AS 1")*. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Diocesan Trust in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Ernst & Young provides other assurance related services to the Diocesan Trust. Partners and employees of our firm may deal with the Diocesan Trust on normal terms within the ordinary course of activities of the Diocesan Trust. We have no other relationship with, or interest in, the Diocesan Trust.

Information other than the financial statements and auditor's report

The trustee of the Diocesan Trust is responsible for the annual report, which includes information other than the financial statements, service performance information and auditor's report.

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Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

If, based upon the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Trustee's responsibility for the financial statements

The trustee is responsible, on behalf of the Diocesan Trust, for

- the preparation and fair presentation of the financial statements and service performance information in accordance Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board;
- service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board; and
- such internal control as the directors determine is necessary to enable the preparation of financial statements and service performance information that is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing on behalf of the entity the Diocesan Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intend to liquidate the Diocesan Trust or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, and service performance information are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (New Zealand) and NZ AS 1 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board website: https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-14. This description forms part of our auditor's report.

Ernst + Young

Chartered Accountants
Christchurch
1 November 2023

Additional Information

Statement of Cost of Services
Ministry of Liturgy: "To Sanctify"

For the Year Ended 30 June 2023
(Unaudited

	2023 Actual (unaudited) '000	2022 Actual (unaudited) '000
Operating Income		
Grants and Donations	88	130
Other Income	146	133
Total	**234**	**263**
Less Expenditure		
Personnel Costs	953	912
Consultancy	77	35
Depreciation	46	59
Other	452	487
Total	**1,528**	**1,493**
Total (Deficit) recognised for period	**(1,294)**	**(1,230)**
Internal Recoveries	1	43
Less Internal Charges	0	(227)
	1	(184)
Net Transfers (to)/from Special Funds	192	203
Net Operating (Deficit)	**(1,101)**	**(1,211)**
Capital Expenditure	(67)	(44)
Net (Deficit)	**(1,168)**	**(1,255)**
(after internal transfers and capital expenditure)		
Net Cost by Activity		
Bishop's Pastoral Office	(520)	(202)
Safeguarding	1	(19)
Evangelisation	(8)	(93)
Sacramental Programmes	(1)	(108)
Perpetual Adoration	(7)	(5)
Archives	(15)	(110)
Communication	(348)	(304)
Chaplaincy	(123)	(153)
Priestly Formation	(52)	(113)
Cathedral	(26)	(36)
Cathedral Music	(2)	(68)
Total Net (Cost)	**(1,101)**	**(1,211)**

Statement of Cost of Services
Ministry of The Word: "To Teach"

For the Year Ended 30 June 2023
(Unaudited)

	2023 Actual (unaudited) '000	2022 Actual (unaudited) '000
Operating Income		
Grants and Donations	58	48
Government Grants	8,644	6,817
Other Income	4,782	3,264
Total	**13,484**	**10,129**
Less Expenditure		
Personnel Costs	1,012	907
Consultancy	666	639
Depreciation	2,485	2,284
School Maintenance	50	11
Finance Costs	185	154
Other	3,440	1,206
Total	**7,838**	**5,201**
Total Surplus recognised for period	**5,646**	**4,928**
Internal Recoveries	613	614
Less Internal Charges	(670)	(904)
	(57)	(290)
Net Transfers (to)/from Special Funds	12	104
Net Operating Surplus	**5,601**	**4,742**
Capital Expenditure - Diocesan Schools, excl Marian College	(8,234)	(6,726)
Capital Expenditure - Other	0	0
Total Capital Expenditure	(8,234)	(6,726)
Loan Principal Receipts	800	0
Loan Principal Repayments	(233)	(411)
Net (Deficit)	**(2,066)**	**(2,395)**
(after internal transfers and capital expenditure)		
Net Cost by Activity		
Catholic Education Office	305	27
Attendance Dues	691	411
Diocesan Schools	4,988	4,637
Youth and Young People	(383)	(333)
CCJP	0	0
Total Net Surplus	**5,601**	**4,742**

Statement of Cost of Services
Ministry of Charity : "To Care For"

For the Year Ended 30 June 2023
(Unaudited

	2023 Actual (unaudited) '000	2022 Actual (unaudited) '000
Operating Income		
Grants and Donations	336	185
Government Grants	76	106
Other Income	219	143
Total	**631**	**434**
Less Expenditure		
Personnel Costs	521	615
Consultancy	27	14
Depreciation	30	31
Other	1,150	961
Total	**1,728**	**1,621**
Total (Deficit) recognised for period	**(1,097)**	**(1,187)**
Internal Recoveries	0	87
Less Internal Charges	0	(362)
	0	(275)
Net Transfers (to)/from Special Funds	29	12
Net Operating (Deficit)	**(1,068)**	**(1,450)**
Capital Expenditure	(74)	(5)
Loan Principal Receipts	0	0
Loan Principal Repayments	0	0
Net (Deficit)	**(1,142)**	**(1,455)**
(after internal transfers and capital expenditure)		
Net Cost by Activity		
Welfare - Catholic Social Services	(207)	(225)
Governance	(92)	(322)
Pastoral Initiatives	(396)	(522)
Bishop's Conference	(383)	(376)
Catholic Shop	10	3
Tribunal	0	(8)
Total Net (Cost)	**(1,068)**	**(1,450)**

Statement of Cost of Services
Overhead Activities

For the Year Ended 30 June 2023
(Unaudited

	2023 Actual (unaudited) '000	2022 Actual (unaudited) '000
Operating Income		
Grants and Donations	1,721	4,037
Allocations	526	481
Investment Income	1,932	1,132
Share of Surplus of Associate	500	450
Maryville Courts Trust Distributions	0	14,798
Other Income	4816	2,896
Total	**9,495**	**23,794**
Less Expenditure		
Personnel Costs	1,849	1,957
Consultancy	1,096	1,458
Depreciation	403	354
Capital Work in Progress Impairment	2,538	0
Rebuild Costs	4,632	5,080
Finance Costs	0	15
Other	1,517	1,559
Total	**12,035**	**10,423**
Net Operating Surplus	**(2,540)**	**13,371**
Non Operating Revenue	0	0
Total Surplus recognised for period	**(2,540)**	**13,371**
Internal Recoveries	356	1,584
Less Internal Charges	(300)	(835)
	56	749
Net Transfers (to)/from Special Funds	2,614	904
Net Operating Surplus	**130**	**15,024**
Capital Expenditure (Incl Marian College)	(20,321)	(11,245)
Loan Principal Receipts	17,807	-
Loan Principal Repayments	0	-
Net Surplus	**(2,384)**	**3,779**
(after internal transfers and capital expenditure)		
Net Cost by Activity		
Diocesan General Manager	(376)	0
Cathedral House Building	(390)	0
Other Diocesan Properties	(557)	(742)
Administration	(871)	(35)
Insurance	53	0
Other Income	580	4,878
Investment Income	1,208	(121)
Rebuild & Recovery	482	11,044
Fundraising	1	(1)
Total Net Surplus	**130**	**15,024**

THE ATTACHED NOTES FORM PART OF AND SHOULD BE
READ IN CONJUNCTION WITH THESE FINANCIAL STATEMENTS.