The Roman Catholic Diocese of Christchurch

Diocesan Trust

ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2024

CATHOLIC DIOCESE OF CHRISTCHURCH

TE TAKIWĀ Ō TE PĪHOPA

Contents

Additional Information

Directory

Bishop	Most Reverend Michael Gielen DD
College of Consultors	Reverend Simon Eccleton Reverend Peter Head SM Reverend Rick Loughnan Reverend Chris Orr - from 15 February 2024 Reverend Michael Therese Scheerger CSJ Reverend Job Thyikalamuriyil
Diocesan Finance Council	Most Reverend Michael Gielen DD Michael Wilkes - Chair Geoff Bailey - retired 26 June 2024 Jemma Brunton - appointed 16 November 2023 Robert Farrell - appointed 16 August 2023 Kristy O'Connor - resigned 16 August 2023 Sara O'Connor - resigned 1 October 2023 Chris Pemberton – appointed 11 July 2024 Rebecca Sparrow - appointed 6 October 2023 Cedreece Tamagushiku

Executive Directory

Senior Leadership Team

Diocesan General Manager	Simon Thompson
Catholic Education Office	Mike Nolan
Catholic Social Services	Luis Arevalo
Finance & Support Services	Janice Rennell
Pastoral Office	Mike Stopforth
Property Development	Tony Sewell
Communications	Gavin Abraham
Fundraising	Damian Powick
Transition Facilitator	Siobhan Bergin

Auditor

Ernst & Young
93 Cambridge Terrace
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

391 Moorhouse Ave
Christchurch

Statement of Financial Position

As at 30 June 2024

	Notes	30 June 2024 '000	30 June 2023 '000
Current Assets			
Cash and Cash Equivalents		**4,967**	5,111
Trade and Other Receivables	5	**2,804**	3,071
Inventories	7	**7,451**	7,703
Financial Assets	8	**18,066**	18,418
Property Intended for Sale	9	**5,643**	0
Total Current Assets		**38,931**	**34,303**
Non Current Assets			
Long Term Receivables	5	**1,991**	2,055
Investment in Associate	21	**2,943**	2,856
Investment in a Joint Venture	22	**5,500**	5,500
Financial Assets	8	**4,553**	4,117
Property, Plant and Equipment	9	**276,678**	264,882
Intangible Assets	10	**66**	10
Total Non Current Assets		**291,731**	**279,420**
Current Liabilities			
Trade and other Payables	11	**2,063**	3,666
Provision for Rebuild Costs	12	**365**	32
Income in Advance		**923**	826
Borrowings	13	**602**	373
Total Current Liabilities		**3,953**	**4,897**
Non Current Liabilities	13	**27,816**	**23,504**
Net Assets		**298,893**	**285,322**
Total Equity	14	**298,893**	**285,322**

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.

Bishop Michael Gielen
Catholic Bishop of Christchurch
Roman Catholic Diocese of Christchurch
23 October 2024

Statement of Changes in Net Assets/Equity

For the Year Ended 30 June 2024

	Notes	2024 Actual '000	2023 Actual '000
Opening Equity		**285,322**	**284,675**
Net Operating Surplus for the Period		**1,443**	**715**
Fair Value through Equity Reserve			
Balance at 1 July		947	1,015
Realised (Gains) taken to Statement of Comprehensive Revenue & Expense (Disposal)		(325)	(26)
Realised Losses taken to Statement of Comprehensive Revenue & Expense (Disposal)		18	70
Unrealised Valuation Gains/(Losses)		661	(112)
Balance at 30 June		1,301	947
Movement in Other Comprehensive Revenue and Expenditure		**354**	**(68)**
Total Comprehensive Revenue for the Period		**1,797**	**647**
		287,119	
Transfer ownership Catholic Cathedral Land & Buildings	9	11,774	
Closing Equity	14	**298,893**	**285,322**

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 2024

	Notes	2024 Actual '000	2023 Actual '000
Operating Revenue			
Grants and Donations		3,706	2,203
Allocations		572	526
Government Grants	17	8,152	8,720
Investment Income		1,434	1,932
Share of Surplus of Associate	21	687	500
Other Income	18	10,917	9,963
Total	16	**25,468**	**23,844**
Less Expenditure			
Employee Benefits & Expenses		4,170	4,335
Consultancy		3,049	1,866
Depreciation & Amortisation		3,512	2,964
School Maintenance		79	50
Finance Costs		1,228	185
Capital Work in Progress Impairment		0	2,538
Rebuild Costs		3,234	4,632
Other Expenses		8,753	6,559
Total		**24,025**	**23,129**
Total Surplus recognised for the period	20	**1,443**	**715**
Other Comprehensive Revenue and Expense			
Unrealised Gains/(losses) Reserve on Shares		205	(38)
Unrealised Gains/(losses) Reserve on Bonds		149	(30)
Total Other Comprehensive Revenue and (Expense)		**354**	**(68)**
Total Comprehensive Revenue and (Expense)		**1,797**	**647**

Statement of Cash Flows

For the Year Ended 30 June 2024

	Note	2024 '000	2023 '000
Cash Flows From Operating Activities			
Cash was provided from:			
Grants and Donations Received		3,636	2,271
Allocations Received		572	526
Government Grants Received		8,238	8,515
Interest Investment Income Received		770	1,734
Dividend Investment Income Received		759	752
Other Income Received		11,284	10,800
		25,259	24,598
Cash was applied to:			
Payments to employees and suppliers		18,511	17,871
Interest Paid		1,228	185
		19,739	18,056
Net Cash Flows From Operating Activities	20	**5,520**	**6,542**
Cash Flows From Investing Activities			
Cash was provided from:			
Property, Plant & Equipment Sold		122	0
Decrease in Investments		6,100	13,226
		6,222	13,226
Cash was applied to:			
Acquisition of Property, Plant & Equipment		10,597	30,766
Increase in Investments		5,830	7,844
		16,427	38,610
Net Cash Flows Used in Investing Activities		**(10,205)**	**(25,384)**
Cash Flows From Financing Activities			
Cash was provided from:			
Receipt of Borrowings and Loans		5,805	18,607
		5,805	18,607
Cash was applied to:			
Repayment of Borrowings and Loans		1,264	233
		1,264	233
Net Cash Flows From Financing Activities		**4,541**	**18,374**
Net Increase (Decrease) in Cash Funds		**(144)**	**(468)**
Cash balance as at 01 July 2023		**5,111**	**5,579**
Cash balance as at 30 June 2024		**4,967**	**5,111**
This total is recorded in the financial statements as:			
Cash and Cash Equivalents		4,967	5,111

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

Statement of Service Performance 2024

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	56 workshops were delivered throughout the year
	Organise and host the Ablaze Conference targeting 300 attendees	The Ablaze Conference was not held during the year due to a change in focus to the Year of Prayer, with a conference held in July 2024
Supporting those in hospital and in prison	2,000 pastoral encounters by Hospital Chaplains	1,530 pastoral encounters occurred during the year by Hospital Chaplains
	600 personal pastoral meetings and 130 group programmes by Prison Chaplains	483 personal pastoral encounters occurred and 222 group programmes were completed during the year by Prison Chaplains
Keeping those within our Diocese safe	Deliver a safeguarding workshop in each of our 18 parishes, targeting 200 attendees	Safeguarding workshops have been delivered to 10 parishes, with 700 people attending both in person and online.
	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
Provide relevant and targeted Catholic Special Character leadership support in schools throughout the Diocese of Christchurch	Develop a Moodle site for a new Catholic School Leadership course (*Leading for Mission*) for those considering a move into Catholic leadership roles; and deliver our first *Leading for Mission* course to 7 potential Catholic school leaders	The Moodle site was developed, and the *Leading for Mission* course had 7 participants successfully complete the course
Provide a safe, comfortable, heathy environment in which to educate	Complete the Ministry of Education funded Essential Property Maintenance Programme (EPMP) and continue the implementation of the diocesan 12-Year Property Programme (12YPP)	All EPMP projects at 31 schools were completed six months ahead of the Ministry of Education's deadline. Major projects included the completion of the new replacement school for Marian College (at Lydia Street), the commencement of construction for replacement classroom blocks at Sacred Heart School (Timaru) and St Mary's School (Hokitika).
	To maintain Catholic School Roll numbers	▪ Primary School Roll is 4,824, an increase of 4.3% ▪ Secondary School Roll is 3,973, an increase of 2.4% ▪ Total Roll number 8,797
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	During the year the focus and strategy for Youth Ministry changed to the Catholic Schools Youth Ministry International (CSYMI) model resulting in less events being run by the diocese. 17 training events were held during the year with 120 young people attending
	Deliver 73 youth events during the year with 3,300 participants	41 youth events occurred during the year with 1,565 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.

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	2,421 face to face counselling hours were provided during the year
	Increase outreach through 500 new client referrals	CSS outreach was increased with 987 new client referrals
	Deliver 10 courses with 60 attendees	10 courses with 54 attendees were delivered during the year

Notes to and Forming Part of the Financial Statements

for the Year Ended 30 June 2024

1. Corporate Information

These financial statements of the Roman Catholic Diocese of Christchurch Diocesan Trust (the "Diocese") for the year ended 30 June 2024 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 23 October 2024. 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
- The 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 (FVOCRE)'. Movements in fair value of Financial Assets at FVOCRE 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 2024 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 Diocese uses a provision matrix to calculate Estimated Credit Losses (ECLs) for financial assets at FVOCRE. For bonds, the provision rates are based on the probability of default over the next 12 months for each Standard & Poor's (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's historical observed default rates. The Diocese calibrates 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, Inland Revenue (IR) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from IR, 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 Solely Payments of Principal and Interest (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 the 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
- 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. There have been no changes in depreciation rates during the year.

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 but 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 anticipates 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. There have been no changes in the amortisation rate during the year.

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 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

There have been no changes in accounting policy in 2024. In 2023 changes due to the application of new PBE Standards were applied:

- PBE IPSAS 41 Financial Instruments
- PBE FRS 48 Service Performance Reporting

5. Trade and Other Receivables

	2024 '000	2023 '000
Trade & Other Debtors	4,857	4,802
(less Provision for Impairment of Debtors)	(487)	(403)
Interest Receivable	158	154
GST Receivable	267	573
Total	4,795	5,126
Less Non - Current Portion	(1,991)	(2,055)
Total Current Trade and Other Receivables	**2,804**	**3,071**

All trade and other receivables relate to exchange transactions.

6. Provision for Impairment of Debtors

	2024 '000	2023 '000
As at 1 July	403	325
Arising during the year	235	102
Released during the year	0	(24)
Used during the year	(151)	0
As at 30 June	**487**	**403**

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

	2024 '000	2023 '000
Shop Inventory	21	23
Subdivision Land	7,430	7,680
Total Inventory	**7,451**	**7,703**

8. Financial Assets

	2024 '000	2023 '000
Catholic Development Fund Deposits	8,187	8,447
Bonds & Notes	4,581	4,216
Bank Deposits & Finance Company Deposits	3,000	3,000
Offshore Bond Fund - listed	827	792
Shares - listed	6,024	6,080
Total	22,619	22,535
Less Current Portion	(18,066)	(18,418)
Total Non-Current Investments	**4,553**	**4,117**

9. Property Plant & Equipment

30 June 2024	Opening Cost '000	Additions & Reclassify '000	Disposals & Reclassify* '000	Closing Cost '000	Current Yr Depn '000	Closing Accum Depn '000	Closing Book Value '000
Land	111,503	4,950	5,642	110,811	0	0	110,811
Land *(Work in Progress)*	0	301	0	301	0	0	301
Buildings	24,683	43,402	669	67,416	929	5,730	61,686
Buildings *(Work in Progress)*	32,645	5,378	36,500	1,523	0	0	1,523
Furniture & Equipment	1,601	13	147	1,467	118	1,312	155
Motor Vehicles	548	0	47	501	33	419	82
School Improvements	118,051	9,668	0	127,719	2,426	28,433	99,286
School Improvements *(Work in progress)*	8,426	4,076	9,668	2,834	0	0	2,834
Total	**297,457**	**67,788**	**52,673**	**312,572**	**3,506**	**35,894**	**276,678**
Property Intended for Sale	**0**	**5,643**	**0**	**5,643**	**0**	**0**	**5,643**

30 June 2023	Cost '000	Current Yr Depn '000	Closing Accum Depn '000	Closing Book Value '000
Land	111,503	0	0	111,503
Buildings	24,683	493	4,876	19,807
Buildings *(Work in Progress)*	32,645	0	0	32,645
Furniture & Equipment	1,601	145	1,265	336
Motor Vehicles	548	47	435	113
School Improvements	118,051	2,272	25,999	92,052
School Improvements *(Work in progress)*	8,426	0	0	8,426
Total	**297,457**	**2,957**	**32,575**	**264,882**

Interest on borrowings amounting to $995,815 has been capitalised to Buildings (Work in Progress), (2023: $669,645)

* During the year a third party exercised its option to purchase a portion of land valued at $5,643,000. This has been reclassified to Property Intended for sale.

During the year the ownership of Catholic Cathedral College was formally transferred to the Bishop. Land ($4,950,000) and Buildings ($6,824,000) are included in the additions figures in the table above.

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 2024	'000	'000	'000	'000	'000	'000	'000
Software	231	65	0	296	10	230	66
	231	**65**	**0**	**296**	**10**	**230**	**66**
30 June 2023							
Software	239	7	15	231	7	221	10
	239	**7**	15	**231**	**7**	**221**	**10**

11. Trade and Other Payables

	2024	2023
	'000	'000
Creditors & Accruals	1,667	3,293
Employee Entitlements	292	333
Other Current Liabilities	104	40
Total	**2,063**	**3,666**

Trade and other payables relate to exchange transactions.

12. Provision for Rebuild Costs

	2024	2023
	'000	'000
As at 1 July	32	292
Arising during the year	365	0
Released during the year	(32)	0
Used during the year	0	(260)
As at 30 June	**365**	**32**

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 completed by 30 June 2025.

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 ($4,525,000 at 7.0% and 7.5% interest).

ANZ Loan facility is for the development of Marian College. The term of this facility will end on 10 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. The loan is secured by a first charge over certain Diocesan land & buildings, and a $3,000,000 term deposit (refer note 8).

	2024	2023
	'000	'000
Other Loans	4,525	3,682
ANZ Loan	23,893	20,195
Less Current Portion	(602)	(373)
Total Non-Current Liabilities	**27,816**	**23,504**

The Diocese is a member of the Catholic Schools' National Attendance Dues and Capital Indebtedness Sharing Scheme - Te Puna Waihanga (TPW) - 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.

	2024	2023
	'000	'000
Equity		
General Equity	274,804	263,809
Special Purpose Funds	22,788	20,566
Unrealised Gains Reserves	1,301	947
Total Equity	298,893	**285,322**
Special Purpose Funds		
Education - Diocesan School Capital & Maintenance Programme	6,238	3,199
Education - Attendance Dues	(63)	(381)
Education - General	1,135	1,073
Education - Dallington School	193	177
Youth	359	336
Youth & Education	199	187
Catholic Social Services	1,094	1,053
Pastoral - Missionary	824	742
Pastoral - Ongoing Formation, Education & Seminary	1,659	1,606
Aged Care	1,662	1,547
Bishop's Capital Health Fund *(90% Income distributed to Clergy Trust Fund)*	254	251
CCJP	11	11
Darfield Parish *(Income distributed to Darfield Parish)*	102	102
Capital Programme Reserves	9,121	10,663
Total Special Purpose Funds	22,788	**20,566**
Unrealised Gains Reserves		
Unrealised Gains Reserve on Shares		
Opening Balance	1,173	1,211
Movement during the year	205	(38)
Closing Balance	1,378	**1,173**
Unrealised Gains Reserve on Bonds		
Opening Balance	(177)	(147)
Movement during the year	149	(30)
Closing Balance	(28)	**(177)**
Unrealised Gains/ Losses Reserve on CDF		
Opening Balance	(49)	(49)
Movement during the year	0	0
Closing Balance	(49)	**(49)**
Total Unrealised Gains Reserves	**1,301**	**947**

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 2024	Cash & Cash Equivalents	Trade & Other Receivables	Other Financial Assets	Total Financial Assets
Financial Assets at Amortised Cost	4,967	4,795	0	9,762
Financial Assets at FVOCRE - (Term Deposits)			11,187	11,187
Financial Assets at FVOCRE - (Debt & Equity)	0	0	11,432	11,432
Total Financial Assets	**4,967**	**4,795**	**22,619**	**32,381**

		Trade & Other Payables	Borrowings	Total Financial Liabilities
Financial Liabilities at Amortised Cost		2,428	28,418	30,846
Total Financial Liabilities		**2,428**	**28,418**	**30,846**
Net Exposure	**4,976**	**2,367**	**(5,799)**	**1,535**

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**

16. Revenue

Revenue from Non-exchange Transactions

	2024 '000	2023 '000
Grants and Donations	3,706	2,203
Allocations	572	526
Government Grants	8,152	8,720
Total	**12,430**	**11,449**

Revenue from Exchange Transactions

	2024 '000	2023 '000
Gain on Realisation of Investments	325	1,014
Interest Income	950	692
Dividend Income	159	226
Share of Surplus of Associate	687	500
Other Income (note 18)	10,917	9,963
Total	**12,647**	**12,395**
Total revenue from both Non-exchange and Exchange transactions	**25,468**	**23,844**

Grants and donations include Lotteries grants of $nil (2024 and $200,000 (2023) (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.

18. Other Income

	2024 '000	2023 '000
Education (Attendance Dues, Special Character Contributions & Foreign Fee Paying Students)	6,101	4,572
Catholic Shop Sales	193	161
Subdivision Sales	795	122
Gain on Sales	10	139
Rebuild Income (Refer comment below)	2,363	4,688
Other Income	1,455	281
Total	**10,917**	**9,963**

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

	2024 '000	2023 '000
After Charging:		
Auditor's Fees - Audit Fees	89	77
Auditor's Fees - Audit Fees – prior year under accrued	9	0
Auditor's Fees - Other Services	6	6
Employee Benefits and Expenses	4,170	4,335
Donations Expense	43	334
Interest Expense	1,228	185
Lease Expense	452	501
Provision for Doubtful Debts	235	78
Bad Debts Written Off	151	46
Loss on Assets	306	0
Loss on Investments	18	341

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

	2024 '000	2023 '000
Net Surplus	1,443	715
Add/(Less) Non Cash Items:		
Depreciation and Amortisation	3,512	2,964
(Gain)/Loss on Sale of Asset	370	(139)
Asset/Capital Work in Progress Impairment	0	2,531
Change in CDF Equity	(87)	76
	5,238	**6,147**
Movements in Other Working Capital Items:		
Decrease/(Increase) in Receivables	331	933
Decrease/(Increase) in Inventory	252	(412)
(Decrease)/Increase in Accounts Payable & Provisions	(1,270)	(916)
(Decrease)/Increase in Income in Advance	97	(149)
	(590)	**(544)**
Plus/ (Less) Fixed Assets in Accounts Payable	872	939
	872	**939**
Net Cash Flow from Operating Activities	**5,520**	**6,542**

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.

	2024 '000	2023 '000
Catholic Development Fund		
CDF Surplus for the year ended 31 March	383	386
CDF Distribution to Diocese for the year ended 31 March	500	450
CDF's Other Comprehensive Income for the year ended 31 March	276	(56)
Diocese Investment in CDF		
Opening Carrying Amount at 30 June	2,856	2,932
Closing Carrying Amount at 30 June	2,943	2,856
CDF Distribution received during the year:		
Final Distribution for the year ended 30 June	600	500
Total Distribution Received	**600**	**500**

22. Joint Venture Investment

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

	2024 '000	2023 '000
Carrying amount of investment in the Diocese's financial statements	5,500	5,500

23. Related Party Transactions

Notes 21 and 22 provide details about the Diocese investments in an 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 $600,000 in 2024 (2023: $500,000) (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 2024 the Diocese contributed $20,000 of working capital to Jason Sumner Limited (2023: $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 2024, the Diocese has not recorded any impairment of receivables relating to amounts owed by related parties (2023: 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:

	2024		**2023**	
	Number	'000 Remuneration	Number	'000 Remuneration
Diocesan Finance Council (volunteers)	6	0	6	0
	FTE	Salary	FTE	Salary
Senior Leadership Team	8.3	1,311	8.4	1,242

There was no other remuneration, compensation, transactions or loans (including to close family members) in the year. (2023: nil).

25. Commitments

As at 30 June there are commitments for the following:

	2024 '000	2023 '000
Capital Commitments		
School Improvements	2,568	6,083
Other	113	2,185
Total Capital Commitments	**2,681**	**8,268**

Lease Commitments		
Within one year	172	343
Two to five years	296	468
Five years plus	433	518
Total Lease Commitments	**901**	**1,329**

The Diocese has entered into a long term lease arrangements for certain school land, and the Catholic Social Services building. The leases have remaining terms ranging from 1 to 14 years.

26. Contingent Liabilities and Contingent Assets

The Catholic Diocese of Christchurch participated 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 considered 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.

Whanaketia, the final report of the Royal Commission, was tabled in July 2024, documenting a further series of recommendations and confirming previous recommendations. No further information has been provided regarding the redress system scheme. Details of the 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 run in a number of Parishes throughout the Diocese. Total pledges to August 2024, including amounts to be received over the next 10 years, amount to $28.7m of which $11.844m 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 2024, 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 2024 and its financial performance and cash flows for the year then ended
- the service performance for the year ended 30 June 2024 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 trustee determines 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 intends to liquidate the Diocesan Trust or cease operations, or has 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
23 October 2024

Additional Information

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

For the Year Ended 30 June 2024
(Unaudited)

	2024 Actual (unaudited) '000	2023 Actual (unaudited) '000
Operating Income		
Grants and Donations	167	88
Other Income	236	146
Total	**403**	**234**
Less Expenditure		
Personnel Costs	851	953
Consultancy	41	77
Depreciation	21	46
Other	405	452
Total	**1,318**	**1,528**
Total (Deficit) recognised for period	**(915)**	**(1,294)**
Internal Recoveries	0	1
Less Internal Charges	0	0
	0	1
Net Transfers (to)/from Special Funds	55	192
Net Operating (Deficit)	**(860)**	**(1,101)**
Capital Expenditure	(66)	(67)
Net (Deficit)	**(926)**	**(1,168)**
(after internal transfers and capital expenditure)		
Net Cost by Activity		
Bishop's Pastoral Office	(85)	(520)
Safeguarding	(456)	1
Evangelisation	(7)	(8)
Sacramental Programmes	(2)	(1)
Perpetual Adoration	(8)	(7)
Archives	(4)	(15)
Communication	(202)	(348)
Chaplaincy	(124)	(123)
Priestly Formation	27	(52)
Cathedral	0	(26)
Cathedral Music	1	(2)
Total Net (Cost)	**(860)**	**(1,101)**

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

For the Year Ended 30 June 2024

(Unaudited)

	2024 Actual (unaudited) '000	2023 Actual (unaudited) '000
Operating Income		
Grants and Donations	12	58
Government Grants	8,152	8,644
Other Income	6,180	4,782
Total	**14,344**	**13,484**
Less Expenditure		
Personnel Costs	792	1,012
Consultancy	396	666
Depreciation	3,041	2,485
School Maintenance	79	50
Finance Costs	1,205	185
Other	4,417	3,440
Total	**9,930**	**7,838**
Total Surplus recognised for period	**4,414**	**5,646**
Internal Recoveries	675	613
Less Internal Charges	(743)	(670)
	(68)	(57)
Net Transfers (to)/from Special Funds	(3,001)	12
Net Operating Surplus	**1,345**	**5,601**
Capital Expenditure - Diocesan Schools, excl Marian College	(3,999)	(8,234)
Capital Expenditure - Other	0	0
Total Capital Expenditure	(3,999)	(8,234)
Loan Principal Receipts	0	800
Loan Principal Repayments	(292)	(233)
Net (Deficit)	**(2,946)**	**(2,066)**
(after internal transfers and capital expenditure)		
Net Cost by Activity		
Catholic Education Office	426	305
Attendance Dues	104	691
Diocesan Schools	973	4,988
Youth and Young People	(158)	(383)
CCJP	0	0
Total Net Surplus	**1,345**	**5,601**

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

For the Year Ended 30 June 2024
(Unaudited)

	2024 Actual (unaudited) '000	2023 Actual (unaudited) '000
Operating Income		
Grants and Donations	317	336
Government Grants	0	76
Other Income	210	219
Total	**527**	**631**
Less Expenditure		
Personnel Costs	660	521
Consultancy	74	27
Depreciation	31	30
Other	1,203	1,150
Total	**1,968**	**1,728**
Total (Deficit) recognised for period	**(1,441)**	**(1,097)**
Internal Recoveries	0	0
Less Internal Charges	0	0
	0	0
Net Transfers (to)/from Special Funds	84	29
Net Operating (Deficit)	**(1,357)**	**(1,068)**
Capital Expenditure	(5)	(74)
Loan Principal Receipts	0	0
Loan Principal Repayments	0	0
Net (Deficit)	**(1,362)**	**(1,142)**
(after internal transfers and capital expenditure)		
Net Cost by Activity		
Welfare - Catholic Social Services	(441)	(207)
Governance	(110)	(92)
Pastoral Initiatives	(441)	(396)
Bishop's Conference	(386)	(383)
Catholic Shop	21	10
Tribunal	0	0
Total Net (Cost)	**(1,357)**	**(1,068)**

Statement of Cost of Services
Overhead Activities

For the Year Ended 30 June 2024
(Unaudited)

	2024 Actual (unaudited) '000	2023 Actual (unaudited) '000
Operating Income		
Grants and Donations	3,210	1,721
Allocations	572	526
Investment Income	1,621	1,932
Share of Surplus of Associate	500	500
Other Income	4291	4,816
Total	**10,194**	**9,495**
Less Expenditure		
Personnel Costs	1,867	1,849
Consultancy	2,552	1,096
Depreciation	419	403
Capital Work in Progress Impairment	0	2,538
Rebuild Costs	3,234	4,632
Finance Costs	23	0
Other	2,728	1,517
Total	**10,823**	**12,035**
Net Operating Surplus	**(629)**	**(2,540)**
Non Operating Revenue	0	0
Total Surplus recognised for period	**(629)**	**(2,540)**
Internal Recoveries	285	356
Less Internal Charges	(217)	(300)
	68	56
Net Transfers (to)/from Special Funds	639	2,614
Net Operating Surplus	**78**	**130**
Capital Expenditure (Incl Marian College)	(5,984)	(20,321)
Loan Principal Receipts	4,805	17,807
Loan Principal Repayments	(8)	-
Net Surplus (Deficit)	**(1,109)**	**(2,384)**
(after internal transfers and capital expenditure)		
Net Cost by Activity		
Diocesan General Manager	(519)	(376)
Cathedral House Building	(956)	(390)
Other Diocesan Properties	3	(557)
Administration	(972)	(871)
Insurance	26	53
Other Income	2,268	580
Investment Income	1,049	1,208
Rebuild & Recovery	(887)	482
Fundraising	66	1
Total Net Surplus	**78**	**130**

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