

The Roman Catholic Archdiocese of Wellington

Financial Statements

For the year ended 31 March 2015

The Roman Catholic Archdiocese of Wellington

Financial Statements - Contents

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INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF ADMINISTRATION OF THE ROMAN CATHOLIC ARCHDIOCESE OF WELLINGTON ("ADW")

Report on the Consolidated and Separate Financial Statements

We have audited the accompanying consolidated and separate financial statements of the Roman Catholic Archdiocese of Wellington and its subsidiaries ('the Group') on pages 3 to 33, which comprise the consolidated and separate statements of financial position as at 31 March 2015, and the consolidated and separate statements of comprehensive income, statements of changes in accumulated funds and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Board of Administration. Our audit has been undertaken so that we might state to the Board of Administration 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 Board of Administration, for our audit work, for this report, or for the opinions we have formed.

Board of Administration's Responsibility for the Consolidated and Separate Financial Statements

The Board of Administration is responsible for the preparation of consolidated and separate financial statements, in accordance with New Zealand Equivalents to International Financial Reporting Standards for Public Benefit Entities and generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate, and for such internal control as the Board of Administration determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

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

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

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

Other than in our capacity as auditor, we have no relationship with or interests in ADW or any of its subsidiaries.

Opinion

In our opinion, the consolidated and separate financial statements on pages 3 to 33:

- comply with New Zealand Equivalents to International Financial Reporting Standards for Public Benefit Entities and generally accepted accounting practice in New Zealand;
- give a true and fair view of the financial position of Roman Catholic Archdiocese of Wellington and its subsidiaries as at 31 March 2015, and their financial performance and their cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

We also report in accordance with section 16 of the Financial Reporting Act 1993. In relation to our audit of the consolidated and separate financial statements for the year ended 31 March 2015:

- we have obtained all the information and explanations we have required; and
- in our opinion proper accounting records have been kept by the Group as far as appears from our examination of those records.



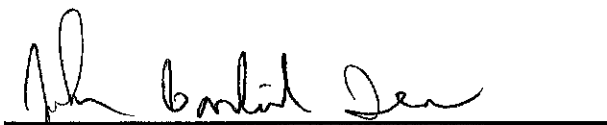
Chartered Accountants
31 July 2015
Wellington, New Zealand

The Roman Catholic Archdiocese of Wellington

Statement of Comprehensive Income For the year ended 31 March 2015

	Notes	Group 2015 \$000	2014 \$000	Parent 2015 \$000	2014 \$000
INCOME FROM OPERATIONS					
Archdiocese levies		1,384	863	1,384	863
Bequests and donations		2,097	463	2,097	463
Other grants and subsidies		670	282	670	282
Carpark revenue		619	623	619	623
Interest income		413	212	413	232
School operations income	1	8,771	11,595	8,771	11,595
Other revenue	2	1,129	1,081	944	919
Operating Income		15,083	15,119	14,898	14,977
FINANCING OPERATIONS					
Loans and term deposit interest		1,128	906	993	805
Other financing income		-	-	22	33
Total financing income		1,128	906	1,015	838
Interest expense		1,270	1,070	1,270	1,070
Net financing surplus/(deficit)	3	(142)	(164)	(255)	(232)
Total Operating and Financing Income		14,941	14,955	14,643	14,745
Expenditure	4	12,529	14,635	12,804	14,780
Net surplus before other operational income		2,412	320	1,839	(35)
OTHER MOVEMENTS					
Movement in fair value of investments		625	414	625	414
Movement in fair value of investment properties	14	843	471	473	396
Total other movements		1,468	885	1,098	810
SURPLUS/(DEFICIT) FOR THE YEAR		3,880	1,205	2,937	775
Other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		3,880	1,205	2,937	775

The Archdiocesan Board of Administration, advisory board to the Roman Catholic Archbishop of the Roman Catholic Archdiocese of Wellington, a corporation sole, recommended that the financial statements for the year ended 31 March 2015 be approved by the Archbishop and he so approved.



John A Dew
Archbishop, Archdiocese of Wellington

Date: 30th July 2015

The Roman Catholic Archdiocese of Wellington

Statement of Financial Position

As at 31 March 2015

AS at 31 March 2015

	Notes	Group		Parent	
		2015 \$000	2014 \$000	2015 \$000	2014 \$000
ASSETS					
Current					
Cash and cash equivalents	6	2,815	582	2,815	581
Other assets	30	146	-	146	-
Bank term deposits	7	13,193	20,927	13,193	20,927
Trade debtors and other receivables	8	3,997	310	3,997	331
Prepayments		244	115	244	115
CDF loan assets - current	9	87	83	437	563
CSBL Proprietors' Accounts	10	62	-	62	-
Catholic Education Trust Fund - current	11	752	693	752	693
Investments	12	7,985	7,353	7,985	7,353
Total current assets		29,281	30,063	29,631	30,563
Non-current					
Property, plant and equipment	13	131,587	130,818	131,587	130,818
Investment properties	14	13,435	12,592	9,355	8,882
Catholic Education Trust Fund - non current	11	6,408	6,907	6,408	6,907
CDF loan assets - non current	9	2,194	1,992	404	174
Total non-current assets		153,624	152,309	147,754	146,781
TOTAL ASSETS		182,905	182,372	177,385	177,344
LIABILITIES					
Current					
Bank overdraft	6	962	812	962	812
Trade creditors and other payables	15	1,494	926	1,464	895
Deferred income	16	2,988	59	2,988	59
Funds held in Trust	12	1,373	2,596	6,257	7,032
CDF depositor balances - call accounts		1,190	1,063	1,194	1,065
CDF depositor balances - other current balances		15,617	21,910	15,617	21,910
CSBL Proprietors Accounts	10	-	2,101	-	2,101
Total current liabilities		23,624	29,467	28,482	33,874
Non-current					
CDF depositor balances - non current balances		2,917	421	2,917	421
Total non-current liabilities		2,917	421	2,917	421
TOTAL LIABILITIES		26,541	29,888	31,399	34,295
NET ASSETS		156,364	152,484	145,986	143,049
ACCUMULATED FUNDS					
General Equity Reserves	18	146,917	144,078	141,026	138,682
National Commitments Reserve	19	459	422	459	422
Support of Bishops Reserve	20	171	231	171	231
Special Character Fund Reserve	21	644	662	644	662
Unexpended Trust Funds Reserve	22	5,168	5,260	1,236	1,764
Trust Fund Obligations Reserve	23	1,598	1,831	1,043	1,288
Attendance Dues Collection Fund Reserve	24	1,407	-	1,407	-
TOTAL ACCUMULATED FUNDS		156,364	152,484	145,986	143,049

These financial statements should be read in conjunction with the notes to the financial statements.

The Roman Catholic Archdiocese of Wellington

Statement of Changes in Accumulated Funds For the year ended 31 March 2015

	Notes	Group		Parent	
		2015	2014	2015	2014
		\$000	\$000	\$000	\$000
ACCUMULATED FUNDS					
Opening balance		152,484	151,279	143,049	142,274
Surplus/(deficit) for the year		3,880	1,205	2,937	775
Other comprehensive income		-	-	-	-
Total comprehensive income		3,880	1,205	2,937	775
CLOSING ACCUMULATED FUNDS		156,364	152,484	145,986	143,049

The Roman Catholic Archdiocese of Wellington

Statement of Cash Flows

For the year ended 31 March 2015

	Notes	Group		Parent	
		2015	2014	2015	2014
		\$000	\$000	\$000	\$000
Cash flow from operating activities					
<i>Cash was provided from:</i>					
Archdiocesan levies		1,385	851	1,385	851
Grants & subsidies		615	296	615	296
Carpark revenue		619	629	619	629
School operations revenue		5,275	1,408	5,275	1,408
Interest on loans and term deposits		1,117	906	1,005	838
Other income		3,277	2,079	3,112	1,891
Dividends		-	-	-	150
Dissolution of CSBL		4,545	-	4,545	-
Total cash inflow		16,833	6,169	16,556	6,063
<i>Cash was applied to:</i>					
Movement in CDF Depositor balances		(3,671)	(6,124)	(3,669)	(6,211)
Payments to suppliers and employees		(4,323)	(4,755)	(4,604)	(4,899)
Interest expense		(1,163)	(1,072)	(1,163)	(1,070)
Total cash outflow		(9,157)	(11,951)	(9,436)	(12,180)
Net cash from/(used in) operating activities	26	7,676	(5,782)	7,120	(6,117)
Cash flow from investing activities					
<i>Cash was provided from:</i>					
Term deposit and investment withdrawals		7,734	4,503	7,734	4,721
Movement in funds on behalf of others		-	66	-	382
Total cash inflow		7,734	4,569	7,734	5,103
<i>Cash was provided from/(applied to):</i>					
Purchase of property, plant and equipment		(4,942)	(116)	(4,935)	(116)
Movement in CDF loan assets		(7,163)	(36)	(7,060)	(236)
Movement in funds on behalf of others		(1,222)	-	(775)	-
Total cash outflow		(13,327)	(152)	(12,770)	(352)
Net cash from/(used in) investing activities		(5,593)	4,417	(5,036)	4,751
Net increase/(decrease) in cash and cash equivalents		2,083	(1,365)	2,084	(1,366)
Cash and cash equivalents, beginning of the year		(230)	1,135	(231)	1,135
Cash and cash equivalents at end of the year		1,853	(230)	1,853	(231)
<i>Cash comprises of:</i>					
Cash and cash equivalents		2,815	582	2,815	581
Bank overdraft		(962)	(812)	(962)	(812)
Total cash and cash equivalents for cash flow statement		1,853	(230)	1,853	(231)

Other income is largely made up of appeals, bequests, and donation income

These financial statements should be read in conjunction with the notes to the financial statements.

The Roman Catholic Archdiocese of Wellington

Statement of Accounting Policies

Reporting entity

The Reporting Entity is John A Dew, Roman Catholic Archbishop of the Roman Catholic Archdiocese of Wellington ("ADW"), established as a corporation sole under the Roman Catholic Bishops' Empowering Act 1997.

The financial statements relate to the pastoral, charitable, educational and administrative functions of ADW. The financial statements also account for all transactions entered into by Catholic Schools Board Limited ("CSBL") as an agency of ADW for both primary and secondary schools for which the Roman Catholic Archbishop of Wellington is the proprietor. From 1 January 2015 transactions are also included for the ADW share of the ADW Attendance Dues Collection Fund ("the Fund") a new joint operation established for the collection of attendance dues on behalf of ADW and five other proprietors. Refer to note 30 for more detail on this joint operation.

The consolidated group also includes Ichthus Limited, Lambton Quay Education Trust, Mary Katherine Hyde Trust, McKillop Trust and Paul Hoskins Trust, which are for the benefit of and 100% controlled by ADW.

Ichthus Limited was established as a vehicle for the purchase and continuing ownership and administration of certain loans secured by mortgages, which were originally made by the Housing Corporation of New Zealand to the proprietors of Catholic Schools. It carries out these functions on behalf and for the benefit of the Church. ADW is the sole shareholder in Ichthus Limited.

These financial statements do not reflect the activities of parishes which are separate juridic bodies under the Code of Canon Law of the Catholic Church. ADW interests or shareholdings in national entities are not included because they are separate juridic persons such as the New Zealand Catholic Bishops Conference and Good Shepherd College, which are not under the control of ADW.

The Catholic Development Fund ("CDF") is a department of ADW. Its' purpose is to obtain deposits from parishes and other organisations of the Church to generate funds for Church developments, schools and pastoral works. In October 2014 CDF ceased raising deposits from the public and began returning all public deposits held. All such deposits are expected to be returned by 31 December 2015.

Because ADW raised deposits from the public during the reporting period it is an issuer/reporting entity as defined by the Securities Act 1978 and the Financial Markets Conduct Act 2013. The Reserve Bank of New Zealand has advised ADW that it does not consider ADW to be a non-bank deposit taker and that ADW is not subject to the Non-Bank Deposit Takers Act 2013. Under the Securities Act (Charity Debt Security) Exemption Notice 2013 ADW is exempt from the requirement to prepare and register a prospectus and to have one available for inspection by prospective clients. ADW is also exempt from having a trust deed and a supervising trustee. In accordance with the Exemption Notice ADW advised the Financial Markets Authority that ADW intended to rely upon the terms of the Exemption Notice, which expires on 30 November 2016. ADW is also considered as an issuer under the Financial Reporting Act 1993 and these financial statements comply with that Act.

Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards as appropriate for public benefit entities.

(b) Basis of measurement

The financial statements have been prepared in accordance with historical cost concepts, adjusted for the revaluation of investment properties and the fair value movement of investments.

The accrual basis of accounting has been used unless otherwise stated and the financial statements have been prepared on a going concern basis.

The Roman Catholic Archdiocese of Wellington

Statement of Accounting Policies

(c) Presentation currency

The financial statements are presented in New Zealand dollars, which is ADW's functional and presentation currency. All numbers are rounded to the nearest thousand (\$000), except where otherwise stated.

(d) Comparatives

Comparatives have been reclassified where required to ensure consistency with the current year. The 2014 Net Asset balance and Total Comprehensive Income remains consistent with that presented in the previous years authorised financial statements. Material reclassification of 2014 comparatives are further detailed in note 33.

Key areas of judgements and Estimation

The key judgements made in relation to the financial statements are the definition of the Reporting Entity, the treatment of school land and buildings and parishes.

Definition of Reporting Entity

As parishes do not have a separate legal personality, the Archbishop, as Corporation Sole established by the Empowering Act, is the legal owner of all parish assets. However, under Canon Law parishes are separate juridic persons and parish assets are part of parish patrimony, vested in the Archbishop in trust on behalf of the parish. The Empowering Act makes it clear that the Archbishop's role is one of trustee for parishes which are themselves described as trusts. The Archbishop cannot unilaterally appropriate parish assets for another purpose.

Accordingly judgement has been applied to determine that parishes and parish assets do not form part of the consolidated group of ADW. There may be circumstances that arise whereby ADW is exposed to financial risk as a result of the activities of the parish. Should such circumstances arise, they would be disclosed under contingent liabilities.

Similarly, shareholdings or interests in other separate juridic persons, (which do not constitute control) such as the New Zealand Catholic Bishops Conference are not considered to be part of the ADW group.

Primary School Land and Buildings

Unlike secondary schools, primary schools have historically been considered to be part of parish assets. However, the Private Schools Conditional Integration Act 1975 together with the related Integration Agreements brought the responsibility for the maintenance of primary school buildings, including the receipt and expenditure of associated government funding, under the proprietorship of the Archbishop. Parishes were then relieved of any financial responsibility for their school properties. The Bishops took on the responsibility for the schools including associated debt, insurance costs and collection of attendance dues. The primary school buildings are included in the consolidated financial statements of ADW.

However, while the use of primary school land has been diverted by the Integration Agreement and cannot be used by the Parish, should the land no longer be required for the purpose of the Integration Agreement then it would revert to the original owner which is the Parish. There is a benefit to the Archbishop in being able to use this land. The perpetual lease is considered akin to an operating lease, at nil cost. Therefore no value has been attributed to primary school land in these financial statements.

Parishes

The Archbishop holds parish assets in a trustee capacity. Parishes are considered to be related parties.

Impairment of buildings

All buildings owned by ADW, including school buildings, are undergoing a programme of earthquake assessment for compliance with the Building Act 2004. Based on the current information, apart from assets which have been recognised as impaired, there is no information available to suggest that other buildings are impaired.

The Roman Catholic Archdiocese of Wellington

Statement of Accounting Policies

Valuation of buildings

Estimates were used in the original valuation of school buildings when these were incorporated into the ADW consolidated financial statements as at 31 March 2010 at deemed cost, that were dependent on estimated replacement costs and estimated useful lives.

Summary of significant accounting policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of materiality, relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

(a) Basis of consolidation

The Group financial statements consolidate the financial statements of ADW and all entities over which ADW is deemed to have a controlling relationship (defined as "subsidiaries"). An entity is defined as a subsidiary when ADW is exposed, or has rights, to variable returns from its relationship with the entity and has the ability to affect those returns through its power over the entity.

The consolidation of ADW and subsidiary entities involves adding together similar types of assets, liabilities, income and expenses on a line-by-line basis. All significant intra-group balances are eliminated on consolidation of Group financial position, performance and cash flows.

(b) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

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

(c) Trade debtors and other receivables

Trade debtors and other receivables are measured at their cost less any impairment losses.

An allowance for impairment is established where there is objective evidence that ADW will not be able to collect all amounts due according to the original terms of the receivable.

(d) Trade creditors and other payables

Trade creditors and other payables are stated at cost.

(e) Property, plant and equipment

Property, plant and equipment are allocated to classes, being:

- Land
- Buildings
- Furniture and equipment

The cost model has been applied to all classes of property, plant and equipment. College buildings and college land are stated at deemed cost on transition to NZ IFRS at 1 April 2006 based on independent valuations on a depreciated replacement cost basis, less accumulated depreciation and any impairment losses. Primary school buildings were stated initially at fair value at 1 April 2009 based on independent valuations using a similar method of valuation applied to that on 1 April 2006 to the College assets and subsequently at cost less accumulated depreciation and any impairment losses. All expenditure on school buildings that results in a new classroom or facility or extends the useful life of the asset is capitalised in the year the expenditure is incurred.

The Roman Catholic Archdiocese of Wellington

Statement of Accounting Policies

The Mount Street cemetery is included at a nominal value of \$1.

Depreciation

Depreciation is calculated on a straight line basis to allocate the cost of assets, less any residual value, over estimated useful lives. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period with the effect of any changes in estimate accounted for on a prospective basis. Land is not depreciated.

The estimated useful life of school buildings is based on the estimated life of the building when it was included in ADW's financial statements and the remaining useful life of the building. Information received as a result of the programme of earthquake assessment has been taken into account when re-considering the useful life of buildings. No adjustments have been made to the useful life of school buildings this financial year. No adjustments have been made to the estimated useful life of non-school buildings.

The estimated useful lives of depreciable assets are as follows:

- Furniture and equipment 3-10 years
- Buildings, including school buildings up to 70 years

The residual value and useful life of property, plant and equipment is reassessed annually.

(f) Impairment of non financial assets

Asset carrying values are reviewed at the end of each year to determine whether there is any indication that those values have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

(g) Investment property

Investment property is primarily held to earn rental income or for capital appreciation or for both. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in the reported profit or loss.

Fair value is determined annually by external professional valuers with sufficient experience with respect to both the location and the nature of investment property and supported by market evidence.

When the use of investment property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

(h) Leased assets

Leases where the lessee assumes substantially all the risks and rewards incidental to ownership of the leased assets, are classified as finance leases. All other leases are classified as operating leases.

ADW recognises rental income on a straight line basis.

The Parent and Group holds no finance lease in the periods reported within these financial statements.

(i) Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Parent and Group accounts for joint operations by recognising its' share of the joint operation assets, liabilities, income and expenses.

The Roman Catholic Archdiocese of Wellington

Statement of Accounting Policies

(j) Financial instruments

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

Financial instruments include financial assets (cash and cash equivalents, term deposits, loans and receivables, Catholic Education Trust Fund ("CETF"), CSBL Proprietors' account, investments at fair value through profit and loss) and financial liabilities (payables, overdrafts, trust funds, depositor balances, borrowings and loans). The Parent and Group does not have any derivative financial instruments.

Initial recognition and measurement

Financial assets and financial liabilities are recognised initially at fair value plus transaction costs attributable to the acquisition, except for those carried at fair value through profit or loss, which are measured at fair value.

Financial assets and financial liabilities are recognised when the Parent and Group becomes a party to the contractual provisions of the financial instrument.

Derecognition of financial instruments

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or if the Parent or Group transfers the financial asset to another party without retaining control or substantial risks and rewards of the asset.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Subsequent measurement of financial assets

The subsequent measurement of financial assets depends on their classification. Financial assets are classified into the following specified categories: financial assets "at fair value through profit and loss", "held-to-maturity" investments, and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

All financial assets except for those classified as fair value through profit or loss are subject to review for impairment at least at each reporting date. Different criteria to determine impairment are applied to each category of financial assets, which are described below.

(i) Loans and receivables

Trade receivables, loans, Catholic Education Trust Fund, CSBL Proprietors Account and other receivables that have fixed or determinable payments that are not quoted in an active market, are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost, using the effective interest method less impairment.

(ii) Financial assets at fair value through profit and loss

Some bequest/trust funds are invested with Fund Managers within prescribed asset allocation ratios. Movements in value are reflected through profit and loss. These financial assets are designated upon initial recognition to be fair value through profit or loss, as these investments are managed and their performance is evaluated on a fair value basis in accordance with the documented investment strategy.

Trust Funds that ADW manages on behalf of third parties are reflected within the investment balances with a corresponding liability.

The Roman Catholic Archdiocese of Wellington

Statement of Accounting Policies

(iii) Held-to-maturity investments

Term deposits with banks that ADW has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective interest basis.

Subsequent measurement of financial liabilities

ADW through the CDF has obtained investment funds from individuals, trusts, parishes and other organisations of the Church and deposits these with registered banks or provides these as loans to generate funds for church development and pastoral works.

All financial liabilities other than trust funds, which are at fair value through the profit or loss, are classified as "other financial liabilities" and are initially measured at fair value, net of transaction costs and then at amortised cost.

(k) Provisions

A provision is recognised for a liability when the settlement amount or timing is uncertain; when there is a present legal or constructive obligation as a result of a past event; it is probable that expenditures will be required to settle the obligation; and a reliable estimate of the potential settlement can be made. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material. The increase in the provision due to the passage of time is recognised as an interest expense.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

(l) Employee entitlements

ADW provides for the cost of employee entitlements to annual leave under the terms of their employment contracts. These amounts are expected to be settled within one year and are recorded in current liabilities.

The obligation relating to long service leave is calculated by using the projected unit credit method and is discounted to its present value. The discount rate used is the current government bond rate at balance date.

(m) Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Parent and Group and revenue can be reliably measured. Revenue is measured at the fair value of consideration received.

Rendering of services

Revenue from services rendered is recognised in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed. Under this method, revenue is recognised in the accounting periods in which the services are provided.

Levy income

Levy income collected from parishes to fund specific activities is recognised on the accrual basis.

Bequests

Bequests are recognised as income when probate of the will has been granted, receipt of the bequest is probable and the amount of the bequest can be measured reliably, or when received.

The Roman Catholic Archdiocese of Wellington

Statement of Accounting Policies

Donations

Cash donations that are not subject to restrictions or conditions are accounted for at the time of receipt. Volunteer services are not recognised in monetary terms.

Grants, subsidies and donations subject to conditions and restrictions

Grants, subsidies and donations that are subject to restrictions, but which are not required to be returned to the donor are recognised as revenue when they are received.

Grants, subsidies and donations that are subject to conditions (i.e. binding terms imposed by an external party, such as funding for a particular activity) are recognised as revenue when the conditions associated with the terms of the grant or donation are met. If ADW is unable to comply with the terms of the grant or donation and this is a condition of keeping the grant or donation, the grant or donation is recognised as a liability until it is returned to the donor or the conditions are fulfilled.

Dividends and interest income

Dividend revenue from investments is recognised when the right to receive payment has been established. Interest revenue (loans and investments) is recognised on the effective interest rate basis, taking into account the effective yield on the financial asset.

Attendance Dues

Attendance dues are recorded on an accrual basis in the year in which ADW is entitled to receive them less provision for amounts not deemed recoverable or written off, if applicable.

(n) Income tax

Due to its charitable status, the Parent and Group is exempt from income tax.

(o) Goods and Services Tax (GST)

All amounts in these financial statements are shown exclusive of GST, except for receivables and payables that are stated inclusive of GST.

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.

Accounting Standards or interpretations not yet effective

The External Reporting Board ("XRB") has introduced a revised Accounting Standards Framework. The revised framework introduces Public Benefit Entity Accounting Standards comprising International Public Sector Accounting Standards ("IPSAS"), modified as appropriate for New Zealand circumstances. ADW is a Public Benefit Entity.

The Financial Reporting Act 2013 was enacted in December 2013 bringing the revised framework into law. As a result the financial reporting requirements for public benefit entities are frozen in the short-term and all NZ IFRS with a mandatory effective date for annual reporting commencing on or after 1 January 2012 are not applicable to public benefit entities. Accordingly no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

Under the revised Accounting Standards Framework the Group is expected to prepare annual financial statements in accordance with IPSAS based standards for the first time for the year ended 31 March 2016.

ADW is currently assessing the impact of IPSAS adoption on the annual financial statements.

The Roman Catholic Archdiocese of Wellington

Notes to the financial statements

1 School operations income

	Group		Parent	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Government grants	4,706	5,982	4,706	5,982
Attendance dues	3,475	4,321	3,475	4,321
Capital work contributions	113	481	113	481
Interest income	475	751	475	751
Other income	2	60	2	60
Total	8,771	11,595	8,771	11,595

The Parent and Group has previously reported income and expenditure incurred on its behalf by CSBL in line with CSBL's balance date of 31 December. However, as ADW has withdrawn the management of property funds from CSBL from 1 April 2014 it was necessary to record fifteen months of income and expenditure to align school property operations with the balance date of the Parent and Group for the year ended 31 March 2014.

2 Other Revenue

	Group		Parent	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Appeals	103	94	103	94
Fees and services	305	302	308	329
Rental income on properties	548	571	360	382
Other income	173	114	173	114
Total	1,129	1,081	944	919

3 Net financing surplus/(deficit)

The activities of CDF and Ichthus Limited are of a financial services nature. Their financing activities are represented in the Statement of Comprehensive Income.

4 Expenditure

	Group		Parent	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
School operations (note 5)	6,561	9,594	6,561	9,594
Personnel	3,176	2,724	3,176	2,724
Administrative and other costs	2,268	1,776	2,547	1,926
Depreciation (refer to note 13)	234	243	234	243
Catholic Centre and Network	182	199	182	199
Audit fees	83	74	79	69
Contribution to Holy See	25	25	25	25
Total	12,529	14,635	12,804	14,780

The Roman Catholic Archdiocese of Wellington

Notes to the financial statements

5 School Operations Expenditure

	Group		Parent	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Depreciation (note 13)	3,086	3,786	3,086	3,786
Overheads	1,338	1,324	1,338	1,324
Impairment of school buildings	457	1,948	457	1,948
Contribution to national debt servicing scheme	560	778	560	778
Insurance	553	725	553	725
CSBL dissolution expense	206	-	206	-
Repairs and maintenance	113	853	113	853
GST on suspensory loans	114	23	114	23
Attendance dues write offs	106	121	106	121
NZCEO Levies	22	36	22	36
Loss on disposal	6	-	6	-
Total	6,561	9,594	6,561	9,594

The Parent and Group has previously reported expenditure incurred on its behalf by CSBL in line with CSBL's balance date of 31 December. However, as ADW has withdrawn the management of property funds from CSBL from 1 April 2014 it was necessary to record fifteen months of income and expenditure to align school property operations with the balance date of the Parent and Group for the year ended 31 March 2014.

15 months of school operations income has been recorded for the year ended 31 March 2014 and 12 months for the year ended 31 March 2015.

6 Cash and cash equivalents

	Group		Parent	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
ADW on call bank accounts	33	24	33	24
ADW School Activity on call bank accounts	693	-	693	-
CDF on call bank accounts	2,089	558	2,089	557
Total cash and cash equivalents	2,815	582	2,815	581
Less bank overdraft	962	812	962	812
Net cash and cash equivalents used for cash flow statement	1,853	(230)	1,853	(231)

ADW is party to an offset arrangement with the Bank of New Zealand (BNZ) for interest purposes and liability for overdrafts. Any net bank overdraft of ADW is offset by credit balances held by parishes and therefore minimal or no interest is payable.

Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position above.

The Roman Catholic Archdiocese of Wellington

Notes to the financial statements

7 Bank Term Deposits

	Group		Parent	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Rabobank	-	2,500	-	2,500
ASB	4,500	2,500	4,500	2,500
BNZ	2,700	8,254	2,700	8,254
ANZ	500	-	500	-
Westpac	3,750	3,750	3,750	3,750
Kiwibank	1,500	3,500	1,500	3,500
Accrued interest	243	423	243	423
Total	13,193	20,927	13,193	20,927

Term deposits are held for a period of 4 months to 1 year.

Term deposits earn interest at an average rate of 4.59%.

8 Trade debtors and other receivables

	Group		Parent	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Attendance dues receivable (note 30)	3,557	-	3,557	-
Other receivables	440	310	440	331
Total	3,997	310	3,997	331

The collection of attendance dues from ADW primary and secondary schools was previously managed by CSBL and the receivable balance not reported separately by ADW.

Responsibility for attendance dues administration and collection transferred to ADW from 1 January 2015. The receivable balance disclosed represents attendance dues invoices issued from this date to 31 March 2015. ADW has no liability to other Proprietors in respect of uncollected dues.

No receivables are past due or impaired as at 31 March 2015 (2014: \$Nil)

9 CDF loan assets

	Group		Parent	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Current	87	83	437	563
Non-current	2,194	1,992	404	174
Total	2,281	2,075	841	737

CDF lends money to parishes, clergy, Catholic organisations and Catholic schools. Ichthus Limited extends loans to Catholic schools. Intra group lending between ADW, CDF and Ichthus Limited has been eliminated in the Group financial statements.

The Roman Catholic Archdiocese of Wellington

Notes to the financial statements

10 CSBL Proprietors' Accounts

	Group		Parent	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
School property account	100	(4,941)	100	(4,941)
Attendance dues account	(38)	(854)	(38)	(854)
Other Proprietor activities account	-	3,694	-	3,694
Total current account receivable/(payable)	62	(2,101)	62	(2,101)

Up until December 2014 Catholic Schools Board Limited (CSBL) managed three accounts on behalf of ADW as its agent. The current accounts are payable on demand and are interest free.

The three current accounts recorded income and expenditure incurred on behalf of ADW as a proprietor of school property by CSBL.

The Attendance Dues Account records the income from attendance dues. These funds are used to meet the costs of the proprietors payments to the National Attendance Dues and Capital Indebtedness Sharing Scheme, Insurance on school buildings and the costs of collecting attendance dues.

The Property Account records the income received by the proprietor from the Ministry of Education to maintain school buildings and debt funding received for new works. These funds are used to meet the costs of maintaining school property and providing additional facilities at schools. From 1 April 2014 ADW took over managing school property funds from CSBL (see Note 5).

The Other Proprietor's Activity Account records the income from the Proprietor Capital Trust Fund ("PCTF") and other loans. These funds were used to meet the cost of the maintenance of Catholic Character in the Archdiocese. The PCTF has now been divided into two Catholic Character Trust Funds for ADW and the Diocese of Palmerston North respectively.

In the 2014 year an extensive review was undertaken of the income and expenditure relating to the school property programme managed by CSBL on behalf of the shareholding proprietors. As a result of that review it was concluded that the approach taken to establish each proprietors share of the property account when these were established in 31 March 2010 did not reflect the underlying transactions. ADW's share of the property account had been overstated by \$7,186,000 and this adjustment was reflected in the 2014 financial statements.

Dissolution of CSBL

In December 2014 the Proprietors as owners of the schools of the ADW and the Diocese of Palmerston North agreed to the dissolution of the CSBL Declaration of Intent.

As a result the Proprietors agreed to the distribution of CSBL Current Account balances and interim dissolution settlements have now been completed.

CSBL formally ceased operating as the agent of the Proprietors as at 31 December 2014, other than continuing to manage the collection of attendance dues invoiced before 31 December 2014. The balance remaining in the Proprietor Current Accounts as at 31 March 2015 represents the final expected distribution to Proprietors upon final dissolution of CSBL, which is expected prior to the end of the 2015 calendar year.

The Roman Catholic Archdiocese of Wellington

Notes to the financial statements

11 Catholic Education Trust Fund

	Group		Parent	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Current	752	693	752	693
Non-current	6,408	6,907	6,408	6,907
Total	7,160	7,600	7,160	7,600

Twenty percent (20%) of Ministry of Education school maintenance Policy One funding is held by the Catholic Education Trust Fund ("CETF") on behalf of the Proprietors of the Catholic Integrated Schools in New Zealand. The balance of the account relates to Policy One funding, is inclusive of interest income and administrative management charges, and will be spent on its intended purpose nine years after the date it was initially deposited in the CETF. In addition funds are being withdrawn by ADW to meet the costs of remediating earthquake prone school buildings. The funds that will be returned as part of the normal repayment cycle in the next financial year are recognised as current assets.

12 Investments - Managed Funds (Parent and Group)

The investments in Managed Funds and Trust Funds are the only financial instruments held by the Parent and Group classified as fair value through profit or loss. The basis for determining the fair value of financial instruments held are classified within a three-level fair value hierarchy, as follows:

Level 1 – quoted prices (unadjusted) in active markets.

Level 2 – inputs other than quoted prices included within Level 1 observable either directly or indirectly.

Level 3 – inputs that are not based on observable market data. The Parent and Group do not have financial instruments in this level.

The fair value of investments is determined by an appropriate Investment Manager and is derived from published market prices and ADW accepts these figures at face value. The current Investment Manager is AMP Capital.

Included in the Group's investment funds are funds held on behalf of third parties amounting to \$1,373,111 (2014: \$2,595,220). Included in the Parent's investment funds are funds held on behalf of third parties amounting to \$6,257,047 (2014: \$7,031,793).

2015	Parent and Group			
	Level 1	Level 2	Level 3	Total
	\$000	\$000	\$000	\$000
<i>Breakdown of the Managed Funds:</i>				
Cash	-	208	-	208
Fixed Interest	-	6,046	-	6,046
Australasian Equities	-	1,731	-	1,731
Total managed funds	-	7,985	-	7,985

2014	Parent and Group			
	Level 1	Level 2	Level 3	Total
	\$000	\$000	\$000	\$000
<i>Breakdown of the Managed Funds:</i>				
Cash	-	201	-	201
Fixed Interest	-	5,697	-	5,697
Australasian Equities	-	1,455	-	1,455
Total managed funds	-	7,353	-	7,353

Investments in managed funds have been classified as level 2 as they are unlisted and based on prices provided by the Fund Manager.

The unit price is based upon a Net Asset Valuation using observable inputs of quoted security prices in active share markets and/or interest rates or yield curves which are observable at specific time intervals. The Net Asset Valuation may also have adjustments to reflect fees associated with the ADW.

The Roman Catholic Archdiocese of Wellington

Notes to the financial statements

13 Property, plant and equipment - Parent and Group

2015	Land \$000	Buildings \$000	Other assets \$000	Total \$000
Cost				
Opening	14,054	139,322	994	154,370
Additions	-	4,368	273	4,641
Disposals	-	(87)	(30)	(117)
Closing balance 31 March 2015	14,054	143,603	1,237	158,894
Accumulated depreciation and impairment				
Opening	-	23,050	502	23,552
Depreciation	-	3,203	117	3,320
Impairment	-	457	-	457
Disposal	-	(13)	(9)	(22)
Closing balance 31 March 2015	-	26,697	610	27,307
Net book value 31 March 2015	14,054	116,906	627	131,587

2014	Land \$000	Buildings \$000	Other assets \$000	Total \$000
Cost				
Opening	14,054	129,373	881	144,308
Additions	-	9,949	140	10,089
Disposals	-	-	(27)	(27)
Closing balance 31 March 2014	14,054	139,322	994	154,370
Accumulated depreciation and impairment				
Opening	-	17,208	370	17,578
Depreciation	-	3,894	135	4,029
Impairment	-	1,948	-	1,948
Disposal	-	-	(3)	(3)
Closing balance 31 March 2014	-	23,050	502	23,552
Net book value 31 March 2014	14,054	116,272	492	130,818

Impairment

An impairment of \$1,947,715 was recognised in the 2014 financial year for school buildings that are being substantially re-developed as part of earthquake strengthening work. Where it is likely that a significant component of the building will be demolished as part of earthquake strengthening work, and therefore has a nil recoverable amount, an impairment of \$1,947,715 was recognised based on value in use.

An impairment of \$457,000 has been recognised in relation to a school building in Blenheim that is no longer fit for purpose and reparation costs would exceed current value. No further impairment has been identified at this time. As options for the remediation of buildings that are earthquake prone are developed or the suitability of buildings as modern learning environments is assessed it is possible that there will be further impairments in the future.

The Roman Catholic Archdiocese of Wellington

Notes to the financial statements

14 Investment Properties

	Group		Parent	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Opening balance	12,592	12,121	8,882	8,486
Fair value movement for the year	843	471	473	396
Closing balance	13,435	12,592	9,355	8,882
Properties				
22-30 Hill Street Carpark Building, Thorndon	5,950	5,800	5,950	5,800
152 - 156 Lambton Quay, Wellington City	4,800	4,500	1,920	1,800
4 Kelburn Parade, Kelburn	1,200	1,010	-	-
3 Eccleston Hill, Thorndon	650	617	650	617
33 Mahora Street, Kilbirnie	575	400	575	400
18-20 Loongana Street, Waitangirua	260	265	260	265
Total carrying value of investment	13,435	12,592	9,355	8,882
Details of Rental Income and Related Direct Costs:				
Income	548	571	359	382
Costs	(56)	(62)	(56)	(62)
Net rental income	492	509	303	320

The valuations were performed as at 31 March 2015 by independent Registered Valuers, Preston Rowe Paterson, Wellington Limited (2014: Quotable Value Ltd). Where comparable sales are available, a direct comparison approach has been used. Otherwise, a discounted cash flow model using current cash flows or a market capitalisation model has been used to determine the fair value.

All revaluation adjustments are recognised directly in the surplus/(deficit) for the year.

The valuer relied upon two methods to determine the fair value of the properties:

- Direct Comparison Approach of the recent sales price of similar properties based on size and location; and
- Capitalisation Approach, based on an assessment of the potential net market income.

For investment properties categorised into Level 3 of the fair value hierarchy, the following information is relevant:

Property	Valuation Technique	Significant unobservable input(s)
22-30 Hill Street Carpark Building, Thorndon	Income Capitalisation Approach	Capitalisation rate of 8.2% (2014: 8.5%), taking into account the capitalisation of rental income potential, nature of the property, and prevailing market conditions. Net market rental of \$497,536 per annum taking into account the location and other individual factors, such as the costs to subdivide from the parent property.
152 - 156 Lambton Quay, Wellington City	Direct Comparison Approach	Land value of \$5,500/m ² (2014: \$6,000/m ²) taking into account differences in location, and individual factors such as allowance for dual frontage and deduction of lessor's interest.
4 Kelburn Parade, Kelburn	Income Capitalisation Approach	Capitalisation rate of 7.5% (2014: 7.75%) taking into account the capitalisation of rental income potential, nature of the property, and prevailing market conditions. Net market rental of \$98,000 per annum (2014: \$82,160) taking into account the location and individual factors, such as size, between comparables and the property.

The Roman Catholic Archdiocese of Wellington

Notes to the financial statements

14 Investment Properties (continued)

Property	Valuation Technique	Significant unobservable input(s)
3 Eccleston Hill, Thorndon	Income Capitalisation Approach	Capitalisation rate of 7.0% (2014: 7.75%) taking into account the capitalisation of rental income potential, nature of the property, and prevailing market conditions. Gross market rental of \$910 per week (2014: \$860) taking into account the location and individual factors, such as size, between comparables and the property.
33 Mahora Street, Kilbirnie	Direct Comparison Approach	Property value based on location and individual factors in comparison with similar residential properties.
18-20 Loongana Street, Waitangirua	Direct Comparison Approach	Property value of 235m ² x \$1,120 for two flats plus a garage, based on comparable residential properties.

All properties with the exception of the Carpark Building, are currently leased to various third parties for the purposes of commercial and private accommodation. The lessee is responsible for all outgoings typically associated with a net lease arrangement.

15 Trade creditors and other payables

	Group		Parent	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
School property activities	777	-	777	-
Other trade creditors and payable	523	749	493	718
Employee entitlements	194	177	194	177
Total	1,494	926	1,464	895

16 Deferred Income

	Group		Parent	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Attendance dues (note 30)	2,747	-	2,747	-
Other income in advance	241	59	241	59
Total	2,988	59	2,988	59

The Roman Catholic Archdiocese of Wellington

Notes to the financial statements

17 Related party disclosures

Related party transactions arise when an entity or person(s) has the ability to significantly influence the financial and operating policies of the other party/(ies).

In the course of normal operations the ADW enters into transactions with other Catholic organisations.

Related party transactions for the period are detailed below.

(i) *Loans to Parishes*

ADW has made loans to parishes of which the outstanding balances were \$420,324 for the current year (2014: \$177,129). Interest received on these loans for the current year was \$10,730 (2014: \$9,338). These loans normally have a ten year term and interest is charged based on the average bank rate for floating loans less 50 basis points.

(ii) *Parish and Religious Order Deposits with the Catholic Development Fund (CDF)*

ADW parishes are required to utilise the CDF for the management of their investment cash resources. Total parish money held with CDF is \$8,256,762 for the current year (2014: \$8,328,446). The interest rate applicable to parish term deposits is 75% of the interest rate for non-parish term investments. In addition ADW is also now accepting deposits from religious orders totalling \$2,500,000 for this financial year (2014: \$0) at an interest rate of 7.5%.

(iii) *Parish Levies*

ADW received income from parish levies of \$1,384,710 (2014: \$863,083). The levy has substantially increased this year due to the introduction of a new insurance levy to cover parish property insurance managed by ADW.

(iv) *Catholic Schools Board Limited (CSBL)*

Until December 2014 CSBL operated as an agent of ADW through the collection and administration of attendance dues, and government funding from the Ministry of Education. It also provided a property management function on behalf of the ADW and other proprietors up until March 2014 which included the administration of debt funding for school property developments.

The General Manager of ADW, Mr Paul Bayliss, and the Vicar for Education, Mrs Jenny Gordon, are Directors of CSBL.

The Archbishop notified CSBL on 6 January 2014 that from 1 April 2014 ADW would administer all property funding including funding received from the Ministry of Education. ADW continued to use CSBL to carry out property management services and attendance dues collection until December 2014.

For further details of CSBL activities refer to note 10.

(v) *New Zealand Catholic Education Office*

The Vicar for Education, Mrs Jenny Gordon is a Director of NZCEO and NZCEO Finance Limited.

(vi) *Attendance Dues Collection*

ADW has charged the Attendance Dues Collection Fund \$60,624 (2014: \$0) for recovery of administration costs.

The Roman Catholic Archdiocese of Wellington

Notes to the financial statements

18 General Equity Reserve

	Group		Parent	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Opening balance	144,078	143,587	138,682	138,089
Surplus/(deficit) for the year	3,880	1,205	2,937	775
Transfer from/(to) National Commitments	(37)	(56)	(37)	(56)
Transfer from/(to) Support of Bishops	60	15	60	15
Transfer from/(to) Special Character Fund	18	(19)	18	(19)
Transfer from/(to) Unexpended Trust Funds	92	(628)	528	(82)
Transfer from/(to) Trust Fund Obligations	233	(26)	245	(40)
Transfer from/(to) Attendances Dues Collection Fund Reserve	(1,407)	-	(1,407)	-
Total transfer from/(to) other equity reserves	(1,041)	(714)	(593)	(182)
Closing balance	146,917	144,078	141,026	138,682

These are funds that have been accumulated through retained earnings less those funds set aside for specific purposes in the reserves below.

19 National Commitments Reserve

	Group		Parent	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Opening balance	422	366	422	366
Income	575	555	575	555
Expenditure	(538)	(499)	(538)	(499)
Total transfer from/(to) the General Equity	37	56	37	56
Closing balance	459	422	459	422

These are funds set aside to meet future costs associated with national organisations. These include, but are not limited to, funding costs of seminarian training, NZCBC activities and chaplaincy services. A specific levy is collected from parishes to fund these activities. Any funds collected in excess of the expenditure is held for these specific purposes.

20 Support of Bishops Reserve

	Group		Parent	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Opening balance	231	246	231	246
Income	153	109	153	109
Expenditure	(213)	(124)	(213)	(124)
Total transfer from/(to) the General Equity	(60)	(15)	(60)	(15)
Closing balance	171	231	171	231

These are funds set aside to meet the future costs of supporting Cardinals Tom Williams and John Dew. A specific levy is collected from parishes to fund these costs. Any funds collected in excess of the expenditure incurred are held for this purpose.

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Notes to the financial statements

21 Special Character Fund Reserve

	Group		Parent	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Opening balance	662	643	662	643
Income	454	656	454	656
Expenditure	(472)	(637)	(472)	(637)
Total transfer from/(to) the General Equity	(18)	19	(18)	19
Closing balance	644	662	644	662

These are funds set aside to meet the future costs of supporting Catholic character in schools and colleges in the Archdiocese.

22 Unexpended Trust Funds Reserve

	Group		Parent	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Opening balance	5,260	4,632	1,764	1,682
Income	441	638	-	82
Expenditure	(533)	(10)	(528)	-
Total transfer from/(to) the General Equity	(92)	628	(528)	82
Closing balance	5,168	5,260	1,236	1,764

These are restricted funds, generally sourced from bequests, where income and capital are intended for specific purposes.

23 Trust Fund Obligations Reserve

	Group		Parent	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Opening balance	1,831	1,805	1,288	1,248
Income	56	48	22	59
Expenditure	(289)	(22)	(267)	(19)
Total transfer from/(to) the General Equity	(233)	26	(245)	40
Closing balance	1,598	1,831	1,043	1,288

These are restricted funds, generally sourced from bequests, where the income only is intended for specific purposes.

24 Attendance Dues Collection Fund Reserve

	Group		Parent	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Opening balance	-	-	-	-
Contribution from CSBL wind up (note 8)	1,374	-	1,374	-
Income	916	-	916	-
Expenditure	(883)	-	(883)	-
Total transfer from/(to) the General Equity	1,407	-	1,407	-
Closing balance	1,407	-	1,407	-

The reserve represents ADW's share of the Attendance Dues Collection Fund (note 30)

The Roman Catholic Archdiocese of Wellington

Notes to the financial statements

25 Financial Instruments

(a) Classification of financial instruments

The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and liabilities.

Group 2015

	Designated at fair value through Profit or Loss	Held to maturity investment	Loans and receivables	Financial Liabilities at amortised cost	Total
Cash and cash equivalents	-	-	2,815	-	2,815
Other assets	-	-	146	-	146
Trade debtors and other receivables	-	-	3,997	-	3,997
CSBL Proprietors' Accounts	-	-	62	-	62
CDF loan assets	-	-	2,281	-	2,281
Catholic Education Trust Fund	-	-	7,160	-	7,160
Investments	7,985	-	-	-	7,985
Bank term deposits	-	13,193	-	-	13,193
Total financial assets	7,985	13,193	16,461	-	37,639
Bank overdraft	-	-	-	962	962
Trade creditors and other payables	-	-	-	1,494	1,494
Funds held in Trust	1,373	-	-	-	1,373
CDF depositor balances	-	-	-	19,724	19,724
Total financial liabilities	1,373	-	-	22,180	23,553

Group 2014

	Designated at fair value through Profit or Loss	Held to maturity investment	Loans and receivables	Financial Liabilities at amortised cost	Total
Cash and cash equivalents	-	-	582	-	582
Trade debtors and other receivables	-	-	310	-	310
CDF loan assets	-	-	2,075	-	2,075
Catholic Education Trust Fund	-	-	2,684	-	2,684
Investments	7,353	-	-	-	7,353
Bank term deposits	-	20,927	-	-	20,927
Total financial assets	7,353	20,927	5,651	-	33,931
Bank overdraft	-	-	-	812	812
Trade creditors and other payables	-	-	-	926	926
Funds held in Trust	2,596	-	-	-	2,596
CDF depositor balances	-	-	-	23,395	23,395
CSBL Proprietors Accounts	-	-	-	2,101	2,101
Total financial liabilities	2,596	-	-	27,234	29,830

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Notes to the financial statements

Financial Instruments (continued)

Parent 2015

	Designated at fair value through Profit or Loss	Held to maturity investment	Loans and receivables	Financial Liabilities at amortised cost	Total
Cash and cash equivalents	-	-	2,815	-	2,815
Other assets	-	-	146	-	146
Trade debtors and other receivables	-	-	3,997	-	3,997
CSBL Proprietors Accounts	-	-	62	-	62
CDF loan assets	-	-	840	-	840
Catholic Education Trust Fund	-	-	7,160	-	7,160
Investments	7,985	-	-	-	7,985
Bank term deposits	-	13,193	-	-	13,193
Total financial assets	7,985	13,193	15,020	-	36,198
Bank overdraft	-	-	-	962	962
Trade creditors and other payables	-	-	-	1,464	1,464
Funds held in Trust	6,257	-	-	-	6,257
CDF depositor balances	-	-	-	19,728	19,728
Total financial liabilities	6,257	-	-	22,154	28,411

Parent 2014

	Designated at fair value through Profit or Loss	Held to maturity investment	Loans and receivables	Financial Liabilities at amortised cost	Total
Cash and cash equivalents	-	-	581	-	581
Trade debtors and other receivables	-	-	331	-	331
CDF loan assets	-	-	737	-	737
Catholic Education Trust Fund	-	-	7,600	-	7,600
Investments	7,353	-	-	-	7,353
Bank term deposits	-	20,927	-	-	20,927
Total financial assets	7,353	20,927	9,249	-	37,529
Bank overdraft	-	-	-	812	812
Trade creditors and other payables	-	-	-	895	895
Funds held in Trust	7,032	-	-	-	7,032
CDF depositor balances	-	-	-	23,396	23,396
CSBL Proprietors Accounts	-	-	-	2,101	2,101
Total financial liabilities	7,032	-	-	27,204	34,236

The CDF obtains deposit funds from individuals, Trusts, Parishes and other organisations of the Church. CDF places deposits with trading banks and provides loans for Church developments. The total book value of loans not otherwise eliminated on the consolidation at parent level at balance date is \$840,000 (2014: \$737,000). This includes a loan to Ichthus Limited of \$380,000 (2014: \$510,000) which is eliminated on consolidation.

Ichthus Limited provides education loans to Catholic schools from a portfolio acquired from Housing Corporation in 1994. From 1 April 2014 there was one loan remaining with a value of \$1,820,481 (2014: \$1,848,461). Ichthus Limited holds first ranking mortgages as security for these loans. This education loan plus the CDF loans mentioned above comprise the total Group loans advanced at balance date.

The Roman Catholic Archdiocese of Wellington

Notes to the financial statements

Financial Instruments (continued)

(b) Financial instrument risk management

The Parent and Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Interest rate risk
- Capital management risk
- Liquidity risk management
- Price risk

Credit risk

Credit risk is the risk of the failure of a debtor or counterparty to honour its contractual obligation.

Financial instruments that potentially subject the ADW to credit risk consist principally of bank balances, accounts receivable, loans, CSBL Proprietor's account, funds held in the CETF, bank term deposits and accrued loan interest

ADW is exposed to credit risk from bank term deposits and receivables balances. ADW has policies in place that are reviewed by its' Treasury Committee, which are used to manage any exposure. Guidelines have been established to ensure that all obligations to ADW are met in a timely and efficient manner. The maximum exposure to credit risk is the carrying value of these financial assets. Not all loans are secured, however given the relationships and obligations under Canon Law, ADW considers non-recoverability a low risk.

Interest rate risk

Interest rate risk is the risk that cash flows from a financial instrument will fluctuate because of changes in market interest rates.

The ADW through the CDF holds client deposits and places deposits with registered banks, as well as having a portfolio of loans receivable. The book value of these loans for the Parent at balance date is \$840,000 (2014: \$737,000) and the Group is \$2,281,000 (2014:\$2,076,000). Deposits are generally rolled over on maturity with the exception of public deposits that are returned on maturity. These activities subject the CDF to interest rate risk. This risk is managed through the variable rate paid on client deposits and charged on some loans.

Ichthus Limited's exposure to interest rate risk is minimal. The Education Loans held by Ichthus are reviewed at quarterly intervals. The book value of these Education Loans at balance date is \$1,820,000 (2014: \$1,849,000). The value of the borrowings to support these loans is \$380,000 (2014: \$510,000) and this borrowing is from CDF. If the market rates for interest increase above the current rate at which the debt is being serviced the Ministry of Education guarantees to fund the additional interest in respect of these loans.

The Parent and Group has cash and cash equivalent balances that are subject to interest rate risks, however, this risk is considered minimal given the low level of interest rate on these cash balances. There is no interest rate risk on the bank overdraft given the offsetting arrangement with parishes bank balances as disclosed in Note 6 where minimal interest is payable.

The Parent and Group has investments in the CETF that earn interest as determined by NZCEO Finance Limited. The interest rate for the current year is 4.8% per annum (2014: 4.8%).

If interest rates had been 0.50% or 50 basis points higher/lower and all other variables were held constant, ADW's profit and general reserves for the year ended 31 March would increase/decrease as follows:

Impact on the surplus/(deficit) for the year and net asset position

Group		Parent	
2015	2014	2015	2014
\$000	\$000	\$000	\$000
98	63	98	63

The Roman Catholic Archdiocese of Wellington

Notes to the financial statements

Financial Instruments (continued)

Capital management risk

The Parent and Group manages its capital to ensure that the Parent and Group can continue to operate as a going concern and be able to maintain and have sufficient levels of accumulated funds to provide pastoral, educational and administrative functions of the ADW. The capital risk management strategy for the Parent and Group remains unchanged from 2014.

The capital structure of the Parent and Group consists of cash and cash equivalents including the bank overdraft disclosed in Note 6, Trust Funds, CDF Depositor Balances and Total Accumulated Funds which includes the specific reserves, funds and Trust Fund obligations disclosed in Notes 18 – 24.

The Parent and Group has no target gearing ratio.

None of the Parent and Group entities are subject to externally imposed capital requirements.

Liquidity risk management

Liquidity risk represents the Parent and Group's ability to meet its contractual obligations as they fall due.

Liquidity risk arises from a mismatch in the final maturity of balance sheet assets and liabilities. Guidelines have been set to ensure that all obligations are met in a timely and cost effective manner. These include the matching of certain maturities on client deposits with investing terms, and carrying a diversified range of funding sources to ensure suitable liquid assets exceed maturing liabilities. Liquidity is monitored daily.

The following tables show the maturities on a consolidated basis of the ADW's liabilities and are based on undiscounted cash flows that include interest amounts.

Group 2015

	Carrying amounts	Total contractual cash-flows	< 1 year	1 - 5 years
Financial liabilities				
Bank overdraft	962	962	962	-
CDF depositor accounts	19,724	20,338	17,097	3,241
Trade creditors and other payables	1,494	1,464	1,464	-
Funds held in Trust	1,373	1,373	1,373	-
Total	23,553	24,137	20,896	3,241

Group 2014

	Carrying amounts	Total contractual cash-flows	< 1 year	1 - 5 years
Financial liabilities				
Bank overdraft	812	812	812	-
CDF depositor accounts	23,395	23,712	23,269	443
Trade creditors and other payables	985	985	985	-
CSBL Proprietors Accounts	2,101	2,101	2,101	-
Funds held in Trust	2,595	2,595	2,595	-
Total	29,888	30,205	29,762	443

The Roman Catholic Archdiocese of Wellington

Notes to the financial statements

Financial Instruments (continued)

Parent 2015

	Carrying amounts	Total contractual cash-flows	< 1 year	1 - 5 years
Financial liabilities				
Bank overdraft	962	962	962	-
CDF depositor accounts	19,728	20,338	17,097	3,241
Trade creditors and other payables	1,464	1,464	1,464	-
Funds held in Trust	6,257	6,257	6,257	-
Total	28,411	29,021	25,780	3,241

Parent 2014

	Carrying amounts	Total contractual cash-flows	< 1 year	1 - 5 years
Financial liabilities				
Bank overdraft	812	812	812	-
CDF depositor accounts	23,396	23,682	23,239	443
Trade creditors and other payables	954	954	954	-
CSBL Proprietors Accounts	2,101	2,101	2,101	-
Funds held in Trust	7,032	7,032	7,032	-
Total	34,295	34,581	34,138	443

No interest is payable on the bank overdraft due to the offset arrangement with the BNZ described in Note 6.

Market Risk

Market risk is the risk that the carrying amount (and the ultimate amount realised upon sale) of financial instruments will fluctuate because of changes in market demand.

The Parent and Group is exposed to market risk arising from its investments in managed funds. The Parent and Group does not actively trade these investments. The sensitivity analysis below has been determined based on the Group's exposure to managed funds and the nature of the underlying investments held by the managed funds at balance date.

If the value of the Group's equity investments with managed funds (Note 10) had been 3% higher/lower, profit for the year and general reserves for the year ended 31 March 2015 would have increased/decreased by \$51,000 (2014: \$43,000) as a result of the changes in fair value of these investments.

(c) Impairment of financial assets

There are no impaired assets, and no financial assets past due.

The Roman Catholic Archdiocese of Wellington

Notes to the financial statements

26 Reconciliation of cash flows from operating activities

	Group		Parent	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Surplus/ (deficit) for the year	3,880	1,205	2,937	775
Payment received for CSBL dissolution	4,545	-	4,545	-
<i>Add/(deduct) non-cash items</i>				
School Operations	638	(595)	638	(593)
Depreciation and impairment	3,783	243	3,777	243
Movement in fair value of investments	(625)	(414)	(625)	(414)
Movement in fair value of investment properties	(843)	(471)	(473)	(396)
Other non-cash movements	(7)	-	(7)	-
<i>Movements classified as investing activities</i>	-	(212)	-	(232)
<i>Add/(deduct) movements in working capital</i>				
(Increase)/ decrease in other assets	(146)	-	(146)	-
(Increase)/ decrease in trade debtors and other receivables	(3,687)	563	(3,666)	687
(Increase)/ decrease in prepayments	(129)	-	(129)	-
Increase/ (decrease) in trade creditors and other payables	569	23	569	24
Increase/ (decrease) in income in advance	2,929	-	2,929	-
Increase/ (decrease) in CDF depositor balances and loans	(3,671)	(6,124)	(3,669)	(6,211)
Increase/ (decrease) in Catholic Education Trust Fund	440	-	440	-
Net cash flows from/ (used in) operating activities	7,676	(5,782)	7,120	(6,117)

CSBL operated as the agent of ADW for amounts received and paid in relation to schools for which the Archbishop is proprietor during the year. Where these transactions do not directly affect the cash flows of the ADW they have been excluded from the Cash Flow Statement.

The cash flow recognises cash transactions between CSBL and ADW which includes school loan drawdowns and repayments and the payment to ADW for the maintenance of Catholic Character.

27 Key Management Personnel Compensation (Parent and Group)

The Parent and Group have a related party relationship with its key management personnel.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

The compensation of key management personnel is set out below:

	Group		Parent	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Short-term employee benefit	600	480	600	480
Post-employment benefit	28	23	28	23
Long-term employee leave	8	4	8	4
Total	636	507	636	507

No fees are paid to the Board of Administration and its Committees and the Board of Ichthus Limited.

The Roman Catholic Archdiocese of Wellington

Notes to the financial statements

28 Contingent Liabilities (Parent and Group)

- (a) There are borrowings by way of Suspensory Loans from Government against schools owned by the ADW. The loans are interest free and are written off in equal instalments over a 25 year period, provided the schools continue in operation. Should any of the schools close, (and this is not contemplated) then the balance of the Suspensory Loans, at the date of closure, is immediately repayable by the ADW.

Suspensory loans outstanding balances are as follows:

	Group		Parent	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Primary schools	561	594	561	594
Secondary schools	110	124	110	124
Total	671	718	671	718

- (b) The ADW is one of five Catholic dioceses that has signed a several underwrite with NZCEO Finance Limited, underwriting the payment to the National Attendance Dues and Capital Indebtedness Sharing Scheme for the servicing of debts of the Participating Proprietors for their Catholic Schools in each diocese in terms of the Master Agreement dated 27 May 2004.

29 Catholic Social Services

Catholic Social Services (CSS) is a department of ADW. As such ADW receives specific grants to support its charitable activities provided through CSS.

	Group		Parent	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
<i>Grants recognised as income in the year</i>				
New Zealand Lotteries Grants Board	63	49	63	49
TG Macarthy Trust	18	23	18	23
Tindall Foundation	10	10	10	10
Winton and Margaret Bear Trust	7	7	7	7
Total	98	89	98	89

The direct cost of operating Catholic Social Services in the year ended 31 March 2015 was \$519,000 (2014: \$530,000).

The Roman Catholic Archdiocese of Wellington

Notes to the financial statements

30 Attendance Dues Collection Fund

The Fund was established in December 2014 for the collection of all attendance dues and related expenditure for the ADW Proprietors. The Fund is administered by the Archbishop on behalf of ADW Proprietors and is treated as a joint operation for accounting purposes.

The ADW Proprietors include:

The Roman Catholic Archbishop of the Archdiocese of Wellington (ADW)
Silverstream College Board of Proprietors
St Patrick's College Wellington Board of Proprietors
Mission Colleges Lower Hutt Trust Board
St Mary's College Wellington Limited
St Catherine's College Wellington Limited

As part of the dissolution of CSBL (note 10), funds have been contributed to the ADW Attendance Dues Collection Fund to provide it with a positive working capital balance.

The financial statements of the Parent and Group include ADW's share of assets, liabilities, income and expenditure of the Attendance Dues Collection Fund.

<i>The Fund Net Asset balance as at 31 March 2015:</i>	2015
	\$000
ADW share	1,407
Other ADW Proprietors share	504
Total Net Assets of the Fund	1,911

ADW's share of the Fund Net Assets is allocated to the following balances:

Cash at bank (disclosed as other assets)	146
CDF on Call Account	924
Prepayments	121
Trade debtors and other receivables (note 8)	3,557
Trade creditors and other payables	(87)
Deferred income (note 16)	(2,747)
GST payable	(507)
ADW share of joint operation assets and liabilities	1,407

ADW's share of assets, liabilities, income and expenses of the Fund is based on either actual amounts that have been collected and paid by the Fund on behalf of ADW as a Proprietor or allocated across all Proprietors based on school roll.

The ADW share of Fund Net Assets as at 31 March 2015 includes cash of \$146,284 (2014: \$0) which has been classified as Other Assets in the Statement of Financial Position, because the net assets of the Fund are restricted in use to attendance dues activities.

31 Capital Commitments

The Parent and Group has capital commitments at 31 March 2015 of \$3,510,000 (2014: \$3,441,000).

32 Subsequent events

There are no events subsequent to balance date that affect the financial statements.

The Roman Catholic Archdiocese of Wellington

Notes to the financial statements

33 Reclassification of comparatives

Comparatives have been reclassified where required to ensure consistency with the current year. The 2014 Net Asset balance and Total Comprehensive Income remains consistent with that presented in the previous years authorised financial statements. Material reclassification of 2014 comparatives include:

Statement of Comprehensive Income

	Group 2014		
	Previously reported	Reclassified	As reported in current year
	\$000	\$000	\$000
Interest income	626	(414)	212
Movement in fair value of investments	-	414	414
Surplus for the year	1,205	-	1,205
Total comprehensive income	1,205	-	1,205

	Parent 2014		
	Previously reported	Reclassified	As reported in current year
	\$000	\$000	\$000
Interest income	646	(414)	232
Movement in fair value of investments	-	414	414
Surplus for the year	775	-	775
Total comprehensive income	775	-	775

In the current year it was identified the movement in fair value of investments had not been separately disclosed in the 2014 annual financial statements and had been included within the interest income amount disclosed.

Interest income and fair value movements have been separately disclosed in the Statement of Comprehensive Income in these financial statements for both the 2014 and 2015 years.

