



THE CATHOLIC
FOUNDATION

CATHOLIC FOUNDATION OF THE ARCHDIOCESE OF WELLINGTON

Performance Report

For the year ended 31 March 2016

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**Catholic Foundation of the Archdiocese of Wellington
Entity Information
For the Year ended 31 March 2016**

Legal Name of Entity:	Catholic Foundation of the Archdiocese of Wellington
Type of Entity and Legal Basis:	Catholic Foundation of the Archdiocese of Wellington is a registered Charitable Trust under the Charitable Trusts Act 1957
Registration Number with DIA Charities:	CC22242

Catholic Foundation of the Archdiocese of Wellington Objective

To assist with the carrying out of the religious, charitable or educational purposes of the Archdiocese of Wellington as determined from time to time by the Archbishop.

Entity Structure

The Foundation is governed by its members and administered by a Board of Trustees. Current Trustees are:

Cardinal John Dew
Robert Noble - Beasley (Chairman)
Francis Fanning (Vice Chairman)
Pat Sheehan (Treasurer)
Mary Brito
Judy Houlahan
Greg Kelly
Kate Mahony
Kevin O'Connor
Henry Ward
Kathy Whelan (Secretary)

Main Sources of the Entity's Cash and Resources

The Foundation's primary source of funding is through investment income.

Additional sources of funding include:

- Bequests
- Donations

Physical Address: Catholic Centre
22-30 Hill Street
Thorndon
Wellington

Postal Address: PO Box 1937
Wellington

**Catholic Foundation of the Archdiocese of Wellington
Statement of Service Performance
For the Year ended 31 March 2016**

Description of the Entity's Outcomes

The provision of an annual grant to the Archdiocese of Wellington to assist with its chaplaincies social services.

The provision of grants to organisations covering Catholic education, Catholic social services, youth development, the sick, aged, infirm, unemployed and those in need, hospices, Catholic religion orders, institutions, the training of priests, religious and lay persons to maintain and promote the teachings of the Catholic Church.

The provision of six tertiary study scholarships annually to assist students in their first year of study with the possibility of further funding depending on performance.

The provision of two refugee scholarships annually to students who are sons and daughters of refugees to New Zealand.

DESCRIPTION AND QUANTIFICATION OF THE ENTITY'S OUTCOMES:

Grants

	2016	2015
Number of grants made to Archdiocese of Wellington	1	1
Number of applications received for financial assistance	17	8
Number of grants made	8	7

Scholarships

	2016	2015
Number of Tertiary Study Scholarship applications received	22	17
Number of Tertiary Study Scholarship grants made	6	6
Number of Refugee Scholarship applications	1	6
Number of Refugee Scholarship grants made	1	2



**Catholic Foundation of the Archdiocese of Wellington
Statement of Financial Performance
For the Year ended 31 March 2016**

	Notes	2016 \$	2015 \$
Revenue	1		
Grants, donations, fundraising and other similar revenue		28,053	1,514
Fees, subscriptions and other revenue from members		5,844	525,669
Interest, dividends and other investment revenue		903,307	1,334,458
Total Revenue		937,204	1,861,641
Expenses	2		
Loss on Disposal of Investments		1,021,620	113,312
Volunteer and employee related costs		22,727	23,764
Other expenses		76,904	179,104
Total Expenses		1,121,251	316,180
Surplus/(Deficit) before grants and donations made		(184,047)	1,545,461
Less			
Grants and donations		303,326	292,280
Surplus/(Deficit) for the period		(487,373)	1,253,181

This financial statement should be read in conjunction with the accompanying notes.

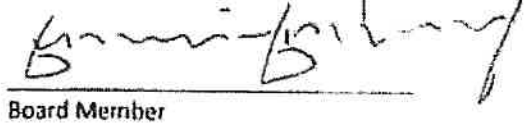


Catholic Foundation of the Archdiocese of Wellington
Statement of Financial Position
As at 31 March 2016

	Notes	2016 \$	2015 \$
Assets			
Current Assets	3		
Cash and Cash Equivalents		335,054	76,047
Other current assets		911,658	804,064
Total Current Assets		1,246,712	880,111
Non-Current Assets			
Property, Plant and Equipment	5	226	540
Investments	3	9,745,133	10,604,717
Total Non-Current Assets		9,745,359	10,605,257
Total Assets		10,992,071	11,485,368
Current Liabilities			
Creditors and accruals	3	10,265	15,485
Employee entitlements	3	477	467
Other current liabilities	3	-	714
Total Current Liabilities		10,742	16,666
Total Liabilities		10,742	16,666
Assets Less Liabilities		10,981,329	11,468,702
Accumulated Funds	6		
Accumulated surpluses		10,981,329	11,468,702
Total Accumulated Funds		10,981,329	11,468,702

On behalf of the Board


Chairman


Board Member

22 July 2016
Date

22/07/2016
Date

This financial statement should be read in conjunction with the accompanying notes.



Catholic Foundation of the Archdiocese of Wellington
Statement of Cash Flows
For the Year ended 31 March 2016

	2016	2015
Cash Flows from Operating Activities		
Donations, fundraising and other similar revenue	28,053	1,514
Fees, subscriptions and other revenue from members	5,844	525,669
Rent/Property Expenses Recovered	67,963	262,501
Interest, dividends and other investment receipts	519,070	419,343
Payments to suppliers	(122,740)	(190,498)
Donations and Grants	(306,326)	(307,280)
Volunteer and Employee related costs	(22,717)	(23,764)
Total Cash Flows from Operating Activities	169,147	687,485
Cash Flows from Investing and Financing Activities		
Disposal of investments	4,032,590	3,201,020
Acquisition of investments	(3,942,730)	(4,169,548)
Cash flows from Investing and Financing Activities	89,860	(968,528)
Net Increase/(Decrease) in Cash	259,007	(281,043)
Cash Balances		
Cash and cash equivalents at beginning of period	76,047	357,090
Cash and cash equivalents at end of period	335,054	76,047
Net change in cash for period	259,007	(281,043)

This financial statement should be read in conjunction with the accompanying notes.



**Catholic Foundation of the Archdiocese of Wellington
Statement of Accounting Policies
For the Year ended 31 March 2016**

Basis of Preparation

The Foundation has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000 for the last two annual reporting periods. This is the first year of its adoption in light of the requirements of the Charities Act 2005. It previously followed NZ GAAP and the comparative numbers have not been restated. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the Foundation will continue to operate as a going concern in the foreseeable future.

Revenue

Revenue is accounted for as follows:

Donations

Donations are accounted for when received.

Interest and dividend income

Interest income is recognised on an accruals basis.

Dividend income is recognised when the dividend is paid.

Other Income

All other income is accounted for on an accruals basis and accounted for in accordance with the substance of the transaction.

Income Tax

The Catholic Foundation of the Archdiocese of Wellington is a registered charity under the Charities Act 2005, and is exempt from tax.

Bank Accounts and Cash

Bank and Cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Goods and Services Tax (GST)

All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

Property, plant and equipment

Investment property is held at cost and no depreciation has been charged.

Office equipment is shown at cost less accumulated depreciation and impairment losses.



**Catholic Foundation of the Archdiocese of Wellington
Statement of Accounting Policies
For the Year ended 31 March 2016**

Depreciation

Depreciation is provided on a straight-line basis on all office equipment, at rates that will write off the cost of the assets to their estimated residual values over their useful lives. The depreciation rates and useful lives associated with major classes of assets have been estimated as follows:

Office equipment	4 to 10 years
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Tier 2 PBE Accounting Standards Applied

The Foundation has elected to adopt NFP PBE IPSAS 29 Financial Instruments; Recognition and Measurement Accounting Standard. Under the Standard financial assets (bonds, investments and shares) are classified at fair value through surplus or deficit, loans and receivables, held to maturity investments or available for sale financial assets.

Financial Assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include items that are either classified as held for trading or that meet certain conditions and are designated at fair value through surplus or deficit upon initial recognition.

Financial assets, designated as at fair value through profit or loss, are measured at subsequent reporting dates at fair value, which is the closing price of the exchange on which the investment is quoted. This is considered to be a reasonable approximation of fair value. Investments in managed funds are valued at the closing price released by the investment manager.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any allowance for impairment.

Available for sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets.

Impairment of Financial assets

The Foundations assesses, at the end of reporting date, whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and the loss event has an impact on the estimated future cash flows of the financial asset.



If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. If the reversal results in the carrying amount exceeding its amortised cost, the amount of the reversal is recognised in surplus or deficit.

Financial Liabilities

The Foundation's financial liabilities include trade and other creditors and employee entitlements.

All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit). Financial liabilities are not interest-bearing and are stated at their amortised cost.

Cash and Cash Equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in use.

Short Term Investments

Short term investments comprise term deposits which have a term of greater than three months and therefore do not fall into the category of cash and cash equivalents.

Changes in Accounting Policies

There have been no other changes in accounting policies during the annual reporting period (2015 - nil). However, it should be noted that the basis of preparation has changed from generally accepted accounting practice to Tier 3 Public Benefit Entity Simple Format Reporting - Accrual (Not-for-Profit) issued by the External Reporting Board.



**Catholic Foundation of the Archdiocese of Wellington
Notes to the Performance Report
For the Year ended 31 March 2016**

Note 1 - Analysis of Revenue	2016	2015
	\$	\$
Donations, fundraising and other similar revenue		
Bequests (other than members)	27,053	314
Donations (other than members)	1,000	1,200
Total	28,053	1,514
Fees, subscriptions and other revenue from members		
Bequests (from members)	-	15,025
Donations (from members)	5,844	510,644
Total	5,844	525,669
Interest, dividends and other investment revenue		
Rent/Property Expenses Recovered	68,677	261,787
Dividends	159,238	111,581
Interest	330,405	323,747
Currency Fluctuations	19,385	(2,430)
Realised Profit on sale of assets	44,389	45,953
Unrealised Gain on Bonds held at Balance Date	64,382	137,755
Unrealised Gain on Shares held at Balance Date	216,044	456,065
Total	903,307	1,334,458



**Catholic Foundation of the Archdiocese of Wellington
Notes to the Performance Report
For the Year ended 31 March 2016**

Note 2 - Analysis of Expenses

	2016	2015
	\$	\$
Loss on Disposal of Investments		
Loss on Disposal of High Street property	916,898	-
Realised Loss on Disposal of assets	104,722	113,312
Total	1,021,620	113,312
Volunteer and employee related costs		
Board Meeting Expenses	260	892
Salaries	21,633	22,224
Superannuation (KiwiSaver) contributions	834	648
Total	22,727	23,764
Other Expenses		
ACC Levies	72	66
Accounting fees	5,968	6,449
Accounting Software	395	520
Annual Meeting/Report	300	1,914
Audit Fees	9,158	6,100
Bad Debt	-	76,889
Bank Fees	50	50
Computer Expenses	519	-
Depreciation	314	181
General Expenses	240	42
Office Accommodation	1,473	467
Portfolio Management Fees	33,011	27,530
Postage	271	29
Printing and Stationery	218	107
Property Expenses	23,815	57,934
Subscriptions	73	101
Website maintenance	1,027	725
Total	76,904	179,104
Grants and donations		
Archdiocese of Wellington Grant	250,000	250,000
Other Grants	19,160	20,868
Scholarships	33,000	21,000
Scholarship Expenses	1,166	412
Total	303,326	292,280



Catholic Foundation of the Archdiocese of Wellington
Notes to the Performance Report
For the Year ended 31 March 2016

Note 3 - Analysis of Financial Assets and Liabilities

Financial Assets	2016	2015
Cash and Cash Equivalents		
Westpac Call Account	22	12,560
Westpac Savings Account	10,562	27,495
Macquarie - AUD Call Account	33,609	3,042
Macquarie - Current Account	289,440	32,950
Macquarie - USD Cash Account	1,421	-
Total	335,054	76,047
Other Current Assets		
Short-term investments	862,881	750,000
Interest Accrued	44,025	54,064
GST receivable	4,752	-
Total	911,658	804,064
Available-for-sale financial assets		
Investment Property at 224 High Street, Lower Hutt	-	2,252,720
Financial assets at fair value through surplus or deficit		
Shares	3,417,992	3,429,050
Bonds	5,127,141	4,922,947
Vendor Loan	1,200,000	-
Total	9,745,133	10,604,717

The short-term investments are term deposits held with CDF (\$762,122 - Last Year \$750,000) and with Westpac (\$100,759 - Last Year \$Nil).

The shares and bonds are actively managed by Macquarie Private Wealth.

Vendor Loan with TCL Investments Limited in relation to sale of 224 High Street, Lower Hutt.

Maturity Date - 30 November 2017, Interest Rate 7.0% per annum.

Financial Liabilities

Creditors and accruals

Trade Creditors	10,265	14,174
GST payable	-	1,311
Total	10,265	15,485

Employment Entitlements

Accrued salaries and wages	477	467
Total	477	467

Other Current Liabilities

Rent received in advance	-	714
Total	-	714

**Catholic Foundation of the Archdiocese of Wellington
Notes to the Performance Report
For the Year ended 31 March 2016**

Note 4 - Financial Instrument Risk

Risk Management Objectives and Policies

The Foundation is exposed to various risks in relation to financial instruments. The Foundation's financial assets and liabilities by category are summarised in note 3. The main types of risks are market risks, credit risk, liquidity and currency risk.

There were no material changes in the Foundation's risk exposure and risk management objectives and policies during the reporting period.

The Foundation does not actively engage in trading of financial assets for speculative purposes. The significant financial risks that the Foundation is exposed to are as follows:

Market Risks

The Foundation is exposed to market risk through its use of financial instruments and specifically to certain other price risk which result from its investing activities. Interest rate risk is not considered to be material as all of the Foundation's investments in bonds pay fixed interest rates.

The Foundation is exposed to other price risk in respect of its listed equity securities. The Foundation's investments in listed equity securities are considered long term, strategic investments to provide an ongoing income stream to the Foundation to fund its day-to-day activities. The Foundation does not engage in hedging activities. The investments are continuously monitored.

Credit Risk

Credit risk is the risk that a counter party fails to discharge an obligation to the Foundation. The Foundation is exposed to this risk for various financial instruments. The Foundation's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date as follows:

Classes of Financial Assets

	2016	2015
Carrying Amounts		
Cash and cash equivalents	335,054	76,047
Short-term investments	862,881	750,000
Other current assets	44,025	54,064
Shares	3,417,992	3,429,050
Bonds	5,127,141	4,922,947
Vendor loan	1,200,000	-
Total	10,987,093	9,232,108

No receivables from exchange transactions are considered to be past due or impaired. The Board of Trustees has assessed that all of the above financial assets are not impaired or past due for each of the reporting dates under review and are of good credit quality.



Catholic Foundation of the Archdiocese of Wellington
Notes to the Performance Report
For the Year ended 31 March 2016

The credit risks for cash and cash equivalents, short term investments and long term investments is considered negligible, since the counter parties are reputable banks with high quality external credit ratings.

The carrying amounts disclosed above are the Foundation's maximum possible credit risk exposure in relation to these instruments. No collateral is held by the Foundation in respect of its exposure to credit risk.

Liquidity Risk

All financial assets at fair value through profit or loss can be realised within 12 months. There are no significant financial liabilities.

Currency Risk

The Foundation is indirectly exposed to currency risk in that future currency movements will affect the valuation of investments in the managed investment portfolio which invest in foreign currency denominated investments.

Risk management activities are undertaken by the Foundation's investment managers to operate within the guidelines provided by the Board of Trustees.

Note 5 - Property, Plant and Equipment

2016

	Opening Carrying Amount	Purchases	Sales/ Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
	\$	\$	\$	\$	\$
Office equipment	540	-	-	314	226
Total	540	-	-	314	226

2015

	Opening Carrying Amount	Purchases	Sales/ Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
	\$	\$	\$	\$	\$
Office equipment	246	475	-	181	540
Total	246	475	-	181	540



**Catholic Foundation of the Archdiocese of Wellington
Notes to the Performance Report
For the Year ended 31 March 2016**

Note 6 - Accumulated Funds

	2016	2015
	\$	\$
Opening Balance	11,468,702	10,215,521
(Deficit)/Surplus for the year	(487,373)	1,253,181
Total Accumulated Funds	<u>10,981,329</u>	<u>11,468,702</u>

Note 7 - Commitments

At 31 March 2016 the Foundation had no contractual commitments (2015 - Nil).

Note 8 - Contingent Liabilities

There were no contingent liabilities as at balance date (2015 - Nil).



**Catholic Foundation of the Archdiocese of Wellington
 Note to the Performance Report
 For the Year ended 31 March 2016**

Note 9 - Related Party Transactions

Description of Related Party Relationship	Description of the Transaction (in cash or in kind)	2016 Value of Transactions	2015 Value of Transactions	2016 Amount Outstanding	2015 Amount Outstanding
Pat Sheehan is a Board Member and also a Consultant at Kendons Chartered Accountants Ltd	Kendons Chartered Accountants Ltd provides accountancy services to the Foundation, charged at an agreed discounted rate	\$5,968	\$6,449	\$1,000	\$1,225
A close family member of a Board Member	Investment Management Services to the Foundation through their employment at Macquarie Private Wealth at discounted market rates	\$33,011	\$27,530	-	-

Note 10 - Events After the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report.

