



THE CATHOLIC  
FOUNDATION

# **CATHOLIC FOUNDATION OF THE ARCHDIOCESE OF WELLINGTON**

Performance Report

For the year ended 31 March 2017

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**Catholic Foundation of the Archdiocese of Wellington**  
**Entity Information**  
**For the Year ended 31 March 2017**

**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 is the Foundation's 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 2017**

**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**

	<b>2017</b>	<b>2016</b>
Number of grants made to Archdiocese of Wellington	1	1
Number of applications received for financial assistance	24	17
Number of grants made	12	8

**Scholarships**

	<b>2017</b>	<b>2016</b>
Number of Tertiary Study Scholarship applications received	20	22
Number of Tertiary Study Scholarship grants made	6	6
Number of Refugee Scholarship applications	6	1
Number of Refugee Scholarship grants made	2	1

**Catholic Foundation of the Archdiocese of Wellington**  
**Statement of Financial Performance**  
**For the Year ended 31 March 2017**

	Notes	2017 \$	2016 \$
<b>Revenue</b>	<b>1</b>		
Grants, donations, fundraising and other similar revenue		-	28,053
Fees, subscriptions and other revenue from members		15,664	5,844
Interest, dividends and other investment revenue		787,632	903,307
<b>Total Revenue</b>		<b>803,296</b>	<b>937,204</b>
<b>Expenses</b>	<b>2</b>		
Loss on Disposal of Investments		112,594	1,021,620
Volunteer and employee related costs		24,362	22,727
Other expenses		52,482	76,904
<b>Total Expenses</b>		<b>189,438</b>	<b>1,121,251</b>
<b>Surplus/(Deficit) before grants and donations made</b>		<b>613,858</b>	<b>(184,047)</b>
<b>Less</b>			
Grants and donations		344,750	303,326
<b>Surplus/(Deficit) for the period</b>		<b>269,108</b>	<b>(487,373)</b>

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 2017**

	Notes	2017 \$	2016 \$
<b>Assets</b>			
<b>Current Assets</b>	3		
Cash and Cash Equivalents		216,916	335,054
Other current assets		1,802,608	911,658
<b>Total Current Assets</b>		<b>2,019,524</b>	<b>1,246,712</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	5	97	226
Investments	3	9,253,175	9,745,133
<b>Total Non-Current Assets</b>		<b>9,253,272</b>	<b>9,745,359</b>
<b>Total Assets</b>		<b>11,272,796</b>	<b>10,992,071</b>
<b>Current Liabilities</b>			
Creditors and accruals	3	21,879	10,265
Employee entitlements	3	480	477
<b>Total Current Liabilities</b>		<b>22,359</b>	<b>10,742</b>
<b>Total Liabilities</b>		<b>22,359</b>	<b>10,742</b>
<b>Assets Less Liabilities</b>		<b>11,250,437</b>	<b>10,981,329</b>
<b>Accumulated Funds</b>	6		
Accumulated surpluses		11,250,437	10,981,329
<b>Total Accumulated Funds</b>		<b>11,250,437</b>	<b>10,981,329</b>

On behalf of the Board

Chairman

Date

Board Member

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 2017**

	2017	2016
<b>Cash Flows from Operating Activities</b>		
Donations, fundraising and other similar revenue	-	28,053
Fees, subscriptions and other revenue from members	15,664	5,844
Rent/Property Expenses Recovered	1,124	67,963
Interest, dividends and other investment receipts	553,084	519,070
Payments to suppliers	(49,229)	(122,740)
Donations and Grants	(335,378)	(306,326)
Volunteer and Employee related costs	(24,365)	(22,717)
<b>Total Cash Flows from Operating Activities</b>	<b>160,900</b>	<b>169,147</b>
<b>Cash Flows from Investing and Financing Activities</b>		
Disposal of investments	3,790,921	4,032,590
Acquisition of investments	(4,069,959)	(3,942,730)
<b>Total Cash flows from Investing and Financing Activities</b>	<b>(279,038)</b>	<b>89,860</b>
<b>Net (Decrease)/Increase in Cash</b>	<b>(118,138)</b>	<b>259,007</b>
<b>Cash Balances</b>		
Cash and cash equivalents at beginning of period	335,054	76,047
Cash and cash equivalents at end of period	216,916	335,054
<b>Net change in cash for period</b>	<b>(118,138)</b>	<b>259,007</b>

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 2017**

### 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. All transactions in the Performance Report are reported using the accrual basis of accounting. The Financial Statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$. The Performance Report is prepared under the assumption that the Foundation will continue to operate as a going concern in the foreseeable future.

The Foundation has elected to adopt Tier 2 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.

## 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.

### Cash and Cash Equivalents

Cash and Cash Equivalents 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. The Foundation is registered for GST.

### Plant and equipment

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 2017**

*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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**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.

**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 changes in accounting policies during the annual reporting period.

**Catholic Foundation of the Archdiocese of Wellington**  
**Notes to the Performance Report**  
**For the Year ended 31 March 2017**

**Note 1 - Analysis of Revenue**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Donations, fundraising and other similar revenue</b>		
Bequests (other than members)	-	27,053
Donations (other than members)	-	1,000
<b>Total</b>	<b>-</b>	<b>28,053</b>
<b>Fees, subscriptions and other revenue from members</b>		
Donations (from members)	15,664	5,844
<b>Total</b>	<b>15,664</b>	<b>5,844</b>
<b>Interest, dividends and other investment revenue</b>		
Bad Debts Recovered	25,834	-
Rent/Property Expenses Recovered	1,124	68,677
Dividends	148,962	159,238
Interest	408,568	330,405
Currency Fluctuations	423	19,385
Realised Profit on sale of assets	19,361	44,389
Unrealised Gain/(Loss) on Bonds held at Balance Date	(54,775)	65,169
Unrealised Gain/(Loss) on Shares held at Balance Date	238,135	216,044
<b>Total</b>	<b>787,632</b>	<b>903,307</b>

**Catholic Foundation of the Archdiocese of Wellington**  
**Notes to the Performance Report**  
**For the Year ended 31 March 2017**

**Note 2 - Analysis of Expenses**

	2017 \$	2016 \$
<b>Loss on Disposal of Investments</b>		
Loss on Disposal of High Street property	-	916,898
Realised Loss on Disposal of investments	112,594	104,722
<b>Total</b>	<b>112,594</b>	<b>1,021,620</b>
<b>Volunteer and employee related costs</b>		
Board Meeting Expenses	955	260
Salaries	22,576	21,633
Superannuation (KiwiSaver) contributions	831	834
<b>Total</b>	<b>24,362</b>	<b>22,727</b>
<b>Other Expenses</b>		
ACC Levies	71	72
Accounting fees	6,000	5,968
Accounting Software	429	395
Annual Meeting/Report	44	300
Audit Fees	7,595	9,158
Bank Fees	50	50
Computer Expenses	540	519
Depreciation	129	314
General Expenses	143	240
Office Accommodation	1,504	1,473
Portfolio Management Fees	34,502	33,011
Postage	42	271
Printing and Stationery	436	218
Property Expenses	-	23,815
Subscriptions	175	73
Telephone & Tolls	39	-
Website maintenance	783	1,027
<b>Total</b>	<b>52,482</b>	<b>76,904</b>
<b>Grants and donations</b>		
Archdiocese of Wellington Grant	250,000	250,000
Other Grants	37,750	19,160
Scholarships	57,000	33,000
Scholarship Expenses	-	1,166
<b>Total</b>	<b>344,750</b>	<b>303,326</b>



**Catholic Foundation of the Archdiocese of Wellington**  
**Notes to the Performance Report**  
**For the Year ended 31 March 2017**

**Note 3 - Analysis of Financial Assets and Liabilities**

<b>Financial Assets</b>	<b>2017</b>	<b>2016</b>
<b>Cash and Cash Equivalents</b>		
Westpac Call Account	22	22
Westpac Savings Account	19,728	10,562
Hobson Wealth Partners - AUD Call Account	56,465	33,609
Hobson Wealth Partners - Current Account	135,620	289,440
Hobson Wealth Partners - USD Cash Account	5,081	1,421
<b>Total</b>	<b>216,916</b>	<b>335,054</b>
<b>Other Current Assets</b>		
Trade Debtors	29,710	-
Short-term investments	1,724,004	862,881
Interest Accrued	48,894	44,025
GST receivable	-	4,752
<b>Total</b>	<b>1,802,608</b>	<b>911,658</b>
<b>Financial assets at fair value through surplus or deficit</b>		
Term Deposits	300,000	-
Shares	3,939,587	3,417,992
Bonds	5,013,588	5,127,141
Vendor Loan	-	1,200,000
<b>Total</b>	<b>9,253,175</b>	<b>9,745,133</b>

The short-term investments are term deposits held with CDF (\$1,724,004 - Last Year \$762,122) and with Westpac (2017 - Nil - Last Year \$100,759).

The shares and bonds are actively managed by Hobson Wealth Partners.

Vendor Loan with TCL Investments Limited in relation to sale of 224 High Street, Lower Hutt was repaid on 25 January 2017.

**Financial Liabilities**

**Creditors and accruals**

Trade Creditors	18,614	10,265
GST payable	3,265	-
<b>Total</b>	<b>21,879</b>	<b>10,265</b>

**Employment Entitlements**

Accrued salaries and wages	480	477
<b>Total</b>	<b>480</b>	<b>477</b>



**Catholic Foundation of the Archdiocese of Wellington**  
**Notes to the Performance Report**  
**For the Year ended 31 March 2017**

**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**

	2017	2016
<b>Carrying Amounts</b>		
Cash and cash equivalents	216,916	335,054
Trade Debtors	29,710	-
Short-term investments	1,724,004	862,881
Other current assets	48,894	44,025
Shares	3,939,587	3,417,992
Bonds	5,013,588	5,127,141
Vendor loan	-	1,200,000
<b>Total</b>	<b>10,972,699</b>	<b>10,987,093</b>

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 2017**

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**

**2017**

	Opening Carrying Amount \$	Purchases \$	Sales/ Disposals \$	Current Year Depreciation and Impairment \$	Closing Carrying Amount \$
Office equipment	226			129	97
<b>Total</b>	<b>226</b>	<b>-</b>	<b>-</b>	<b>129</b>	<b>97</b>

**2016**

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

**Catholic Foundation of the Archdiocese of Wellington**  
**Notes to the Performance Report**  
**For the Year ended 31 March 2017**

**Note 6 - Accumulated Funds**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Opening Balance	10,981,329	11,468,702
(Deficit)/Surplus for the year	269,108	(487,373)
<b>Total Accumulated Funds</b>	<b>11,250,437</b>	<b>10,981,329</b>

**Note 7 - Commitments**

At 31 March 2017 the Foundation had no contractual commitments (2016 - Nil).

**Note 8 - Contingent Liabilities**

There were no contingent liabilities as at balance date (2016 - Nil).

**Catholic Foundation of the Archdiocese of Wellington**  
**Note to the Performance Report**  
**For the Year ended 31 March 2017**

**Note 9 - Related Party Transactions**

Description of Related Party Relationship	Description of the Transaction (in cash or in kind)	2017 Value of Transactions	2016 Value of Transactions	2017 Amount Outstanding	2016 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	\$6,000	\$5,968	\$1,000	\$1,000
A close family member of a Board Member	Investment Management Services to the Foundation through their employment at Hobson Wealth Partners at discounted market rates	\$34,502	\$33,011		-

**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.