

Roman Catholic Bishop of the Diocese of Hamilton

Financial Report

For the Year Ended 31 December 2023

Roman Catholic Bishop of the Diocese of Hamilton
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For the Year Ended 31 December 2023

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Roman Catholic Bishop of the Diocese of Hamilton

Directory

For the Year Ended 31 December 2023

Legal name of entity:	Roman Catholic Bishop of the Diocese of Hamilton
Type of entity and legal status:	Corporation Sole / Registered Charity
Registration number:	CC32635
Registered office:	51 Grey St, Hamilton East, Hamilton, 3216
Nature of business:	The Roman Catholic Bishop of the Diocese of Hamilton (the "RCBDH") encompasses the Hamilton Diocesan Agencies, Chaplaincies and Departments the Catholic Development Fund and the Diocesan Schools office. The Catholic Development Fund operates as a deposit taker and investment operation for the purposes of giving financial support to the Diocese.
Bishop:	Bishop R Laurensen
Independent auditor:	William Buck Audit (NZ) Limited 145 Seventeenth Avenue Tauranga, 3112
Bankers:	Bank of New Zealand C/o Hamilton Store 354 Victoria Street Hamilton Central Hamilton, 3204 ANZ Bank of New Zealand P.O. Box 92210 Auckland
Solicitors:	McCaw Lewis Lawyers 1 London Street Hamilton Mahony Horner Lawyers Level 6, 44 Victoria Street Wellington

Roman Catholic Bishop of the Diocese of Hamilton

Statement of Service Performance

For the year ended 31 December 2023

Charitable Purpose

The Diocese is a community of the Christian faithful, that is called to unite, to reach out in love, to act and transform in Christ.

The Roman Catholic Bishop of the Diocese of Hamilton (the "RCBDH") encompasses the Hamilton Diocesan Agencies, Chaplaincies, Departments, the Catholic Development Fund and the Diocesan Schools Office. The Catholic Development Fund operates as a deposit taker and investment operation for the purposes of giving financial support to the Diocese.

Purpose Statement the Consolidated entities

The Diocese undertakes the provision of pastoral, spiritual, education, administrative and management services to this Diocese.

Current Aims

- Serve Parishes, Support the Bishop, Grow the Church.
- Serve Schools. Provide catholic character support and school educational facilities.
- Funding Pastoral & Educational Activities.

Description and Quantification of the Entity's Outputs

	2023	2022
Pastoral Services - Key Numbers		
Sunday Mass Attendance - average attendance over the month of November	8,339	7,298
National Evangelisation Team (NET) total number of events	169	424
National Evangelisation Team (NET) total number of young people attending events	7,565	16,915
Large Formation Events held in Diocese	5	5
Annual digital engagements	40,953	27,455
Kete Korero magazine copies printed	15,000	20,000
Catholic Education - Key Numbers		
Number of Bishop Owned Schools	34	34
Students in Bishop Owned Schools	8,654	8,648
Attendance Dues financial assistance provided	\$260k	\$231k
Number of Students provided with financial assistance	720	626
Investment in new & existing education facilities	\$25.3m	\$21.3m
Funding Pastoral & Educational Activities - Key Numbers		
Distribution paid by Catholic Development Fund (CDF)	\$1m	\$1m
Catholic Character donation received from families	\$336k	\$319k

After reviewing the first year's Statement of Service Performance, improvements have been made excluding excessive information and there has been an increased focus on providing key meaningful information.



Roman Catholic Bishop of the Diocese of Hamilton
Statement of Comprehensive Revenue and Expense
For the Year Ended 31 December 2023

		2023	2022
	Notes	\$	\$
Revenue from exchange transactions	7	4,934,928	4,855,417
Revenue from non-exchange transactions	7	16,794,029	15,388,776
TOTAL REVENUE		<u>21,728,957</u>	<u>20,244,193</u>
Operating Expenses			
Depreciation expense	8	3,070,999	2,950,273
Employee benefits		1,749,314	1,693,005
Loss on disposal of assets		7,439	1,185
Administration and other expenses	8	11,967,525	7,626,811
TOTAL OPERATING EXPENSES		<u>16,795,277</u>	<u>12,271,274</u>
Finance income		2,248,206	1,191,853
Finance Costs		1,416,552	975,784
Net Finance income		<u>831,654</u>	<u>216,069</u>
Operating Surplus for the year		<u>5,765,334</u>	<u>8,188,988</u>
Realised net gain on sale of investments		-	45,743
Surplus for the year		<u>5,765,334</u>	<u>8,234,731</u>
Other comprehensive revenue and expense			
Gain/(loss) on revaluation of financial assets at fair value through other comprehensive revenue and expense	5(a)	774,268	(2,550,058)
Total comprehensive revenue and expense for the year		<u>6,539,602</u>	<u>5,684,673</u>
Total comprehensive revenue and expense attributable to the owner		<u>6,539,602</u>	<u>5,684,673</u>

These financial statements should be read in conjunction with the accompanying notes to the financial statements and auditor's report.



Roman Catholic Bishop of the Diocese of Hamilton

Statement of Changes in Net Assets / Equity

For the Year Ended 31 December 2023

Accumulated comprehensive revenue and expense		Accumulated revenue and expense	Reserves	Total net assets/ equity
	Notes	\$	\$	\$
Balance at 1 January 2022		166,619,162	4,308,534	170,927,696
		-	-	-
Comprehensive revenue and expense				
Surplus for the year	5(b)	8,234,731	-	8,234,731
Other comprehensive revenue and expense				
Deficit for the year	5(a)	-	(2,550,058)	(2,550,058)
Total comprehensive revenue and expense		8,234,731	(2,550,058)	5,684,673
Balance at 31 December 2022		174,853,893	1,758,476	176,612,369
Balance at 1 January 2023		174,853,888	1,758,476	176,612,364
Comprehensive revenue and expense				
Surplus for the year	5(b)	5,765,334	-	5,765,334
Other comprehensive revenue and expense				
Transfer realised gains on disposal	5(b)	301,587	(301,587)	-
Surplus for the year	5(a)	-	774,268	774,268
Total comprehensive revenue and expense		6,066,921	472,681	6,539,602
Balance at 31 December 2023		180,920,809	2,231,157	183,151,966

These financial statements should be read in conjunction with the accompanying notes to the financial statements and auditor's report




Roman Catholic Bishop of the Diocese of Hamilton

Statement of Financial Position

As at 31 December 2023

	Notes	2023 \$	2022 \$
ASSETS			
Current assets			
Cash and cash equivalents	9	4,952,778	14,588,241
Prepayments		757,681	175,761
Receivables from exchange transactions	10	979,289	1,168,070
Receivables from non-exchange transactions	11	5,588	10,683
Financial Assets at fair value through other comprehensive revenue and expense	12	156,900	2,158,785
Interest receivable	13	82,487	83,339
Other current receivables	14	-	4,052,895
Total current assets		6,934,723	22,237,774
Non-current assets			
Financial Assets at fair value through other comprehensive revenue and expense	12	29,506,195	17,712,644
Property, plant and equipment	15	186,906,241	178,567,522
Intangible assets	16	15,922	14,923
Advances to related Parties		30,000	601,205
Total non-current assets		216,458,358	196,896,294
Total assets		223,393,082	219,134,068
LIABILITIES			
Current liabilities			
Trade and other payables	17	1,822,724	3,166,390
Income in advance	18	509,602	710,481
Employee entitlements		5,583	185,467
Other liabilities	19	2,085,461	1,810,022
Interest bearing liabilities – depositors' funds	20	21,152,217	20,848,137
Loans and borrowings	21	1,209,895	1,236,958
Total current liabilities		26,785,482	27,957,455
Non-current liabilities			
Interest bearing liabilities – depositors' funds	20	255,450	254,364
Loans and borrowings	21	13,200,184	14,309,885
Total non-current liabilities		13,455,634	14,564,249
TOTAL LIABILITIES		40,241,116	42,521,704
NET ASSETS		183,151,966	176,612,364
NET ASSETS/ EQUITY COMPRISE OF:			
Accumulated comprehensive revenue and expenses		180,920,809	174,853,893
Reserves		2,231,157	1,758,476
Total net assets attributable to the owners of the controlling entity		183,151,966	176,612,369

For and on behalf of the Roman Catholic Bishop of the Diocese of Hamilton, who authorised these financial statements for issue on 26/04/2024:


 Bishop R. Laursen
 RC Bishop of the Diocese of Hamilton

26 April 2024
 Date

These financial statements should be read in conjunction with the accompanying notes to the financial statements and auditor's report

Roman Catholic Bishop of the Diocese of Hamilton

Statement of Cash Flows

For the Year Ended 31 December 2023

	Notes	2023 \$	2022 \$
Cash flows from operating activities			
<i>Cash was received from:</i>			
Receipts from non-exchange transactions		16,926,113	14,313,630
Receipts from exchange transactions		3,423,661	5,486,987
Interest received		2,249,058	494,599
Dividends received		1,162,926	280,645
Net GST received		209,141	-
<i>Cash was applied to:</i>			
Payments to suppliers		(12,970,789)	(5,174,739)
Payments to employees		(1,929,198)	(1,658,630)
Interest paid		(1,416,552)	(975,784)
Net GST paid		-	(43,959)
Net cash flows from operating activities	25	7,654,359	12,722,748
Cash flows from investing activities			
<i>Cash was received from:</i>			
Proceeds from sale of financial assets at fair value through other comprehensive revenue and expense		-	2,844,881
Receipts from the sale of property, plant and equipment		2,174,845	679,897
Net depositors fund		(451,495)	(4,582,668)
<i>Cash was applied to:</i>			
Payments to acquire property, plant and equipment		(13,585,882)	(10,150,193)
Payments to acquire intangible assets		(7,545)	(2,106)
Payments for financial assets at fair value through other comprehensive revenue and expense		(9,318,985)	(6,838,606)
Advances to related Parties		571,205	(600,000)
Net cash flows from investing activities		(20,617,857)	(18,648,795)
Cash flows from financing activities			
<i>Cash was received from:</i>			
Retention received from NZCEO		3,797,589	5,952,228
Receipts from fundraising and other revenue		275,439	112,324
<i>Cash was applied to:</i>			
Receipt / (repayment) of borrowings		(744,994)	-
Net cash flows from financing activities		3,328,034	6,064,552
Net (decrease)/increase in cash and cash equivalents		(9,635,463)	138,505
Add cash and cash equivalents at 1 January		14,588,241	14,449,736
Equals cash and cash equivalents at 31 December	9	4,952,778	14,588,241
This is represented by:			
Cash and cash equivalents	9	4,952,778	14,588,241

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



Roman Catholic Bishop of the Diocese of Hamilton

Notes to the Financial Statements

For the Year Ended 31 December 2023

1 Reporting Entity

The reporting entity is Roman Catholic Bishop of the Diocese of Hamilton (the 'RCBDH'). The RCBDH is domiciled in New Zealand and is a Corporation Sole under the Roman Catholic Bishops' Empowering Act 1997. The RCBDH is governed by the Code of Canon Law of the Catholic Church.

It is a charity registered under the Charities Act 2005 and is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act 2013.

The financial statements relate to the Hamilton Diocesan Agencies, Chaplaincies and Departments, the Catholic Development Fund (CDF) and the Diocesan Schools office of the RCBDH. The Catholic Development Fund operates as a deposit taker and investment operation for the purposes of giving financial support to the Diocese.

2 Basis of Preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP") and the Financial Reporting Act 2013. They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE Standards") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. For the purposes of complying with NZ GAAP, the RCBDH is an FMC Reporting Entity and Public Benefit Not-for-Profit entity and is applying Tier 1 Not-For-Profit PBE Standards.

(b) Measurement basis

These financial statements have been prepared on the basis of historical cost as modified by the fair value measurement of:

- The initial measurement of financial liabilities and revenue,
- Financial assets measured at fair value through other comprehensive revenue and expense, and
- The initial measurement of assets received from non-exchange transactions

which are measured at fair value.

(c) Functional and Presentational Currency

These financial statements are presented in New Zealand dollars (\$) which is the RCBDHs functional currency and all financial information presented in New Zealand dollars has been rounded to the nearest dollar unless stated otherwise.

3 Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Foreign currency translation

Foreign currency transactions are translated into NZ\$ (the functional currency) using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the surplus or deficit component of the Statement of Comprehensive Revenue and Expense.



Roman Catholic Bishop of the Diocese of Hamilton

Notes to the Financial Statements

For the Year Ended 31 December 2023

(b) Revenue recognition

Revenue earned by RCBDH is either exchange or non-exchange revenue. Exchange revenue is earned on exchange transactions where one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange. Non-exchange transactions are transactions that are not exchange transactions. Non-exchange revenue is earned on non-exchange transactions where one entity either receives assets or value from another entity, or has liabilities extinguished, without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Revenue is recognised at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefit will flow to the RCBDH and revenue can be reliably measured. The following specific recognition criteria must be met before revenue is recognised.

Revenue from exchange transactions

(i) Finance / interest income

Interest income is recognised on a time-proportionate basis using the effective interest method and includes interest income from debt securities. Interest receivable amounts which are expected to be collected in one year or less are classified as current assets. When a receivable is impaired, the RCBDH reduces the carrying amount to its recoverable amount. Interest income on impaired loans is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

(ii) Dividend income

Dividend income is recognised when the right to receive payment is established and can be reliably measured. Provision is made for the amount of any dividend declared on or before the end of the financial year but not distributed at balance date.

(iii) Sales of goods

Sales of goods are recognised when the RCBDH has transferred risk and reward to the purchaser. The recorded revenue is the gross amount of the sale.

(iv) Attendance dues

Attendance dues are compulsory fees per student for integrated school property and financing related costs. They are recognised in the accounting period in which the services are rendered (i.e. the schools year). Amounts received in advance for attendance dues are recognised as a liability.

(v) Rental income

Rental income is recognised in surplus or deficit on a straight-line basis over the term of the lease.

Revenue from non-exchange transactions

(vi) Grants, bequests and donations

Grants received are recognised in the surplus or deficit component of the Statement of Comprehensive Revenue and Expenses when the requirements under the grant agreement have been met. Any grants for which the requirements under the grant agreement have not been completed are carried as liabilities until all the conditions have been fulfilled. Donations are recognised as revenue upon receipt and include donations from the general public and donations for specific appeals. Bequests are recognised when the legacy is received.

(vii) Parish Allocations

Parish Allocations are contributions by parishes, that arise from parishioner donations, to meet the wider needs of the Diocesan, National and Universal Church. Allocations are recognised in the accounting period in which they are invoiced for collection.



Roman Catholic Bishop of the Diocese of Hamilton

Notes to the Financial Statements

For the Year Ended 31 December 2023

(viii) Government Grants

Grants from the government are recognised at their fair value where there is reasonable certainty that the grant will be received and the RCBDH will comply with all attached conditions. These are presented in the Statement of Comprehensive Revenue and Expenses as revenue from non-exchange transactions (policy one funding (Note 7)).

Government grants relating to costs are deferred and recognised in the Statement of Comprehensive Revenue and Expense over the period necessary to match them with the costs that they are intended to compensate. Grants for which the requirements under the grant agreement have not been completed are carried as liabilities until all the conditions attached to the grant have been complied with.

(c) Employee benefits - short term

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in employee entitlements in respect of employees' services up to the reporting date. These are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

The liability for employee entitlements is carried at the present value of the estimated future cash flows.

(d) Income tax

The RCBDH has been granted charitable status by the Inland Revenue Department, and therefore is exempt from income tax. Accordingly no provision has been made for income tax.

(e) Goods and Services Tax (GST)

The Statement of Comprehensive Revenue and Expenses has been prepared so that all components are stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

(f) Operating lease commitments

The RCBDH has entered into a number of leases. The RCBDH has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life, that it does not retain all the significant risks and rewards of ownership of these assets and accounts for the contracts as operating leases.

(g) Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(h) Cash and cash equivalents

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

(i) Financial instruments

(i) Recognition and initial measurement

Trade and other receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the RCBDH becomes a party to the contractual provisions of the instrument. The RCBDH classifies its financial instruments either at amortised cost, fair value through other comprehensive revenue and expense or fair value through surplus or deficit. Financial instruments are not reclassified subsequent to their initial recognition unless the RCBDH changes its management model for managing financial instruments.



Roman Catholic Bishop of the Diocese of Hamilton

Notes to the Financial Statements

For the Year Ended 31 December 2023

(ii) Classification and subsequent measurement of financial assets

Financial assets at fair value through other comprehensive revenue and expense (FVOCRE)

The RCBDH classifies its investment in equity and debt securities through fair value through other comprehensive revenue and expense (FVOCRE). The RCBDH's management model over these securities is set by the Investment Manager and the Diocesan Financial Council. This model is achieved by both collecting contractual cash flows and selling financial assets. The contractual terms of these securities give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The equity securities are subsequently measured at fair value. Dividends are recognised as income in surplus or deficit unless the dividend clearly represents a recovery of part of the cost of the investment. The debt securities are subsequently measured at fair value, interest income calculated using the effective interest method, foreign exchange gains and losses are impairment are recognised in surplus or deficit.

Financial assets are amortised cost

Trade and other receivables are measured at amortised cost. The RCBDH management model is to hold them to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest of the principal amount outstanding. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in surplus and deficit. Impairment on trade and other receivables is based on an unexpected credit loss model in terms PBE IPSAS 41.

(iii) Recognition of financial assets

RCBDH derecognises a financial asset when, and only when the contractual rights to the cash flows from the financial asset expire or are waived or it transfers the financial asset.

(iv) Classification, subsequent measurement and gains and losses of financial liabilities

The RCBDH's financial liabilities include trade and other payables, interest accruals, loans and borrowings and depositors funds.

All financial liabilities are initially recognised at fair value, using an effective interest method. Interest expense and foreign exchange gains and losses are recognised in surplus or deficit. Any gain or loss on de-recognition is also recognised in surplus or deficit.

(v) derecognition of financial instruments

On derecognition of debt investments, gains and losses accumulated in OCRE are reclassified to surplus or deficit. On derecognition of equity investments, net gains and loss are recognised in OCRE and are never reclassified to surplus or deficit.

(j) Property, plant and equipment

Property, plant and equipment are initially measured at cost, except those acquired through non-exchange transactions which are measured at fair value as their deemed cost at initial recognition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the RCBDH and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the surplus or deficit component of the Statement of Comprehensive Revenue and Expenses during the financial period in which they are incurred.



Roman Catholic Bishop of the Diocese of Hamilton

Notes to the Financial Statements

For the Year Ended 31 December 2023

Land is not depreciated. Depreciation of property, plant and equipment is calculated on a straight-line or diminishing value basis over their useful lives. The rates are as follows:

- Buildings	1% to 66.7% SL
- Furniture & fittings	10% to 30% DV
- Plant and equipment	10% to 40% DV
- Motor vehicles	20% DV
- Computer Hardware	20% to 30% DV

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the surplus and deficit component of the Statement of Comprehensive Revenue and Expenses.

(k) Other Receivables (NZCEO limited Retentions)

New Zealand Catholic Education Office (NZCEO) limited retentions are Policy One funds retained by NZCEO. The NZCEO policy is to retain 20% of Policy One funding for 10 years.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the RCBDH prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Depositors' funds

Depositors' funds are accounts where members place funds in current, 90 days, 12 month, or 12 month plus deposits with the RCBDH. These are classified as current liabilities unless the RCBDH has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(n) Held in trust for others

The liability for amounts held in trust for others represents funds held in trust for other purposes. The RCBDH has no obligations other than for the repayment of these funds.

(o) School Fundraising held

Where Catholic Integrated Schools have fundraised for approved property related costs in the name of the Proprietor, the RCBDH, these funds are held on behalf of the school until the project commences. These are recorded as other liabilities in the Statement of Financial Position.

(p) Borrowings

Borrowings are initially recognised, on their trade date, at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Comprehensive Revenue and Expenses over the period of the borrowings using the effective interest method. Borrowings are derecognised when the liability is extinguished.

Borrowings are classified as current liabilities unless the RCBDH has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Borrowing costs are either expensed, or capitalised as part of a qualifying asset.



Roman Catholic Bishop of the Diocese of Hamilton

Notes to the Financial Statements

For the Year Ended 31 December 2023

(q) Significant judgments and estimates

The preparation of financial statements requires the use of judgements, estimates and assumptions based on historical experiences and other factors that are considered to be relevant that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. The uncertainty from these assumptions and estimates could result in outcomes that may result in a material adjustment to the carrying amount of the asset or liability.

The RCBDH based its assumptions and estimates on information available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the RCBDH. Such changes are reflected in the assumptions when they occur.

The key significant judgements and estimates used in the preparation of these financial statements are as follows:

(i) Financial assets at fair value through other comprehensive revenue and expense and financial liabilities

All FA at FVTOCRE held by the RCBDH have an active market. The fair value of financial instruments traded in active markets (such as publicly traded derivatives and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the RCBDH is the current bid price.

All other financial assets and financial liabilities (for example, cash, related party advances, trade and other payables and depositors funds) have a carrying value that approximates fair value at year end.

When financial assets are impaired the determination requires judgement. In making this judgement the RCBDH evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost.

(ii) Classification of revenue

RCBDH makes judgements in terms of classifying revenue between exchange or non-exchange revenue. Refer to note 3(b) which defines exchange and non-exchange revenue.

(iii) Depreciation and Impairment of property, plant and equipment

RCBDH management estimates the useful lives of assets based on the period over which the asset is expected to be available for use and on the collective assessment of industry practices, internal evaluation and experience with similar arrangements. Management reviews this annually.

RCBDH at least annually makes judgments in determining whether any indicators of impairment exist for items of property, plant and equipment.

(iv) Expected credit loss provision

RCBDH reviews unexpected credit losses on a continuous basis. All debtors outstanding for more than 90 days are assessed on an individual basis. If there is any indication of impairment or inability by the debtor to pay, a provision will be raised.

RCBDH - Diocesan Schools all debtors held at year end that are outstanding from previous years are all considered doubtful. Where the debtor is not engaging in the RCBDH - Diocesan Schools collection process the debtor will be handed over to debt collectors.

Should the debt become irrecoverable, the provision will be written off to the statement of comprehensive revenue and expense in the year that the debt becomes irrecoverable.



Roman Catholic Bishop of the Diocese of Hamilton

Notes to the Financial Statements

For the Year Ended 31 December 2023

4 Financial instruments by category

Assets as per statement of financial position

	Amortised Cost	Fair value through other comprehensive revenue and expense	Total
	\$	\$	\$
At 31 December 2023			
Cash and cash equivalents	4,952,778	-	4,952,778
Receivables from exchange transactions	808,205	-	808,205
Receivables from non-exchange transactions	5,588	-	5,588
Interest and Distribution Receivable	82,487	-	82,487
Other receivables	-	-	-
Financial assets at fair value through other comprehensive revenue and expense	-	29,663,095	29,663,095
	<u>5,849,058</u>	<u>29,663,095</u>	<u>35,512,153</u>

At 31 December 2022

Cash and cash equivalents	14,588,241	-	14,588,241
Receivables from exchange transactions	584,007	-	584,007
Receivables from non-exchange transactions	10,683	-	10,683
Interest Receivable	83,339	-	83,339
Other receivables	4,052,895	-	4,052,895
Financial assets at fair value through other comprehensive revenue and expense	-	19,871,430	19,871,430
	<u>19,319,165</u>	<u>19,871,430</u>	<u>39,190,595</u>

Liabilities as per statement of financial position

	Measured at amortised cost	Total
	\$	\$
At 31 December 2023		
Trade and other creditors	1,822,724	1,822,724
Depositors accounts	21,407,667	21,407,667
Loans and borrowings	14,410,079	14,410,079
	<u>37,640,470</u>	<u>37,640,470</u>
At 31 December 2022		
Trade and other creditors	3,166,390	3,166,390
Depositors accounts	21,102,501	21,102,501
Loans and borrowings	15,546,843	15,546,843
	<u>39,815,734</u>	<u>39,815,734</u>



Roman Catholic Bishop of the Diocese of Hamilton

Notes to the Financial Statements

For the Year Ended 31 December 2023

RCBDH's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. RCBDH's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of RCBDH. RCBDH uses different methods to measure different types of risk to which it is exposed.

(a) Market risk

(i) Foreign currency risk

The RCBDH is exposed to foreign currency risk in respect of its financial assets that are held in foreign currencies. Financial assets at fair value through other comprehensive revenue and expense are denominated in New Zealand and Australian dollar currencies, which are converted by Craigs Investment Partners, who manage all the investments. As a result, there is exposure to price risk in relation to the currency risk on these non-monetary assets.

(ii) Price risk

RCBDH is exposed to equity securities price risk. This arises from investments held by RCBDH and classified on the Statement of Financial Position as at fair value through other comprehensive revenue and expense. RCBDH is not exposed to commodity price risk.

To manage its price risk arising from investments in equity securities, RCBDH diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by RCBDH.

RCBDH's equity investments are publicly traded and are included in the stock exchanges of NZ, Australia, the US and the UK.

The table below summarises the impact of increases/decreases of these indices on RCBDH's profit for the year and on equity. The analysis is based on the assumption that the equity indices had increased/decreased by 10% with all other variables held constant and all RCBDH's equity instruments moved according to the historical correlation with the index.

Index	Impact on surplus		Impact on equity			
	2023	2022	2023	2023	2022	2022
	Decrease	Increase	Decrease	Increase	Decrease	Increase
NZX (10% Movement)	-	-	(499,385)	499,385	(404,022)	404,022
NASDAQ (10% Movement)	-	-	(635,560)	635,560	(393,370)	393,370
ASX (10% Movement)	-	-	(483,150)	483,150	(209,460)	209,460
FTSE (10% Movement)	-	-	(115,500)	115,500	(43,740)	43,740

The impact on the surplus is nil, due to RCBDH recognising fair value gains/losses through other comprehensive revenue and expense, and not through the surplus or deficit, as RCBDH does not trade securities on a regular basis.

(iii) Cash flow and fair value interest rate risk

RCBDH's main interest rate risk arises from current short term deposits. Deposits issued at variable rates expose RCBDH to cash flow interest rate risk.

RCBDH manages its cash flow interest rate risk by reviewing deposit terms and bank interest rates as they come due and where necessary transferring deposits between banks.

The risk is measured by sensitivity analysis.

(iv) Interest rate exposure

RCBDH's main interest rate risk arises from current short-term deposits. Deposits issued at variable rates expose RCBDH to cash flow interest rate risk. Deposits issued at fixed rates expose RCBDH to fair value interest rate risk.



Roman Catholic Bishop of the Diocese of Hamilton

Notes to the Financial Statements

For the Year Ended 31 December 2023

Summarised sensitivity analysis:

The following table summarises the sensitivity of RCBDH's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk.

31-Dec-23	Carrying amount \$	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		1%		-1%		1%		-1%		1%	
		Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$
Financial assets													
Cash and cash equivalents	4,952,778	(49,527)	(49,527)	49,527	49,527	1,663	1,663	(1,663)	(1,663)	-	-	-	-
Receivables from exchange transactions	808,205	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from non-exchange transactions	5,588	-	-	-	-	-	-	-	-	-	-	-	-
Interest Receivable	82,487	(825)	(825)	825	825	-	-	-	-	-	-	-	-
Other receivables	0	-	-	-	-	-	-	-	-	-	-	-	-
Financial Assets at fair value through other comp	29,663,095	(2,601)	(2,601)	2,601	2,601	-	-	-	-	-	(296,630)	-	296,630
Financial liabilities													
Trade and other creditors	1,822,724	-	-	-	-	-	-	-	-	-	-	-	-
Depositors' Accounts	21,407,667	282,083	282,083	(282,083)	(282,083)	-	-	-	-	-	-	-	-
Loans and borrowings	14,410,079	144,101	144,101	(144,101)	(144,101)	-	-	-	-	-	-	-	-
Total increase/ (decrease)		373,231	373,231	(373,231)	(373,231)	1,663	1,663	(1,663)	(1,663)	-	(296,630)	-	296,630

31-Dec-22	Carrying amount \$	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		1%		-1%		1%		-1%		1%	
		Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$
Financial assets													
Cash and cash equivalents	14,588,241	(145,882)	(145,882)	145,882	145,882	1,947	1,947	(1,908)	(1,908)	-	-	-	-
Receivables from exchange transactions	584,007	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from non-exchange transactions	10,683	-	-	-	-	-	-	-	-	-	-	-	-
Interest Receivable	83,339	(833)	(833)	833	833	-	-	-	-	-	-	-	-
Other receivables	4,052,895	-	-	-	-	-	-	-	-	-	-	-	-
Financial Assets at fair value through other comp	19,871,430	(2,638)	(2,638)	2,638	2,638	-	-	-	-	-	(198,714)	-	198,714
Financial liabilities													
Trade and other creditors	3,166,390	-	-	-	-	-	-	-	-	-	-	-	-
Depositors' Accounts	21,102,501	284,069	284,069	(284,069)	(284,069)	-	-	-	-	-	-	-	-
Loans and borrowings	15,546,843	155,468	155,468	(155,468)	(155,468)	-	-	-	-	-	-	-	-
Total increase/ (decrease)		290,184	290,184	(290,184)	(290,184)	1,947	1,947	(1,908)	(1,908)	-	(198,714)	-	198,714

Roman Catholic Bishop of the Diocese of Hamilton

Notes to the Financial Statements

For the Year Ended 31 December 2023

(b) Credit risk

Credit risk is the risk of financial loss to the RCBDH if a counterparty to a financial instruments fails to meet its contractual obligations. The RCBDH is mainly exposed to credit risk from its financial assets, including cash and cash equivalents, deposits with banks and financial institutions, receivables and debt securities. The maximum exposure to credit risk is the total carrying amount of financial assets exposed to credit risk which is \$34,615,873 (2022: \$34,459,670)

The credit risks for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings (Fitch rating of AA- to A-). No impairment loss has been recorded in relation to the cash, deposits and bonds portfolio held by the RCBDH. The fixed interest investment portfolio consists of a minimum of 70% of investment grade (BBB-) or better, up to 15% of rated sub investment grade securities, and up to 15% unrated investments; as per the organisations Investment Policy and the bonds are not past due.

The RCBDH's policy is to deal only with creditworthy counterparties. No collateral is by the RCBDH in respect of its exposure to credit risk.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Catholic Development Fund acts as both the treasury arm of the Diocese and as an investment and development fund, and the Catholic Development Fund continues to return a good surplus year after year. The Diocese's own funds are invested in the Catholic Development Fund. In addition all parishes and catholic entities are required to invest their surplus funds in the Catholic Development Fund, and parish funds can only be withdrawn after receiving the approval of the Bishop, Diocesan Finance Council and College of Consultors (Priests Council). In regard to the individual parishioner accounts the majority of the funds invested with the Catholic Development Fund remains invested for long periods, with the investor's prime motive being to support the Church rather than for the return on the investment.

The table below analyses the RCBDH's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Carrying Amount	Call	Less than 1 year	Between 1 and 2 years	Over 2 years	Total
	\$	\$	\$	\$	\$	\$
31-Dec-23						
<u>Financial liabilities</u>						
Trade and other payables	1,822,724	1,822,724	-	-	-	1,822,724
Depositors	21,407,667	5,084,349	14,937,122	1,386,197	-	21,407,667
Loans and borrowings	14,410,079	-	1,209,895	1,083,616	12,116,568	14,410,079
		6,907,073	16,147,017	2,469,813	12,116,568	37,640,470

	Carrying Amount	Call	Less than 1 year	Between 1 and 2 years	Over 2 years	Total
	\$	\$	\$	\$	\$	\$
31-Dec-22						
<u>Financial liabilities</u>						
Trade and other payables	3,166,390	3,166,390	-	-	-	3,166,390
Depositors	21,102,501	4,689,394	14,988,067	1,425,040	-	21,102,501
Loans and borrowings	15,546,843	-	1,236,958	1,083,616	13,226,269	15,546,843
		7,855,784	16,225,025	2,508,656	13,226,269	39,815,734



Roman Catholic Bishop of the Diocese of Hamilton

Notes to the Financial Statements

For the Year Ended 31 December 2023

(d) Fair value estimation

The fair value of financial instruments traded in active markets (such as available-for-sale equity securities and bonds) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by RCBDH is the current bid price.

The carrying value less impairment provision of related party advances, cash and cash equivalents, trade and other receivables (e.g. NZCEO retentions) and trade and other payables is a reasonable approximation of their fair values due to the short-term nature of the financial assets and liabilities.

The table below analyses financial instruments carried at fair value, by valuation method.

The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents RCBDH's assets that are measured at fair value at 31 December 2023

2023	Level 1	Level 2	Level 3	Total
Assets				
Financial Assests at fair value through other comprehensive revenue				
- Equity securities	17,668,521	-	-	17,668,521
- Debt investments	10,018,431	-	-	10,018,431
- Property Units	1,976,143	-	-	1,976,143
Total assets	29,663,095	-	-	29,663,095

The following table presents RCBDH's assets that are measured at fair value at 31 December 2022:

2022	Level 1	Level 2	Level 3	Total
Financial Assests at fair value through other comprehensive revenue				
- Equity securities	10,598,584	-	-	10,598,584
- Debt investments	7,055,925	-	-	7,055,925
- Property Units	2,216,920	-	-	2,216,920
Total assets	19,871,429	-	-	19,871,429

(e) Capital risk management

RCBDH's capital is its reserves and retained surpluses, which are represented by RCBDH's net assets.

The mission of the Church, Pastoral plans and long term planning is reflected in the Annual Budgets that are prepared and regularly monitored, along with monthly reporting.

(f) Capital adequacy

A new Trust Deed was entered into on 23 November 2016 with Covenant Trustee Services Limited.

The requirement on Capital ratio is:

That the total equity for the Catholic Development Fund, and Catholic Diocese of Hamilton combined must be greater than 10% of the total assets using a risk weighted capital adequacy model.

The liquidity coverage ratio requirement is: total cash of the Catholic Diocese of Hamilton and the Catholic Development fund combined shall not fall below 7% of total tangible assets.

All covenants in regards to capital adequacy have been complied with during the year. The total equity percentage as at 31 December is 18% (2022: 19.4%). The liquidity coverage ratio is 33% (2022: 33%).



Roman Catholic Bishop of the Diocese of Hamilton

Notes to the Financial Statements

For the Year Ended 31 December 2023

5 Reserves and retained earnings

(a) Reserves

	2023	2022
The reserves balance is made up of the following:	\$	\$
Financial Assets at fair value through other comprehensive revenue reserve	2,197,999	1,725,318
Needy missions reserve	33,158	33,158
	<u>2,231,157</u>	<u>1,758,476</u>

Movements in reserves were as follows:

	2023	2022
Reserves Financial Assets at fair value through other comprehensive revenue reserve, which includes the Foreign currency reserve	\$	\$
Balance at 1 January	<u>1,725,318</u>	<u>4,275,376</u>
Disposals	(301,587)	(265,653)
Fair value gains for the year as recognised in the Statement of Other Comprehensive Revenue and Expense	<u>774,268</u>	<u>(2,284,405)</u>
Net movement for the year	<u>472,681</u>	<u>(2,550,058)</u>
Balance at 31 December	2,197,999	1,725,318

(b) Accumulated revenue and expense

Movements in accumulated revenue and expense were as follows:

	2023	2022
	\$	\$
Balance 1 January	174,853,888	166,619,162
Realised gains on disposal of financial assets at FVOCRE	301,587	
Surplus for the year	5,765,334	8,234,726
Balance 31 December	<u>180,920,809</u>	<u>174,853,888</u>

6 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor:

	2023	2022
	\$	\$
Assurance services		
<i>Audit services</i>		
Audit of financial reports and other audit related work	73,448	85,956
Total Assurance services	<u>73,448</u>	<u>85,956</u>



Roman Catholic Bishop of the Diocese of Hamilton

Notes to the Financial Statements

For the Year Ended 31 December 2023

7 Revenue

Revenue from exchange transactions includes:

	2023	2022
	\$	\$
Revenue from exchange transactions:		
Advertising and Sponsorship	14,033	18,750
Attendance dues	4,588,111	4,405,476
Cost Recoveries	57,932	63,484
Other Exchange revenue	273,601	168,620
Gain on Sale Property Plant and Equipment	1,251	199,087
	<u>4,934,928</u>	<u>4,855,417</u>

Revenue from non-exchange transactions:

Allocations	483,446	473,692
Bishop's Appeal , Donations, Grants and Bequests, Seminary Appeal	1,006,035	1,136,201
Catholic Character contributions	336,478	319,275
Chaplaincy Subsidy	62,681	76,903
MOE-Learning Support Coordinators Funding	250,573	493,789
MOE- EPMP Funding	1,612,554	2,143,108
NZCEO assistance from the scheme (note 27)	2,530,541	2,356,764
Other Non-Exchange revenue	10,142	3,511
Policy One funding (note 27)	9,570,727	8,385,533
Policy Two funding	930,852	0
	<u>16,794,029</u>	<u>15,388,776</u>

Finance Income

Interest income under the effective interest method on:

Cash and cash equivalents	518,556	472,222
Bonds New Zealand debt securities - FVOCRE	530,201	310,887
Loans at amortised cost	31,417	1,205
	<u>1,080,174</u>	<u>784,314</u>

Dividends income - Equity securities - FVOCRE	1,162,926	280,645
Foreign exchange gains/losses	5,106	126,894
Total Finance Income	<u>2,248,206</u>	<u>1,191,853</u>

Finance Costs

Financial Liabilities at amortised costs

- Depositor funds	514,683	297,285
- Loan repayments (NZCEO)	901,869	678,499
Total Finance Costs	<u>1,416,552</u>	<u>975,784</u>

Net finance income through surplus or deficit	831,654	216,069
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Roman Catholic Bishop of the Diocese of Hamilton

Notes to the Financial Statements

For the Year Ended 31 December 2023

8	Operating expenses	2023	2022
	Depreciation	\$	\$
	Buildings	3,004,582	2,881,131
	Furniture and fittings	5,002	5,211
	Plant and equipment	11,271	13,878
	Computers	13,904	9,709
	Motor vehicles	36,240	40,344
		<u>3,070,999</u>	<u>2,950,273</u>
	Other expenses		
	Amortisation – Software	6,546	5,512
	Bank Fees	5,259	5,831
	Legal / refinancing	17,483	12,937
	Administration costs		
	Bad and doubtful debts	(30,885)	25,017
	Maintenance and compliance costs Schools	4,636,615	1,563,999
	National Bishops conference levy	316,580	286,958
	NZCEO levies (note 27)	87,279	86,289
	NZCEO contribution to the scheme (note 27)	3,329,888	3,283,764
	Rental expenses	-	6,018
	Collection costs	17,382	28,913
	Rebates dues support	225,922	179,867
	Insurance	532,040	431,419
	Audit fee	73,448	85,956
	Administration	90,003	87,526
	Other expenses	2,659,965	1,536,805
		<u>11,967,525</u>	<u>7,626,811</u>

Roman Catholic Bishop of the Diocese of Hamilton

Notes to the Financial Statements

For the Year Ended 31 December 2023

9 Cash and cash equivalents	2023	2022
	\$	\$
Petty cash and advances	-	950
Cash at bank and on hand	2,591,346	9,765,346
Deposits at call	2,361,432	4,821,945
	<u>4,952,778</u>	<u>14,588,241</u>

10 Receivables from exchange transactions	2023	2022
	\$	\$
Prepayments	787,679	776,965

Receivables from exchange transactions

Net Attendance dues receivables	508,254	437,595
Receivables from non-related parties	140,058	3,239
Related parties receivables	157,363	143,173
GST receivable	171,083	584,063
Sundry Receivables from exchange transactions	1,265	-
	<u>979,288</u>	<u>1,168,070</u>

The RCBDH -has recognised a profit of \$30,885 (2022: \$25,017) in respect of bad and doubtful trade receivables recovered during the year ended 31 December 2023. The profit has been included in "Other expenses" in the surplus and deficit component of the Statement of Comprehensive Revenue and Expenses.

11 Receivables from non-exchange transactions	2023	2022
	\$	\$
Sundry Receivables	5,587	10,683
	<u>5,587</u>	<u>10,683</u>

12 Financial Assets at fair value through other comprehensive revenue and expense	2023	2022
	\$	\$
Listed debt securities	10,018,431	7,055,925
Listed equity securities	17,668,521	10,598,584
Property Units	1,976,143	2,216,920
	<u>29,663,095</u>	<u>19,871,429</u>
Current Portion	156,900	2,158,785
Non-Current Portion	29,506,195	17,712,644



Roman Catholic Bishop of the Diocese of Hamilton

Notes to the Financial Statements

For the Year Ended 31 December 2023

(a) Fair values

Financial Assets at fair value through other comprehensive revenue and expense:	2023	2022
	\$	\$
Bonds New Zealand debt securities	10,018,431	7,055,925
New Zealand listed equity securities	4,993,850	4,040,223
Australian listed equity securities	4,831,499	2,094,619
International equity securities	7,843,172	4,463,742
Property Units	1,976,143	2,216,920
	<u>29,663,095</u>	<u>19,871,429</u>

(b) Impairment and risk exposure

The maximum exposure to credit risk at the reporting date is the carrying amount of the debt securities.

An impairment loss of \$nil (2022: \$200,455) was recognised during the year in respect to decline of share prices below cost price.

13 Interest Receivable	2023	2022
	\$	\$
Interest Receivable	82,487	83,339

Interest is Receivable from debt securities and cash deposits.

14 Other receivables	2023	2022
	\$	\$
NZCEO Limited retentions		
Current portion	-	4,052,895
Non-current portion	-	-
	<u>-</u>	<u>4,052,895</u>

The New Zealand Catholic Education Office Limited (NZCEO) retentions relate to Policy One funding and interest retained by NZCEO. Refer to note 21 and note 27 for further details.



Roman Catholic Bishop of the Diocese of Hamilton

Notes to the Financial Statements

For the Year Ended 31 December 2023

15 Property, plant and equipment

	Opening cost	Additions	Transfers to/(from) capital works in progress	Disposals/written off	Closing cost	Opening accumulated depreciation	Depreciation expense	Disposal effect/written off effect	Closing accumulated depreciation	Opening carrying amount	Closing carrying amount
2022											
Land	28,786,268	-	-	(265,001)	28,521,267	-	-	-	-	28,786,268	28,521,267
Buildings	164,236,534	-	9,831,748	(212,866)	173,855,416	31,144,306	2,881,131	(3,431)	34,022,006	133,092,228	139,833,410
Furniture and fittings	301,650	2,631	4,506	(9)	308,778	279,315	5,211	-	284,526	22,335	24,252
Plant and equipment	358,981	15,815	-	(762)	374,034	312,385	13,878	(761)	325,502	46,596	48,532
Computers	324,324	10,221	-	-	334,545	292,588	9,709	-	302,297	31,736	32,248
Motor vehicles	290,812	20,000	-	(22,540)	288,272	99,075	40,344	(14,980)	124,439	191,737	163,833
Capital works in progress	8,931,496	10,848,738	(9,836,254)	-	9,943,980	-	-	-	-	8,931,496	9,943,980
	203,230,065	10,897,405	-	(501,178)	213,626,292	32,127,669	2,950,273	(19,172)	35,058,770	171,102,396	178,567,522
2023											
Land	28,521,267	-	-	-	28,521,267	-	-	-	-	28,521,267	28,521,267
Buildings	173,855,416	1,092,949	3,910,916	(6,788)	178,852,492	34,022,006	3,004,582	(5,469)	37,021,119	139,833,410	141,831,374
Furniture and fittings	308,778	10,107	-	(16,510)	302,375	284,526	5,002	(16,251)	273,277	24,252	29,098
Plant and equipment	374,034	2,856	-	(18,814)	358,076	325,502	11,271	(13,789)	322,984	48,532	35,093
Computers	334,545	22,410	-	(6,446)	350,510	302,297	13,904	(6,308)	309,893	32,248	40,616
Motor vehicles	288,272	90,100	-	(36,087)	342,285	124,439	36,240	(20,074)	140,605	163,833	201,680
Capital works in progress	9,943,980	12,367,459	(3,910,916)	(2,153,410)	16,247,113	-	-	-	-	9,943,980	16,247,113
	213,626,292	13,585,882	-	(2,238,055)	224,974,118	35,058,770	3,070,999	(61,892)	38,067,878	178,567,522	186,906,241

16 Intangible assets

	Opening cost	Additions	Disposals/written off	Closing cost	Opening accumulated amortisation	Amortisation expense	Disposal effect/written off effect	Closing accumulated amortisation	Opening carrying amount	Closing carrying amount
2022										
Computer software	180,852	2,106	-	182,958	162,523	5,512	-	168,035	18,329	14,923
2023										
Computer software	182,958	8,371	(35,880)	155,449	168,035	6,546	(35,053)	139,528	14,923	15,922

Roman Catholic Bishop of the Diocese of Hamilton

Notes to the Financial Statements

For the Year Ended 31 December 2023

17 Trade and other payables	2023	2022
	\$	\$
Payables from exchange transactions	538,812	276,895
Capital work in progress creditors (exchange)	-	2,283,699
Retention	385,434	479,101
Accrued expenses	609,953	56,450
Accrued Interest	288,525	70,245
	<u>1,822,724</u>	<u>3,166,390</u>

The carrying value of trade creditors approximates fair value.

18 Income in advance	2023	2022
	\$	\$
Income in advance	13,296	1,283
Attendance dues and MOE EPMP, LSC in advance	496,306	709,198
	<u>509,602</u>	<u>710,481</u>

19 Other Liabilities	2023	2022
	\$	\$
School fundraising held	2,061,710	1,805,671
Chaplaincy fund	-	2,629
Held in trust for others	23,751	1,722
	<u>2,085,461</u>	<u>1,810,022</u>

20 Interest bearing liabilities – depositors’ funds	2023	2022
	\$	\$
Depositors funds – current	21,152,217	20,848,137
Depositors funds – non-current	255,450	254,364
	<u>21,407,667</u>	<u>21,102,501</u>

21 Loans and borrowings	2023	2022
	\$	\$
Current portion		
School loans (note 27)	1,209,895	1,236,958
	<u>1,209,895</u>	<u>1,236,958</u>
Non – current portion		
School loans: (note 27)	13,200,184	14,309,885
	<u>13,200,184</u>	<u>14,309,885</u>

NZCEO loans are secured by the properties at:

Gladstone Road, Gisborne; 62 Corlett Street, Rotorua; 32 Kahu Street, Rotorua; 85 Hillcrest Road, Hamilton, 183 Pyes Pa, Tauranga. NZCEO loans are interest bearing at 6.30% (2022: 3.90%).



Roman Catholic Bishop of the Diocese of Hamilton

Notes to the Financial Statements

For the Year Ended 31 December 2023

22 Commitments

The following details commitments associated with the RCBDH:

(a) Capital commitments

The RCBDH had capital commitments at balance date, in relation to School Buildings of \$1,267,899 (2022: \$2,831,554) and other commitments of \$1,150,862 (2022: nil).

(b) Lease commitments

The RCBDH has the following commitments for minimum lease payments in relation to non-cancellable operating leases. These leases are for the use of a photocopier and a franking machine.

	2023	2022
	\$	\$
Not later than one year	6,467	6,467
Later than one year and no later than five years	4,311	10,778
Later than five years	-	-
Total	10,778	17,245

23 Contingencies

As at 31 December 2023 the Royal Commission of Inquiry into Historical Abuse in State Care and in the care of Faith-based institutions has commenced and is likely to be ongoing for a period of 1-2 years. RCBDH is a participant in this inquiry. At the time these financial statements were approved for issue any particular outcomes, including any financial implications, cannot be reasonably predicted. There are no other contingent assets or liabilities.

24 Events after the reporting period

There have been no significant events after the reporting period.

25 Reconciliation of operating cash flows to net surplus

	2023	2022
	\$	\$
Net surplus for the year	5,765,334	8,234,731
Adjustments for non-cash items:		
Depreciation	3,070,999	2,950,273
Amortisation of Software	6,546	5,512
Net gain on sale of investments	-	(45,743)
Net exchange differences	-	4,043
Repayment of NZCEO Loan	744,993	797,849
Adjustments movements in:		
(Increase) / Decrease in NZCEO receivable	127,653	(2,172,641)
Decrease / (Increase) in Prepayments and other assets	(168,940)	(416,111)
Increase / (Decrease) in trade creditors	(1,342,024)	2,130,789
Accrued interest receivable on bonds	14,350	(11,094)
Accrued Distribution Receivable	(13,498)	(13,498)
Increase / (Decrease) in employee entitlements	(179,884)	34,375
Increase / (Decrease) in income received in advance	(200,879)	310,515
Increase / (Decrease) in receivables	(219,102)	912,568
Loss on disposal of property, plant and equipment	1,319	1,185
Net cash inflow from operating activities	7,606,867	12,722,753

Roman Catholic Bishop of the Diocese of Hamilton

Notes to the Financial Statements

For the Year Ended 31 December 2023

26 Related party transactions

- (a) 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) or they are subject to common control.

In the course of normal operations RCBDH enters into transactions with other Catholic organisations. Material related party transactions for the period are detailed below.

(b) Transactions with related parties	2023	2022
The following transactions occurred with related parties:	\$	\$
Revenue:		
Interest on related party advances	1,205	1,205
Parish Allocations and Charges	483,446	473,692
Internal Charges	56,381	28,086
Courses, Conferences and Adult Education	287,924	319,841
	<u>827,751</u>	<u>821,619</u>
Expenses:		
<i>Internal charges:</i>		
Parishes	101	58
Schools	-	625
Interest paid on related party deposits	209,106	230,371
	<u>209,207</u>	<u>231,054</u>
Advances to related parties		
Payments to Repayments from related parties	30,000	601,205
Deposits from related parties		
<i>Deposited received from:</i>		
Schools	6,726,201	2,399,869
Parishes, Clergy Trust, Catholic Care Foundation	2,472,756	1,594,815
Catholic Family Support Services	681,022	653,283
Employees	24,018	12,519
Depositor repayments to:		
Schools	(5,348,782)	(1,960,288)
Parishes, Clergy Trust, Catholic Care Foundation	(2,991,945)	(3,811,280)
Catholic Family Support Services	(764,095)	(511,314)
Employees	(93,495)	(101,004)
	<u>705,680</u>	<u>(1,723,400)</u>
Fundraising accounts:		
Receipts to Diocesan Schools	674,863	776,500
Payments from Diocesan Schools	(421,586)	(657,262)
	<u>253,277</u>	<u>119,238</u>

Roman Catholic Bishop of the Diocese of Hamilton

Notes to the Financial Statements

For the Year Ended 31 December 2023

(c) Outstanding balances

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2023	2022
	\$	\$
Current receivables (sales of goods, services and assets):		
Parishes / Trusts/ Foundation	154,309	148,721
Other related parties	100,335	2,786
Employees	445	305
	<hr/>	
	255,089	151,812
Advances to related parties	30,000	601,205
Fundraising Accounts for schools	2,061,710	1,808,433
<i>Depositors balance:</i>		
Schools	5,722,025	4,648,175
Parishes, Clergy Trust, Common Good Foundation/ Catholic Care Foundation and Catholic Family Support Services	118,282,017	12,430,479
Employees	24,490	93,967

(d) Key management personnel

The key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are the Bishop of RCBDH, the diocesan senior management group and the members of the Finance Council.

The Bishop of RCBDH receives remuneration from another Catholic entity. No remuneration is paid to the members of the Finance Council. The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration is as follows:

	2023	2022
	\$	\$
Total remuneration	539,875	630,865
Full time equivalent units	4.54	5.87



Roman Catholic Bishop of the Diocese of Hamilton

Notes to the Financial Statements

For the Year Ended 31 December 2023

27 New Zealand Catholic Education Office

NZCEO assistance from National Attendance Dues and Capital Indebtedness Sharing Scheme

From 1 April 2003 the RCBDH - Diocesan Schools joined the National Pooling of Debt scheme administered by the New Zealand Catholic Education Office (NZCEO). This scheme means that NZCEO pays the interest and principal on borrowings for the RCBDH- Diocesan Schools. This is showing as revenue from NZCEO assistance from the scheme (note 7). RCBDH - Diocesan Schools paid a contribution to NZCEO that equates to approximately 75.9% (2022: 73.8%) of attendance dues. Refer to NZCEO contribution to the scheme (note 8).

The loans are secured by registered first mortgage over the properties at:

Gladstone Road, Gisborne; 62 Corlett Street, Rotorua; 32 Kahu Street, Rotorua; 85 Hillcrest Road, Hamilton, 183 Pyes Pa, Tauranga. NZCEO loans are interest bearing at 6.30% (2022: 3.90%).

The Ministry of Education provides Policy One funding for proprietors of state-integrated schools to modernise and upgrade their integrated school property. NZCEO retains 20% in the scheme.

Contribution to the Scheme held by NZCEO	2023	2022
	\$	\$
Opening balance 1 January	47,343,999	44,060,235
Contribution paid to the Scheme	3,329,888	3,283,764
Closing balance 31 December	50,673,887	47,343,999

The movement represents the contribution that has been paid to the NZCEO scheme during the year.

The following transactions occurred with NZCEO:

	2023	2022
	\$	\$
Receipts in:		
Policy One funding	9,570,727	8,385,533
Policy Two funding	930,852	-
Policy One retention released	-	(947,350)
Interest received on NZCEO retention receivable	-	265,123
Assistance from the Scheme	2,530,541	2,356,764
Other Release return of fund	-	(7,647,014)
	2023	2022
	\$	\$
Payments out:		
Policy One Retention	-	1,677,107
Policy One - Te Puna Taamata	957,073	-
Administration Charge	8,498	2,586
Contribution to the Scheme	3,329,888	3,283,764
Interest paid on loans (NZCEO)	1,003,365	807,109
Levies	87,279	86,289
	2023	2022
	\$	\$
Advances from NZCEO:		
Schools Loans (Note 21)	14,410,079	15,546,843
Deposits with NZCEO:		
NZCEO retentions (Note 14)	-	4,052,895

Roman Catholic Bishop of the Diocese of Hamilton Independent auditor's report to the Bishop

Report on the Audit of the Financial Report

Opinion

We have audited the financial statements of Roman Catholic Bishop of the Diocese of Hamilton, which comprise the statement of financial position as at 31 December 2023, and the statement of service performance the statement of comprehensive revenue and expenses, statement of changes in net assets / equity and statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies.

In our opinion:

- a. the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable.
- b. the accompanying financial report gives a true and fair view of:
 - the service performance for the year then ended, and
 - the financial position of the Roman Catholic Bishop of the Diocese of Hamilton as at 31 December 2023 and of its financial performance, and cash flows for the year then endedin accordance with Public Benefit Entity International Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit of the statement of comprehensive revenue and expenses, statement of financial position, statement of cash flows, statement of accounting policies and notes to financial report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised).

Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial report section of our report. We are independent of the entity in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Roman Catholic Bishop of the Diocese of Hamilton.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

Area of focus	How our audit addressed it
<p>As disclosed in Note 7 of the financial report, the Roman Catholic Bishop of the Diocese of Hamilton's largest revenue streams include:</p> <ul style="list-style-type: none"> • Ministry of Education ('MOE') Policy One funding - \$9,570,727 • MOE-EPMP Funding - \$1,612,554 • Attendance dues income from the Diocesan Schools - \$4,588,111 • NZCEO assistance funding - \$2,530,541 <p>These revenue streams were significant to our audit due to the significant size of the transactions in monetary terms, the volume of transactions and the unique nature of the revenue streams.</p>	<p>For each revenue stream, we obtained an understanding of the revenue streams and accounting and administrative processes followed by the Roman Catholic Bishop of the Diocese of Hamilton.</p> <p>Our audit procedures, amongst others, included:</p> <ul style="list-style-type: none"> • MOE Policy One Funding – we performed a substantive analytical review by performing an expectation of Policy One funding by multiplying the roll numbers by the student charge information directly from the MOE. We also verified receipt of the four quarterly payments into the Diocese bank account. We assessed completeness of revenue through our review of bank reports and MOE documentation. • MOE-EPMP (Essential Property Maintenance Package) Funding – we confirmed the approved funding for each school to the Association of Proprietors of Integrated Schools website and reconciled income received in advance. • Attendance dues income from the Diocesan Schools – we performed substantive analytical review by comparing attendance dues income based on the MOE provided rolls and the approved rates per student. • NZCEO assistance funding – we performed substantive tests of detail by agreeing funding received to NZCEO reports.

Responsibilities of the Bishop

The Bishop is responsible for:

- a. Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance.
- b. the preparation of the financial report that gives a true and fair view, which comprises:
 - the statement of service performance

— the statement of comprehensive revenue and expenses, statement of financial position, statement of cash flows, statement of accounting policies and notes to the financial report

in accordance with Public Benefit Entity International Public Sector Accounting Standards issued by the New Zealand Accounting Standards Board, and

- c. for such internal control as the Bishop determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Bishop is responsible on behalf of the entity for assessing the Roman Catholic Bishop of the Diocese of Hamilton's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Bishop either intends to liquidate the Roman Catholic Bishop of the Diocese of Hamilton or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial report is as a whole free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Obtain an understanding of the process applied by the entity to select what and how to report its service performance.
- Evaluate whether the service performance criteria are suitable so as to result in service performance information that is in accordance with the applicable financial reporting framework.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Bishop and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our

opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements and service performance information, including the disclosures, and whether the financial statements and service performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Roman Catholic Bishop of the Diocese of Hamilton regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement director on the audit resulting in this independent auditor's report is Richard Dey.

Restriction on Distribution and Use

This report is made solely to the Roman Catholic Bishop of the Diocese of Hamilton, as a body. Our audit work has been undertaken so that we might state to the Roman Catholic Bishop of the Diocese of Hamilton those matters which 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 Roman Catholic Bishop of the Diocese of Hamilton, as a body, for our audit work, for this report or for the opinions we have formed.



William Buck Audit (NZ) Limited

Tauranga
29 April 2024