

St Mary of the Angels

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

CONTENTS

Pages

1. Statement of Financial Performance
2. Statement of Financial Position
3. Statement of Changes in Equity
4. Statement of Cash Flows
- 5-7. Statement of Accounting Policies
- 8-12. Notes to the Financial Statements
13. Audit Report

St Mary of the Angels Parish

Statement of Financial Performance For the year ended 31 March 2014

	Note	Audited 2014	Unaudited 2013
Revenue			
Unspecified Donations	1	272,214	286,522
Specified Donations	2	24,870	55,155
Grants	3	15,000	5,000
Rental Income	4	34,842	32,308
Interest on Deposits	5	6,562	6,514
Other Revenue	6	14,016	58,682
Total Revenue		367,504	444,181
Expenditure			
Audit Fees		4,000	-
Depreciation excluding Building and Church Organ	12	6,634	6,634
Administrative Costs	7	377,842	419,721
Specified Donations Paid Out	8	6,150	16,435
Total Expenditure		394,626	442,790
(Deficit)/Surplus before Donations for Capital Expenditure and Depreciation		(27,122)	1,391
Donations for Capital Expenditure	9	391,719	23,889
Impairment of Church Building	12	-	(9,350,000)
Depreciation – Building and Church Organ	12	(83,580)	(106,955)
Surplus/(Deficit) for the year		281,017	(9,431,675)

The accompanying notes on pages 5 to 12 form part of these financial statements

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St Mary of the Angels Parish

Statement of Financial Position As at 31 March 2014

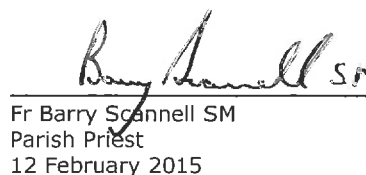
	Note	Audited 2014	Unaudited 2013
Assets			
Current Assets			
Cash	10	112,378	45,473
Term Deposits	11	148,709	266,640
Accounts Receivable		3,073	11,135
Prepayments		1,435	0
GST Receivable		32,248	1,978
Total Current Assets		297,843	325,226
Property, Plant and Equipment (PPE)			
Land	12	10,100,000	10,100,000
Building	12	5,268,625	5,322,625
Seismic Strengthening	12	434,380	1,430
Presbytery Renovations	12	9,135	-
Church Organ	12	1,419,840	1,449,420
Computer and Office Equipment	12	1,415	2,273
Furniture and Fittings	12	3,745	4,322
Motor Vehicles	12	30,329	35,529
Total Property, Plant and Equipment		17,267,469	16,915,599
Total Assets		17,565,312	17,240,825
Liabilities			
Current Liabilities			
Creditors and Payables		71,091	30,296
Accrued Expenses Payable		4,000	-
Revenue in Advance		100	1,425
Total Current Liabilities		75,191	31,721
Net Assets		17,490,121	17,209,104
Equity			
General Reserves		17,254,684	16,923,301
Capital Expenditure Reserve	13	235,437	285,803
Total Equity		17,490,121	17,209,104

Represented by:

The accompanying notes on pages 5 to 12 form part of these financial statements

These financial statements are approved on behalf of the St Mary of the Angels Parish by:


 John Kennedy-Good
 Chairman Finance Committee
 12 February 2015


 Fr Barry Scannell SM
 Parish Priest
 12 February 2015

St Mary of the Angels Parish

Statement of Changes in Equity For the year ended 31 March 2014

	Note	Audited 2014	Unaudited 2013
General Reserves			
Opening balance		16,923,301	26,377,435
Current Surplus		281,017	(9,431,675)
Transfer from/(to) Capital Expenditure Reserve		50,366	(22,459)
Closing Balance		17,254,684	16,923,301
Capital Expenditure Reserve			
Opening balance		285,803	263,344
Transfer (to)/from General Reserve		(50,366)	22,459
Closing Balance	13	235,437	285,803
Total Equity		17,490,121	17,209,104

The accompanying notes on pages 5 to 12 form part of these financial statements



St Mary of the Angels Parish

Statement of Cash Flows For the year ended 31 March 2014

	Note	Audited 2014	Unaudited 2013
Cash Flows from Operating Activities			
Unspecified Donations		272,214	286,522
Specified Donations		24,870	55,155
Donations for Capital Expenditures		391,719	23,889
Grants		18,063	-
Rental Income		38,517	38,705
Interest on Deposits		6,562	6,514
Other Revenue		14,016	58,683
Payments to Suppliers and Employees		(374,902)	(431,253)
Net Cash flows from Operating Activities	14	391,059	38,215
Cash Flows from Investing Activities			
Movement in Term Deposits		117,931	(38,498)
Movement in Property, Plant and Equipment		(442,085)	(1,431)
Net Cash flows (used) in Investing Activities		(324,154)	(39,929)
Net Increase/(Decrease) in Cash		66,905	(1,714)
Cash at Beginning of Year		45,473	47,187
Cash at End of Year	10	112,378	45,473

The accompanying notes on pages 5 to 12 form part of these financial statements

St Mary of the Angels Parish

Statement of Accounting Policies For the year ended 31 March 2014

Reporting Entity

The Reporting Entity is St Mary of the Angels Parish ("SMOA"), one of the parishes of the Roman Catholic Archdiocese of Wellington ("ADW"). The ADW is a corporation sole established under the Roman Catholic Bishops' Empowering Act 1997.

SMOA does not have a separate legal personality, as Archbishop John A Dew, as a corporation sole, is the legal owner of all parish assets. However, under Canon Law, SMOA as a parish is a separate juridic person and parish assets are part of parish patrimony, vested in the Archbishop in trust on behalf of the parish. The Archbishop cannot unilaterally appropriate parish assets for another purpose.

Basis of Preparation

(a) Statement of Compliance

The financial statements are general purpose financial statements which have been prepared in accordance with generally accepted accounting practices in New Zealand ("NZ GAAP").

(b) Differential reporting

SMOA is a qualifying entity for differential reporting under the following criteria:

It is not publicly accountable, and

It is not large as defined by the Framework for Differential Reporting.

SMOA has taken advantage of all differential reporting exemptions available except that the Statement of Cash Flows has been presented.

(c) Accounting standards

i. New Zealand equivalents to International Financial Reporting Standards

In November 2004 the Accounting Standards Review Board ("ASRB") approved the adoption of New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"). At that time the ASRB announced the adoption of NZ IFRS would be mandatory for reporting entities with accounting periods on or after 1 January 2007.

In September 2007 the ASRB announced that for certain small to medium size entities the mandatory adoption of NZ IFRS had been delayed. These entities can continue to use NZ GAAP as prescribed by the New Zealand Financial Reporting Standards and Statements of Accounting Practice.

SMOA meets the criteria for deferral of NZ IFRS due to not being publicly accountable and its size. The accounts have been prepared on an NZ GAAP basis.

ii. New accounting standards framework

The Minister of Commerce has approved a new Accounting Standards Framework developed by the External Reporting Board ("XRB"). Under this Framework the SMOA is classified as a Tier 3 reporting entity and is permitted to apply simple format reporting standards. These standards have been developed by the XRB based on current international Public Sector Accounting Standards. The effective date for the new standards for not-for-profit public benefit entities is for reporting periods beginning on or after 1 July 2015. This means SMOA will transition to the new standards in preparing its 31 March 2016 financial statements. The Parish Finance Committee has assessed that the implications of the new Accounting Standards Framework will be minimal.

The XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standards Framework is effective.

(d) Measurement Base

The financial statements have been prepared on an historical cost basis. The financial statements have been presented in New Zealand dollars.

Foreign Currency Transactions

Transactions in foreign currencies that are settled in the accounting period are translated at the settlement rate.



St Mary of the Angels Parish

Statement of Accounting Policies For the year ended 31 March 2014

Accounting Policies

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

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

(a) Recognition of income

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

The following specific recognition criteria must be met before revenue is recognised:

Bequests, Donations, Legacies, Appeals

In common with organizations of a similar nature, control over the income from bequests, donations and legacies prior to being received are limited. Therefore this income is only recorded when received.

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

Interest on Term Deposits

Revenue from term deposits is recognised when the right to receive payment has been established. Interest revenue is recognised on the effective interest rate basis, taking into account the effective yield on the financial asset.

(b) Goods and Services Tax ("GST")

The Statement of Financial Performance and Statement of Financial Position are stated excluding GST, with the exception of receivables and payables, which include GST. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities, which is recoverable from or payable to the Inland Revenue, is classified as operating cashflows.

(c) Income Tax

SMOA is a charitable entity registered with the Charities Commission under the Charities Act 2005. As part of the ADW registration, SMOA is not subject to income tax.

(d) Property, Plant and Equipment

Property, plant and equipment are allocated to classes, as follows:

- Land and Buildings including Seismic Strengthening of Church and Maintenance of Presbytery
- Church Organ
- Computer and Office equipment
- Furniture and Fittings
- Motor Vehicles

The cost model has been applied to the entire class of property, plant and equipment which are stated at cost, less accumulated depreciation and any impairment losses. As land, buildings and church organ have not been previously recognised in the financial statements and their historical cost is not available, the rateable value as at 1 April 2012 has been treated as the deemed cost for land and building. The insured value of the church organ in 2011 is taken as its deemed cost.

(e) Depreciation

Depreciation is calculated on a straight line basis to allocate the cost of assets, less any residual value, over estimated useful lives. The estimated useful lives of depreciable assets are as follows:

- | | |
|--------------------------|--|
| • Buildings | 100 years |
| • Seismic Strengthening | not depreciated until work is finished |
| • Presbytery Maintenance | not depreciated until work is finished |
| • Church Organ | 50 years |
| • Computer Equipment | 3 years |
| • Furniture & Equipment | 5 years |
| • Motor Vehicles | 5 years |



St Mary of the Angels Parish

Statement of Accounting Policies (continued) For the year ended 31 March 2014

(f) Work in Progress

The Church has been closed for seismic strengthening and all costs related to the project are capitalised and will not be depreciated until the work is finished.

(g) Financial Instruments

Financial instruments include financial assets (cash and cash equivalents, term deposits, loan and receivables, investment at fair value through profit and loss) and financial liabilities (trade creditors and payables). SMOA does not have any derivative financial instruments.

Financial instruments are initially recorded at fair value plus transaction costs, except for fair value through the profit or loss category items which are initially recorded at fair value. Subsequent measurement of financial instruments is dependent upon the classification determined by SMOA.

Financial Assets

Financial Assets are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transactions costs except for fair value through the profit or loss category terms which are initially recorded at fair value.

(h) Employee benefits

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

(i) Leases

Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased item, are included in the statement of financial performance in equal instalments over the term of the lease

(j) Provisions

Provisions are recognised when SMOA has a present obligation as a result of a past event, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(k) Payables

Trade payables and other accounts payable are recognised when SMOA becomes obliged to make future payments resulting from the purchase of goods and services.

(l) Statement of cash flows

'Cash' refers to amounts held in banks.

'Operating activities' are amounts received for the supply of services by SMOA, and payments made to employees and suppliers necessary to support those services, including finance costs.

'Investing activities' are the acquisition, holding and disposal of property, plant and equipment and investments. 'Investments' include securities not falling within the definition of cash.

(m) Comparatives

The 2013 comparative figures in these financial statements have in some instances been reclassified to reconcile with current year presentation.

(n) Changes in Accounting policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those in the previous year.

St Mary of the Angels Parish

Notes to the Financial Statements For the year ended 31 March 2014

Note 1. Unspecified Donations

The parish relies on its parishioners' generosity to support its mission to spread the word of God. The following is the breakdown of donations received:

	Audited 2014	Unaudited 2013
Planned Giving	208,750	185,199
Cash Collection during Masses	63,161	98,632
Other Donations	303	2,691
Total Unspecified Donations	272,214	286,522

Note 2. Specified Donations

Some parishioners and donors donate to specific intentions as follows:

	Audited 2014	Unaudited 2013
Parish Deficit	-	20,000
Subsidy Brigidine Sisters	18,720	18,720
Christmas Offering	3,554	7,534
Holy Places	67	4,257
Easter Offering	193	2,287
Peter's Pence	586	519
Ministry Vocations	465	508
Pontifical Mission Society-Mission Sunday	488	497
Bishop's Appeal	410	475
Maori Pastoral Care	387	358
Total Specified Donations	24,870	55,155

Note 3. Grants

SMOA received grants from the following.

	Audited 2014	Unaudited 2013
Friends of SMOA Charitable Trust	15,000	5,000
Total Grants	15,000	5,000

Note 4. Rental Income

	Audited 2014	Unaudited 2013
Flat Rental	15,600	14,170
Hall Hire	8,600	8,588
Parking	10,642	9,550
Total Rental Income	34,842	32,308

The Parish Presbytery has some areas rented out to generate income to support the ministry's operating costs. The flat is tenanted. The community room and hall are rented out for meetings.

Note 5. Interest on Deposits

The parish invest its excess funds with BNZ and the Catholic Development Fund ("CDF") to earn some interest.

	Audited 2014	Unaudited 2013
Parish Fund Deposits	6,562	6,514
Total Interest on Deposit	6,562	6,514

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St Mary of the Angels Parish

Notes to the Financial Statements (continued) For the year ended 31 March 2014

Note 6. Other Revenue

The following are the other income of the parish.

	Audited 2014	Unaudited 2013
The Angelus Newsletter Sponsorships	-	5,053
RCIA Fees	2,135	1,340
Sale of Books, Publications, etc	2,005	4,496
Votive Candles	9,967	32,198
Church Hire for Concerts and Weddings	(1,251)	12,625
Other Revenue of Music Department	1,160	2,970
Total Other Revenue	14,016	58,682

Note 7. Administrative Cost

The following is the breakdown of cost to run the day to day operations of the parish.

	Audited 2014	Unaudited 2013
Support for Clergy	83,279	88,384
Support for ADW	43,075	54,859
Insurance	49,206	35,005
Rates	18,144	18,090
Salaries, Wages and Stipend	112,620	125,234
Bread, Wine, Candles and other Altar Costs	9,090	16,015
Vehicle Running Costs	5,351	4,485
Stationery, Printing and Other Office Costs	9,393	14,546
Light Heat and Gas	8,312	11,262
Telephone , Internet and Website	4,308	5,666
Repairs and Maintenance	26,727	31,170
Music, Pastoral and RCIA cost	7,332	12,295
Items for Resale	1,005	2,710
Total Administrative Costs	377,842	419,721

Note 8. Specified Donations Paid Out

The following donations for specific purposes from parishioners for the period are paid over to the beneficiaries.

	Audited 2014	Unaudited 2013
Society of Mary - Christmas Offering	3,554	7,534
Society of Mary - Easter Offering	193	2,287
ADW - Bishop's Appeal	410	475
ADW - Holy Places	67	4,257
ADW - Maori Pastoral Care Appeal	387	358
ADW- Ministry Vocations Appeal	465	508
ADW - Peter's Pence	586	519
Pontifical Mission Society - Mission Sunday	488	497
Total Specified Donations Paid Out	6,150	16,435

St Mary of the Angels Parish

Notes to the Financial Statements (continued) For the year ended 31 March 2014

Note 9. Donations for Capital Expenditure

The following donations received from parishioners and donors from all over New Zealand and overseas visitors for the upgrade of the presbytery and the seismic strengthening of the church.

	Audited	Unaudited
	2014	2013
Church Seismic Strengthening Donations	387,777	4,940
Church Seismic Strengthening Bequest	2,300	-
Church Seismic Strengthening Deposit Interest	1,642	-
Presbytery Development Donations	-	5,774
Presbytery Development Bequest	-	13,175
Total Donations for Capital Expenditure	391,719	23,889

Note 10. Cash

SMOA maintains its operational cheque account with the BNZ.

	Audited	Unaudited
	2014	2013
Petty Cash	100	100
Parish Account with BNZ	31,005	40,273
Seismic Strengthening Account with BNZ	81,273	5,100
Total Cash	112,378	45,473

Note 11. Term Deposits

	Audited	Unaudited
	2014	2013
Parish Deposits	8,518	8,395
Seismic Strengthening Deposits	100,000	210,000
Presbytery Redevelopment Deposits	40,191	48,245
Total Term Deposits	148,709	266,640

All deposits are held with the Catholic Development Fund (a department of ADW).

Note 12. Property, Plant and Equipment

The Church was closed for seismic strengthening in July 2013. The expected costs to strengthen the Church are \$9.35 million and the Church building has been impaired by that amount.

Audited		Accumulated		Net Book	
Property, Plant and Equipment 2014	Cost	Depreciation	and	Value	Depreciation
		Impairment			
Land	10,100,000	-		10,100,000	-
Building	14,750,000	9,481,375		5,268,625	54,000
Seismic Strengthening	434,380	-		434,380	-
Presbytery Maintenance	9,135	-		9,135	-
Church Organ	1,479,000	59,160		1,419,840	29,580
Computer and Office Equipment	3,834	2,419		1,415	857
Furniture and Fittings	5,765	2,020		3,745	577
Motor Vehicles	49,397	19,068		30,329	5,200
Total for FY 2014	26,831,511	9,564,042		17,267,469	90,214

St Mary of the Angels Parish

Notes to the Financial Statements (continued)
For the year ended 31 March 2014

Note 12. Property, Plant and Equipment (continued)

Unaudited Property, Plant and Equipment 2013	Cost	Accumulated Depreciation and Impairment	Net Book Value	Depreciation
Land	10,100,000	-	10,100,000	-
Building	14,750,000	9,427,375	5,322,625	9,427,375
Seismic Strengthening	1,430	-	1,430	-
Presbytery Maintenance	-	-	-	-
Church Organ	1,479,000	29,580	1,449,420	29,580
Computer and Office Equipment	3,834	1,561	2,273	857
Furniture and Fittings	5,765	1,443	4,322	577
Motor Vehicles	49,397	13,868	35,529	5,200
Total for FY 2013	26,389,426	9,473,827	16,915,599	9,463,589

Note 13. Reconciliation of Capital Expenditure Reserves

	Note	Audited 2014	Unaudited 2013
Total Donations for Capital Expenditure	9	391,719	23,889
Less Capital Expenditure:			
Seismic Strengthening of Church		432,950	1,431
Presbytery		9,135	-
Total Capital Expenditure for the year		442,085	1,431
Net Movement in Capital Expenditure Reserve		(50,366)	22,458
Opening Balance		285,803	263,345
Closing Balance		235,437	285,803

Represented by:

	Note	Audited 2014	Unaudited 2013
Seismic Strengthening Account With BNZ	10	81,273	5,100
Seismic Strengthening Deposits With CDF	11	100,000	210,000
Presbytery Redevelopment Deposits With CDF	11	40,191	48,245
Monies in Parish account/GST refund receivable		13,973	22,458
Total		235,437	285,803

Note 14. Reconciliation of Surplus with Net Cash Flows Operating Cash Flows

	Audited 2014	Unaudited 2013
Surplus/(Deficit) for the year	281,017	(9,431,675)
Non Cash transactions		
Depreciation	90,214	9,463,589
Movements in Working Capital:		
Movement in Accounts Receivable	8,062	(27)
Movement in Prepayments	(1,435)	-
Movement in GST Receivable	(30,270)	(1,870)
Movement in Creditors and Payables	40,796	14,051
Movement in Accrued Expenses Payable	4,000	(7,278)
Movement in Revenue in Advance	(1,325)	1,425
Net Cash flows from Operating Activities	391,059	38,215

St Mary of the Angels Parish

Notes to the Financial Statements (continued) For the year ended 31 March 2014

Note 15. Related Parties

In the course of normal operations, SMOA enters into transactions with ADW and CDF, a department of ADW which obtains deposits from parishes.

Material related party transactions for the period are detailed below:

	Audited 2014	Unaudited 2013
Levies	43,075	54,859
Insurance Premiums	49,206	35,005
Special Collections Remitted	1,915	6,117
Interest Received on Deposits	8,203	6,514
Cash and Term Deposit with CDF	148,709	266,640
Total Transactions	251,108	369,135

The Friends of St Mary of the Angels Charitable Trust established for the benefit of religious, charitable and education purposes of the parish of SMOA has given grants to SMOA stated in Note 3.

Note 16. Contingent Liabilities

In 2010 the Society of Mary made a contribution of \$432,300 towards the costs of refurbishing the top two floors of the Presbytery. In consideration of this, the Society has the use of part of the refurbished premises for a minimum term of 20 years. In some circumstances, the term of the agreement may elapse in less than 20 years and in those circumstances an amount would be repayable to the Society of Mary. As at 31 March 2014, this amount was \$314,500 (2013: \$333,000).

Note 17. Subsequent Events

There have been no events since 31 March 2014 that require any adjustment to these financial statements (2013: Nil).

Note 18. Capital Commitments

There are no capital commitments as at 31 March 2014 (2013: Nil)



INDEPENDENT AUDITOR'S REPORT

To the Parish Pastoral Council of St Mary of the Angels Parish

We have audited the financial statements of St Mary of the Angels Parish which comprise the Statement of Financial Position as at 31 March 2014 and the Statement of Financial Performance, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Parish Pastoral Council's Responsibilities

The Parish Pastoral Council is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the Parish Pastoral Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

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

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

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

Other than in our capacity as auditor we have no relationship with, or interests in St Mary of the Angels Parish.

Basis for Qualified Opinion


In common with other organisations of a similar nature, control over cash income from donations and fundraising activities prior to being recorded is limited, and there are no practical audit procedures to determine the effects of this limited control. There is no system of control over such cash income on which we could rely for the purpose of our audit and there are no satisfactory audit procedures that we could adopt to confirm independently that all cash income was properly recorded.

In this respect alone we have not obtained all the information and explanations that we have required.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects the financial position of the St Mary of the Angels Parish as at 31 March 2014 and its financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.

The financial statements for St Mary of the Angels Parish were not audited for the year ended 31 March 2013


Kendons Audit Partnership
Lower Hutt

12 February 2015