

St Mary of the Angels

Performance Report

For the year ended 31 March 2018

Contents

	Page
Non-Financial Information:	
Entity Information	1
Statement of Service Performance	2
Financial Information:	
Statement of Financial Performance	3
Statement of Financial Position	4
Statement of Cash Flows	5
Statement of Accounting Policies	6-7
Notes to the Performance Report	8-12
Independent Auditor's Report	13-14



St Mary of the Angels Parish

Entity Information

For the year ended 31 March 2018

Legal Name of Entity:	St Mary of the Angels Parish
Type of Entity and Legal Basis:	Charitable Organisation
Registration Number:	CC53139

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 Cardinal 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 Cardinal in trust on behalf of the parish. The Cardinal cannot unilaterally appropriate parish assets for another purpose.

Entity's Purpose or Mission

SMOA is about the mission of the Catholic Church. The mission statement says, "We the Catholic People of the Archdiocese of Wellington, challenged to follow Christ, are called to proclaim the Kingdom of God, by Celebrating God in our lives, by sharing our living faith and by growing in community working for justice and peace."

Entity Structure

SMOA belongs to the Wellington West Pastoral Area, one of the twelve pastoral areas under the Archdiocese of Wellington ("ADW"). SMOA is a registered with the Charities Commission as a charitable entity owned by Cardinal John A Dew, corporation sole effective 06/03/2016. Cardinal John Dew as the Roman Catholic Archbishop of the Archdiocese of Wellington has entered into a contract with the Society of Mary ("SM") for their priests to provide certain services to the SMOA community.

For the year ended 31 March 2018, members of the Pastoral Team are listed below:

1. Fr Kevin Conroy, SM – Parish Priest starting 01/02/2018
2. Fr Barry Scannell, SM – Parish Priest until 31/01/2018
3. Fr Joe Savesi, SM
4. Fr Peter McAfee, SM
5. Sister Frances Gibbs, CSB (Pastoral Assistant)

Main Sources of Entity's Cash and Resources

The parish relies on its parishioners' generosity to support its mission to spread the word of God. The Parish Presbytery has some areas rented out to generate income. There is a residential flat below the Parish Presbytery which is tenanted. The community room and hall are rented out for meetings.

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

Main Methods Used by the Entity to Raise Funds

A planned giving appeal is in place where parishioners have pre numbered planned giving envelopes which they put on the collection basket when they come to mass. Other parishioners set up an automatic payment to facilitate their regular giving. Other mass goers who have not joined the planned giving scheme put money in the collection basket.

Description of the Entity's Outcomes

The following are what the parish does:

1. Ministry
 - a.) Daily Masses
 - b.) Sacramental Programmes
 - c.) Baptism
 - d.) Reconciliation
 - e.) Wedding
 - f.) Funeral
 - g.) Ministry to the Sick and Housebound
2. Rite to Christian Initiation ("RCIA") Programme



St Mary of the Angels Parish

Statement of Service Performance For the year ended 31 March 2018

Description and Quantification of the Entity's Outputs

St Mary of the Angels Church was closed for seismic strengthening in July 2014. On Easter 16 April 2017, the first mass was held in the church and the return of the four Sunday Masses in the Church. Below is the timetable:

Monday – Thursday

Exposition: 6.45am – 7.30am

Mass: 7.30am, 12.05pm & 5.15pm

Reconciliation:

11.30am-12pm, 12.30pm-1pm & 4.30pm-5pm

Friday

Exposition: 7am – 7.30am & 11am – 12pm

Mass: 7.30am, 12.05pm & 5.15pm

Reconciliation:

11am-12pm, 12.30pm – 1pm & 4.30pm – 5pm

Saturday

Mass: 11am

Reconciliation: 10.30am – 11am & 4pm – 5pm

Sunday

Mass: 7am, 9am, 11am (Choral), 5pm

Below are the baptisms, confirmations, wedding and funeral rites held in the Church and recorded in the parish register:

	2018	2017
Baptism	22	10
Confirmation	-	-
Wedding	7	-
Funeral	11	2

Pastoral Care of the Sick

Sister Frances Gibbs (CSB) regularly visits several rest homes to give communion and minister to the sick and the housebound. She also visits people in their private homes to give communion. Below are the number of people visited weekly:

	2018	2017
Communion for the Sick and Housebound		
In Rest Homes	7	10
In Private Homes	16	16

The parish relies on the generous donations of its parishioners to continue its work. Below are the number of donors:

Planned Giving Appeal

	2018	2017
To support the day to day running of the Parish	203	211
To support the Seismic Strengthening of the Church	222	344

A count of Sunday Mass goers in November shows a weekly average of:

	2018	2017
Census of Mass Goers		
Average number per week	572	415



St Mary of the Angels Parish

Statement of Financial Performance For the year ended 31 March 2018

	Note	2018 \$	2017 \$
Revenue			
Fees, subscriptions and other revenue from members	1	215,347	220,460
Donations, fundraising and other similar revenue	1	140,320	78,328
Revenue from providing goods and services	1	44,035	21,760
Interest, dividends and other investment revenue	1	637	935
Other revenue	1	15,362	14,505
Total Revenue		415,701	335,988
Expenses			
Employee related costs	2	111,791	87,122
Cost related to providing goods and services	2	286,960	245,033
Donations paid out	2	12,051	4,595
Other expenses	2	16,313	10,448
Total Expenses		427,115	347,198
Deficit before Revenue and Expenses for Capital Expenditure		(11,414)	(11,210)
Revenue for Capital Expenditure			
Fees, subscriptions and other revenue from members	3	717,989	1,115,952
Donations, fundraising and other similar revenue	3	726,769	3,248,015
Revenue from providing goods and services	3	-	31,685
Interest, dividends and other investment revenue	3	-	14,868
Total Revenue		1,444,758	4,410,520
Expenses for Capital Expenditure			
Other expenses	3	(192,309)	(85,407)
Total Expenses		(192,309)	(85,407)
Surplus for the year		1,241,035	4,313,903

The accompanying notes on pages 6 to 12 form part of these financial statements



St Mary of the Angels Parish

Statement of Financial Position As at 31 March 2018

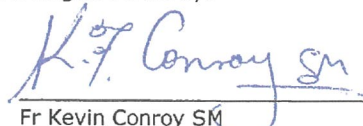
	Note	2018 \$	2017 \$
Assets			
Current Assets			
Bank accounts and cash	4	174,390	167,279
Investments	4	26,085	25,536
Other current assets	4	19,875	671,108
Total Current Assets		220,350	863,923
Non-Current Assets			
Property, plant and equipment	5	27,068,188	26,075,480
Total Non-Current Assets		27,068,188	26,075,480
Total Assets		27,288,538	26,939,403
Liabilities			
Current Liabilities			
Creditors and accrued expenses	4	38,315	530,007
Other current liabilities	4	-	208
Total Current Liabilities		38,315	530,215
Non-Current Liability			
Loans	4	100,000	500,000
Total Non- Current Liability		100,000	500,000
Total Liabilities		138,315	1,030,215
Net Assets		27,150,223	25,909,188
Equity			
General Reserves		27,150,223	25,909,188
Total Equity	6	27,150,223	25,909,188

Represented by:

The accompanying notes on pages 6 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
Date: 13 August 2018


Fr Kevin Conroy SM
Parish Priest
Date: 13 August 2018



St Mary of the Angels Parish

Statement of Cash Flows For the year ended 31 March 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Cash was received from:			
Fees, subscription and other revenue from members		215,347	220,460
Donations, fundraising and other similar revenue		140,320	78,328
Revenue from providing goods and services		44,035	22,580
Donations for capital expenditure		1,943,774	3,910,520
Interest on deposits		635	14,890
Other revenue		15,362	14,712
Cash was applied to:			
Payments to suppliers and employees		(743,232)	(263,577)
Specified donations paid		(12,051)	(4,595)
Net cash flows from operating activities		1,604,190	3,993,318
Cash flows from investing activities			
Cash was applied to:			
Investment in term deposits		(549)	1,508,484
Purchase in property, plant and equipment		(1,196,530)	(5,981,809)
Net cash flows used in investing activities		(1,197,079)	(4,473,325)
Cash flows from financing activities			
Cash was applied to:			
ADW loan		(400,000)	-
Net cash flows from financing activities		(400,000)	-
Net increase in cash		7,111	(480,007)
Opening cash		167,279	647,286
Closing cash	4	174,390	167,279
This is represented by:			
Bank accounts and cash	4	174,390	167,279

The accompanying notes on pages 6 to 12 form part of these financial statements



St Mary of the Angels Parish

Statement of Accounting Policies For the year ended 31 March 2018

Basis of Preparation

St Mary of the Angels Parish has elected to prepare its financial statements using Tier 3 PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not For Profit) on the basis that its total annual expenses is less than \$2Million. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been used, with the exception of certain items for which specific accounting policies have been identified.

Specific 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) 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.

(b) Income Tax

SMOA is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

(c) 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.

(d) Property, Plant and Equipment

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

- Land and Buildings including Seismic Strengthening of Church and Presbytery Renovation
- 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. The land deemed cost was based on the Wellington City Council rateable value as at 1 April 2012. Presbytery building deemed cost was also based the Wellington City Council rateable value as at 1 April 2012. The Church building deemed cost is restated on 31 March 2018 by adding the total amount spent on the seismic strengthening of the church as at 31 March 2018 to its calculated fair value of \$2.050Million in July 2013. The insured value of the church organ in 2011 is taken as its deemed cost.

Kendons
for
Identification

St Mary of the Angels Parish

Statement of Accounting Policies (continued) For the year ended 31 March 2018

(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:

• Building	100 years
• Church seismic strengthening	Not depreciated until work is finished
• Water cylinder	5 years
• Church organ	50 years
• Computer and office equipment	3 years
• Furniture and fittings	5 years
• Motor vehicles	5 years

(f) 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.

(g) 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.

(h) 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.

(i) 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.

(j) 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 Performance Report For the year ended 31 March 2018

Note 1. Analysis of Revenue

Revenue Item		2018 \$	2017 \$
Fees, subscriptions and other revenue from members	Unspecified donations:		
	Planned giving-envelopes	66,846	76,000
	Planned giving-automatic payments	148,501	144,460
	Total Unspecified donations	215,347	220,460
Donations, fundraising and other similar revenue	Unspecified donations:		
	Cash collection during masses	79,993	53,413
	Other donations	29,556	1,600
	Total Unspecified donations	109,549	55,013
	Specified donations:		
	Subsidy Brigidine Sisters	18,720	18,720
	Christmas offering	4,102	2,170
	Holy places	2,091	192
	Easter offering	4,062	231
	Peter's pence	524	482
	Ministry vocations	465	427
	Pontifical Mission Society-Mission Sunday	457	459
	Bishop's appeal	20	115
	Maori pastoral care	330	519
	Total Specified donations	30,771	23,315
	Total	140,320	78,328
Revenue Item		2018 \$	2017 \$
Revenue from providing goods or services	Rental of flat	15,600	14,200
	Hire of the hall	8,674	7,560
	Hire of church for concerts	5,100	-
	Parking	14,661	-
	Total	44,035	21,760
Revenue Item		2018 \$	2017 \$
Interest, dividends and other investment revenue	Parish Fund Deposits	637	935
	Total	637	935
Revenue Item		2018 \$	2017 \$
Other revenue	The Angelus newsletter sponsorships	2,320	-
	Sale of books, publications, etc.	1,384	1,536
	Claim from insurance	-	11,609
	Baptism, funeral, wedding	10,681	100
	Other revenue of music department	977	1,260
	Total	15,362	14,505



St Mary of the Angels Parish

Notes to the Performance Report (continued)
For the year ended 31 March 2018

Note 2. Analysis of Expenses

Expense Item		2018	2017
		\$	\$
Employee related costs	Salaries, wages and stipend	111,791	87,122
	Total	111,791	87,122

Expense Item		2018	2017
		\$	\$
Cost related to providing goods or services	Support for the clergy	101,530	87,418
	Support for the ADW	41,247	35,514
	Insurance	45,316	38,606
	Rates	22,337	22,122
	Bread, wine, candles and other altar costs	11,559	7,258
	Vehicle running costs	5,144	4,537
	Stationery, printing and other office costs	17,633	11,037
	Light, heat and gas	9,653	4,404
	Telephone, internet and website	3,691	4,051
	Repairs and maintenance	24,735	15,162
	Music, pastoral and RCIA costs	3,497	4,695
	Write off of car	-	9,314
	Items for resale	618	915
	Total	286,960	245,033

Expense Item		2018	2017
Donations Paid Out	Society of Mary – Christmas offering	4,103	2,170
	Society of Mary – Easter offering	4,061	231
	ADW Bishops appeal	20	115
	ADW Holy places appeal	2,091	192
	ADW Maori pastoral care appeal	330	519
	ADW Ministry of vocations appeal	465	427
	ADW Peter's Pence appeal	524	482
	Pontifical Mission Society appeal	457	459
	Total	12,051	4,595

Expense Item		2018	2017
		\$	\$
Other Expenses	Audit fee	4,800	4,500
	Depreciation computer and office equipment	1,079	-
	Depreciation furniture and fittings	3,034	481
	Depreciation Motor Vehicles	7,400	5,467
	Total Other Expenses	16,313	10,448

Note 3. Analysis of Revenue and Expenses 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. Total revenue this financial year is \$1,444,758 (2017: \$4,410,520).

Revenue Item		2018	2017
		\$	\$
Fees, subscriptions and other	Donations from parishioners	636,489	1,090,952
Revenue from members	Friends of SMOA Charitable Trust	81,500	25,000
	Total	717,989	1,115,952

St Mary of the Angels Parish

Notes to the Performance Report (continued)
For the year ended 31 March 2018

Note 3. Analysis of Revenue and Expenses for Capital Expenditure (continued)

Revenue Item		2018	2017
		\$	\$
Donations, fundraising and other similar revenue	Donations from the general public	126,769	1,613,015
	Lottery Grants Board	500,000	235,000
	Society of Mary	-	1,000,000
	Wellington City Council	100,000	400,000
	Total	726,769	3,248,015
Revenue Item		2018	2017
		\$	\$
Revenue from providing goods and services	Proceeds from sale of scrap copper	-	23,729
	Proceeds from sale of cookbook	-	7,956
	Total	-	31,685
Revenue Item		2018	2017
		\$	\$
Interest, dividends and other investment revenue	Interest on deposits	-	14,868
	Total	-	14,868
Expense Item		2018	2017
		\$	\$
Other expenses	Depreciation - Building	160,902	54,000
	Depreciation - Church organ	29,580	29,580
	Depreciation - Water cylinder	1,827	1,827
	Total	192,309	85,407

Note 4. Analysis of Assets and Liabilities

Asset Item		2018	2017
		\$	\$
Bank accounts and cash	Petty cash	100	100
	BNZ account - Parish	10,220	11,386
	BNZ account - Seismic strengthening	164,070	155,793
	Total	174,390	167,279
Asset Item		2018	2017
		\$	\$
Investments	Parish term deposits	9,573	9,375
	Presbytery redevelopment deposits	16,512	16,161
	Total term deposits	26,085	25,536

Investments are in the form of terms deposits held with the Catholic Development Fund (a department of ADW). The interest rates for deposits as at 31 March 2018 is 2.20% to 2.30% (2017: 2.1%).

Asset Item		2018	2017
		\$	\$
Other Current Assets	Accounts receivable	776	500,000
	Accrued interest receivable	44	42
	GST receivable	19,055	171,066
	Total	19,875	671,108

St Mary of the Angels Parish

Notes to the Performance Report (continued) For the year ended 31 March 2018

Note 4. Analysis of Assets and Liabilities (continued)

Liability Item		2018	2017
		\$	\$
Creditors and accrued expenses	Parish creditors	23,846	18,269
	Seismic strengthening creditors	9,969	507,738
	Auditor's fee	4,500	4,000
	Total	38,315	530,007

Liability Item		2018	2017
		\$	\$
Other current liability	Rent received in advance	-	208
	Total	-	208

Liability Item		2018	2017
		\$	\$
Loans	ADW	100,000	500,000
	Total	100,000	500,000

SMOA has a zero interest bearing loan from ADW payable on 19 June 2018.

Note 5. Analysis of Property Plant and Equipment

The Church was closed for seismic strengthening in July 2013. Total costs incurred to strengthen the Church building as at 31/03/2018 is \$10,690,211 which is added to the deemed fair value of \$2,050,000 of the church building before strengthening work begun resulting to the current deemed cost of \$12,740,221 as shown below.

2018 Asset Class	Cost	Accumulated Depreciation	Net Book Value	Depreciation
	\$	\$	\$	\$
Land - Presbytery	1,900,000	-	1,900,000	-
Land - Church	8,200,000	-	8,200,000	-
Building - Presbytery	3,350,000	201,000	3,149,000	33,500
Building - Church	12,740,221	253,277	12,486,944	127,402
Water cylinder	9,135	7,308	1,827	1,827
Church organ	1,479,000	177,480	1,301,520	29,580
Computer and office equipment	4,416	1,079	3,337	1,079
Furniture and fittings	4,747	924	3,823	3,034
Motor vehicles	48,688	26,951	21,737	7,400
Total for FY 2018	27,736,207	668,019	27,068,188	203,822

In Financial Year ending 31/03/2017, Church seismic strengthening total costs is \$9,502,854 which was not depreciated yet until the work is finished. The recognised deemed cost of the Church building in July 2013 was \$11,400,000 but has been impaired by \$9,350,000 which was the expected cost then to strengthen the Church building as shown below.

2017 Asset Class	Cost	Accumulated Depreciation and Impairment	Net Book Value	Depreciation
	\$	\$	\$	\$
Land - Presbytery	1,900,000	-	1,900,000	-
Land - Church	8,200,000	-	8,200,000	-
Building - Presbytery	3,350,000	167,500	3,182,500	33,500
Building - Church	11,400,000	9,475,875	1,924,125	20,500
Church seismic strengthening	9,502,854	-	9,502,854	-
Water cylinder	9,135	5,481	3,654	1,827
Church organ	1,479,000	147,900	1,331,100	29,580
Computer and office equipment	3,834	3,834	-	-
Furniture and fittings	5,765	3,655	2,110	481
Motor vehicles	48,688	19,551	29,137	5,467
Total for FY 2017	35,899,276	9,823,796	26,075,480	91,355

St Mary of the Angels Parish

Notes to the Performance Report (continued) For the year ended 31 March 2018

Note 6. Accumulated Funds

	2018	2017
	\$	\$
Opening balance	25,909,188	21,595,285
Surplus for the year	1,241,035	4,313,903
Closing balance	27,150,223	25,909,188

Note 7. 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:

Related Party	Description of Transaction	Value 2018	Value 2017	Outstanding Amount 2018	Outstanding Amount 2017
		\$	\$	\$	\$
ADW	Levies	41,247	35,514	11,992	9,892
ADW	Insurance premium	45,316	38,606	3,798	3,308
ADW	Special collections	3,430	1,735	25	5
CDF	Interest on deposits	637	935	44	42
CDF	Deposits	26,085	25,536	26,085	25,536
	Total	116,715	102,326	41,944	38,783

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 8. Significant Grants and Donations with Conditions which have not been Recorded as a Liability

There are no significant grants and donations with conditions which have not been recorded as liability as at balance date (2017: \$700,000).

	2018	2017
	\$	\$
NZ Lottery Grants Board – Significant Projects Fund	-	600,000
Wellington City Council Built Heritage Fund	-	100,000
Total Commitments	-	700,000

Note 9. Capital Commitments

SMOA signed a contract on 2 May 2015 with LT McGuinness Ltd for the seismic strengthening of SMOA Church. The final amount for the work is \$8,938,000 which was fully paid on 21 August 2017. (2017: \$736,239).

	2018	2017
	\$	\$
Stage 1 contract price	3,324,299	3,324,299
Stage 2 contract price	3,369,699	3,369,699
Variations and price adjustment	2,244,002	2,244,673
Total contract price	8,938,000	8,938,671
Less value of work executed to date	8,938,000	8,202,432
Balance	-	736,239

SMOA crypt works has been contracted with LT McGuinness Ltd for a total cost of \$247,582 of which \$215,082 were paid as at 31/03/2018 resulting to a balance of \$32,500. The final invoice for \$32,500 was fully paid on 17 May 2018.

Note 10. Subsequent Events

There have been no events since 31 March 2018 that require any adjustment to these financial statements (2017: Nil).

Note 11. 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 2018, this amount was \$240,500 (2017: \$259,000).

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 (the entity) which comprise the Statement of Financial Position as at 31 March 2018 and the Statement of Financial Performance and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information; and
- the non-financial performance information of the entity that comprises the Statement of Service Performance, and which includes outcomes.

Qualified Opinion in respect of the financial statements

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 entity and its financial performance for the year then ended in accordance with Tier 3 Not for Profit Financial Reporting in New Zealand.

Opinion

The non-financial performance of the entity complies with Tier 3 Not for Profit Financial Reporting in New Zealand; and fairly reflects the performance and outcomes for the year ended 31 March 2018.

Basis for Qualified Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Entity in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, 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.

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.

Other than in our capacity as auditor we have no relationship with, or interests in, the Entity.

Responsibilities of Those Charged with Governance for the Financial Statements

Those charged with governance are responsible on behalf of the Entity for the preparation and fair presentation of the financial statements in accordance with Tier 3 Not for Profit Financial Reporting in New Zealand and for such internal control as those charged with governance determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, those charged with governance are responsible on behalf of the Entity for assessing the Entity'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 those charged with governance either intend to liquidate the Entity 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 statements as a whole are 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) 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 decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Description_Auditors_responsibilities.aspx.



Kendons Chartered Accountants Limited

Pat Sheehan

Director

13 August 2018