

AUDIT REPORT

To the Trustees of the Friends of Saint Mary of the Angels Charitable Trust

We have audited the financial statements of Friends of Saint Mary of the Angels Charitable Trust on pages 1 to 4 which comprise the Statement of Financial Position as at 31 March 2014 and the Statement of Financial Performance for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Trustee's Responsibilities

The Trustees are 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 Trustees determine 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 audit opinion.

Other than in our capacity as auditor we have no relationship with, or interests in the Friends of Saint Mary of the Angels Charitable Trust.

Qualified Opinion

In common with other organisations of a similar nature, control over cash income from donations 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 from donations was properly recorded.

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

In our opinion, except for adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning cash income from donations, the financial statements on pages 1 to 4 present fairly, in all material respects the financial position of Friends of Saint Mary of the Angels Charitable Trust as at 31 March 2014 and its financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand

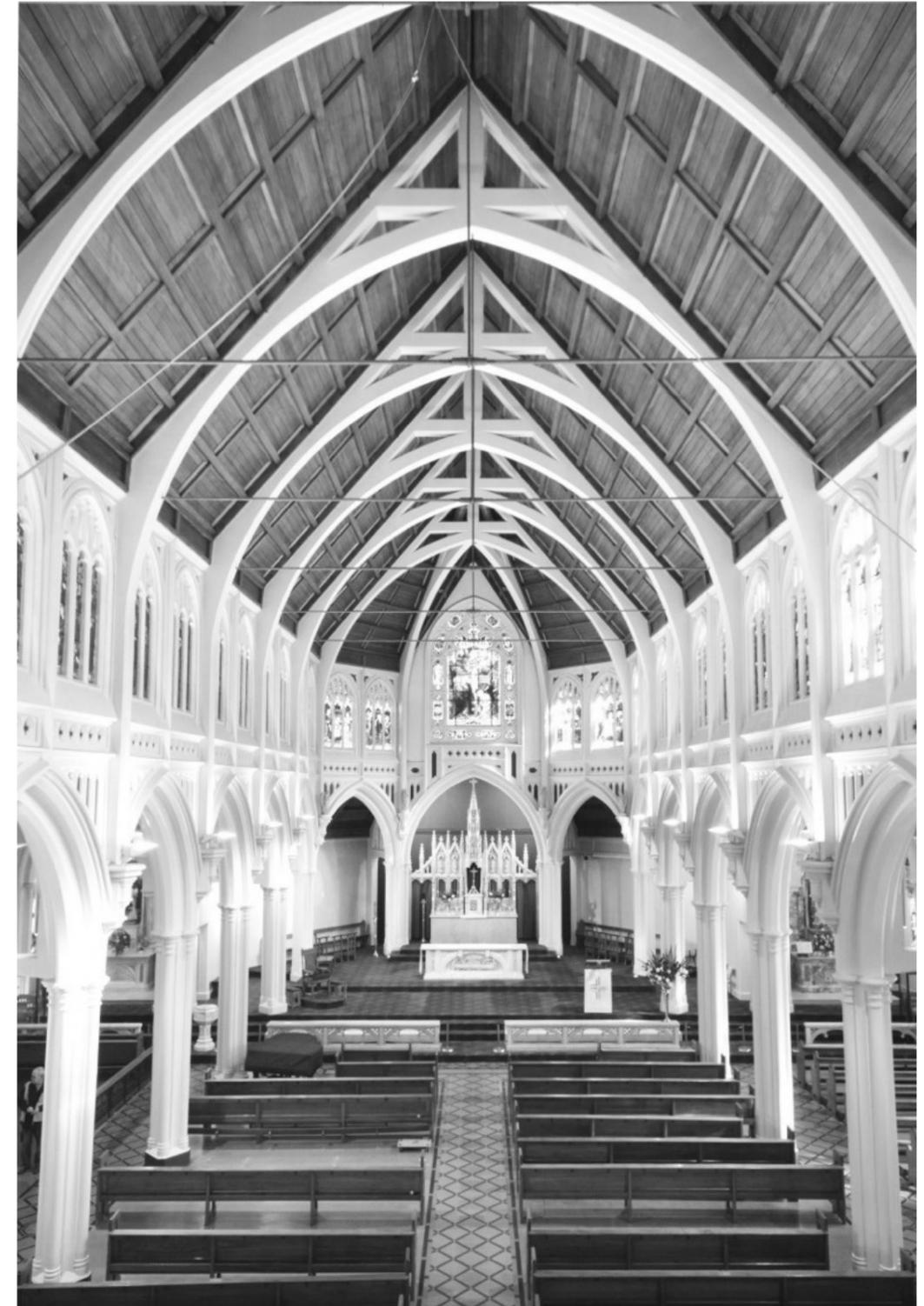


Kendons Audit Partnership
Lower Hutt

12 June 2014

The Friends of St Mary of the Angels Charitable Trust

2014 ANNUAL REPORT & FINANCIAL REVIEW



ANNUAL GENERAL MEETING
SUNDAY 31 AUGUST 2014

Friends of St Mary of the Angels Charitable Trust

Charities Commission Registration No. 21962

ANNUAL REPORT

2013/14 Board of Trustees

| | |
|--|---|
| Parish Priest: Fr. Barry Scannell SM | St Mary of the Angels Finance Committee Appointees: Geoffrey Ellis (Chairman), Stephen Lucy (Treasurer), John Moynihan |
| Archbishop's Representative: Henry Ward (retired April 2014) | The Trust Executive: Chairman, Vice Chairman, Treasurer, Parish Priest |
| Parish Priest's Appointees: James Young (Vice-Chairman) | |

The Year in Brief

Those who were at the AGM on 21 July 2013 will remember that it was on that afternoon the first of two major earthquake events shook Wellington. We had just heard Brian McGuinness outlining the plans for the two stages of the strengthening project decided upon by the professional consulting team and approved by the Archbishop subject to funding. That AGM closed with a spirit of energised optimism that the preservation of the Church was an achievable reality within a realistic timeframe – while the church remained open to both Parish and community.

Then the decision was taken to close the Church, a decision soon vindicated by the engineering tests and evaluation which revealed structural weaknesses worse even than previously assessed. The church closure was the catalyst for renewed effort on two fronts; by the project planning and construction team developing and costing a more direct approach to the strengthening work, and by the Parish under Fr Barry Scannell's leadership developing a fundraising strategy.

The outstanding work by the project team, led by Brian McGuinness, has been presented to the Archbishop and to the Parish at several meetings where the professionals spoke to the plans for the work in two stages. Stage 1 addresses the key structural weaknesses and includes foundation works, ground anchors, floor slab and shear walls and has been costed at \$2.825million. Stage 2 will include replacement of portal arches, new roof structures, strengthening of the towers and making good of heritage features (e.g. stained glass windows) and has been costed at \$6.5million.

As many Members will already know, the Fundraising appeal was officially launched at a cocktail function at Parliament Buildings on Thursday 7 August hosted by Arts and Culture Minister Chris Finlayson.

Copies of the brochure will be available at the AGM for those who have not yet seen it and members of the Trust Executive will be able to speak of the Fundraising campaign.

The Trust's Finances

The Annual Accounts and Statement of Financial Performance, with the Auditor's report for the financial year ended 31 March 2014 were presented to our June Trust Board meeting and have been sent out to Trust Members prior to the AGM.

Total income amounted to \$110,292 (significantly up from \$57,122 in 2013 – which was in turn significantly higher than the preceding year). The rise in income reflects the early response of the community to the closing of the church and growing awareness of the urgency of funding the strengthening work. Some major donations to the Seismic Strengthening fund are included in the income figure and many more significant donations have been received since.

Friends of Saint Mary of the Angels Charitable Trust Notes to the Financial Statements (continued) For the year ended 31 March 2014

VII. Investments

| Prior Year | | This Year |
|----------------|--|----------------|
| | General Funds | |
| 100,000 | BNZ Term Investments | 150,000 |
| 50,000 | First Mortgage Investment @ 8.50% 15/12/2013 | - |
| 5,000 | Fletcher Building Notes @ 8.50% 15/03/2015 | 5,000 |
| 10,500 | Fletcher Building Notes @7.15% 15/03/2018 | 10,500 |
| <u>165,500</u> | Total General Fund | <u>165,500</u> |
| | Reserve Funds | |
| - | BNZ Term Investment | 70,000 |
| 50,000 | First Mortgage Investment @ 8.50% 15/12/2013 | - |
| <u>50,000</u> | Total Reserve Fund | <u>70,000</u> |
| 215,500 | Total Investments (General Fund and Reserve Fund) | 235,500 |
| | Maturity profile of investments | |
| 100,000 | Within 6 months | 150,000 |
| 100,000 | 7 to 12 months | 75,000 |
| <u>200,000</u> | Current Investments | <u>225,000</u> |
| 5,000 | 1 to 2 years | - |
| 10,500 | 2 to 5 years | 10,500 |
| <u>15,500</u> | Non-Current Investments | <u>10,500</u> |
| 215,500 | Total Current and Non-Current Investments | 235,500 |

The interest rates for BNZ Term Investments as at 31 March 2014 were between 3.75% and 4% (2013: 4%).

VIII. Subsequent events

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

IX. Related parties

There were no outstanding loans to related parties and no other related party transactions or balances as at 31 March 2014 (2013: First Mortgage investment was held with Gillespie Young Watson, a firm in which a trustee, James Young, is a consultant).

Friends of Saint Mary of the Angels Charitable Trust
Notes to the Financial Statements
For the year ended 31 March 2014

I. Statement of Accounting Policies

The Financial Statements presented here are for the entity "Friends of Saint Mary of the Angels Charitable Trust" (the Trust).

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.

1. 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.

2. Differential Reporting

The Trust qualifies for Differential Reporting as it is not publicly accountable and there is no separation between the owners and the governing body. All Differential Reporting exemptions have been applied.

3. Goods and Services Tax

The Trust is not registered for GST purposes. All items in the financial statements are stated at cost to the Trust.

II. Income Tax

The Trust has charitable status for income tax purposes.

III. Contingent Liabilities

At balance date there are no known contingent liabilities (2013: Nil). The Trust has not granted any securities in respect of liabilities payable by any other party whatsoever.

IV. Securities and Guarantees

There was no overdraft as at balance date nor was there any facility arranged.

V. Church Seismic Strengthening Fund

The Church Seismic Strengthening Fund has been established to record the contributions made towards the seismic strengthening of the Parish Building and the Church of Saint Mary of the Angels.

The balance of this Fund has been disclosed in the Equity section of the Statement of Financial Position.

VI. Reserve Fund

The Reserve Fund is an investment fund set up to provide on-going funding for the restoration and maintenance of the interior and exterior of the Church of Saint Mary of the Angels. The Reserve Fund provides interest which the Trustees can decide to either contribute to projects within the Parish or retain within the Reserve Fund. Apart from extraordinary circumstances (as outlined in the Constitution), the Reserve Fund remains intact and only the interest can be used by the Trustees.

The balance of this Fund has been disclosed in the Equity section of the Statement of Financial Position.

A 'one-off' contribution of \$20,000 was made by the Trust to the Parish Finance Committee towards the Parish proportion of the Archdiocesan Insurance premium for the year. Such was the increase in the insurance premium that the Parish's portion could not have been met otherwise, but the Trust has made it clear that other insurance arrangements will have to be made for future years.

I acknowledge the continuing careful oversight of our Treasurer, Stephen Lucy, the attentive management of the Parish administrative staff, and the generosity of our many donors and benefactors during 2014. All of their resources, and the depth of that generosity will surely be tested in the year ahead.

Changes in Personnel

During 2014 Henry Ward retired from the Trust Board following his move to the Kapiti coast. Henry was appointed to the Board by the Archbishop and has given dedicated service to the Trust and to the Parish for many years and his breadth of knowledge, experience and acquaintance are notably missed. Henry's contribution was acknowledged at a small function after our April meeting, and I take this opportunity to record a public vote of thanks to Henry. Thank you, Henry. Archbishop John Dew has been asked to nominate a replacement member.

We are hoping to announce soon the appointment of another Trust Board member on the nomination of Fr Barry Scannell, and that appointment will bring the Trust Board back to full strength.

As in previous years, I want to acknowledge the tireless work done in the Parish Office by Jeanette Temelo, the Parish Accountant who is responsible for day to day management of the financial accounts, and Olivia Webb, the Parish Secretary who handles the practical administration of the Trust and the Parish Office..

Conclusion

This has been a dramatic year for St Mary of the Angels. The Parish community has been put to a severe test by the closure of the church and the seeming enormity of the challenge ahead. Yet it has also been an exciting and invigorating year as so many people have swung into action developing a co-ordinated response to the challenge which demonstrates that it is achievable and will be effective.

The preservation of our beautiful church is not merely desirable, it is essential for the maintenance and growth of the central city Catholic community, and to the cultural heritage of the whole of Wellington.

Now, more than ever before since the construction of the church under Fr Stanislaus Mahony nearly one hundred years ago, we must rely on the unfailing generosity of parishioners, of Wellingtonians, of New Zealanders and others to show that they are indeed Friends of St Mary of the Angels.

Once again I record my thanks to Fr Barry Scannell, and my fellow Trustees, for the work you have done through a difficult year. I thank all the Members of the Trust for the continuing support that you give us and for your ongoing commitment to St Mary of the Angels. And on behalf of the Trust and the Parish I thank all those who have contributed so generously through this year, and those who are even now planning their contribution to the marvellous work ahead.



Geoffrey Ellis

Chairman

Friends of St Mary of the Angels Charitable Trust

Friends of Saint Mary of the Angels Charitable Trust
Statement of Financial Performance
For the year ended 31 March 2014
(in New Zealand Dollars)

| Prior Year | | This Year |
|------------|---|-----------|
| | Bequests | |
| 20,000 | General Fund | - |
| | Donations | |
| 1,305 | Carols with the Angels | - |
| 50 | Church Seismic Strengthening | 81,200 |
| 16,831 | General Fund | 10,856 |
| 6,000 | Reserve Fund | 5,200 |
| 632 | Restoration and Maintenance | 100 |
| | Interest | |
| 7,814 | Interest - General Fund | 8,643 |
| 4,490 | Interest - Reserve Fund | 4,293 |
| 57,122 | Total Income | 110,292 |
| | Expenses | |
| | Grants | |
| - | Parish Insurance | 20,000 |
| - | Church Seismic Strengthening | 80,000 |
| 1,380 | Parish Building Upgrade from Carols with the Angels | - |
| | Other Costs | |
| 1,093 | Audit Fees | 1,265 |
| 40 | Bank Charges | 40 |
| 234 | Costs of Carols with the Angels | 35 |
| 163 | General Expenses | 90 |
| 336 | Printing and Stationery | - |
| 3,246 | Total Expenses | 101,430 |
| 53,876 | Net Surplus | 8,862 |

These Financial statements are to be read in conjunction with the accompanying notes.

Friends of Saint Mary of the Angels Charitable Trust
Statement of Financial Position
As at 31 March 2014
(in New Zealand Dollars)

| Prior Year | | This Year |
|------------|--|-----------|
| | Current Assets | |
| 9,665 | BNZ Cheque Account (General Fund) | 8,228 |
| 14,730 | BNZ Account (Reserve Fund) | 3,590 |
| 150,000 | Investments (General Fund) | 155,000 |
| 50,000 | Investments (Reserve Fund) | 70,000 |
| 1,480 | Accrued Interest | 2,868 |
| 225,875 | Total Current Assets | 239,686 |
| | Non-Current Assets | |
| 15,500 | Investments (General Fund) | 10,500 |
| 15,500 | Total Non-Current Assets | 10,500 |
| 241,375 | Total Assets | 250,186 |
| | Current Liabilities | |
| 91 | Accounts Payable | 40 |
| 241,284 | Net Assets | 250,146 |
| | Accumulated Funds | |
| 132,324 | Opening Balance | 175,660 |
| 53,876 | Current Year Earnings | 8,862 |
| (50) | Church Seismic Strengthening Fund | (1,200) |
| (10,490) | Reserve Fund | (9,493) |
| 175,660 | Closing Balance | 173,829 |
| | Church Seismic Strengthening Fund | |
| 655 | Opening Balance | 705 |
| 50 | Donations and Interest Received | 81,200 |
| - | Donations paid over to the Parish | (80,000) |
| 705 | Closing Balance | 1,905 |
| | Reserve Fund | |
| 54,429 | Opening Balance | 64,919 |
| 10,490 | Donations and Interest Received | 9,493 |
| 64,919 | Closing Balance | 74,412 |
| 241,284 | Total Funds | 250,146 |

These Financial statements are to be read in conjunction with the accompanying notes.

For and on behalf of the Trustees:

Chairperson: 
Geoff Ellis

Date: 12 June 2014