

SETTING THE SCENE

2009 was a year of recovery following the worst global financial crisis in the post war period. Global share markets trended upwards during the year and Bond returns were mixed.

OUR INVESTORS

Parishes and other Anglican organizations as well as the General Trust, Dean and Chapter and Bishopric Estates are the investors in the funds administered by Church Property Trustees (“CPT”).

THE FUNDS WE ADMINISTER

CPT manages and administers a diverse portfolio of investment funds.

- **Balanced Growth Fund (“BGF”)**

The BGF invests in six classes of assets. (See figure 1).

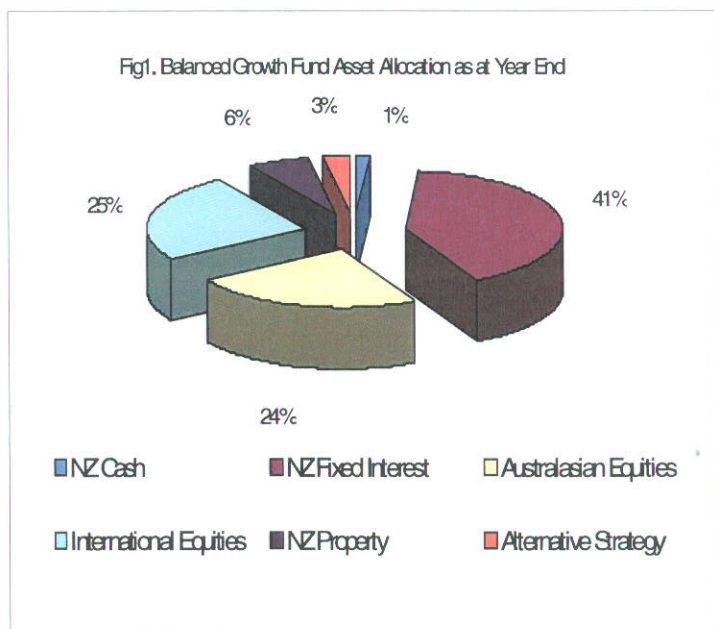
Economic recovery and successful asset allocation policy has meant the unit price for December 2009 closed at \$1.2872 up **7.84%** on 2008’s closing price of \$1.1936.

Net surplus for the year of \$1.266 million meant that 2008’s deficit of \$1.170 million was fully recovered.

- **Fixed Interest Fund (“FIF”)**

The FIF invests in bonds and fixed interest securities.

The fund made a net deficit for the year of \$426,171 compared to a net surplus of \$1,093,504 in 2008.



The deficit occurred because interest rates paid to investors were well above market interest rates. (See figure 2 below). This policy was applied as reserves were available due to the exceptional result achieved in 2008. Undistributed reserves at balance date are \$1.4 million (2008: \$1.8 million).

	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Average
FIF	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	6.50%	6.50%	6.50%	5.50%	5.50%	5.50%	7.00%
NAB	3.10%	4.60%	4.50%	4.50%	4.55%	4.55%	4.55%	4.50%	4.50%	5.00%	5.05%	4.70%	4.51%

Fig 2. FIF interest rates bench marked against National Bank 12 month term deposit rate

- **Forest Fund**

The Mohaka Coach Road Forest was established in 1995. At year end the forest was valued at \$1.8 million (2008: \$1.9 million). The forest crop will be ready for harvest in approximately 10 years.

- **Property Investment Fund**

The Property Investment Fund invests in one commercial property – Anglican Church House.

A SUMMARY OF RETURNS AND HOW THEY WERE ALLOCATED

The following table is a summary of the bottom line of each of the investment Funds and how those surpluses/deficits were allocated to investors. Page numbers below refer to pages in the financial statements.

	Page	2009 \$	2008 \$
Net Surplus/(Deficit) from Investment Funds			
Balanced Growth Fund	B2	1,266,509	(1,169,749)
Mohaka Forest Fund	B3	(136,649)	(465,339)
Investment Property Fund	B4	23,421	(2,524)
Fixed Interest Fund (see note 1 below)		648,985	2,000,015
Total Net Surplus from Investment Funds		1,802,266	362,403
The Surplus was allocated as follows:			
General Trust Estate		392,450	(846,360)
Bishopric Estate		198,766	(196,665)
Dean & Chapter Estate		87,283	(84,992)
Parishes and Other Anglican Organisations		1,549,938	396,916
Total Allocations		2,228,437	(731,101)
Total Net (Deficit)/Surplus after Allocations	Total 1	(426,171)	1,093,504
<p>This year we distributed more than we made. This occurred because as mentioned earlier, interest paid to investors in the Fixed Interest Fund was well above market rates.</p> <p>To complete the picture, the results of the three Estates and the CPT Management Account need to be added to the total above. (Total 1)</p>			
Net Surplus/(Deficit) From ESTATES			
General Trust Estate (See note 2 below)	B6	(111,788)	(1,550,430)
Bishopric Estate	B7	140,402	(436,290)
Dean & Chapter Estate	B8	39,442	(138,133)
CPT MANAGEMENT ACCOUNT	B9	17,387	(100,876)
Grand Total (Deficit)		(340,728)	(1,132,225)

Note 1

Reconciliation of Net Surplus from Fixed Interest Fund

Net (Deficit)/Surplus per Statement of Financial Position	B5	(426,171)	1,093,504
Add Back Interest Paid to Investors	B5	1,075,156	906,511
Net Surplus before Allocations		648,985	2,000,015

Note 2

The General Trust Estate ("GTE") made a deficit for the year. However, there were a couple of one off adjustments that won't occur in the future i.e. transfer of Church extension grant to the Bishop's Mission Fund \$67K and BGF adjustment \$58K. If these are added back the GTE actually broke even.

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CHURCH PROPERTY TRUSTEES
SUMMARY OF FINANCIAL PERFORMANCE
 FOR THE YEAR ENDED 31 DECEMBER 2009



	Page	2009 \$	2008 \$
Net Surplus/(Deficit) From INVESTMENT FUNDS			
Balanced Growth Fund	B2	1,266,509	(1,169,749)
Mohaka Forest Fund	B3	(136,649)	(465,339)
Investment Property Fund	B4	23,421	(2,524)
Fixed Interest Fund (see note below)	*	648,985	2,000,015
Total Net Surplus from Investment Funds		1,802,266	362,403
ESTATES			
General Trust Estate	B6	(111,788)	(1,550,430)
Bishopric Estate	B7	140,402	(436,290)
Dean & Chapter Estate	B8	39,442	(138,133)
Total Net Surplus/(Deficit) from Estates		68,056	(2,124,853)
CPT MANAGEMENT ACCOUNT	B9	17,387	(100,876)
LESS ALLOCATIONS			
General Trust Estate		392,449	(846,411)
Bishopric Estate		198,766	(196,665)
Dean & Chapter Estate		87,283	(84,992)
Parishes and Other Anglican Organisations (Note 16)		1,549,938	396,916
Total Allocations		2,228,436	(731,152)
Net Deficit transferred to Equity		(340,726)	(1,132,174)

*Reconciliation of Net Surplus from Fixed Interest Fund			
Net (Deficit)/Surplus per Statement of Financial Position	B5	(426,171)	1,093,504
Add back Interest Paid to Investors	B5	1,075,156	906,511
Net Surplus Before Allocations		648,985	2,000,015



CHURCH PROPERTY TRUSTEES
STATEMENT OF FINANCIAL PERFORMANCE
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BALANCED GROWTH FUND	Page	2009 \$	2008 \$
INCOME			
Revaluation of investment portfolio		1,515,277	(1,071,790)
Interest		40,033	74,437
Share Dividends		-	27,425
Unit Trust Distributions		45,350	76,352
Total Income		1,600,660	(893,576)
EXPENSES			
Application/Consulting Fees		3,000	4,449
Interest - Fixed Interest Fund Current Account	B5	31,129	-
Management Fees - AMPCI		56,705	40,758
Management Fees - ING		25,328	28,167
Management Fees - CPT	B9	217,367	196,083
Tax and Imputation Credits		622	6,716
Total Expenditure		334,151	276,173
Net Surplus/(Deficit)		1,266,509	(1,169,749)
BALANCED GROWTH FUND ALLOCATIONS			
General Trust Estate	B6	500,510	(416,345)
Bishopric Estate	B7	194,713	(196,228)
Dean and Chapter Estate	B8	85,573	(84,808)
Parishes and Other Anglican Organisations (Note 16)		485,713	(472,368)
Total Allocations		1,266,509	(1,169,749)



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STATEMENT OF FINANCIAL PERFORMANCE
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MOHAKA FOREST FUND	Page	2009 \$	2008 \$
INCOME			
Investment Income			
Change In Value of Forest (Unrealised)		(105,925)	(465,339)
Total Income		<u>(105,925)</u>	<u>(465,339)</u>
EXPENDITURE			
Insurance		6,366	-
Management Fees - Forest Manager		9,524	-
Management Fees - CPT	B9	9,486	-
Maintenance		2,063	-
Rates		3,045	-
Subscriptions		240	-
Total Expenditure (Note 1)		<u>30,724</u>	-
Net Deficit		<u><u>(136,649)</u></u>	<u><u>(465,339)</u></u>
MOHAKA FOREST FUND ALLOCATIONS			
Investment Revaluation			
General Trust Estate (92%)	B6	(97,451)	(428,112)
Parishes and Other Anglican Organisations (8%) (Note 16)		(8,474)	(37,227)
		<u>(105,925)</u>	<u>(465,339)</u>
Share of Expenses			
General Trust Estate (92%)	B6	(28,266)	-
Parishes and Other Anglican Organisations (8%) (Note 16)		(2,458)	-
		<u>(30,724)</u>	-
Total Allocations		<u><u>(136,649)</u></u>	<u><u>(465,339)</u></u>

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STATEMENT OF FINANCIAL PERFORMANCE
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INVESTMENT PROPERTY FUND		2009	2008
Anglican Church House	Page	\$	\$
INCOME			
Rent		100,860	91,415
Investment Income			
Change In Market Value of Property (Unrealised) (Note 2)		(30,000)	(45,000)
Total Income		<u>70,860</u>	<u>46,415</u>
EXPENDITURE			
Insurance		1,379	-
Management Fees - CPT		4,463	4,344
Rates		6,117	6,470
Rent		29,250	29,250
Repairs & Maintenance		5,110	8,540
Valuation Fees		1,120	335
Total Expenditure		<u>47,439</u>	<u>48,939</u>
Net Surplus/(Deficit)		<u><u>23,421</u></u>	<u><u>(2,524)</u></u>
INVESTMENT PROPERTY FUND ALLOCATIONS			
Net Rent			
General Trust Estate	B6	40,275	32,023
Bishopric Estate	B7	9,246	7,352
Dean And Chapter Estate	B8	3,900	3,101
		<u>53,421</u>	<u>42,476</u>
Investment Revaluation			
General Trust Estate	B6	(22,617)	(33,925)
Bishopric Estate	B7	(5,193)	(7,790)
Dean And Chapter Estate	B8	(2,190)	(3,285)
		<u>(30,000)</u>	<u>(45,000)</u>
Total Allocations		<u><u>23,421</u></u>	<u><u>(2,524)</u></u>



CHURCH PROPERTY TRUSTEES
STATEMENT OF FINANCIAL PERFORMANCE
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FIXED INTEREST FUND	Page	2009 \$	2008 \$
INCOME			
AMPCI Net Income Distributions		-	132,194
Interest - Short Term Deposits		36,039	79,990
Interest - Reserve Fund		40,929	31,230
Interest - Loans and Mortgages		99,068	118,330
Interest - Advance Balanced Growth Fund	B2	31,129	-
Revaluation of AMP Portfolio		632,808	1,753,855
Total Income		839,973	2,115,599
EXPENDITURE			
Management Fee - AMPCI		48,729	5,183
Management Fee - CPT	B9	140,544	108,779
Brokerage Fee		503	1,622
Computer Expenses		1,212	-
Interest Paid to Parishes and Other Anglican Organisations (Note 16)		1,075,156	906,511
Total Expenditure		1,266,144	1,022,095
Net (Deficit)/Surplus		(426,171)	1,093,504



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GENERAL TRUST ESTATE	Page	2009 \$	2008 \$
INCOME			
Rent			
Anglican Church House	B4	40,275	32,023
Richards Estate		139,917	149,902
Investment Income			
Interest - Mortgage		2,962	3,167
Interest - Subordinated Loan Adfund		688	8,122
Balanced Growth Fund	B2	500,510	(416,345)
Balanced Growth Fund Adjustment (Note 19)		(58,639)	-
Anglican Church House Revaluation	B4	(22,617)	(33,925)
Mohaka Forest Revaluation	B3	(97,451)	(428,112)
Richards Estate Property Revaluation (Note 2)		(28,138)	(123,312)
Adfund		-	(170,000)
Total Income		<u>477,507</u>	<u>(978,480)</u>
EXPENDITURE			
Operating Expenditure			
Diocesan Grant for Restructure Costs		-	38,367
Management Fee - CPT	B9	27,527	31,285
Property Manager Costs		54,394	32,298
Church Extension Grant transferred to Mission Fund		67,508	-
Mohaka Forest Expenses	B3	28,266	-
Grant			
Diocese of Christchurch (Note 5)		411,600	470,000
Total Expenditure		<u>589,295</u>	<u>571,950</u>
<u>Net Deficit</u>		<u>(111,788)</u>	<u>(1,550,430)</u>



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BISHOPRIC ESTATE		2009	2008
	Page	\$	\$
INCOME			
Rent			
Bean Street		3,990	3,990
Anglican Church House	B4	9,246	7,352
Investment Income			
Balanced Growth Fund	B2	194,713	(196,228)
Balanced Growth Fund Ajustment (Note 19)		11,574	-
Anglican Church House Revaluation	B4	(5,193)	(7,789)
Bean Street Property Revaluation (Unrealised) (Note 2)		82,200	-
Grants Received			
Diocesan Grant (Note 3)		51,018	-
Sundry Income		-	3,015
Total Income		347,548	(189,660)
EXPENDITURE			
Bishop of Christchurch			
Motor Vehicle		3,959	4,371
Stipend and Allowances		103,413	84,178
Relocation Costs		-	20,701
Travel		2,599	9,237
Lambeth Travel		1,000	18,310
Administration			
Depreciation		10,158	8,552
Hospitality		2,697	7,067
Management Fee - CPT	B9	14,544	16,130
Office Accommodation		9,640	10,373
Office and Sundry Expenses		3,613	10,615
Repairs and Maintenance		-	1,971
Secretarial Services		54,844	53,497
Telephone Tolls and Postage		679	1,628
Total Expenditure		207,146	246,630
<u>Net Surplus/(Deficit)</u>		<u>140,402</u>	<u>(436,290)</u>



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DEAN AND CHAPTER ESTATE	Page	2009 \$	2008 \$
INCOME			
Rent			
Anglican Church House	B4	3,900	3,101
Investment Income			
Balanced Growth Fund	B2	85,573	(84,808)
Balanced Growth Fund Adjustment (Note 19)		7,034	-
Anglican Church House Revaluation	B4	(2,190)	(3,285)
Sundry			
Legacy Receipts		-	2,000
Total Income		94,317	(82,992)
EXPENDITURE			
Operating Expenses			
Management Fees - CPT	B9	2,875	3,141
Grant			
Christchurch Cathedral (Note 4)		52,000	52,000
Total Expenditure		54,875	55,141
<u>Net Surplus/(Deficit)</u>		<u>39,442</u>	<u>(138,133)</u>



CHURCH PROPERTY TRUSTEES
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MANAGEMENT ACCOUNT	Page	2009 \$	2008 \$
INCOME			
Management Fees			
Anglican Development Fund		4,329	6,695
Balanced Growth Fund	B2	217,367	196,083
Bishopric Estate	B7	14,544	16,130
Dean and Chapter Estate	B8	2,875	3,141
Fixed Interest Fund	B5	140,544	108,779
General Trust Estate	B6	27,527	31,285
Insurance Management		9,629	10,398
Mohaka Forest Fund	B3	9,486	11,565
Other Trusts		3,928	4,283
Property Manager Costs Recovered		54,394	34,328
Property Management		17,303	16,816
Sundry Income		1,800	-
Total Income		503,726	439,503
EXPENDITURE			
Administration (Including Service Level Agreement)			
Building and Parking		70,979	60,814
Information Technology		27,021	21,837
Office Equipment Expenses		9,596	13,034
Staff Provisions		1,257	1,294
Staffing		160,612	162,855
Stationery Printing and Postage		18,273	21,091
Other Administration			
Anglican Centre Restructuring Costs		-	38,367
Audit Fees		9,390	9,390
Communication Expenses		-	2,450
Depreciation		13,588	9,621
Insurance		5,576	-
Legal Fees		1,809	3,963
Management Fee - Simes Property		9,240	9,000
Property Valuations		4,620	2,610
Sundry Expenses		10,400	16,620
Telephone and Tolls		2,477	3,355
Vehicle and Travel Expenses		12,499	23,694
Salaries and Allowances		122,676	130,384
Grants			
Parish Land and Building Management Grants		6,326	10,000
Total Expenditure		486,339	540,379
Net Surplus/(Deficit)		17,387	(100,876)

