

ANGLICAN DIOCESE OF CHRISTCHURCH  
**FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2010

---



<b>Contents</b>	<b>Page</b>
Statements of Financial Performance	A1 - A3
Statement of Movements in Equity	A4
Statement of Financial Position	A5
Notes to the Financial Statements	A6 - A8
Schedule of Expenditure	A9 - A10
Schedule of Special Purpose Funds	A11

ANGLICAN DIOCESE OF CHRISTCHURCH  
**STATEMENT OF FINANCIAL PERFORMANCE**  
 FOR THE YEAR ENDED 31 DECEMBER 2010



<b>GENERAL OPERATIONS</b>	<b>Page</b>	<b>2010 Actual \$</b>	<b>2010 Budget \$</b>	<b>2009 Actual \$</b>
<b>INCOME</b>				
Parish Quotas		697,724	697,724	684,044
CPT - General Trust Estate Grant		409,000	469,000	411,600
St. John's College Grant		287,784	288,677	269,977
Interest Income		6,935	10,000	8,875
Parish Accounting Scheme		9,687	7,100	4,535
Sundry Income		1,630	0	326
Depreciation Recovered		9,778	0	0
Donations		4,550	0	0
<b>Total Income</b>		<b>1,427,088</b>	<b>1,472,501</b>	<b>1,379,356</b>
<b>EXPENDITURE</b>				
Governance	A9	107,138	88,420	91,599
Episcopal Support	A9	71,620	76,048	79,132
Finance & Administration	A9	494,123	541,884	518,044
Mission & Ministry	A10	583,720	631,092	557,141
<b>Total Expenditure</b>		<b>1,256,601</b>	<b>1,337,444</b>	<b>1,245,916</b>
<b>DIOCESE ALLOCATIONS</b>				
Curates Grants		150,000	135,000	120,000
Companion Diocese		1,000	1,000	1,000
Outreach		2,000	2,000	2,000
<b>Total Allocations</b>	A11	<b>153,000</b>	<b>138,000</b>	<b>123,000</b>
<b>Total Expenditure &amp; Allocations</b>		<b>1,409,601</b>	<b>1,475,444</b>	<b>1,368,916</b>
<b><u>Net Surplus (Deficit)</u></b>		<b><u>17,486</u></b>	<b><u>(2,943)</u></b>	<b><u>10,441</u></b>

ANGLICAN DIOCESE OF CHRISTCHURCH  
**STATEMENT OF FINANCIAL PERFORMANCE**  
 FOR THE YEAR ENDED 31 DECEMBER 2010



<b>SPECIAL PURPOSE FUNDS</b>	<b>Page</b>	<b>2010 \$</b>	<b>2009 \$</b>
<b>INCOME</b>			
Clergy Study Leave contributions		60,507	58,524
Personal Sickness Insurance contributions		8,344	8,133
Ordination Candidates contributions		1,580	1,619
Childrens Ministry contributions		1,000	0
Kate Gerrard Bequest donations		35	36
Canterbury Earthquake donations		125,682	0
	A11	197,147	68,313
Investment Income	A11	33,735	39,100
<b>Total Income</b>		<b>230,882</b>	<b>107,413</b>
<b>DIOCESE CONTRIBUTIONS</b>			
Curates Grants		150,000	120,000
Companion Diocese		1,000	1,000
Outreach		2,000	2,000
<b>Total Diocese Contributions</b>	A11	<b>153,000</b>	<b>123,000</b>
<b>Total Income &amp; Diocese Contributions</b>		<b>383,882</b>	<b>230,413</b>
<b>EXPENDITURE</b>			
Ministry Expenses		169,691	208,526
Bishops Mission Fund		0	115,746
<b>Total Expenditure</b>	A11	<b>169,691</b>	<b>324,272</b>
<b><u>Net Surplus/(Deficit)</u></b>		<b><u>214,190</u></b>	<b><u>(93,859)</u></b>

ANGLICAN DIOCESE OF CHRISTCHURCH  
**STATEMENT OF FINANCIAL PERFORMANCE**  
 FOR THE YEAR ENDED 31 DECEMBER 2010



<b>SUMMARY</b>	<b>Page</b>	<b>2010</b> \$	<b>2009</b> \$
<b>INCOME</b>			
General Operations	A1	1,427,088	1,379,356
Special Purpose Funds	A2	230,882	107,413
<b>Total Income</b>		<b>1,657,969</b>	<b>1,486,769</b>
<b>EXPENDITURE</b>			
General Operations	A1	1,256,601	1,245,916
Special Purpose Funds	A2	169,691	324,272
<b>Total Expenditure</b>		<b>1,426,292</b>	<b>1,570,188</b>
<b><u>Net Surplus/(Deficit)</u></b>		<b><u>231,677</u></b>	<b><u>(83,418)</u></b>

ANGLICAN DIOCESE OF CHRISTCHURCH  
**STATEMENT OF MOVEMENTS IN EQUITY**  
 FOR THE YEAR ENDED 31 DECEMBER 2010



<b>EQUITY</b>	<b>2010</b>	<b>2009</b>
	\$	\$
<b>ACCUMULATED FUNDS</b>		
Opening Balance	99,612	89,171
Net Surplus/(Deficit) for the year	231,677	(83,418)
Transfers from (to) Special Purpose Funds	(214,190)	93,859
	<u>17,486</u>	<u>10,441</u>
<b>Closing Balance</b>	<b>117,098</b>	<b>99,612</b>
<b>SPECIAL PURPOSE FUNDS</b>		
Opening Balance	536,199	630,058
Transfers from (to) Accumulated Funds	214,190	(93,859)
	<u>750,389</u>	<u>536,199</u>
<b>Closing Balance</b>	<b>750,389</b>	<b>536,199</b>
<b>TOTAL EQUITY</b>	<b>867,487</b>	<b>635,811</b>

ANGLICAN DIOCESE OF CHRISTCHURCH  
**STATEMENT OF FINANCIAL POSITION**  
 AS AT 31 DECEMBER 2010



	Note	2010 \$	2009 \$
<b>EQUITY</b>			
Accumulated Funds		117,098	99,612
Special Purpose Funds		750,389	536,199
<b>Total Equity</b>		<b>867,487</b>	<b>635,811</b>
Represented by:			
<b>CURRENT ASSETS</b>			
Petty Cash		100	100
National Bank of New Zealand		37,553	33,983
Accounts Receivable		656,677	605,415
<b>Total Current Assets</b>		<b>694,330</b>	<b>639,497</b>
<b>CURRENT LIABILITIES</b>			
Accounts Payable		341,225	291,470
CPT Cashflow Advance	9	220,340	170,276
Parish Current Accounts	9	64,792	97,907
<b>Total Current Liabilities</b>		<b>626,357</b>	<b>559,653</b>
<b>Net Current Assets</b>		<b>67,973</b>	<b>79,844</b>
<b>NON CURRENT ASSETS</b>			
<b>Fixed Assets</b>	4	26,910	-
<b>Investments</b>			
Clergy Motor Vehicle Loans	5	18,216	14,768
Parish Loans	5	4,000	5,000
Church Property Trustees	9	750,389	536,199
<b>Total Non Current Assets</b>		<b>799,515</b>	<b>555,967</b>
<b>NET ASSETS</b>		<b>867,487</b>	<b>635,811</b>

Finance & Audit Chairperson

Diocesan Accountant

23/09/2011



## 1 STATEMENT OF ACCOUNTING POLICIES

### Reporting Entity

The entity is defined in the Regulations of the Anglican Diocese of Christchurch. The principal function is administrative, providing support and services for the parishes of the Diocese of Christchurch.

### Basis of Preparation

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand and applicable Financial Reporting Standards.

### Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis are followed by the entity.

### Differential Reporting

The entity qualifies for differential reporting within the framework for Differential Reporting issued by the New Zealand Institute of Chartered Accountants as:

- It is not publicly accountable within the meaning ascribed to that term by paragraph 4.15 to 4.16 of the framework; and
- it qualifies under the size criteria.

The financial statements have been prepared taking advantage of all available differential reporting exemptions.

## SPECIFIC ACCOUNTING POLICIES

The following specific accounting policies which materially affect the measurement of financial performance and financial position have been applied:

### Accounts Receivable

Accounts receivable are stated at their expected realisable value. Bad debts are written off in the year in which they become uncollectable.

### Investments

Investments are stated at cost. Investments with the Church Property Trustees, although available at call, are shown according to the Diocese intention of retaining them for the long term.

### Non Current Tangible Assets

Motor Vehicles are recorded at cost less accumulated depreciation.

Resource library books and videos are expensed in the year in which they occur as they are relatively small in value.

### Depreciation

Depreciation has been calculated using the straight line basis, whereby the cost is written off evenly over the expected economic life of the vehicle, assuming nil residual values. The estimated economic life of vehicles is 4 years.

### Accounts Payable

Accounts payable are stated at their expected amount payable.

### Goods and Services Tax

The accounts are prepared on a GST exclusive basis, except for accounts receivable and accounts payable which are stated inclusive of GST.

## **Taxation**

The Anglican Diocese of Christchurch is registered as a charitable entity under the Charities Act 2005 which exempts it from liability for income tax.

## **CHANGES IN ACCOUNTING POLICIES**

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

## **2 PARISH BILLINGS**

The Diocese pays clergy stipends & allowances and other related expenses and is reimbursed by parishes on a monthly basis in arrears.

Total reimbursements for the year amounted to \$6,183,427 (2009: \$5,586,011).

## **3 BISHOPRIC ESTATE DISTRIBUTION**

The Standing Committee agreed to finance \$40,598 of the Bishopric Estate costs in the 2010 year (2009: \$51,018) in order to maintain the capital of the Bishopric Estate. This contribution is reviewed on an annual basis.

## **4 FIXED ASSETS**

	2010	2009
	\$	\$
Motor Vehicles		
Cost	29,667	24,170
Accumulated Depreciation	2,757	24,170
<b>Net Book Value</b>	<b>26,910</b>	<b>0</b>

## **5 DIOCESAN LOANS**

Date	Purpose of loan	Loan	Term	2010	2009
				\$	\$
<b>Sydenham-Beckenham parish:</b>					
Sept 2005	Vicarage Renovations	\$35,000	20 years	4,000	5,000
				<b>4,000</b>	<b>5,000</b>

Parish and motor vehicle loans are unsecured. Interest is charged at 7.2% (2009: 7.0%).

## **6 COMMITMENTS**

There are no contractual commitments as at balance date (2009: Nil).

## **7 CONTINGENCIES**

There are no known contingencies as at balance date other than the National Bank Visa Card limit of \$7,000 (2009: \$4,000).

## **8 SUBSEQUENT EVENTS**

There are no significant events subsequent to balance date which would have a material effect on the financial position or performance reflected in the financial statements.



## **9 RELATED PARTIES**

### **The Anglican Centre**

The Diocese of Christchurch shares premises, fixtures and fittings, office equipment and staffing resources with The Church Property Trustees and Anglican Care.

A service level agreement (SLA) was entered into in November 2005 with the Anglican Centre. The purpose of the SLA is to apportion shared costs including building and parking, equipment, information technology, provisions, salaries and wages, stationery/printing and postage and archives. The SLA is negotiated annually.

### **The Church Property Trustees**

The Church Property Trustees provides short term cash flow funding to the Anglican Diocese of Christchurch on an arms length basis. The funding is unsecured, interest is charged at 5.7% p.a. (2009: 5.5%) and is repayable on demand.

The Diocese of Christchurch invests all special purpose funds in either the Fixed Interest or Balanced Growth funds on the same terms and conditions as other investors.

### **Parishes**

The Diocese of Christchurch offers a parish accounting service, the majority of parishes utilising this service operate a current account with the Diocese for deposits and payments. Interest is paid at the current National Bank on call rate.

## **10 FINANCIAL INSTRUMENTS**

All financial instruments are recognised in the Statement of Financial Position. No off-balance sheet instruments have been entered into. All financial instruments are stated at cost.

ANGLICAN DIOCESE OF CHRISTCHURCH  
**SCHEDULE OF EXPENDITURE**  
 FOR THE YEAR ENDED 31 DECEMBER 2010



	Note	2010 Actual \$	2010 Budget \$	2009 Actual \$
<b>GOVERNANCE</b>				
General Synod		57,222	56,100	56,100
Inter Diocesan Conference		16,320	16,320	16,320
Synod Expenses		33,596	16,000	19,179
<b>Total Governance</b>		<b>107,138</b>	<b>88,420</b>	<b>91,599</b>
<b>EPISCOPAL SUPPORT</b>				
Archdeacons		25,607	27,950	21,658
Bishop's Discretion		5,415	7,500	6,456
Bishopric Estate Contribution	3	40,598	40,598	51,018
<b>Total Episcopal Support</b>		<b>71,620</b>	<b>76,048</b>	<b>79,132</b>
<b>FINANCE &amp; ADMINISTRATION</b>				
<b>Administration</b>				
Audit Fees		3,810	3,890	3,810
Banking & Payroll Charges		1,272	1,200	871
Committee Catering		3,626	2,500	3,420
General expenses		4,253	5,500	7,097
Interest Expense		4,823	20,000	13,254
Legal Services		-	1,000	-
Employee Costs		1,693	2,000	3,503
Printing and Publications		884	1,000	976
Australasian Registrars Conference		4,747	-	-
Travel (committee & staff travel)		7,143	15,000	10,353
		<u>32,251</u>	<u>52,090</u>	<u>43,285</u>
<b>Service Level Agreement</b>				
Building & Parking		94,244	91,892	88,976
Equipment		9,009	9,178	10,844
Information Technology		27,826	26,582	27,353
Provisions		1,317	1,422	1,387
Salaries & Allowances		307,891	340,715	329,474
Stationery, Printing & Postage		21,586	20,005	16,724
		<u>461,873</u>	<u>489,794</u>	<u>474,758</u>
<b>Total Finance &amp; Administration</b>		<b>494,123</b>	<b>541,884</b>	<b>518,044</b>
<b>MISSION &amp; MINISTRY</b>				
Anglican Care Grant		6,000	6,000	6,000
Archdeaconry Councils		-	-	561
<b>Chaplaincies</b>				
Healthcare Chaplaincies		59,756	59,998	78,992
Tertiary Chaplaincies		32,436	32,436	31,800
		<u>92,192</u>	<u>92,434</u>	<u>110,792</u>
Childrens Ministry		8,036	15,700	4,932
<b>Clergy Support</b>				
Clergy Removal and Furnishing		4,878	7,000	2,580
Ordinands' Removal and Travel		-	6,000	3,606
Retire (Housing) Fund Subsidies		8,916	12,000	11,399
		<u>13,794</u>	<u>25,000</u>	<u>17,585</u>

ANGLICAN DIOCESE OF CHRISTCHURCH  
**SCHEDULE OF EXPENDITURE**  
 FOR THE YEAR ENDED 31 DECEMBER 2010



	Note	2010 Actual \$	2010 Budget \$	2009 Actual \$
<b>MISSION &amp; MINISTRY continued</b>				
Communications		38,466	42,000	41,166
Contingency Funding		19,593	20,000	11,533
Director of Education		42,561	-	-
Joint Regional Committee Grants		-	470	442
Ministry Advisor		-	116,487	81,982
Mission Support		95,778	-	-
Monitoring Committee & Mediation		12,964	20,000	21,741
New Housing Developments		-	5,000	-
Parish / Ministry Unit Grants		31,992	15,000	14,559
Professional Indemnity Insurance		14,485	13,500	12,890
Resource Centre		10,888	11,287	10,381
Third World Debt Reduction & Development		8,287	8,287	8,097
<b>Training Support</b>				
Bishops Advisory Committee on Ordination		1,908	2,000	-
Clergy Professional Development Fund		6,337	7,000	7,851
Clinical Pastoral Education		820	2,000	2,000
Conference Funding		-	1,000	4,252
Deacons Formation		3,386	2,516	1,048
Diocesan Ordination Training		2,975	39,614	29,278
Lay Training Fund		20,925	18,000	24,365
Ordination Retreat & Services		3,813	1,500	1,937
Post Ordination Training		814	3,500	2,060
		<u>40,977</u>	<u>77,130</u>	<u>72,791</u>
Under 40's South & Mid Canterbury		40,222	40,957	15,340
Westland Anglican Regional Ministry Unit		30,517	45,805	48,456
Young Adults (The Kiln)		16,328	14,775	15,144
Youth Ministry		60,639	61,260	62,748
<b>Total Ministry Expenses</b>		<b>583,720</b>	<b>631,092</b>	<b>557,141</b>
<b>Total Expenditure</b>		<b>1,256,601</b>	<b>1,337,444</b>	<b>1,245,916</b>



ANGLICAN DIOCESE OF CHRISTCHURCH  
**SCHEDULE OF SPECIAL PURPOSE FUNDS**  
 FOR THE YEAR ENDED 31 DECEMBER 2010



Name of Fund	Note	FUND MOVEMENTS						BALANCE 31 Dec 2010
		BALANCE 1 Jan 2010	External Cont'n's	Diocese Cont'n's	Investment Income	External Payments	Internal Transfers	
SPECIAL PURPOSE FUNDS								
General Parochial Purposes:								
Children's Ministry Fund	1	8,242	1,000		428	(813)		8,856
Church Extension Fund	2	72,735			4,338			77,073
		80,978	1,000	0	4,766	(813)	0	85,930
Funds for Benefit of Clergy:								
Clergy Resettlement	3	147,031			8,769			155,801
Operating Funds:								
Clergy Study Leave	4	147,043	60,507		9,156	(41,635)		175,071
Curates in Training	5	18,545		150,000	1,700	(113,319)		56,927
Local Shared Ministry Reserve Pool	6	10,569			630			11,200
		176,158	60,507	150,000	11,487	(154,954)	0	243,197
Other Specific Purpose Funds:								
Outreach	7	7,279		2,000	539			9,819
Kate Gerrard Bequest	8	5,623	35		327	(422)		5,563
Resource Centre Equipment Reserve	9	8,668			517			9,185
Archives John Hendry Trust	10	2,549			152			2,701
Companion Diocese	11	5,753		1,000	396			7,148
Mediation Reserve	12	930			55			985
Personal Sickness Insurance Fund	13	47,842	8,344		2,637	(6,000)		52,822
Ordination Candidates Fund	14	10,747	1,580		680	(1,250)		11,757
Diocesan Earthquake Fund	15	0	125,682		1,150	(5,776)		121,057
		89,391	135,640	3,000	6,453	(13,448)	0	221,037
TOTAL SPECIAL PURPOSE FUNDS		493,557	197,147	153,000	31,476	(169,215)	0	705,965
BEQUESTS AND ENDOWMENTS								
St Faiths Religious Education - Capital	16	5,184			208		(221)	5,171
St Faiths Religious Education - Income	16	3,527			219		221	3,968
Archdeaconry of Christchurch Endowment	17	10,417			428	(476)		10,369
Bishop's Ordination Candidate	18	23,514			1,402			24,916
TOTAL BEQUESTS AND ENDOWMENTS		42,642	0	0	2,259	(476)	0	44,424
TOTAL		536,199	197,147	153,000	33,735	(169,691)	0	750,389

**PURPOSES & CONDITIONS OF USE**

**Special Purpose Funds**

- To fund grants for children's work within the Diocese.
- Revenue to be used to extend ministry and mission into areas of population growth.
- Fund to be utilised at the discretion of Standing Committee for clergy resettlement.
- To fund the cost of clergy stipends over the period while clergy are on approved study leave.
- Fund provides a subsidy to parishes with curates in training for up to a maximum of 3 years.
- Fund to be utilised for the financing of Local Shared Ministry in the Diocese.
- To fund new parish outreach initiatives in the Diocese.
- Bequest to be used for providing bibles for boys within the Diocese.
- Fund for the purchase of Resource Centre equipment.
- To fund the cost of publishing a survey of architectural drawings.
- Fund for future Companion Diocese expenses.
- Fund for the settlement of claims.
- Fund to assist parishes with covering the cost of relieving clergy.
- Fund for assistance of Ordination Candidates (eg: bibles etc.)
- Fund for assisting with earthquake related ministry, pastoral care and building needs in the Diocese.

**Bequests & Endowments (Income available only)**

- To fund religious education of NZ women at the discretion of the Bishop.
- To augment the stipends of clergy with young children in parishes within the old Christchurch archdeaconry.
- Bishop's discretionary fund for Ordination Candidates.



**INDEPENDENT AUDITOR'S REPORT**  
**To the Members of the Diocese of Christchurch**

**Report on the Financial Statements**

We have audited the financial statements of the Diocese of Christchurch on pages A1 to A11, which comprise the statement of financial position as at 31 December 2010, and the statement of changes in equity, and statement of financial performance for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the members, as a body, in accordance with the Diocese of Christchurch's regulations. Our audit has been undertaken so that we might state to the Diocese of Christchurch's members those matters we are required to state to them in an auditors' 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Members Responsibility for the Financial Statements**

The Members 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 Diocese of Christchurch determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control 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 Diocese of Christchurch.

**Opinion**

In our opinion, the financial statements on pages A1 to A11, present fairly, in all material respects, the financial position of The Diocese of Christchurch as at 31 December 2010, and its financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.

*BDO Christchurch*

BDO Christchurch

23 September 2011  
30 Sir William Pickering Drive  
PO Box 246  
Christchurch 8140  
New Zealand