

CHURCH PROPERTY TRUSTEES
SUMMARY OF FINANCIAL PERFORMANCE
 FOR THE YEAR ENDED 31st DECEMBER 2010



	Page	2010 \$	2009 \$
Net Surplus/(Deficit) From INVESTMENT FUNDS			
Balanced Growth Fund	B2	701,502	1,266,509
Mohaka Forest Fund	B3	271,640	(136,649)
Investment Property Fund	B4	58,718	23,421
Fixed Interest Fund (see note below)	*	960,498	648,985
Total Net Surplus from Investment Funds		1,992,358	1,802,266
ESTATES			
General Trust Estate	B6	218,594	(111,788)
Bishopric Estate	B7	(40,694)	140,402
Dean & Chapter Estate	B8	(3,134)	39,442
Total Net Surplus from Estates		174,766	68,056
CPT MANAGEMENT ACCOUNT	B9	94,254	17,387
LESS ALLOCATIONS			
General Trust Estate		569,082	392,449
Bishopric Estate		128,312	198,766
Dean & Chapter Estate		51,849	87,283
Parishes and Other Anglican Organisations		1,294,359	1,549,938
Total Allocations		2,043,602	2,228,436
Net Surplus/(Deficit) transferred to Equity		217,777	(340,727)

***Reconciliation of Net Surplus from Fixed Interest Fund**

Net Deficit per Statement of Financial Performance	B5	(51,244)	(426,171)
Add back Interest Paid to Investors	B5	1,011,742	1,075,156
Net Surplus Before Allocations		960,498	648,985

CHURCH PROPERTY TRUSTEES
STATEMENT OF FINANCIAL PERFORMANCE
 FOR THE YEAR ENDED 31st DECEMBER 2010



BALANCED GROWTH FUND		2010	2009
	Page	\$	\$
INCOME			
Revaluation of investment portfolio		931,622	1,515,277
Interest		42,634	40,033
Share Dividends		1,408	-
Unit Trust Distributions		46,401	45,350
Total Income		1,022,065	1,600,660
EXPENSES			
Consulting Fees		-	3,000
Interest - Fixed Interest Fund Current Account	B5	35,307	31,129
Management Fees - AMPCI		63,002	56,705
Management Fees - ING		31,609	25,328
Management Fees - CPT	B9	186,545	217,367
Tax and Imputation Credits		4,100	622
Total Expenditure		320,563	334,151
Net Surplus		701,502	1,266,509
BALANCED GROWTH FUND ALLOCATIONS			
General Trust Estate	B6	274,905	500,510
Bishopric Estate	B7	118,149	194,713
Dean and Chapter Estate	B8	47,562	85,573
Parishes and Other Anglican Organisations (Note 16)		260,886	485,713
Total Allocations		701,502	1,266,509

CHURCH PROPERTY TRUSTEES
STATEMENT OF FINANCIAL PERFORMANCE
 FOR THE YEAR ENDED 31st DECEMBER 2010



MOHAKA FOREST FUND		2010	2009
	Page	\$	\$
INCOME			
Investment Income			
Change In Value of Forest (Unrealised)		296,678	(105,925)
Total Income		296,678	(105,925)
EXPENDITURE			
Insurance		5,284	6,366
Management Fees - Forest Manager		7,301	9,524
Management Fees - CPT	B9	8,944	9,486
Maintenance		-	2,063
Rates		3,269	3,045
Subscriptions		240	240
Total Expenditure		25,038	30,724
Net Surplus/(Deficit)		271,640	(136,649)
MOHAKA FOREST FUND ALLOCATIONS			
Investment Revaluation			
General Trust Estate (92%)	B6	272,944	(97,451)
Parishes and Other Anglican Organisations (8%) (Note 16)		23,734	(8,474)
		296,678	(105,925)
Share of Expenses			
General Trust Estate (92%)	B6	(23,035)	(28,266)
Parishes and Other Anglican Organisations (8%) (Note 16)		(2,003)	(2,458)
		(25,038)	(30,724)
Total Allocations		271,640	(136,649)

CHURCH PROPERTY TRUSTEES
STATEMENT OF FINANCIAL PERFORMANCE
 FOR THE YEAR ENDED 31st DECEMBER 2010



INVESTMENT PROPERTY FUND		2010	2009
Anglican Church House		\$	\$
	Page		
INCOME			
Rent		104,217	100,860
Investment Income			
Change In Market Value of Property (Unrealised) (Note 2)		5,000	(30,000)
Total Income		109,217	70,860
EXPENDITURE			
Insurance		2,399	1,379
Management Fees - CPT		4,238	4,463
Rates		6,450	6,117
Rent		29,250	29,250
Repairs & Maintenance		7,527	5,110
Valuation Fees		635	1,120
Total Expenditure		50,499	47,439
Net Surplus		58,718	23,421
INVESTMENT PROPERTY FUND ALLOCATIONS			
Net Rent			
General Trust Estate	B6	40,498	40,275
Bishopric Estate	B7	9,298	9,246
Dean And Chapter Estate	B8	3,922	3,900
		53,718	53,421
Investment Revaluation			
General Trust Estate	B6	3,770	(22,617)
Bishopric Estate	B7	865	(5,193)
Dean And Chapter Estate	B8	365	(2,190)
		5,000	(30,000)
Total Allocations		58,718	23,421

CHURCH PROPERTY TRUSTEES
STATEMENT OF FINANCIAL PERFORMANCE
 FOR THE YEAR ENDED 31st DECEMBER 2010



FIXED INTEREST FUND		2010	2009
	Page	\$	\$
INCOME			
Interest - Short Term Deposits		32,769	36,039
Interest - Reserve Fund		46,673	40,929
Interest - Loans and Mortgages		74,584	99,068
Interest - Advance Balanced Growth Fund	B2	35,307	31,129
Revaluation of AMP Portfolio		995,808	632,808
Total Income		1,185,141	839,973
EXPENDITURE			
Management Fee - AMPCI		59,074	48,729
Management Fee - CPT	B9	162,714	140,544
Brokerage Fee		-	503
Computer Expenses		1,955	1,212
Interest Paid to Parishes and Other Anglican Organisations (Note 16)		1,011,742	1,075,156
Total Expenditure		1,236,385	1,266,144
<u>Net Deficit</u>		<u>(51,244)</u>	<u>(426,171)</u>

CHURCH PROPERTY TRUSTEES
STATEMENT OF FINANCIAL PERFORMANCE
 FOR THE YEAR ENDED 31st DECEMBER 2010



GENERAL TRUST ESTATE	Page	2010 \$	2009 \$
INCOME			
Rent			
Anglican Church House	B4	40,498	40,275
Richards Estate		144,105	139,917
Investment Income			
Interest - Mortgage		2,751	2,962
Interest - Subordinated Loan Adfund		-	688
Balanced Growth Fund	B2	274,905	500,510
Balanced Growth Fund Adjustment		-	(58,639)
Anglican Church House Revaluation	B4	3,770	(22,617)
Mohaka Forest Revaluation	B3	272,944	(97,451)
Richards Estate Property Revaluation (Note 2)		12,716	(28,138)
Adfund - Return of Capital		14,978	-
Total Income		766,667	477,507
EXPENDITURE			
Operating Expenditure			
Management Fee - CPT	B9	27,445	27,527
Property Manager Costs	B9	88,593	54,394
Church Extension Grant transferred to Mission Fund		-	67,508
Mohaka Forest Expenses	B3	23,035	28,266
Grant			
Diocese of Christchurch (Note 5)		409,000	411,600
Total Expenditure		548,073	589,295
Net Surplus/(Deficit)		218,594	(111,788)

CHURCH PROPERTY TRUSTEES
STATEMENT OF FINANCIAL PERFORMANCE
 FOR THE YEAR ENDED 31st DECEMBER 2010



BISHOPRIC ESTATE		2010	2009
	Page	\$	\$
INCOME			
Rent			
Bean Street		992	3,990
Anglican Church House	B4	9,298	9,246
Investment Income			
Balanced Growth Fund	B2	118,149	194,713
Balanced Growth Fund Adjustment		-	11,574
Anglican Church House Revaluation	B4	865	(5,193)
Bean Street Property Revaluation		-	82,200
Loss on Sale of Bean Street		(8,662)	-
Grants Received			
Diocesan Grant (Note 3)		40,598	51,018
Total Income		161,240	347,548
EXPENDITURE			
Bishop of Christchurch			
Motor Vehicle		4,545	3,959
Stipend and Allowances		90,101	103,413
Travel		13,306	2,599
Lambeth Travel		1,725	1,000
Administration			
Depreciation		10,294	10,158
Hospitality		5,825	2,697
Management Fee - CPT	B9	15,184	14,544
Office Accommodation		9,100	9,640
Office and Sundry Expenses		3,863	3,613
Repairs and Maintenance		-	-
Secretarial Services		47,652	54,844
Telephone Tolls and Postage		339	679
Total Expenditure		201,934	207,146
Net (Deficit)/Surplus		(40,694)	140,402

CHURCH PROPERTY TRUSTEES
STATEMENT OF FINANCIAL PERFORMANCE
 FOR THE YEAR ENDED 31st DECEMBER 2010



DEAN AND CHAPTER ESTATE

	Page	2010 \$	2009 \$
INCOME			
Rent			
Anglican Church House	B4	3,922	3,900
Investment Income			
Balanced Growth Fund	B2	47,562	85,573
Balanced Growth Fund Adjustment		-	7,034
Anglican Church House Revaluation	B4	365	(2,190)
Total Income		51,849	94,317
EXPENDITURE			
Operating Expenses			
Management Fees - CPT	B9	2,983	2,875
Grant			
Christchurch Cathedral (Note 4)		52,000	52,000
Total Expenditure		54,983	54,875
<u>Net (Deficit)/Surplus</u>		<u>(3,134)</u>	<u>39,442</u>

CHURCH PROPERTY TRUSTEES
STATEMENT OF FINANCIAL PERFORMANCE
 FOR THE YEAR ENDED 31st DECEMBER 2010



MANAGEMENT ACCOUNT		2010	2009
	Page	\$	\$
INCOME			
Management Fees			
Anglican Development Fund		765	4,329
Balanced Growth Fund	B2	186,545	217,367
Bishopric Estate	B7	15,194	14,544
Dean and Chapter Estate	B8	2,983	2,875
Fixed Interest Fund	B5	162,714	140,544
General Trust Estate	B6	27,445	27,527
Insurance - Earthquake Claim		1,995	-
Insurance - Management Fee		25,952	9,629
Mohaka Forest Fund	B3	8,944	9,486
Other Trusts		3,852	3,928
Property Manager Costs Recovered	B6	88,593	54,394
Property Management		14,732	17,303
Sundry Income		11,733	1,800
Total Income		551,447	503,726
EXPENDITURE			
Salaries and Allowances		-	68,282
Administration (Including Service Level Agreement)			
Building and Parking		73,172	70,979
Information Technology		25,663	27,021
Office Equipment Expenses		7,679	9,596
Staff Provisions		1,154	1,257
Staffing		171,554	160,612
Stationery, Printing and Postage		18,700	18,273
Other Administration			
Audit Fees		9,901	9,390
Depreciation		14,252	13,588
Insurance		5,893	5,576
Legal Fees		1,583	1,809
Management Fee - Simes Property		9,313	9,240
Parish Property Maintenance Contributions		23,581	6,326
Property Manager		69,302	54,394
Property Valuations		4,250	4,620
Sundry Expenses		8,726	10,400
Telephone and Tolls		1,730	2,477
Vehicle and Travel Expenses		10,740	12,499
Total Expenditure		457,193	486,339
Net Surplus		94,254	17,387

CHURCH PROPERTY TRUSTEES
STATEMENT OF MOVEMENTS IN EQUITY
 FOR THE YEAR ENDED 31st DECEMBER 2010



EQUITY	Page	2010 \$	2009 \$
Fixed Interest Reserve Fund			
Opening Balance		1,422,745	1,848,916
Net Deficit	B5	<u>(51,244)</u>	<u>(426,171)</u>
Closing Balance		1,371,501	1,422,745
General Trust Estate			
Opening Balance		11,101,460	11,213,248
Net Surplus/(Deficit)	B6	<u>218,594</u>	<u>(111,788)</u>
Closing Balance		11,320,054	11,101,460
Bishopric Estate			
Opening Balance		3,079,325	2,938,923
Net (Deficit)/Surplus	B7	<u>(40,694)</u>	<u>140,402</u>
Closing Balance		3,038,631	3,079,325
Dean and Chapter Estate			
Opening Balance		1,206,595	1,167,153
Net (Deficit)/Surplus	B8	<u>(3,134)</u>	<u>39,442</u>
Closing Balance		1,203,461	1,206,595
Management Account			
Opening Balance		8,240	(9,147)
Net Surplus		<u>94,254</u>	<u>17,387</u>
Closing Balance	B9	102,494	8,240
TOTAL EQUITY		<u>17,036,141</u>	<u>16,818,365</u>

This statement should be read in conjunction with the Notes to the Financial Statements

CHURCH PROPERTY TRUSTEES
STATEMENT OF FINANCIAL POSITION
AS AT 31st DECEMBER 2010



	Note	2010 \$	2009 \$
EQUITY			
Fixed Interest Reserve Fund	14	1,371,501	1,422,745
General Trust Estate Capital		11,320,054	11,101,460
Bishopric Estate Capital		3,038,631	3,079,325
Dean & Chapter Estate Capital		1,203,461	1,206,595
Management Account Capital		102,494	8,240
Total Equity		17,036,141	16,818,365
Represented By			
CURRENT ASSETS			
Cash and Deposits	12	807,575	755,246
Accounts Receivable		196,823	165,559
Cash Flow Advance - Diocese of Christchurch	10	220,306	170,276
Balanced Growth Fund Investment Portfolio	13	17,926,656	18,161,225
Fixed Interest Fund AMPCI Investment Portfolio	14	16,678,070	13,510,505
Parish Insurance Receivable		64,514	61,299
Mortgages (Current Portion)		140,042	155,305
Total Current Assets		36,033,986	32,979,415
CURRENT LIABILITIES			
Accounts Payable		159,836	57,145
Provisions	15	28,166	27,275
Parishes and Other Anglican Organisations	16	25,656,657	23,099,462
Total Current Liabilities		25,844,659	23,183,882
Net Current Assets		10,189,327	9,795,533
NON CURRENT ASSETS			
Fixed Assets	17	39,069	63,617
Investments			
Anglican Centre Partnership		41,183	41,183
Mortgages (Non-current Portion)		1,100,339	1,239,525
NZ Government Stock		899,557	899,557
Richards Estate Property	2	2,096,666	2,083,950
Bean Street Property		-	330,000
Anglican Church House Property	2	570,000	565,000
Mohaka Forest Property		2,100,000	1,800,000
Total Non Current Assets		6,846,814	7,022,832
NET ASSETS		17,036,141	16,818,365

.....TRUSTEE

.....TRUSTEE

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

The Church Property Trustees is constituted as a Body Corporate under "The Anglican (Diocese of Christchurch) Church Property Trust Act 2003". This legislation defines the powers and responsibilities of the Church Property Trustees.

Basis of Preparation

The financial statements have been prepared in accordance with this legislation and with generally accepted accounting practice in New Zealand and applicable Financial Reporting Standards, except where departures from these standards have been specifically stated under specific accounting policies below.

Measurement Base

The measurement base is historical cost, modified by the revaluation of equities and unit trusts to market value, investment properties to market value or rating valuation and forestry valuation to net present value of future cash flows.

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 paragraphs 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:

Investments in Equities

Units in equity based unit trusts and shares are recorded at market value as at the last day of trading on or prior to balance date.

Investments in Fixed Interest

Units in fixed interest based funds are recorded at market value as at the last day of trading on or prior to balance date.

Investments in Property

Investment properties are stated at market value and are not depreciated because of this. Their value is re-assessed annually at balance date by registered valuers Colliers International and Simes.

Investment in Forestry

The value of the forest crop is based on the determination of the net present value (NPV) of future cash flows at a discount rate of 8%, associated with the development and harvesting of the forest, as determined by the Forestry Manager. Forest land is valued at the latest Rating Valuation.

The NPV of Cash flows relating to the potential revenue from the sale of carbon credits under the Government's Emissions Trading Scheme has not been included in the valuation. (See Note 11 below)

Revenue Recognition

Income includes investment income earned on funds held in trust for Parishes and other Anglican organisations. This income is taken directly to the statement of financial performance and is allocated in proportion to investment holdings.

Interest and rents are recognised as income in the period in which they are earned. Dividends are recorded when they are received.

Unit trust net investment income consists of realised and unrealised gains, income and expenses.

Accounts Receivable

Accounts receivable are stated at their expected realisable value.

Fixed Assets

Furniture and Fittings, Motor Vehicles and Office Equipment are recorded at cost less accumulated depreciation.

Depreciation

Depreciation has been calculated using the straight line basis, whereby cost is written off evenly over the expected economic life of the assets assuming nil residual values. Depreciation rates used are as follows:

Furnishings & Equipment	10 - 33% pa on cost
Software	33% pa on cost
Motor Vehicles	25% pa on cost
Archives	10 - 20% pa on cost

Goods and Services Tax

The accounts are prepared on a GST exclusive basis.

Taxation

Church Property Trustees are registered as a charitable entity under the Charities Act 2005 which exempts the entity from liability for income tax.

CHANGES TO ACCOUNTING POLICIES

There have been no changes which would have a material effect on the measurement of income or financial position. All policies have been applied on basis consistent with those used in previous years.

2. PROPERTY VALUATIONS

Property	Owned By	Date of Valuation	Valuer	Basis of Valuation	Valuation 2010 (\$)	Valuation 2009 (\$)
Richards Estate Properties	General Trust Estate	Dec-10	F M Stewart BProp ANZIV/SPINZ Registered Valuer	Market	2,096,666	2,083,950
Anglican Church House	Investment Property Fund	Dec-10	Carl J Graham Bcom (VPM) MPINZ Registered Valuer	Market	570,000	565,000

3. BISHOPRIC ESTATE

Background

The Bishopric Estate is administered by Church Property Trustees under section 14 of the Anglican (Diocese of Christchurch) Church Property Trust Act 2003 ("The Act"). The estate was established to hold capital and income to provide for costs associated with maintaining the Bishop.

Annual Grant Received from Diocese \$40,598 (2009: \$51,018)

The Standing Committee of the Diocese agreed to finance part of the Bishopric Estate costs in the 2010 Year in order to maintain the capital of the Estate (2009: \$51,018). The grant is reviewed on an annual basis. Trustees continue to work with the Diocese on strategies to maintain the capital of the Bishopric Estate.

Net Assets

	2010 \$	2009 \$
ASSETS		
Current Assets		
Debtors	540	-
Investments		
Balanced Growth Fund	2,945,616	2,647,781
Investment Property Fund	98,654	97,789
Bean Street Property	-	330,000
Fixed Assets	19,649	29,944
Lay Minister Medallions	840	840
Total Assets	3,065,299	3,106,354
LIABILITIES		
Accounts Payable	13,244	15,330
Provision for Lambeth Conference	13,424	11,699
Total Liabilities	26,668	27,029
Net Assets	3,038,631	3,079,325

4. DEAN AND CHAPTER ESTATE

Background

The Dean and Chapter Estate is administered by Church Property Trustees under section 17 of the Act. The estate was established to hold capital and income primarily to provide for housing and stipend for the Dean of Christchurch.

Annual Grant Paid to Christchurch Cathedral \$52,000 (2009: \$52,000)

The Dean and Chapter Estate pays an annual grant (phased evenly by month) to the Christchurch Cathedral towards the costs of the Dean. The amount is based on what the Trustees have determined is sustainable to maintain the capital value of the Estate.

Net Assets

	2010 \$	2009 \$
ASSETS		
Investments		
Balanced Growth Fund	1,161,842	1,165,341
Investment Property Fund	41,619	41,254
Net Assets	1,203,461	1,206,595

5. GENERAL TRUST ESTATE

Background

The General Trust Estate is administered by Church Property Trustees. It was established to provide capital and income for expenses in connection with the management and maintenance of properties owned by Church Property Trustees and for payment of the Diocesan Grant.

Annual Grant Paid to Diocese \$409,000 (2009: \$411,600)

The General Trust Estate pays an annual grant (phased evenly by month) to the Diocese of Christchurch to assist with general operations. The amount is based on what the Trustees have determined is sustainable to maintain the capital value of the Estate.

Net Assets

	2010 \$	2009 \$
ASSETS		
Accounts Receivable	39,200	46,750
Investments		
Balanced Growth Fund	6,743,024	6,799,556
Forest Fund	1,932,000	1,655,999
Property Fund	429,727	425,957
Mortgage	84,437	91,686
Richards Estate Property	2,096,666	2,083,950
Total Assets	11,325,054	11,103,898
LIABILITIES		
Accounts Payable	5,000	2,438
Net Assets	11,320,054	11,101,460

6. COMMITMENTS

Mohaka Forest Project

The forest consists of 142 hectares of radiata pine and was established in 1995, with harvesting planned to take place after approximately 25 years subject to considerations arising from the Government's Emissions Trading Scheme (see Note 11 below). The projected costs to completion, including future silviculture operations related to the area destroyed by fire and subsequently replanted have been estimated at \$181,650 (2009 \$198,690).

Maui Capital Indigo Fund Limited

The BGF holds 300,000 shares in Maui Capital Indigo Fund Limited. Issue price for the shares was \$1.00. As at 31st December 2010, the shares were called up to 36 cents per share. Further calls of up to 64 cents per share may be made at the discretion of the Board of the fund and would be payable within 20 business days notice. No calls will be made after the expiry of the Investment Period. The investment period for the fund will run to the earlier of the fifth anniversary of the offer closing date (17 March 2008) and the date the Board determines that no further calls will be made.

Pohutukawa Private Equity II Limited

The BGF holds 300,000 shares in Pohutukawa Private Equity II Limited. Issue price for the shares was \$1.00. As at 31st December 2010, the shares were called up to 20 cents per share. The remaining 80 cents per share is payable in tranches. Calls will be for a minimum of 10 cents per share and will be subject to 30 days advance notice to the investor. The Board of the fund has complete discretion over all such calls.

7. CONTINGENCIES

Assets

There are no contingent assets outstanding as at 31 December 2010 (2009:nil)

Liabilities

National Bank Card Visa Limit \$5,000 (2009 \$5,000).

Clergy Housing

The Church Property Trustees are required to provide a suitable residence or housing allowance for the Bishop and Dean of Christchurch. As both the Bishop and Dean chose to purchase their own houses and receive a housing allowance there is a possibility that houses may need to be purchased for future Bishops and/or Deans. This would result in the utilisation of investment capital and consequent reduction in income but also an elimination of the housing allowance expense. While it is not possible to accurately assess the overall financial impact in advance, there is a risk that it would reduce the net income available to fund the expenses of these Estates.

Earthquake Damage

On Saturday 4 September 2010, an earthquake registering 7.1 on the Richter scale occurred in Canterbury which damaged some of Church Property Trustees investment property and affected several of the entities which obtain their insurance through Church Property Trustees.

The accounting standards require damaged assets to be impaired, however, the extent of any impairment was unknown as at 31st December 2010 and therefore any impairment could not be reliably measured within the 31 December draft financial statements.

Further, the expected insurance proceeds and resulting payouts were also unknown and have not been included in these draft financial statements either.

8. FINANCIAL INSTRUMENTS

All financial instruments, including Accounts Receivable and Payables are recognised in the Statement of Financial Position. The Trustees have not entered into any off-balance sheet financial instruments. The carrying value of financial instruments is equivalent to their fair value.

9. CREDIT RISK

Financial instruments which potentially subject the Church Property Trustees to credit risk principally consist of bank balances, public company/corporation debentures, government and local body stock, loans, mortgages and company shares. The normal investor risks are associated with the different asset classes.

10. RELATED PARTIES

The Anglican Centre

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

Anglican Development Fund

From time to time the Church Property Trustees provide interest free working capital advances to the Anglican Development Fund. There were no amounts outstanding at balance date. (2009 \$nil)

The Church Property Trustees have responsibility for the governance of the Anglican Development Fund. The Fund was wound up in June 2010.

Diocese of Christchurch

The Diocese of Christchurch invests in the Fixed Interest Fund and the Balanced Growth Fund on the same terms and conditions as other investors.

The Church Property Trustees provide short term cash flow funding to the Diocese of Christchurch on an arms length basis. The funding is unsecured, interest is charged at 5.7% p.a. and the loan is repayable on demand. The balance of the loan as at 31st December 2010 was \$220,306 (2009: \$170,276)

Meares Williams

Richard Gray, Partner of Meares Williams, an entity which provided legal services to the Church Property Trustees to the value of \$6,132 (2009: \$4,057) is a member of the Board of Trustees. The transactions were at an arms length basis.

Colliers International

Gary Sellars, Director of Colliers International, an entity which provided valuation services to the Church Property Trustees to the value of \$6,507 (2009: \$8,741) is a member of the Board of Trustees. The transactions were at an arms length basis.

11. MOHAKA FOREST

Emissions Trading Scheme

The Trustees are participating in the Emissions Trading Scheme and have claimed New Zealand units ("NZU's") in accordance with Schedule 6 of the Climate Change Response (Emissions Trading) Amendment Act 2008:

2008	4,093	
2009	4,393	
2010	4,594	Available in April 2010
Total	13,080	

The value of carbon credits have not been included in the accounts.

12. CASH AND DEPOSITS

	2010 \$	2009 \$
National Bank - Cheque	71,893	85,025
National Bank - Call	202,234	20,428
National Bank - Reserve Fund	25,737	25,481
Adfund - Call	-	23,091
RaboDirect - Call	507,711	351,221
Bank of New Zealand - Term deposit (90 days)	-	250,000
Total Cash and Deposits	807,575	755,246

13. BALANCED GROWTH FUND ("BGF")

Distributions

Distributions from the BGF are determined by the Church Property Trustees based on the long-term sustainable distribution rates recommended in the Statement of Investment Policies and Objectives (SIPO). Distributions are recognised in the financial statements when they are paid in cash.

An independent review of the investment strategy, including the distribution rate, was conducted by AON New Zealand ("AON") during the 2009 financial year. AON concluded that the investment strategy recommended by the SIPO would enable investment objectives to be met over the long-term. However, there would be a significant number of individual years within any ten year period when objectives probably would not be achieved.

Reserves

There are no capital reserves within the BGF as capital gains and losses are apportioned between investors according to units held at year end.

Investment Portfolio

	2010		2009	
	\$	%	\$	%
New Zealand Cash	3,930	0%	233,400	1%
New Zealand Fixed Interest	6,529,982	36%	7,460,573	41%
Australasian Equities	4,674,380	26%	4,328,996	24%
International Equities (Unhedged)	4,754,177	27%	4,455,366	25%
New Zealand Property	1,270,409	7%	1,174,381	6%
Alternative Strategy	693,778	4%	508,509	3%
Total Investment Portfolio	17,926,656	100%	18,161,225	100%

14. FIXED INTEREST FUND ("FIF")

Distributions

Interest is credited to investors in the FIF quarterly. Interest rates reviews are conducted regularly by Church Property Trustees. The following table shows interest rates paid to investors during the

financial year bench marked against the National Bank twelve month term deposit rate for deposits \$250,000 and over:

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
FIF	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	6.00%	6.00%	6.00%	6.00%	6.50%	6.50%
NB	4.80%	4.29%	4.55%	4.40%	4.58%	4.44%	4.52%	4.30%	4.30%	4.33%	4.43%	4.41%

Reserves

The Reserve Fund of the FIF \$1,371,501 (2009: \$1,422,745) represents undistributed surpluses available to Parishes and other Anglican organisations. It is maintained to equalise interest distributions over the long term and replace losses of capital.

AMP Capital Investors ("AMPCI") Investment Portfolio

	2010		2009	
	\$	%	\$	%
Fixed Interest	11,992,626	72%	9,736,156	72%
Enhanced Yield	4,669,148	28%	3,756,649	28%
Cash Fund	16,296	0%	15,700	0%
Total Invested With AMPCI	16,678,070	100%	13,510,505	100%

15. PROVISIONS

	2010 \$	2009 \$
Lambeth Travel Fund	13,424	11,700
Insurance Valuation Fund	14,742	15,575
Total Provisions	28,166	27,275

The Lambeth travel fund provides for expenses in relation to the Lambeth Conference which is held every ten years. The next conference is due to be held in 2018. Expected costs for the conference are \$25,500.

Valuation of parish property for insurance purposes occurs on a four year cycle. The next round of valuations is due in 2011. Valuations are expected to cost \$20,000.

16. PARISHES AND OTHER ANGLICAN ORGANISATIONS

Investments

	2010 \$	2009 \$
Fixed Interest Fund	19,035,970	16,378,365
Balanced Growth Fund	6,452,687	6,577,097
Mohaka Forest Fund	168,000	144,000
Total	25,656,657	23,099,462

Reconciliation of Movement in Parishes and Other Anglican Organisations Holdings

	2010 \$	2009 \$
Movement in Holdings		
Fixed Interest Fund	2,657,605	2,447,282
Balanced Growth Fund	(124,410)	82,500
Mohaka Forest Fund	24,000	(3,872)
Total Increase in Holdings	2,557,195	2,525,910
REPRESENTED BY:		
INCOME		
Fixed Interest Fund - Interest	1,011,742	1,075,156
Balanced Growth Fund	260,886	485,714
Mohaka Forest Revaluation	23,734	(8,474)
Rent	50,687	27,200
Total Income	1,347,049	1,579,596
EXPENSES		
Mohaka Forest Operating Expenses	2,003	2,458
Rental Property Management Fees - CPT	2,915	2,282
Total Expenses	4,918	4,739
Net Surplus	1,342,131	1,574,856
NET CASH DEPOSITED/(WITHDRAWN)		
Fixed Interest Fund	1,598,091	1,347,207
Balanced Growth Fund	(385,296)	(403,212)
Mohaka Forest Fund	2,269	7,059
TOTAL CASH MOVEMENT	1,215,064	951,054
Total Increase in Holdings	2,557,195	2,525,910

17. FIXED ASSETS

	2010 \$			2009 \$		
Asset Category	Cost	Accum Depn	Book Value	Cost	Accum Depn	Book Value
Motor Vehicles	36,394	24,164	12,230	36,394	14,989	21,405
CPT Property Data Base	37,502	33,212	4,291	37,502	26,004	11,498
Office Equipment	8,739	6,679	2,059	8,739	4,731	4,007
Furniture & Fittings	41,279	26,991	14,287	41,279	24,670	16,609
Bishop's Seal	1,430	346	1,084	1,430	203	1,227
Web Development	3,795	3,027	768	3,795	1,774	2,021
FinPower	7,576	3,226	4,349	7,576	726	6,849
Total	136,715	97,645	39,069	136,714	73,097	63,617

18. OPERATING LEASE

Church Property Trustees have the following operating lease obligations for motor vehicles:

	12 Months	> 12 Months	Total
Motor Vehicle	7,018	1,914	8,932
Total	7,018	1,914	8,932

19. SUBSEQUENT EVENTS

On Tuesday 22 February 2011 an earthquake registering 6.3 on the Richter scale occurred in Canterbury. There has been further significant damage to Diocesan properties held by Church Property Trustees. The full extent of the damage and its implications are currently being assessed and are likely to be material.

UNAUDITED