

ANGLICAN DIOCESE OF CHRISTCHURCH  
**FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2011

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ANGLICAN DIOCESE OF CHRISTCHURCH  
**STATEMENT OF FINANCIAL PERFORMANCE**  
 FOR THE YEAR ENDED 31 DECEMBER 2011



<b>GENERAL OPERATIONS</b>	<b>Page</b>	<b>2011 Actual \$</b>	<b>2011 Budget \$</b>	<b>2010 Actual \$</b>
<b>INCOME</b>				
Parish Quotas		704,701	704,701	697,724
CPT - General Trust Estate Grant		450,579	450,579	409,000
CPT - General Trust Estate Grant (ex 2009)		0	35,000	0
St. John's College Grant		290,878	300,011	287,784
Parish Accounting Scheme		12,375	12,000	9,687
Interest Income		6,348	5,000	6,935
Sundry Income		644	0	1,630
Earthquake Employment Support Subsidy		12,900	0	0
Donations		6,000	0	4,550
Depreciation Recovered		0	0	9,778
<b>Total Income</b>		<b>1,484,425</b>	<b>1,507,291</b>	<b>1,427,088</b>
<b>EXPENDITURE</b>				
Governance	A9	89,939	98,868	107,138
Episcopal Support	A9	71,846	73,901	71,620
Finance & Administration	A9	428,948	497,976	494,123
Mission & Ministry	A10	622,760	693,315	583,720
<b>Total Expenditure</b>		<b>1,213,493</b>	<b>1,364,060</b>	<b>1,256,601</b>
<b>DIOCESE ALLOCATIONS</b>				
Companion Diocese		1,000	1,000	1,000
Outreach		2,000	2,000	2,000
Curates Grants		140,000	140,000	150,000
Parish Support		120,000	0	0
<b>Total Allocations</b>	A11	<b>263,000</b>	<b>143,000</b>	<b>153,000</b>
<b>Total Expenditure &amp; Allocations</b>		<b>1,476,493</b>	<b>1,507,060</b>	<b>1,409,601</b>
<b><u>Net Surplus (Deficit)</u></b>		<b><u>7,932</u></b>	<b><u>231</u></b>	<b><u>17,486</u></b>

ANGLICAN DIOCESE OF CHRISTCHURCH  
**STATEMENT OF FINANCIAL PERFORMANCE**  
 FOR THE YEAR ENDED 31 DECEMBER 2011



<b>SPECIAL PURPOSE FUNDS</b>	<b>Page</b>	<b>2011 \$</b>	<b>2010 \$</b>
<b>INCOME</b>			
Clergy Study Leave contributions		60,953	60,507
Personal Sickness Insurance contributions		8,473	8,344
Ordination Candidates contributions		0	1,580
Childrens Ministry contributions		0	1,000
Kate Gerrard Bequest donations		34	35
Canterbury Earthquake donations		598,551	125,682
Selwyn Foundation Care of Elderly Grant		750,000	0
	A11	<u>1,418,012</u>	<u>197,147</u>
Investment Income	A11	84,289	33,735
<b>Total Income</b>		<u>1,502,300</u>	<u>230,882</u>
<b>DIOCESE CONTRIBUTIONS</b>			
Companion Diocese		1,000	1,000
Outreach		2,000	2,000
Curates Grants		140,000	150,000
Parish Support		120,000	0
<b>Total Diocese Contributions</b>	A11	<u>263,000</u>	<u>153,000</u>
<b>Total Income &amp; Diocese Contributions</b>		<u>1,765,300</u>	<u>383,882</u>
<b>EXPENDITURE</b>			
Ministry Expenses		234,268	163,915
Canterbury Earthquake expenses		127,151	5,776
<b>Total Expenditure</b>	A11	<u>361,419</u>	<u>169,691</u>
<b><u>Net Surplus/(Deficit)</u></b>		<u><u>1,403,882</u></u>	<u><u>214,191</u></u>

ANGLICAN DIOCESE OF CHRISTCHURCH  
**STATEMENT OF FINANCIAL PERFORMANCE**  
 FOR THE YEAR ENDED 31 DECEMBER 2011



<b>SUMMARY</b>	<b>Page</b>	<b>2011</b> \$	<b>2010</b> \$
<b>INCOME</b>			
General Operations	A1	1,484,425	1,427,088
Special Purpose Funds	A2	1,502,300	230,882
<b>Total Income</b>		<b>2,986,726</b>	<b>1,657,970</b>
<b>EXPENDITURE</b>			
General Operations	A1	1,213,493	1,256,601
Special Purpose Funds	A2	361,419	169,691
<b>Total Expenditure</b>		<b>1,574,912</b>	<b>1,426,292</b>
<b><u>Net Surplus/(Deficit)</u></b>		<b><u>1,411,814</u></b>	<b><u>231,678</u></b>

ANGLICAN DIOCESE OF CHRISTCHURCH  
STATEMENT OF MOVEMENTS IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2011



<b>EQUITY</b>	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>ACCUMULATED FUNDS</b>		
Opening Balance	117,098	99,612
Net Surplus for the year	1,411,814	231,678
Transfers from (to) Special Purpose Funds	(1,403,882)	(214,191)
	<u>7,932</u>	<u>17,486</u>
<b>Closing Balance</b>	<b><u>125,030</u></b>	<b><u>117,098</u></b>
<b>SPECIAL PURPOSE FUNDS</b>		
Opening Balance	750,389	536,199
Transfers from (to) Accumulated Funds	1,403,882	214,191
	<u>2,154,271</u>	<u>750,389</u>
<b>Closing Balance</b>	<b><u>2,154,271</u></b>	<b><u>750,389</u></b>
<b>TOTAL EQUITY</b>	<b><u><u>2,279,301</u></u></b>	<b><u><u>867,487</u></u></b>

ANGLICAN DIOCESE OF CHRISTCHURCH  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2011



	Note	2011 \$	2010 \$
<b>EQUITY</b>			
Accumulated Funds		125,030	117,098
Special Purpose Funds		2,154,271	750,389
<b>Total Equity</b>		<b>2,279,301</b>	<b>867,487</b>
Represented by:			
<b>CURRENT ASSETS</b>			
Petty Cash		100	100
National Bank of New Zealand		68,367	37,553
Accounts Receivable		671,847	656,677
<b>Total Current Assets</b>		<b>740,313</b>	<b>694,330</b>
<b>CURRENT LIABILITIES</b>			
Accounts Payable		447,374	341,226
CPT Cashflow Advance	9	134,313	220,340
Parish Current Accounts	9	65,572	64,792
<b>Total Current Liabilities</b>		<b>647,259</b>	<b>626,358</b>
<b>Net Current Assets</b>		<b>93,054</b>	<b>67,972</b>
<b>NON CURRENT ASSETS</b>			
<b>Fixed Assets</b>	4	19,493	26,910
<b>Investments</b>			
Clergy Motor Vehicle Loans	5	8,484	18,216
Parish Loans	5	4,000	4,000
Church Property Trustees	9	2,154,271	750,389
<b>Total Non Current Assets</b>		<b>2,186,248</b>	<b>799,515</b>
<b>NET ASSETS</b>		<b>2,279,301</b>	<b>867,487</b>

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Finance & Audit Chairperson

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Diocesan Accountant



## 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 \$6,435,929 (2010: \$6,183,427).

### 3 BISHOPRIC ESTATE DISTRIBUTION

The Standing Committee agreed to finance \$40,851 of the Bishopric Estate costs in the 2011 year (2010: \$40,598) in order to maintain the capital of the Bishopric Estate. This contribution is reviewed on an annual basis.

### 4 FIXED ASSETS

	2011 \$	2010 \$
Motor Vehicles		
Cost	29,667	29,667
Accumulated Depreciation	10,174	2,757
<b>Net Book Value</b>	<b>19,493</b>	<b>26,910</b>

### 5 DIOCESAN LOANS

Date	Purpose of loan	Loan	Term	2011 \$	2010 \$
<b>Sydenham-Beckenham parish:</b>					
Sept 2005	Vicarage Renovations	\$35,000	20 years	4,000	4,000
				<b>4,000</b>	<b>4,000</b>

Parish and motor vehicle loans are unsecured. Interest is charged at 6.9% (2010: 7.2%).

### 6 COMMITMENTS

There are no contractual commitments as at balance date (2010: Nil).

### 7 CONTINGENCIES

There are no known contingencies as at balance date other than the National Bank Visa Card limit of \$10,000 (2010: \$7,000).

### 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 (2010: Nil).



## **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 5.4% p.a. (2010: 5.7%) 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 2011



	Note	2011 Actual \$	2011 Budget \$	2010 Actual \$
<b>GOVERNANCE</b>				
General Synod		57,222	57,222	57,222
Inter Diocesan Conference		16,646	16,646	16,320
Synod Expenses		16,071	25,000	33,596
<b>Total Governance</b>		<b>89,939</b>	<b>98,868</b>	<b>107,138</b>
<b>EPISCOPAL SUPPORT</b>				
Archdeacons		29,028	25,550	25,607
Bishop's Discretion		1,967	7,500	5,415
Bishopric Estate Contribution	3	40,851	40,851	40,598
<b>Total Episcopal Support</b>		<b>71,846</b>	<b>73,901</b>	<b>71,620</b>
<b>FINANCE &amp; ADMINISTRATION</b>				
<b>Administration</b>				
Audit Fees		3,810	3,970	3,810
Banking & Payroll Charges		1,179	1,200	1,272
Committee Catering		3,460	3,000	3,626
General expenses		4,370	6,000	4,253
Interest Expense		5,855	5,000	4,823
Legal Services		449	1,000	-
Employee Costs		1,165	2,000	1,693
Printing and Publications		594	1,000	884
Australasian Registrars Conference		1,179	-	4,747
Travel (committee & staff travel)		8,809	10,000	7,143
		30,869	33,170	32,251
<b>Service Level Agreement</b>				
Building & Parking		43,307	98,920	94,244
Equipment		8,843	9,236	9,009
Information Technology		30,090	26,751	27,826
Provisions		1,374	1,431	1,317
Salaries & Allowances		291,093	308,336	307,891
Stationery, Printing & Postage		23,371	20,132	21,586
		398,079	464,806	461,873
<b>Total Finance &amp; Administration</b>		<b>428,948</b>	<b>497,976</b>	<b>494,123</b>
<b>MISSION &amp; MINISTRY</b>				
Anglican Care Grant		6,000	6,000	6,000
<b>Chaplaincies</b>				
Healthcare Chaplaincies		60,250	60,492	59,756
Tertiary Chaplaincies		33,409	33,409	32,436
		93,659	93,901	92,192
Childrens Ministry		18,153	27,981	8,036
<b>Clergy Support</b>				
Clergy Removal and Furnishing		-	7,000	4,878
Ordinands' Removal and Travel		-	6,000	-
Retire (Housing) Fund Subsidies		8,500	12,000	8,916
		8,500	25,000	13,794

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

ANGLICAN DIOCESE OF CHRISTCHURCH  
**SCHEDULE OF EXPENDITURE**  
 FOR THE YEAR ENDED 31 DECEMBER 2011



	Note	2011 Actual \$	2011 Budget \$	2010 Actual \$
<b>MISSION &amp; MINISTRY continued</b>				
Communications		33,257	41,999	38,466
Contingency Funding		4,421	20,000	19,593
Conferences & Special Services		1,989	7,500	-
Director of Education		43,809	44,100	42,561
Joint Regional Committee Grants		-	470	-
Mission Support		99,509	101,392	95,778
Monitoring Committee & Mediation		18,961	17,000	12,964
Parish / Ministry Unit Grants		14,882	15,000	31,992
Professional Indemnity Insurance		15,534	15,534	14,485
Resource Centre		10,190	10,978	10,888
Social Justice		23,890	24,918	-
Third World Debt Reduction & Development		8,451	8,451	8,287
<b>Training Support</b>				
Bishops Advisory Committee on Ordination		5,236	2,000	1,908
Clergy Professional Development Fund		9,224	7,000	6,337
Clinical Pastoral Education		680	2,000	820
Clergy Retreats		-	1,000	-
Conference Funding		-	2,000	-
Deacons Formation		1,836	2,567	3,386
Diocesan Ordination Training		4,652	11,500	2,975
Lay Training Fund		8,236	18,360	20,925
Ordination Retreat & Services		1,326	2,000	3,813
Post Ordination Training		3,652	3,500	814
		<u>34,841</u>	<u>51,927</u>	<u>40,977</u>
Under 40's South & Mid Canterbury		53,949	42,925	40,222
Westland Anglican Regional Ministry Unit		32,235	42,435	30,517
Young Adults (The Kiln)		35,304	32,356	16,328
Youth Ministry		65,224	63,448	60,639
<b>Total Ministry Expenses</b>		<u><b>622,760</b></u>	<u><b>693,315</b></u>	<u><b>583,720</b></u>
<b>Total Expenditure</b>		<u><b>1,213,493</b></u>	<u><b>1,364,060</b></u>	<u><b>1,256,601</b></u>

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



ANGLICAN DIOCESE OF CHRISTCHURCH  
**SCHEDULE OF SPECIAL PURPOSE FUNDS**  
 FOR THE YEAR ENDED 31 DECEMBER 2011



Name of Fund	Note	FUND MOVEMENTS						BALANCE 31 Dec 2011
		BALANCE 1 Jan 2011	External Contn's	Diocese Contn's	Investment Income	External Payments	Internal Transfers	
<b>SPECIAL PURPOSE FUNDS</b>								
<b>General Parochial Purposes:</b>								
Children's Ministry Fund	1	8,856			516	(195)		9,177
Church Extension Fund	2	77,073			4,691			81,764
		85,930	0	0	5,207	(195)	0	90,942
<b>Funds for Benefit of Clergy:</b>								
Clergy Resettlement	3	155,801			9,482			165,283
<b>Operating Funds:</b>								
Clergy Study Leave	4	175,071	60,953		10,515	(48,075)		198,464
Curates in Training	5	56,927		140,000	2,299	(185,083)		14,143
Local Shared Ministry Reserve Pool	6	11,200			682			11,881
		243,197	60,953	140,000	13,496	(233,158)	0	224,488
<b>Other Specific Purpose Funds:</b>								
Outreach	7	9,819		2,000	681			12,500
Kate Gerrard Bequest	8	5,563	34		338	(67)		5,869
Resource Centre Equipment Reserve	9	9,185			559			9,744
Archives John Hendry Trust	10	2,701			164			2,865
Companion Diocese	11	7,148		1,000	477			8,625
Mediation Reserve	12	985			60			1,045
Personal Sickness Insurance Fund	13	52,822	8,473		3,204			64,499
Ordination Candidates Fund	14	11,757			714	(380)		12,091
Diocesan Earthquake Fund	15	121,057	598,551		17,348	(127,151)		609,805
Selwyn Foundation Care of Elderly	16	0	750,000		30,471			780,471
Parish Support Fund	17	0		120,000				120,000
		221,037	1,357,058	123,000	54,017	(127,597)	0	1,627,514
TOTAL SPECIAL PURPOSE FUNDS		705,965	1,418,012	263,000	82,201	(360,950)	0	2,108,227
<b>BEQUESTS AND ENDOWMENTS</b>								
St Faiths Religious Education - Capital	18	5,171			93		(216)	5,048
St Faiths Religious Education - Income	18	3,968			250		216	4,433
Archdeaconry of Christchurch Endowment	19	10,369			229	(469)		10,129
Bishop's Ordination Candidate	20	24,916			1,516			26,433
TOTAL BEQUESTS AND ENDOWMENTS		44,424	0	0	2,088	(469)	0	46,043
<b>TOTAL</b>		750,389	1,418,012	263,000	84,289	(361,419)	0	2,154,271

**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.
- Fund for caring of the elderly in Canterbury.
- Fund for providing financial support to parishes.

**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 2011, 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 2011, and its financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.



**BDO Christchurch**

**16 May 2012**  
**30 Sir William Pickering Drive**  
**PO Box 246**  
**Christchurch 8140**