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ANGLICAN DIOCESE OF CHRISTCHURCH
STATEMENT OF FINANCIAL PERFORMANCE
 FOR THE YEAR ENDED 31 DECEMBER 2012



GENERAL OPERATIONS	Page	2012 Actual \$	2012 Budget \$	2011 Actual \$
INCOME				
Parish Quotas		704,700	704,701	704,701
CPT - General Trust Estate Grant		429,616	429,616	450,579
CPT - General Trust Estate Grant (ex 2009)		35,000	35,000	0
St. John's College Grant		295,582	295,582	290,878
Parish Accounting Scheme		15,999	15,250	12,375
Interest Income		6,462	5,000	6,348
Donations		6,000	6,000	6,000
Sundry Income		961	0	644
Earthquake Employment Support Subsidy		0	0	12,900
Total Income		1,494,320	1,491,149	1,484,425
EXPENDITURE				
Governance	A9	99,155	103,868	89,939
Episcopal Support	A9	65,797	73,705	71,846
Finance & Administration	A9	456,174	503,581	428,948
Mission & Ministry	A10	615,308	669,400	622,760
Total Expenditure		1,236,434	1,350,554	1,213,493
DIOCESE ALLOCATIONS				
Companion Diocese		1,000	1,000	1,000
Outreach Fund		2,000	2,000	2,000
Curates Grants		145,000	145,000	140,000
Parish Support		0	0	120,000
Total Allocations	A11	148,000	148,000	263,000
Total Expenditure & Allocations		1,384,434	1,498,554	1,476,493
<u>Net Surplus (Deficit)</u>		<u>109,886</u>	<u>(7,405)</u>	<u>7,932</u>

ANGLICAN DIOCESE OF CHRISTCHURCH
STATEMENT OF FINANCIAL PERFORMANCE
 FOR THE YEAR ENDED 31 DECEMBER 2012



SPECIAL PURPOSE FUNDS	Page	2012 \$	2011 \$
INCOME			
Clergy Study Leave contributions		60,611	60,953
Personal Sickness Insurance contributions		7,922	8,473
Ordination Candidates contributions		481	0
Kate Gerrard Bequest donations		35	34
Canterbury Earthquake donations		216,535	598,551
Selwyn Foundation Care of Elderly Grant		0	750,000
Rebuild as an Event Project		20,000	0
	A11	305,585	1,418,012
Investment Income	A11	138,330	84,289
Total Income		443,915	1,502,300
DIOCESE CONTRIBUTIONS			
Companion Diocese		1,000	1,000
Outreach Fund		2,000	2,000
Curates Grants		145,000	140,000
Parish Support		0	120,000
Total Diocese Contributions	A11	148,000	263,000
Total Income & Diocese Contributions		591,915	1,765,300
EXPENDITURE			
Ministry Expenses		214,488	234,268
Canterbury Earthquake expenses		222,611	127,151
Total Expenditure	A11	437,098	361,419
<u>Net Surplus</u>		<u>154,816</u>	<u>1,403,882</u>

ANGLICAN DIOCESE OF CHRISTCHURCH
STATEMENT OF FINANCIAL PERFORMANCE
 FOR THE YEAR ENDED 31 DECEMBER 2012



SUMMARY	Page	2012 \$	2011 \$
INCOME			
General Operations	A1	1,494,320	1,484,425
Special Purpose Funds	A2	443,915	1,502,300
Total Income		1,938,234	2,986,726
EXPENDITURE			
General Operations	A1	1,236,434	1,213,493
Special Purpose Funds	A2	437,098	361,419
Total Expenditure		1,673,532	1,574,912
<u>Net Surplus</u>		<u>264,702</u>	<u>1,411,814</u>

ANGLICAN DIOCESE OF CHRISTCHURCH
STATEMENT OF MOVEMENTS IN EQUITY
 FOR THE YEAR ENDED 31 DECEMBER 2012



EQUITY	2012	2011
	\$	\$
ACCUMULATED FUNDS		
Opening Balance	125,030	117,098
Net Surplus for the year	264,702	1,411,814
Transfers to Special Purpose Funds	(154,816)	(1,403,882)
	<u>109,886</u>	<u>7,932</u>
Closing Balance	<u>234,916</u>	<u>125,030</u>
SPECIAL PURPOSE FUNDS		
Opening Balance	2,154,271	750,389
Transfers from Accumulated Funds	154,816	1,403,882
	<u>2,309,087</u>	<u>2,154,271</u>
Closing Balance	<u>2,309,087</u>	<u>2,154,271</u>
TOTAL EQUITY	<u><u>2,544,003</u></u>	<u><u>2,279,301</u></u>

ANGLICAN DIOCESE OF CHRISTCHURCH
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012



	Note	2012 \$	2011 \$
EQUITY			
Accumulated Funds		234,916	125,030
Special Purpose Funds		2,309,087	2,154,271
Total Equity		2,544,003	2,279,301
Represented by:			
CURRENT ASSETS			
Petty Cash		100	100
National Bank of New Zealand		94,356	68,367
Accounts Receivable		741,629	671,847
Total Current Assets		836,085	740,314
CURRENT LIABILITIES			
Accounts Payable		429,215	447,375
CPT Cashflow Advance	9	33	134,313
Parish Current Accounts	9	192,343	65,572
Total Current Liabilities		621,591	647,260
Net Current Assets		214,494	93,054
NON CURRENT ASSETS			
Fixed Assets	4	12,076	19,493
Investments			
Clergy Motor Vehicle Loans	5	6,347	8,484
Parish Loans	5	2,000	4,000
Church Property Trustees	9	2,309,087	2,154,271
Total Non Current Assets		2,329,510	2,186,248
NET ASSETS		2,544,003	2,279,301

Finance & Audit Chairperson

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 \$7,333,913 (2011: \$6,435,929).

3 BISHOPRIC ESTATE DISTRIBUTION

The Standing Committee agreed to finance \$41,000 of the Bishopric Estate costs in the 2012 year (2011: \$40,851) in order to maintain the capital of the Bishopric Estate. This contribution is reviewed on an annual basis.

4 FIXED ASSETS

	2012	2011
	\$	\$
Motor Vehicles		
Cost	29,667	29,667
Accumulated Depreciation	17,591	10,174
Net Book Value	12,076	19,493

5 DIOCESAN LOANS

Date	Purpose of loan	Loan	Term	2012	2011
				\$	\$
Sydenham-Beckenham parish:					
Sept 2005	Vicarage Renovations	\$35,000	20 years	2,000	4,000
				2,000	4,000

Parish and motor vehicle loans are unsecured. Interest is charged at 6.9% (2011: 6.9%).

6 COMMITMENTS

There are no contractual commitments as at balance date (2011: Nil).

7 CONTINGENCIES

There are no known contingencies as at balance date other than the National Bank Visa Card limit of \$10,000 (2011: \$10,000).

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 (2011: 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. (2011: 5.4%) 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 2012



	Note	2012 Actual \$	2012 Budget \$	2011 Actual \$
GOVERNANCE				
General Synod		57,222	57,222	57,222
Inter Diocesan Conference		16,646	16,646	16,646
Synod Expenses		25,287	30,000	16,071
Total Governance		99,155	103,868	89,939
EPISCOPAL SUPPORT				
Archdeacons		22,905	25,205	29,028
Bishop's Discretion		1,891	7,500	1,967
Bishopric Estate Contribution	3	41,000	41,000	40,851
Total Episcopal Support		65,797	73,705	71,846
FINANCE & ADMINISTRATION				
Administration				
Audit Fees		3,900	3,980	3,810
Banking & Payroll Charges		931	1,500	1,179
Committee Catering Costs		4,847	3,600	3,460
General expenses		2,879	4,900	4,370
Interest Expense		5,010	5,000	5,855
Legal Services		-	-	449
Employee Costs		1,244	2,300	1,165
Printing and Publications		659	1,000	594
Registrars Conference		2,477	2,000	1,179
Travel (committees & staff travel)		11,836	10,000	8,809
		33,784	34,280	30,869
Service Level Agreement				
Building & Parking		29,756	101,236	43,307
Equipment		11,139	9,468	8,843
Information Technology		26,733	27,421	30,090
Provisions		1,421	1,467	1,374
Salaries & Personnel Costs		331,560	309,072	291,093
Stationery, Printing & Postage		21,781	20,637	23,371
		422,390	469,301	398,079
Total Finance & Administration		456,174	503,581	428,948
MISSION & MINISTRY				
Anglican Care Grant		6,000	6,000	6,000
Chaplaincies				
Healthcare Chaplaincies		61,293	61,293	60,250
Tertiary Chaplaincies		34,245	34,245	33,409
		95,538	95,538	93,659
Childrens Worker		13,492	29,006	18,153
Clergy Support				
Clergy Removal and Furnishing		1,671	7,500	-
Ordinands' Removal and Travel		-	2,500	-
Retire (Housing) Fund Subsidies		7,692	10,000	8,500
		9,362	20,000	8,500

	Note	2012 Actual \$	2012 Budget \$	2011 Actual \$
MISSION & MINISTRY continued				
Communications & Media		28,634	30,000	33,257
Contingency Funding		8,531	20,000	4,421
Conferences & Special Services		887	1,500	1,989
Director of Education		40,947	43,774	43,809
Joint Regional Committee Grants		500	500	-
Archdeacon for Mission		100,984	97,811	99,509
Monitoring & Boundaries Education		10,266	11,000	18,961
Parish / Ministry Unit Grants		33,916	20,000	14,882
Professional Indemnity & Liability Insurance		16,176	17,907	15,534
Resource Centre		9,299	11,628	10,190
Social Justice		24,630	25,996	23,890
Third World Debt Reduction & Development		7,879	8,369	8,451
Training Support				
Bishops Advisory Committee on Ordination		3,643	2,000	5,236
Clergy Professional Development Fund		12,986	7,000	9,224
Clinical Pastoral Education		-	1,000	680
Clergy Retreats		-	1,500	-
Clergy Conference Funding		-	1,500	-
Deacons Formation		3,400	3,000	1,836
Diocesan Ordination Training		1,644	4,000	4,652
Lay Training Fund		17,732	18,000	8,236
Ordination Retreats & Services		2,750	1,000	1,326
Post Ordination Training		3,019	2,500	3,652
		<u>45,173</u>	<u>41,500</u>	<u>34,841</u>
Under 40's South & Mid Canterbury		54,649	50,909	53,949
Westland Anglican Regional Ministry Unit		31,001	32,429	32,235
Young Adults (The Kiln)		40,644	38,101	35,304
Youth Ministry		36,799	67,432	65,224
Total Ministry Expenses		<u>615,308</u>	<u>669,400</u>	<u>622,760</u>
Total Expenditure		<u>1,236,434</u>	<u>1,350,554</u>	<u>1,213,493</u>

ANGLICAN DIOCESE OF CHRISTCHURCH
SCHEDULE OF SPECIAL PURPOSE FUNDS
 FOR THE YEAR ENDED 31 DECEMBER 2012



----- FUND MOVEMENTS -----								
	BALANCE	External	Diocese	Investment	External	Internal	BALANCE	
Note	1 Jan 2012	Con'tn's	Con'tn's	Income	Payments	Transfers	31 Dec 2012	
SPECIAL PURPOSE FUNDS								
General Parochal Purposes:								
Children's Ministry Fund	1	9,177		601			9,778	
Church Extension Fund	2	81,764		5,353			87,117	
		90,942	0	0	5,954	0	96,895	
Funds for Benefit of Clergy:								
Clergy Resettlement	3	165,283		10,820			176,103	
Operating Funds:								
Clergy Study Leave	4	198,464	60,611	13,569	(47,030)		225,614	
Curates in Training	5	14,143		1,175	(127,201)		33,117	
Local Shared Ministry Reserve Pool	6	11,881		778			12,659	
		224,488	60,611	145,000	15,523	(174,231)	0	271,391
Other Specific Purpose Funds:								
Outreach	7	12,500		2,000	818		15,318	
Kate Gerrard Bequest	8	5,869	35		386		6,290	
Resource Centre Equipment Reserve	9	9,744			638		10,382	
Archives John Hendry Trust	10	2,865			188		3,053	
Companion Diocese	11	8,625		1,000	565		10,190	
Mediation Reserve	12	1,045			68		1,114	
Personal Sickness Insurance Fund	13	64,499	7,922		4,238		76,660	
Ordination Candidates Fund	14	12,091	481		815		13,387	
Diocesan Earthquake Fund	15	609,805	216,535		36,895	(222,611)	640,624	
Selwyn Foundation Care of Elderly	16	780,471			50,771	(25,225)	806,018	
Parish Support Fund	17	120,000			7,195		127,195	
Rebuild as an Event Project	18	0	20,000			(14,616)	5,384	
		1,627,514	244,973	3,000	102,577	(262,452)	0	1,715,613
TOTAL SPECIAL PURPOSE FUNDS		2,108,227	305,585	148,000	134,874	(436,683)	0	2,260,003
BEQUESTS AND ENDOWMENTS								
St Faiths Religious Education - Capital	19	5,048		473		(217)	5,305	
St Faiths Religious Education - Income	19	4,433		298		217	4,948	
Archdeaconry of Christchurch Endowment	20	10,129		955	(415)		10,669	
Bishop's Ordination Candidate	21	26,433		1,730			28,163	
TOTAL BEQUESTS AND ENDOWMENTS		46,043	0	0	3,456	(415)	0	49,085
TOTAL		2,154,271	305,585	148,000	138,330	(437,098)	0	2,309,087

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.
- Fund for promotional events post earthquake

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 2012, 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 2012, and its financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.

**BDO Christchurch**

18th April 2013
30 Sir William Pickering Drive
PO Box 246
Christchurch 8140
New Zealand