

FINANCIAL STATEMENTS OF CHURCH PROPERTY TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2014

FINANCIAL STATEMENTS OF CHURCH PROPERTY TRUSTEES
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FOR THE YEAR ENDED 31 DECEMBER 2014

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CHURCH PROPERTY TRUSTEES
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2014

Church Property Trustees is governed by its own Act of Parliament (Anglican (Diocese of Christchurch) Church Property Trust Act 2003) and the Anglican Church Trusts Act 1981. The function of CPT is to hold and administer trust property in accordance with these Acts and with the terms of the trusts that CPT holds property on.

	NOTE	2014 \$	2013 \$
INCOME			
Estate Management Fees		46,958	47,354
Investment Fund Management Fees	14	696,727	773,445
Other Income			
Property Administrator Costs Recovered from GTE		155,468	154,919
Cost Recovery (Earthquake Recovery Programme)	11, 13	992,164	-
CPT Cost Recovery Earthquake Prone Buildings		-	22,500
Insurance Management		31,301	32,195
Other Trusts		3,410	4,307
Other Interest		2,437	-
Sundry Income		3,950	11,808
TOTAL INCOME		1,932,415	1,046,528
EXPENDITURE			
Anglican Centre Costs	6	562,396	422,039
Other Administration Expenditure		810,540	629,717
TOTAL EXPENDITURE		1,372,936	1,051,756
Net Operating Surplus		559,479	(5,228)
NON OPERATING EARTHQUAKE EXPENDITURE			
Rebuild As An Event		-	(6,336)
		-	(6,336)
Net Surplus	9, 11	559,479	1,108

CHURCH PROPERTY TRUSTEES
STATEMENT OF FINANCIAL POSITION
AS AT 31st DECEMBER 2014

	NOTE	2014 \$	2013 \$ Restated
CURRENT ASSETS	10		
Debtors	4	395,348	25,932
Fixed Income Fund	4	-	26,900
ANZ Current Account		310,063	-
Parish Insurance	4	-	94,592
Total Current Assets		705,411	147,424
CURRENT LIABILITIES			
Creditors	4	95,873	19,931
GTE Working Capital Advance	4	-	100,000
Provision for Insurance Valuations	4	-	19,990
Total Current Liabilities		95,873	139,921
Net Current Assets		609,538	7,502
NON CURRENT ASSETS			
Fixed Assets			
Archives Shelving	7	1,860	3,236
Diocesan Land & Buildings held on Trust	2, 10	148,965,244	144,704,833
Funds Held On Trust	2	171,602,864	105,033,313
		320,569,968	249,741,382
Investments			
Anglican Centre Partnership	6	1	41,183
Total Non Current Assets		1	41,183
NON CURRENT LIABILITIES			
Transitional Cathedral Loans	4	2,557,257	-
Diocesan Land & Buildings held on Trust	2, 10	146,407,987	144,704,833
Trust Money Owed	2	171,602,864	105,033,313
Total Non Current Liabilities		320,568,108	249,738,146
Net Assets		611,399	51,920

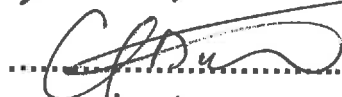
STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

	NOTE/PAGE	2014 \$	2013 \$
Opening Balance		51,920	50,812
Net surplus/(deficit) for the year	1 CPT Financial Performance	559,479	1,108
Closing Balance		611,399	51,920

Trustee



Trustee



Date

4/6/2015

CHURCH PROPERTY TRUSTEES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

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.

The Church Property Trustees is registered as a charitable entity under the Charities Act 2005. Registration number CC36062.

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, rating valuation or construction cost of new buildings 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 available differential reporting exemptions.

Accounts Receivable

Accounts receivable are stated at their expected realisable value.

Fixed Assets

Furniture and Fittings are recorded at cost less accumulated depreciation.

A full valuation in compliance with NZIAS16 was not undertaken because of cost constraints. The 2014 Annual Accounts record the land and buildings at current Rateable Value with the exception of new buildings that are recorded at cost of construction. Land and buildings are not depreciated. The costs involved in obtaining valuations solely for annual financial reporting purposes on an ongoing basis would outweigh any benefit derived by the readers of these financial statements.

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:

Archives	10 - 20% p.a. on cost
Land & Buildings	Nil

Goods and Services Tax

The accounts are prepared on a GST exclusive basis except for accounts receivable and accounts payable.

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

All policies have been applied on a basis consistent with those used in the previous year(s), with the exception that new buildings are now recorded at cost of construction as opposed to Rateable Valuation.

CHURCH PROPERTY TRUSTEES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

2. ASSETS HELD ON TRUST

Land & Building Values Held on Trust by CPT are as follows:

District	Land Values	Improvements	2014	2013
			Capital Value	Capital Value (Restated)
Ashburton District Council	2,857,500	3,031,500	5,889,000	5,729,000
Chatham Islands Council	186,000	71,000	257,000	257,000
Christchurch City Council	62,125,833	48,783,411	\$110,909,244	107,338,833
Hurunui District Council	1,602,000	1,668,000	3,270,000	3,270,000
Mackenzie District Council	1,196,000	568,000	1,764,000	1,764,000
Selwyn District Council	5,881,500	3,281,000	9,162,500	9,162,500
Timaru District Council	3,597,000	5,506,500	9,103,500	8,573,500
Waimakariri District Council	3,074,000	2,514,000	5,588,000	5,588,000
Waimate District Council	180,000	439,000	619,000	619,000
Wairoa District Council	500,000	20,000	520,000	520,000
Westland District Council	762,000	1,121,000	1,883,000	1,883,000
	\$81,961,833	\$67,003,411	\$148,965,244	144,704,833

Also see Note 10

Funds Held on Trust by CPT as follows:

Beneficial Owner	Page Reference	2014	2013
	Statements of Estates & Funds Invested	\$	\$
General Trust Estate	1 GTE	10,438,182	13,375,294
Bishopric Estate	2 BE	3,267,376	3,178,004
Dean & Chapter Estate	3 DC	1,328,313	1,278,133
BGF Parish Funds	4 BGF	8,477,246	7,049,951
Mohaka Forest Parish Funds	5 MF	260,000	264,000
Fixed Income Fund	6 FIF	32,365,598	24,848,338
Reserve Fund	7 RF	1,488,587	889,055
Insurance Proceeds Fund	8 IPF	73,464,818	54,150,538
Cathedral Insurance Proceeds Fund	9 CIPF	40,512,744	-
Total		171,602,864	105,033,313

Referenced in this table are the funds which are separately reported in the audited "Special Purpose Financial Statements of Estates & Funds Invested".

CHURCH PROPERTY TRUSTEES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

3. CONTINGENCIES

Assets

There are no contingent assets outstanding as at 31 December 2014.

Liabilities

ANZ Visa Cards (3) Limit: \$10,000 (2013: \$5,000).

4. 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-Statement of Financial Position instruments. The carrying value of financial instruments is equivalent to their fair value.

5. 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.

6. 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 reduce and 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.

During 2014 the Anglican Centre Partnership repaid the capital advanced by CPT when the partnership was formed.

Explanation: Arms Length

The transactions were at an arms length basis. This means that the person concerned played no part in the decision making that led to their firm being hired to perform any services.

Wynn Williams

Jeremy Johnson, (the Diocesan Vice-Chancellor) of Wynn Williams, provided legal services to the Church Property Trustees to the value of \$25,454 (2013: \$19,677) The transactions were at an arms length basis.

Colliers International

Gary Sellars, (a member of the Board of Trustees) is a Director of Colliers International, an entity which provided valuation services to the Church Property Trustees to the value of \$0. (2013: \$2,242). The transactions were at an arms length basis.

Deloitte

Steven Wakefield, (a member of the Board of Trustees) is a Partner at Deloitte, an entity which provided services to Church Property Trustees to the value of \$92,128 (2013: \$150,218). The transactions were at an arms length basis.

CHURCH PROPERTY TRUSTEES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

7. FIXED ASSETS

2014					2013			
Asset Category	Cost	Depn	Accum Depn	2014 Book Value	Cost	Depn	Accum Depn	2013 Book Value
Archive Shelving	5,986	1,375	4,125	1,860	5,986	1,376	2,750	3,236
Total	5,986	1,375	4,125	1,860	5,986	1,376	2,750	3,236

8. OPERATING LEASE

Church Property Trustees have the following operating lease obligations for motor vehicles and for a storage facility at Grange Street:

	Within 12 Months	> 12 Months	Total
Motor Vehicles (2)	15,843	15,427	31,270
Storage	105,062	70,043	175,105
Total	120,905	85,470	206,375

9. NET OPERATING SURPLUS/(DEFICIT) (Page 1 CPT Financial Performance)

CPT Net operating surplus/(deficit) is stated after charging:

	2014	2013
Building and Parking	68,478	43,686
Audit Fees	14,182	10,000
Depreciation	1,375	1,376
Total	84,035	55,062

10. LAND AND BUILDINGS

Diocesan Land & Buildings

Land and buildings are not depreciated; rather they are included at their most recent rateable values which range in date between September 2011 and November 2013 with the exception of new buildings which are valued at the cost of construction. In 2014 this includes the Transitional Cathedral. The Insurance Valuation of the Buildings dated 1 December 2014 is \$331,686,463. Nine buildings are unable to be insured due to earthquake damage.

Land and buildings were previously reported as "current" in the Statements of Financial Position. Due to the fixed and long term nature of these items, they are now more properly recorded as "Non Current" assets and liabilities.

The land and buildings values held on trust for 2013 were restated to correct an error in the prior year.

CHURCH PROPERTY TRUSTEES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

A full valuation in compliance with NZ IAS16 was not undertaken because of cost constraints – the costs involved in obtaining valuations solely for financial reporting purposes on an ongoing basis would outweigh any benefit derived by the readers of these financial statements.

A breakdown of the land and buildings held on trust can be seen in Note 2, Page 4.

11. CPT SURPLUS

2014 CPT Surplus

Part of the global insurance settlement included the additional expenses incurred by CPT, to manage the increased workload, brought about by the series of earthquakes in Canterbury. During this time CPT depleted its reserves and had to borrow from the General Trust Estate so that it could operate. The \$559k surplus has resulted from a one off recovery from the insurance proceeds for these expenses. This is represented by:

Sept 2010 – Oct 2014	Contents Settlement Expenses	33k
Oct 2014 – Dec 2014	CPT Recovery Project Management Expenses	664k
Sept 2010 – Oct 2014	CPT Recovery Project Management Expenses	195k
Sept 2010 – June 2014	Earthquake Related Facilities Salaries	100k
		992k

12. IMPACT OF THE CANTERBURY EARTHQUAKES

Insurance Proceeds

Insurance settlement negotiations are now complete and the final settlement was received on 31st March 2014. Funds are held in the Insurance Proceeds Fund and the Cathedral Insurance Proceeds Fund.

13. CPT COST RECOVERY

Cost recovery of 2010 – 2014 CPT earthquake recovery expenses. The insurance claim payout allowed CPT to recover direct expenses held in prior years accounts.

CPT Facilities Cost Recovery was \$100k. While salary expenses for the period 2010 – 2014 were more than \$100k, CPT took the view that sufficient should be recovered only for the repayment of the GTE loan. See explanation in Note 11.

14. FUND ADMINISTRATION FEES

In 2014 the Trustees reduced the CPT funds administration fees, providing further increase in value of the investment to filter back to investors. As an example the FIF administration fee was reduced from 1.2% (2013) to 0.55% (2014).