ESTATES AND TRUSTS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES
SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

The Church Property Trustees

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The Church Property Trustees

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FOR THE YEAR ENDED 31 DECEMBER 2015

The Church Property Trustees

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INCOME											
Net Return from Investment Funds	3	1,199	432	188	265	75	106	2,579	2,289	1,318	2,050
Insurance Income	4	-	-	-	-	-	-	428	121	-	-
Grants & Donations Received	5	-	-	10	10	-	-	163	5,817	-	-
Interest Income		220	18	-	-	-	-	-	-	-	-
Parish Contributions	6	-	-	-	-	-	-	378	8	-	-
Gifting	10	2,745	1,500	-	-	-	-	-	-	-	-
Profit or Loss from Sale of Assets	7	-	-	-	-	-	-	687	38	-	-
Sundry Income		52	47	-	-	-	-	75	-	-	-
Total Income		4,216	1,997	198	275	75	106	4,309	8,272	1,318	2,050
EXPENSES											
Administration		-	-	171	176	-	-	-	-	-	-
Earthquake Repair Expenditure	8	-	-	-	-	-	-	1,678	1,466	85	270
Earthquake Prone Building Costs		-	-	-	-	-	-	29	245	-	-
Distributions/Donations to Parishes	9	942	4,276	-	-	-	-	83	174	-	-
Gifting to General Trust Estate	10	-	-	-	-	-	-	2,745	1,500	-	-
Grants Paid	11	437 1	434	-	-	52	52	-	-	-	-
Interest Paid		-	-	-	-	-	-	121	53	-	-
Management Fees - CPT		194	189	10	10	4	4	841	1,055	136	404
Legal Fees		27	-	-	-	-	-	40	32	175	154
Mohaka Forest Expenses		27	33	-	-	-	-	-	-	-	-
Total Expenditure		1,627	4,933	181	186	56	56	5,538	4,526	396	828
Net Surplus/(Deficit)		2,589	(2,937)	17	89	19	50	(1,228)	3,747	922	1,222

These statements are to be read in conjunction with the accompanying notes on pages 4 to 16 and the Independent Auditor's Report on pages 17 to 18.

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ESTATES AND TRUSTS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2015

The Church Property Trustees

	NOTE	General Trust Estate 2015 $000	General Trust Estate 2014 $000	Bishopric Estate 2015 $000	Bishopric Estate 2014 $000	Dean & Chapter Estate 2015 $000	Dean & Chapter Estate 2,014 $000	Land & Buildings Held in Trust 2015 $000	Land & Buildings Held in Trust 2014 $000	Cathedral Trust 2015 $000	Cathedral Trust 2014 $000
CURRENT ASSETS											
Cash & Cash Equivalents		-	-	-	-	-	-	231	289	9	66
Receivables	12	159	177	4	4	-	-	2,840	3,967	45	1,243
Investment Funds		77	-	-	-	-	-	-	-	-	-
Investment Property	13	467	467	-	-	-	-	-	-	-	-
Total Current Assets		703	643	4	4	-	-	3,071	4,256	53	1,308
CURRENT LIABILITIES											
Provisions	14	10	10	22	20	-	-	256	197	-	-
Payables		53	1,305	56	31	-	-	1,005	608	110	1,654
Loans		-	-	-	-	-	-	2,916	2,721	-	-
Revenue in Advance	5	-	-	-	-	-	-	3,327	1,903	-	-
Total Liabilities		64	1,316	78	51	-	-	7,504	5,430	110	1,654
Net Current Assets		639	(672)	(73)	(47)	-	-	(4,434)	(1,174)	(56)	(346)
NON CURRENT ASSETS											
Land & Buildings Held in Trust	15	-	-	-	-	-	-	141,755	139,957	5,275	8,625
Capital Work in Progress	16	-	-	-	-	-	-	7,053	3,913	-	-
Investment in Land & Buildings	17	1,085	-	-	-	-	-	-	-	-	-
Investment Funds	18	9,891	9,557	3,358	3,315	1,348	1,328	46,859	46,950	41,069	40,436
Mortgages & Loans	19	1,412	1,553	-	-	-	-	-	-	-	-
Total Non Current Assets		12,388	11,110	3,358	3,315	1,348	1,328	195,668	190,821	46,344	49,061
Net Assets		13,027	10,438	3,284	3,267	1,348	1,328	191,234	189,646	46,288	48,716
EQUITY											
Retained Earnings	20	13,027	10,438	2,604	2,614	1,348	1,328	56,471	57,700	41,013	40,091
Asset Revaluation Reserve	21	-	-	-	-	-	-	134,763	131,946	5,275	8,625
CSN Trust Fund	22	-	-	170	170	-	-	-	-	-	-
Fabric Fund	23	-	-	510	484	-	-	-	-	-	-
Total Equity		13,027	10,438	3,284	3,267	1,348	1,328	191,234	189,646	46,288	48,716

For and on behalf of the Board of Trustees who authorised the issue of these financial statements on 7th July 2016

S J Wakefield

C G Murfitt

ESTATES AND TRUSTS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES
STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

The Church Property Trustees

	NOTE	General Trust Estate 2015 $000	General Trust Estate 2014 $000	Bishopric Estate 2015 $000	Bishopric Estate 2014 $000	Dean & Chapter Estate 2015 $000	Dean & Chapter Estate 2,014 $000	Land & Buildings Held in Trust 2015 $000	Land & Buildings Held in Trust 2014 $000	Cathedral Trust 2015 $000	Cathedral Trust 2014 $000
RETAINED EARNINGS											
Balance at 31 December 2014		10,438	13,375	3,267	3,178	1,328	1,278	57,700	53,953	40,091	38,869
Net Surplus/(Deficit)		2,589	(2,937)	17	89	19	50	(1,228)	3,747	922	1,222
Balance at 31 December 2015	20	13,027	10,438	3,284	3,267	1,348	1,328	56,471	57,700	41,013	40,091
ASSET REVALUATION RESERVE											
Balance at 31 December 2014		-	-	-	-	-	-	131,946	128,069	8,625	8,625
Gain/(Loss) on revaluation of property	21	-	-	-	-	-	-	2,816	3,877	(3,350)	-
Balance at 31 December 2015		-	-	-	-	-	-	134,763	131,946	5,275	8,625
TOTAL EQUITY		13,027	10,438	3,284	3,267	1,348	1,328	191,234	189,646	46,288	48,716

These statements are to be read in conjunction with the accompanying notes on pages 4 to 16 and the Independent Auditor's Report on pages 17 to 18.

1. GENERAL INFORMATION

These financial statements have been prepared for each of the estates and trusts managed by Church Property Trustees (CPT). These Estates were all previously reported in the Special Purpose Financial Statements of Estates and Funds Invested. These Estates and Funds are now reported in separate special purpose financial statements. The Estates in these special purpose financial statements are the General Trust Estate, Bishopric Estate, Dean & Chapter Estate, with the addition of the Land & Buildings Trust and the Cathedral Trust. The Funds are now being reported in the special purpose financial statements of Funds Held and Administered by CPT.

The historical accounting for the recovery programme's share of revenue and expenditure was audited but was not in line with Generally Accepted Accounting Practice. A review by management (with supporting advice from the Diocesan Chancellor) of the presentation and accounting treatment has resulted in an enhancement to the reporting of trusts and estates under CPT management to more clearly show the Land and Buildings held in Trust and the Cathedral Trust. Previously any transactions relating to the earthquake recovery programme were included in the Insurance Proceeds Fund and the Cathedral Insurance Proceeds Fund. In 2015 these transactions have been reclassified. These two Trusts now show the expenditure and revenues relating to the repair and rebuild of buildings damaged in the 2010 and 2011 earthquakes.

The financial statements are presented in New Zealand dollars.

Investment Policies
General Trust Estate: The General Trust Estate is comprised of assets held by CPT on trust for the general purposes of the Diocese. The Estate exists to support the financial needs of the Diocese of Christchurch.

***Bishopric Estate*:** CPT holds the Bishopric Estate on trust to use the capital and income of the Estate to provide, amongst other things, a suitable residence for the Bishop, pay all the running costs, the Bishop's stipend, secretarial support and other expenses under the Anglican (Diocese of Christchurch) Church Property Trust Act 2003, Part 3, Sections 14-16.

Dean & Chapter Estate: CPT holds the Dean and Chapter Estate on trust to provide, amongst other things, housing and a stipend for the Dean of Christchurch. Anglican (Diocese of Christchurch) Church Property Trust Act 2003, Part 3, Sections 17-19.

Land & Buildings Held in Trust: CPT holds all other real property and associated funds on charitable purpose trusts. The cost of earthquake rebuilds and repairs to these buildings are reported in this collection of trusts.

Cathedral Trust: The land and buildings at 100 Cathedral Square, and associated funds, are held on a charitable trust for the purposes of having a cathedral on the site.

2. STATEMENT OF ACCOUNTING POLICIES

2.1 Basis of Preparation
The financial statements have been prepared as Special Purpose Reports, in accordance with old generally accepted accounting practice in New Zealand, with the exception of the following Financial Reporting Standards:

- FRS3 Accounting for Property Plant & Equipment, where the trustees have decided to state land & buildings at latest rateable values instead of either cost or fair value and have also decided not to depreciate buildings over their useful life as required by the standard.
- FRS33 Disclosure of Information by Financial Institutions, where the trustees have decided not to apply the disclosure requirements of this standard.
- FRS7 Extraordinary items and fundamental errors, where the trustees have decided not to disclose the prior year adjustments in respect to the reclassifications to create the Land and Buildings Trust, and Cathedral Trust. These reclassifications were made from Church Property Trustees, and are disclosed in their financial statements for the year ended 31 December 2015.
- SSAP 17 Accounting for Investment Properties, where the trustees have decided to state certain investment properties at latest rateable values instead of net current value, as required by the standard.

These financial statements show only the income, expenditure, assets and liabilities of the estates and trust under management by CPT. They do not include any of the income, expenditure, assets or liabilities belonging to CPT itself.

2.2 Changes to accounting policy
There have been no changes in accounting policies. Policies have been applied on a basis consistent with those of the previous period.

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

a) Revenue recognition
Revenue is recognised to the extent it is probable that economic benefit will flow to the funds and that the revenue can be reliably measured. For financial assets at fair value, interest income is included through the Statement of Financial Performance.
Unrealised or realised gains/ (losses) from re-measurement of financial assets at fair value are included in revenue. Distribution income is recognised in the Statement of Financial Performance when the right to receive the dividend/distribution is established.

Grants requiring specified future conditions to be met are recognised as a liability on receipt. The grants are recognised to revenue over the period that the specified conditions are complete and the associated costs are recognised.

CPT enter into a number of leases as landlord. The leases are residential, commercial or regular short term leases. The rental income is received by the relevant parish. The rental income and offsetting distribution has not been incorporated in the financial statements as this cannot be reliably measured. CPT will improve the accuracy of reporting this income in 2016

All other revenue is recognised on an accruals basis.

b) Expenses
All expenses are recognised in the Statement of Financial Performance on an accrual basis.

c) Income tax
The entities are exempt from liability for income tax.

d) Goods and Services Tax
Where applicable all amounts are stated exclusive of goods and services tax (GST) except for accounts payable, accounts receivable and retentions payable which are stated inclusive of GST.

e) Financial Instruments
Classification:
The financial instruments comprise investments (both investment funds and investment property), cash, receivables and payables. They are stated at fair value through the Statement of Financial Performance.

Recognition/derecognition:
The fund recognises financial assets on the date it becomes party to the contractual agreement and recognises changes in fair value from this date. Investments are derecognised when the right to receive cash flows from the investments have expired.

Measurement:
(i) Financial assets (investment funds and property)
Investment funds are stated at fair value excluding any transaction costs. Transaction costs are expensed as incurred in the Statement of Financial Performance. Any changes in the fair values of financial assets are disclosed in the Statement of Financial Performance.
Investment properties are stated at rateable value where a market value does not exist and are not depreciated because of this.

(ii) Mortgages and Loans
Mortgages and loans are measured at fair value.

f) Capital work in progress
Capital Work in progress is stated at cost.

g) Receivables
Receivables may include amounts accrued for interest income and distributions. Distributions are accrued when the right to receive payment is established. Interest income is accrued at the reporting date from the time of the last payment.

Any other receivables are stated at their expected realisable value.

h) Land and buildings
Freehold land and buildings are not depreciated; rather they are valued at rateable values which range in date between July 2012 and August 2015 with the exception of new buildings which are valued at the cost of construction. Revaluation gains resulting from a change in rateable value are transferred to the asset revaluation reserve. If the revaluation reserve has a deficit, that deficit is recognised in the Statement of Financial Performance when that deficit arises. Any revaluation surplus that reverses previous revaluation deficits in subsequent periods is recognised as revenue in the Statement of Financial Performance.

All insurance repairs and maintenance expenditure is recognised as incurred. An item of property is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the year the asset is derecognised.

i) Payables
Payables include liabilities and accrued expenses owing by the trusts and estates which are unpaid at balance date.

j) Cash and cash equivalent
Cash and cash equivalents include operational bank accounts and term deposits.

3. NET RETURN FROM INVESTMENT FUNDS

	General Trust Estate		Bishopric Estate		Dean & Chapter Estate		Land & Buildings held in Trust Estate		Cathedral Trust	
	2015 $000	2014 $000	2015 $000	2014 $000	2015 $000	2,014 $000	2015 $000	2014 $000	2015 $000	2014 $000
BGF Revaluation	323	478	177	247	75	106	-	-	-	-
BGF Revaluation Fabric Fund	-	-	11	18	-	-	-	-	-	-
Net Income from Insurance Proceeds Funds	-	-	-	-	-	-	2,579	2,289	1,318	2,050
Mohaka Forest Revaluation	876	(46)	-	-	-	-	-	-	-	-
	1,199	432	188	265	75	106	2,579	2,289	1,318	2,050

Southern Forestry Limited prepares an annual report on the progress of the development of the investment in the Mohaka Forest. It provides a valuation of the forest. The forest value has increased due to growth, increased log prices, particularly for pruned logs, a decrease in discount rate and falling fuel prices.

4. INSURANCE INCOME

Earthquake Commission receipts of $427,926 (2014:$120,925) have been recorded in the current year.

5. GRANTS & DONATIONS RECEIVED

	General Trust Estate		Bishopric Estate		Dean & Chapter Estate		Land & Buildings held in Trust Estate		Cathedral Trust	
	2015 $000	2014 $000	2015 $000	2014 $000	2015 $000	2,014 $000	2015 $000	2014 $000	2015 $000	2014 $000
Diocesan Grants	-	-	10	10	-	-	-	-	-	-
CCC Earthquake Heritage Fund	-	-	-	-	-	-	9	167		
Fulton Hogan	-	-	-	-	-	-	77	-	-	-
General Trust Estate Donation	-	-	-	-	-	-	-	4,276	-	-
NZ Lotteries Grant Board-Recovery Programme	-	-	-	-	-	-	5	197	-	-
NZ Lotteries Grant Board - Transitional Cathedral	-	-	-	-	-	-	10	740	-	-
Other	-	-	-	-	-	-	61	437	-	-
	-	-	10	10	-	-	163	5,817	-	-

Grants of $3,326,952 have not been recognised as income, due to unfulfilled requirements at balance date, in the Land & Buildings Held in Trust Estate.

The Standing Committee of the Diocese has agreed to fund a portion of the Bishopric Estate costs since 2012 in order to maintain the capital of the Estate. The grant is reviewed annually. The Trustees continue to work with the Diocese on strategies to recapitalise the Bishopric Estate.

6. PARISH CONTRIBUTIONS

	General Trust Estate		Bishopric Estate		Dean & Chapter Estate		Land & Buildings held in Trust Estate		Cathedral Trust	
	2015 $000	2014 $000	2015 $000	2014 $000	2015 $000	2,014 $000	2015 $000	2014 $000	2015 $000	2014 $000
Earthquake Prone Building Contributions	-	-	-	-	-	-	152	-		
Betterment Contributions	-	-	-	-	-	-	187	8		
Insurance Excess Contributions	-	-	-	-	-	-	40	-	-	-
	-	-	-	-	-	-	378	8	-	-

Earthquake prone building contributions:
The CPT Earthquake Prone Buildings [EPB] Programme was developed:

- in response to the Canterbury Earthquakes,
- to assess the risk our buildings may present to users and the wider public and
- to formulate a plan with the Parishes to manage these risks.

The EPB Programme was first outlined to parishes at Synod 2012. Phase 1 (Initial desktop analysis) and phase 2 (Initial Evaluation Procedure or Initial Seismic Assessment) have been completed and a contribution from the parishes to cover this cost has been requested. The value of those requests is included in the table above.

Betterment contributions:
During the course of performing earthquake repairs some deferred maintenance or strengthening work will be completed simultaneously. In these instances the relevant parish will be consulted with and agreement will be reached on the level of work to be completed. The parish will be requested to contribute towards these non-earthquake related costs. The betterment contributions recorded in the table above are of this nature.

Insurance excess contributions:
An excess was deducted by CPT's insurers on global settlement. In November 2015 CPT approved a mechanism for the allocation of insurance excesses for repair projects. Quarterly, as earthquake repair work is completed, a contribution towards the excess will be sought from parishes based on the final repair cost.

7. PROFIT OR LOSS FROM SALE OF ASSETS

The property at 48 Wakefield Avenue was red zoned by CERA in June 2012. The Government offer was accepted and settled in April 2015 for $685,000.

8. EARTHQUAKE REPAIR EXPENDITURE

	General Trust Estate		Bishopric Estate		Dean & Chapter Estate		Land & Buildings Held In Trust		Cathedral Trust	
	2015 $000	2014 $000	**2015 $000**	2014 $000	**2015 $000**	2,014 $000	**2015 $000**	2014 $000	**2015 $000**	2014 $000
Earthquake Repairs	-	-	-	-	-	-	**384**	553	-	-
Consultancy & Professional Fees	-	-	-	-	-	-	**727**	787	**27**	17
EQC Excess & Repairs	-	-	-	-	-	-	**248**	67	-	-
Other	-	-	-	-	-	-	**319**	59	**58**	253
	-	-	-	-	-	-	**1,678**	1,466	**85**	270

Since September 2010 the Canterbury region experienced in excess of 12,500 earthquakes which extensively damaged the Cathedral, churches, halls and vicarages. The earthquakes have resulted in costs being incurred with reinstatement of assets. These costs have been expensed as incurred unless they are of a capital nature in which case they have been capitalised.

9. DISTRIBUTIONS/DONATIONS TO PARISHES

In February 2015, Standing Committee approved the payment of the outstanding 2012 insurance premiums from General Trust Estate funds of $941,533.

10. GIFTING TO GENERAL TRUST ESTATE

The following gifting arrangements were finalised in 2015 resulting in a transfer of funds and land & buildings from the Land & Buildings Trust to the General Trust Estate:

	General Trust Estate		Bishopric Estate		Dean & Chapter Estate		Land & Buildings Held in Trust		Cathedral Trust	
	2015 $000	2014 $000	2015 $000	2014 $000	2015 $000	2,014 $000	2015 $000	2014 $000	2015 $000	2014 $000
Christchurch St John's Material Damage Insurance Proceeds	-	-	-	-	-	-	600	-	-	-
Christchurch St Luke's Material Damage Insurance Proceeds (plus legal fees)	-	-	-	-	-	-	1,060	-	-	-
Christchurch St Luke's Old Vicarage (at rateable value)	-	-	-	-	-	-	465	-	-	-
St Matthew's St Albans Land & Buildings at 145 Cranford Street	-	-	-	-	-	-	620	-		
St Mary's Merivale Material Damage Insurance Proceeds	-	-	-	-	-	-	-	1,500	-	-
	-	-	-	-	-	-	2,745	1,500	-	-

The site at 145 Cranford Street included building improvements. The value of the gift has been recognised at $620,000 being the rateable value of the land only as no future economic benefits are expected to flow from the buildings' use or disposal.

11. GRANTS PAID

	General Trust Estate		Bishopric Estate		Dean & Chapter Estate		Land & Buildings Held in Trust		Cathedral Trust	
	2015 $000	2014 $000	2015 $000	2014 $000	2015 $000	2,014 $000	2015 $000	2014 $000	2015 $000	2014 $000
Cathedral Chapter	-	-	-	-	52	52	-	-	-	-
Diocese of Christchurch (Prior Years)	20	-	-	-	-	-	-	-	-	-
Diocese of Christchurch	417	434	-	-	-	-	-	-	-	-
	437	434	-	-	52	52	-	-	-	-

The General Trust Estate pays an annual grant (phased evenly by month) to the Diocese of Christchurch to assist with general operations. The value of the grant is determined based on inflation protected net assets of the Estate and Diocesan requirements.
The Dean and Chapter Estate pays an annual grant (phased evenly by month) to the Cathedral Chapter towards the costs of the Dean. The value of the grant is determined based on inflation protected net assets of the Estate and Chapter's requirements.

12. RECEIVABLES

Receivables include grants approved but not yet received from:

	Land & Buildings held in Trust	
	2015 $000	2014 $000
New Zealand Lotteries Grant Board	864	523
Canterbury Earthquake Heritage Building Trust	645	495
CCC Landmark Heritage Fund	863	855
	2,372	1,873

13. INVESTMENT PROPERTY

	2015 $000	2014 $000
Richards Estate Land	467	467
	467	467

The Richards Estate land was last valued on a market related basis in February 2013 by Knight Frank Ltd. The sale of this property is currently being negotiated by the Trustees.

14. PROVISIONS

	General Trust Estate		Bishopric Estate		Dean & Chapter Estate		Land & Buildings Held in Trust		Cathedral Trust	
	2015 $000	2014 $000	**2015 $000**	2014 $000	**2015 $000**	2,014 $000	**2015 $000**	2014 $000	**2015 $000**	2014 $000
Provision - Valuations	10	10	-	-	-	-	-	-	-	-
Provision - Lambeth Conference	-	-	22	20	-	-	-	-	-	-
Provision - Parish Contributions	-	-	-	-	-	-	49	-	-	-
Provision - Earthquake Prone Building Costs	-	-	-	-	-	-	207	197	-	-
	10	10	22	20	-	-	256	197	-	-

Valuation of parish property for insurance purposes occurs on a four year cycle. The last round of valuations was completed in 2013. Desktop valuations are performed for the other years. The provision will be utilised to cover the cost of valuations which will be incurred during the current four year cycle.

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 2020. Expected costs for the conference are $25,500.

Two grants were received from Lotteries to assist with the cost of engineering evaluations on earthquake prone heritage buildings. A provision has been made to recognise these costs which are yet to be incurred.

15. LAND & BUILDINGS HELD IN TRUST

Land & Buildings held In Trust

District Council	Land	Improvements	Capital Value	
			2015	2014
	$000	$000	**$000**	$000
Ashburton	3,086	3,245	**6,330**	5,889
Chatham	186	71	**257**	257
Christchurch	60,678	39,456	**100,133**	101,901
Hurunui	1,707	1,711	**3,418**	3,270
Mackenzie	1,313	567	**1,880**	1,764
Selwyn	7,304	3,719	**11,023**	9,163
Timaru	3,984	5,938	**9,922**	9,104
Waimakariri	3,377	2,569	**5,946**	5,588
Waimate	180	439	**619**	619
Wairoa	500	20	**520**	520
Westland	699	1,009	**1,708**	1,883
	83,013	58,743	**141,755**	139,957

16. CAPITAL WORK IN PROGRESS

In addition to the $1,677,878 earthquake related costs noted in the Statement of Financial Performance, $7,053,209 (to date) has been spent on significant capital expenditure. Some of these activities were incomplete at 31 December 2015 and were included in capital work in progress. Some of the larger amounts relate to Christchurch St Johns Commercial Building, Lyttelton St Saviours Church and the retaining wall at the Lyttelton vicarage.

17. INVESTMENT IN LAND AND BUILDINGS

The vicarage and land at Kilmore Street and land at Cranford Street has been gifted to the General Trust Estate.

18. INVESTMENT FUNDS

	General Trust Estate		Bishopric Estate		Dean & Chapter Estate		Land & Buildings Held in Trust		Cathedral Trust	
	2015 $000	2014 $000	2015 $000	2014 $000	2015 $000	2,014 $000	2015 $000	2014 $000	2015 $000	2014 $000
Mohaka Forest Fund	3,866	2,990					-	-	-	-
Balanced Growth Fund	6,025	6,567	3,358	3,315	1,348	1,328	-	-	-	-
Cathedral Insurance Proceeds Fund	-	-	-	-	-	-	-	-	41,069	40,436
Insurance Proceeds Fund	-	-	-	-	-	-	46,859	46,950		
	9,891	9,557	3,358	3,315	1,348	1,328	46,859	46,950	41,069	40,436

19. MORTGAGES AND LOANS

The balance of the loan from the General Trust Estate to the Land & Buildings Trust (for the Transitional Cathedral) is $1,335,095. Interest on this loan is charged at 7.5% per annum.

20. MOVEMENT IN RETAINED EARNINGS

The allocations to and from reserves for the General Trust Estate, Bishopric Estate and Dean & Chapter Estate, are calculated on the following basis agreed by the Trustees in 2007.

- The income that may be drawn down each year from the Balanced Growth Fund is 4.5% of the capital.
- The income is to be paid on the Average Net Assets during the financial year.

The remainder to the income/ (deficit) is to be allocated to capital reserves.

21. GAIN/(LOSS) ON REVALUATION OF PROPERTY

The increase in rateable value of the Land and Buildings held on Trust is $2,816,000 (2014: increase of $3,877,078). The Cathedral rateable value dropped by $3,350,000 from $8,625,000 to $5,275,000.

22. CSN TRUST FUND

The Community of the Sacred Name purchased land occupied by the Community from CPT for $5. In addition a donation of $170,000 was made to the Bishopric Estate to be held in a sub trust entitled "The Community of the Sacred Name Trust Fund". The income from the donation is to be applied on an annual basis for the requirements of the Bishopric Estate.

23. FABRIC FUND

The Church Property Trust Act 2003, section 16 requires a fund to be maintained to be applied toward the building, maintenance, enlargement or replacement of the Bishop's residence and its furnishings.

24. ONGOING EARTHQUAKE RELATED EXPENDITURE

In December 2013, CPT resolved that the Trustees would accept the ACS global insurance settlement offer. This revenue was taken to equity in 2013. Expenditure relating to the restatement of these insured assets has been noted either in the Statement of Financial Performance or capital work in progress resulting in significant losses in subsequent years.

The balance of the Insurance Proceeds Funds ($47m) will be utilised to reinstate the assets damaged during the earthquake. The balance in the Cathedral Insurance Proceeds Fund ($41m) will be utilised for the purpose of having a cathedral on the site.

25. COMMITMENTS

Mohaka Forest Project (Majority Shareholder is the General Trust Estate)
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. The projected costs to completion, including future silviculture operations related to the area destroyed by fire and subsequently replanted, have been estimated at $49,103 (2014 $77,695).

26. CONTINGENCIES

There are no contingent assets or liabilities at 31 December 2015.

27. RELATED PARTIES

Diocese of Christchurch
When required, the General Trust Estate provides short term cash flow funding to the Diocese of Christchurch on an arms-length basis. No such funding has been provided by the General Trust Estate to the Diocese of Christchurch during the current and previous financial years.

Explanation: Arms Length
Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms.

Wynn Williams
Jeremy Johnson, (the Diocesan Chancellor) of Wynn Williams, provided legal services to the Church Property Trustees on behalf of Estates and Trusts to the value of $230,441 (2014: $184,669). The transactions were at an arms-length basis. Additional work was commissioned by Church Property Trustees in conjunction with Parishes for conveyancing and other matters regarding property. The cost of these invoices has been met by the Parishes concerned.

Colliers International
Gary Sellars, (a member of the Board of Trustees) is Director of Colliers International, an entity which provided property valuation services to the Church Property Trustees on behalf of Estates and Trusts to the value of $0 (2014: $2,250). 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 on behalf of Estates and Trusts to the value of $71,488 (2014: $286,149). The transactions were at an arms-length basis.

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Chartered Accountants

Independent Auditor's Report

To the Trustees of the Estates and Trusts Held and Administered by Church Property Trustees

We have audited the special purpose financial statements of the following estates and trusts held and administered by Church Property Trustees (the "Estates and Trusts"):

- General Trust Estate
- Bishopric Estate
- Dean & Chapter Estate
- Land & Buildings Held in Trust
- Cathedral Trust

The special purpose financial statements are presented on pages 1 to 16, which comprise the statement of financial position of the Estates and Trusts as at 31 December 2015, and the statement of financial performance, and statement of movements in equity for the year then ended, and a summary of significant accounting policies and other explanatory information. The special purpose financial statements have been prepared in accordance with the Anglican (Diocese of Christchurch) Church Property Trust Act 2003.

Trustees Responsibility for the Special Purpose Financial Report

The trustees are responsible for the preparation of the special purpose financial statements in accordance with the Anglican (Diocese of Christchurch) Church Property Trust Act 2003, and for such internal control as they determine is necessary to enable the preparation of special purpose 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 the special purpose 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 special purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the special purpose financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the trustee's preparation of the special purpose 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 trustee's internal controls. 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 special purpose 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 Estates and Trusts.

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Opinion

In our opinion the financial statements of the Estates and Trusts for the year ended 31 December 2015 have been prepared, in all material respects, in accordance with the accounting policies stated at note 2.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our audit opinion, we draw attention to note 2.1 which describes the basis of accounting and exceptions taken from certain financial reporting standards. The special purpose financial statements are prepared to assist the Estates and Trusts comply with the provisions of the Anglican (Diocese of Christchurch) Church Property Trust Act 2003. As a result the special purpose financial statements may not be suitable for another purpose. Our report is intended for the Trustees of the Estates and Trusts, Synod, and each parish, ministry unit, and trust on whose behalf Church Property Trustees holds and administers investments.

Other Matter

These are the first special purpose financial statements prepared for Estates and Trusts Held and Administered by Church Property Trustees. The Estates and Trusts were previously reported within the special purpose financial statements of Estates and Funds Invested for the year ended 31 December 2014, which were audited by another auditor who expressed a modified opinion on those statements on 4 June 2015. Their audit report included qualification in respect of the departure from SSAP17 relating to the forest land being recorded at latest rateable value.

Ernst & Young

7 July 2016
Christchurch