FUNDS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES
SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NGĀ KAITIAKI TAONGA O TE HĀHI
Church Property Trustees
THE ANGLICAN DIOCESE OF CHRISTCHURCH

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FOR THE YEAR ENDED 31 DECEMBER 2017

Ngā Kaitiaki Taonga o te Hāhi Church Property Trustees The Anglican Diocese of Christchurch

	NOTE	Balanced Growth Fund 2017	Balanced Growth Fund 2016	Mohaka Forest Fund 2017	Mohaka Forest Fund 2016	Fixed Income Fund 2017	Fixed Income Fund 2016	Reserve Fund 2017	Reserve Fund 2016	Insurance Proceeds Fund 2017	Insurance Proceeds Fund 2016	Cathedral Insurance Proceeds Fund 2017	Cathedral Insurance Proceeds Fund 2016	Total Funds Under Management 2017	Total Funds Under Management 2016
		$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
INCOME															
Net Return from Investments	3	2,219	1,336	-	549	2,283	1,465	89	55	2,137	2,115	2,489	1,865	9,218	7,385
Expense Recovery		-	-	78	64	-	-	-	-	-	-	-	-	78	64
Total Income		2,219	1,336	78	613	2,283	1,465	89	55	2,137	2,115	2,489	1,865	9,296	7,449
EXPENSES															
Net Decrease in Investment Value		-	-	21	-	-	-	-	-	-	-	-	-	21	-
Insurance		-	-	5	20	-	-	-	-	-	-	-	-	5	20
Interest Paid		-	-	-	-	-	-	-	-	40	92	-	-	40	92
Legal fees		-	-	41	-	-	-	-	-	-	-	-	-	41	-
Management Fees - External	4	211	163	17	27	204	202	11	5	212	234	249	244	904	875
Management Fees - CPT	4	127	106	13	13	195	186	9	9	168	246	191	228	703	789
Rates		-	-	4	4	-	-	-	-	-	-	-	-	4	4
Total Expenditure		337	269	101	64	399	388	20	15	420	572	441	472	1,718	1,780
Net Surplus/(Deficit)		1,882	1,067	(23)	549	1,884	1,077	69	40	1,717	1,542	2,048	1,393	7,578	5,669
FUND ALLOCATIONS															
Bishopric Estate		261	172	-	-	-	-	-	-	-	-	-	-	261	172
Dean and Chapter Estate		107	74	-	-	-	-	-	-	-	-	-	-	107	74
General Trust Estate		800	335	(20)	505	-	-	-	-	-	-	-	-	780	839
Parishes & Anglican Organisations		714	486	(2)	44	1,365	1,313	-	-	-	-	-	-	2,077	1,843
Fixed Income Fund		-	-	-	-	-	-	589	(196)	-	-	-	-	589	(196)
Reserve Fund		-	-	-	-	520	(236)	(520)	236	-	-	-	-	-	-
Land & Buildings held in Trust		-	-	-	-	-	-	-	-	1,717	1,542	-	-	1,717	1,542
Cathedral Trust		-	-	-	-	-	-	-	-	-	-	2,048	1,393	2,048	1,393
Net Surplus/(Deficit) Allocated		1,882	1,067	(21)	549	1,884	1,077	69	40	1,717	1,542	2,048	1,393	7,579	5,669

These statements are to be read in conjunction with the accompanying notes on pages 3 to 10 and the Independent Auditor's Report on pages 11 to 12.

FUNDS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2017

Ngā Kaitiaki Taonga o te Hāhi Church Property Trustees The Anglican Diocese of Christchurch

		Balanced Growth Fund		Mohaka Forest Fund		Fixed Income Fund		Reserve Fund		Insurance Proceeds Fund		Cathedral Insurance Proceeds Fund		Total Funds Under Management	
		2017	2016	2017	Restated* 2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	NOTE	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
FUND CURRENT ASSETS															
Cash and Cash Equivalents	5	**198**	258	**11**	3	**116**	230	**50**	1,010	**152**	420	**74**	114	**602**	2,034
Managed Funds	6	**25,573**	19,658	-	-	**34,059**	34,657	**1,343**	541	**35,496**	38,681	**43,044**	41,867	**139,515**	135,405
Bonds	7	-	-	-	-	-	-	**300**	310	-	-	-	-	**300**	310
Private Equity Funds	8	**1,234**	839	-	-	-	-	-	-	-	-	-	-	**1,234**	839
Receivables	9	**10**	48	-	74	**108**	469	**522**	2	**33**	29	**43**	31	**717**	653
Forestry		-	-	-	3,988	-	-	-	-	-	-	-	-	-	3,988
Total Fund Assets		**27,016**	20,804	**11**	4,065	**34,284**	35,356	**2,216**	1,863	**35,681**	39,130	**43,161**	42,012	**142,368**	143,230
FUND CURRENT LIABILITIES															
Payables		**139**	143	**11**	77	**592**	113	**1**	237	**5**	24	**4**	23	**752**	617
Parishes & Anglican Organisations		**9,213**	8,790	-	319	**34,621**	36,143	-	-	**35,676**	40,743	**43,158**	41,989	**122,667**	127,985
General Trust Estate	13	**12,528**	7,214	-	3,669	-	-	-	-	-	1,459	-	-	**12,528**	12,342
Bishopric Estate		**3,734**	3,312	-	-	-	-	-	-	-	-	-	-	**3,734**	3,312
Dean and Chapter Estate		**1,402**	1,345	-	-	-	-	-	-	-	-	-	-	**1,402**	1,345
Total Fund Liabilities		**27,016**	20,804	**11**	4,065	**35,212**	36,256	**1**	237	**35,681**	42,225	**43,161**	42,012	**141,083**	145,600
Net Fund Current Assets/(Liabilities)		-	-	-	-	**(929)**	(900)	**2,215**	1,626	-	(3,095)	-	-	**1,286**	(2,370)
NON-CURRENT FUND ASSETS															
Reserve Fund		-	-	-	-	**2,215**	1,626	-	-	-	-	-	-	**2,215**	1,626
Forestry		-	-	**741**	763	-	-	-	-	-	-	-	-	**741**	763
Loans & Mortgages	13	-	-	-	-	**929**	900	-	-	-	3,095	-	-	**929**	3,996
Total Non-Current Fund Assets		-	-	**741**	763	**3,144**	2,526	-	-	-	3,095	-	-	**3,885**	6,384
NON-CURRENT FUND LIABILITIES															
Fixed Income Fund	14	-	-	-	-	-	-	**2,215**	1,626	-	-	-	-	**2,215**	1,626
Parishes & Anglican Organisations		-	-	**59**	61	-	-	-	-	-	-	-	-	**59**	61
General Trust Estate		-	-	**682**	702	-	-	-	-	-	-	-	-	**682**	702
Future Distributions Payable	14	-	-	-	-	**2,215**	1,626	-	-	-	-	-	-	**2,215**	1,626
Total Non-Current Fund Liabilities		-	-	**741**	763	**2,215**	1,626	**2,215**	1,626	-	-	-	-	**5,171**	4,014
Net Fund Non-Current Assets/(Liabilities)		-	-	-	-	**929**	900	**(2,215)**	(1,626)	-	3,095	-	-	**(1,286)**	2,370
Net Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-

* Certain amounts shown here do not correspond to the 2016 financial statements and reflect adjustments made, refer to Note 15

For and on behalf of the Board of Trustees who authorised the issue of these financial statements on 18th May 2018

C G Murfitt

S J Wakefield

1. GENERAL INFORMATION

These financial statements have been prepared for each of the funds managed by Church Property Trustees (CPT), comprising the Balanced Growth Fund, Mohaka Forest Fund, Fixed Income Fund, Reserve Fund, Insurance Proceeds Fund and Cathedral Insurance Proceeds Fund.

The financial statements are presented in New Zealand dollars.

Investment Policies
The philosophy and investment objectives for CPT, it's Committee for Audit, Risk & Finance (CARF), trusts, beneficiaries, investors and investment managers is outlined in the Statement of Investment Policy and Objectives (SIPO). It creates parameters for investment of funds under CPT administration on behalf of its trusts and other investors and serves as a basis for monitoring the on-going performance of the CPT funds and of the portfolios that make up those funds. CPT sets and approves the SIPO and delegates oversight of it to CPT'S CARF.

An independent annual review of the investment strategy, including the distribution rate is conducted by EriksenGlobal, independent investment advisors.

Balanced Growth Fund (BGF): Distributions to investors from the BGF are determined by CPT based on the long-term sustainable distribution rates recommended in the SIPO. Distributions are recognised in the financial statements when they are paid in cash. There are no capital reserves within the BGF as capital gains and losses are apportioned between investors according to units held at year end.

***Fixed Income Fund (FIF)*:** Interest is credited to investors in the FIF quarterly. Interest rate reviews are conducted regularly by CPT. The rate is set at a level to allow investors to receive a consistent income, with any net surplus or deficit being transferred to or from the Reserve Fund to allow income smoothing. The management of this fund is in line with the principles set out in section 31 of the Anglican (Diocese of Christchurch) Church Property Trust Act 2003 ("The Act").
The following table shows interest rates paid to investors during the financial year and benchmarked against the ANZ Bank 30 Day Term Deposit rate for deposits $10,000 and over. The investments administered by CPT on behalf of investors are predominately liquid and may be redeemed on 5 working days written notice.

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
FIF	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
ANZ	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

Reserve Fund: CPT maintains a reserve fund as outlined in section 36 of the Anglican (Diocese of Christchurch) Church Property Trust Act 2003. The annual income derived from investments in the reserve fund may be applied by CPT, with agreement of Standing Committee, in one or more of the following ways:

(1) To augment the Reserve Fund
(2) To stabilise or increase the income of the Fixed Income Fund
(3) To replace losses of capital in the Fixed Income Fund

Mohaka Forest Fund: CPT has established a forestry fund in line with section 31 of the Anglican (Diocese of Christchurch) Church Property Trust Act 2003 ("The Act").

Insurance Proceeds Fund and the Cathedral Insurance Proceeds Fund: CPT has established these investment funds in line with section 31 of the Anglican (Diocese of Christchurch) Church Property Trust Act 2003 ("The Act"). The Ansvar (or 'ACS') global insurance settlement (GIS) funds are invested in these funds. The GIS funds are held on the same trusts as those buildings deemed to be a total loss. The GIS funds received for the repair of buildings, not destroyed in the earthquakes, are held collectively to meet the insurance policy entitlements.

2. STATEMENT OF ACCOUNTING POLICIES

2.1 Basis of Preparation
The financial statements have been prepared as Special Purpose Reports, in accordance with the following stated accounting policies:

2.2 Changes to accounting policy
There have been no changes to 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. Dividend/distribution income is recognised in the Statement of Financial Performance when the right to receive the dividend/distribution is established.

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
Income tax payable (if any at all) is payable by the investing entities.

d) Goods and Services Tax
Where applicable all amounts are stated exclusive of goods and services tax (GST).

e) Financial Assets

Classification:
The financial instruments comprise investments and are categorised as managed funds, bonds, private equity and forestry. They are stated at fair value with value changes recorded through the Statement of Financial Performance.

Recognition/derecognition:
CPT 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 (managed funds, bonds and private equity)
Financial assets, except for Maui Capital Aqua Fund, are recorded at fair value through the Statement of Financial Performance. 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.

Maui Capital Aqua Fund is recorded at cost.

Where available, quoted market prices are used as a measure of fair value.

(ii) Forestry
The value of the Forestry investment is based on the determination of the net present value (NPV) of future cash flows at a discount rate of 7.0% (2016: 7.0%), associated with the development and harvesting of the forest, as determined by the Forestry Manager. The valuation by the Forestry Manager was received on 15 January 2018.
Forest land is valued at the August 2017 Rating Valuation.

The NPV of cash flows relating to any revenue from the sale of carbon credits under the Government's Emissions Trading Scheme has not been included in the valuation.

f) Receivables

Receivables may include amounts accrued for dividends, interest income and distributions. Dividends and 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.

g) Payables

Payables include liabilities and accrued expenses owing by the fund which are unpaid at balance date.

h) Cash and cash equivalent

Cash and cash equivalents include operational bank accounts and term deposits.

i) Financial liabilities

Financial liabilities include deposits from Parishes, other Anglican organisations and Estates.

j) Foreign currency translation
Items included in the funds' financial statements are measured in New Zealand dollars.

k) Derivative financial instruments
Foreign currency economic hedges are not recognised in the Statement of Financial Position. Any gains or losses are recognised in the Statement of Financial Performance on realisation of these hedges.

3. NET RETURN FROM INVESTMENTS

	Balanced Growth Fund		Mohaka Forest Fund **		Fixed Income Fund		Reserve Fund		Insurance Proceeds Fund		Cathedral Insurance Proceeds Fund		Total Funds Under Management	
	2017 $000	2016 $000	**2017 $000**	2016 $000	**2017 $000**	2016 $000	**2017 $000**	2016 $000	**2017 $000**	2016 $000	**2017 $000**	2016 $000	**2017 $000**	2016 $000
Net return from Investments	**2,219**	1,336	-	549	**2,283**	1,465	**89**	55	**2,438**	1,961	**2,855**	1,694	**9,884**	7,060
Hedge gain/(loss)	-	-	-	-	-	-	-	-	**(301)**	154	**(366)**	171	**(667)**	325
Net return from Investments after hedge gain/(loss)	**2,219**	1,336	-	549	**2,283**	1,465	**89**	55	**2,137**	2,115	**2,489**	1,865	**9,218**	7,385

The hedging gains and losses are mirrored by opposite gains and losses to the same approximate value in the net return from investments.

4. MANAGEMENT FEES

	Balanced Growth Fund		Mohaka Forest Fund		Fixed Income Fund		Reserve Fund		Insurance Proceeds Fund		Cathedral Insurance Proceeds Fund	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
	%	**%**	**$**	**$**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**
Management Fees CPT	0.55%	0.55%	$12,500 per annum	$12,500 per annum	0.55%	0.55%	0.55%	0.55%	0.45%	0.55%	0.45%	0.55%
Management Fees External	Refer to ** below											

A management fee is deducted from funds. The internal CPT fee is used by CPT to pay for expenses (including audit fees). External management fees are paid on managed funds.
**EriksenGlobal charge a monthly retainer of $7,800 (2016: $7,800). This cost is currently allocated between the various funds based on the value of net assets.

5. CASH AND CASH EQUIVALENTS

	Balanced Growth Fund		Mohaka Forest Fund		Fixed Income Fund		Reserve Fund		Insurance Proceeds Fund		Cathedral Insurance Proceeds Fund		Funds Under CPT Management	
	2017 $000	2016 $000	**2017 $000**	2016 $000	**2017 $000**	2016 $000	**2017 $000**	2016 $000	**2017 $000**	2016 $000	**2017 $000**	2016 $000	**2017 $000**	2016 $000
Cash	**198**	258	**11**	3	**116**	230	**50**	1,010	**152**	420	**74**	114	**602**	2,034
Term Deposits	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
	198	258	**11**	3	**116**	230	**50**	1,010	**152**	420	**74**	114	**602**	2,034

6. MANAGED FUNDS

	Balanced Growth Fund		Mohaka Forest Fund **		Fixed Income Fund		Reserve Fund		Insurance Proceeds Fund		Cathedral Insurance Proceeds Fund		Total Funds Under Management	
	2017 $000	2016 $000	**2017 $000**	2016 $000	**2017 $000**	2016 $000	**2017 $000**	2016 $000	**2017 $000**	2016 $000	**2017 $000**	2016 $000	**2017 $000**	2016 $000
AMPCI Global Multi -Asset Fund	**12,833**	12,100	**-**	-	**6,241**	6,273		-	**8,519**	9,138	**9,225**	8,698	**36,818**	36,209
AMPCI Fixed Interest Fund	**-**	-	**-**	-	**4,352**	5,655		-	**-**	-	**-**	-	**4,352**	5,655
AMPCI NZ Short Duration	**-**	-	**-**	-	**6,854**	6,232		-	**5,708**	8,234	**7,974**	8,961	**20,536**	23,427
Aspiring Asset Management Ltd	**4,978**	4,317	**-**	-	**-**	-		-	**-**	-	**-**	-	**4,978**	4,317
Castle Point 5 Oceans Fund	**2,426**	-	**-**	-	**-**	-		-	**-**		**-**		**2,426**	-
Harbour Income Fund	**-**	-	**-**	-	**8,152**	7,840		-	**7,179**	6,218	**13,696**	12,933	**29,027**	26,991
Harbour NZ Short Duration Fund	**-**	-	**-**	-	**-**	-		-	**4,215**	5,484	**3,040**	2,954	**7,255**	8,439
Mint Asset Management	**1,241**	1,011	**-**	-	**-**	-		-	**-**	-	**-**	-	**1,241**	3,353
Mint Diversified Fund	**1,947**	1,801	**-**	-	**8,460**	8,658	**675**	541	**4,747**	4,022	**2,269**	2,110	**18,098**	14,790
Milford Asset Management	**2,148**	428	**-**	-	**-**	-		-	**-**	-	**-**	-	**2,148**	428
QuayStreet Asset Management	**-**	-	**-**	-	**-**	-	**668**	-	**-**	-	**-**	-	**668**	-
Schroders RRF CPI +3.5%	**-**	-	**-**	-	**-**	-		-	**5,128**	5,584	**6,840**	6,211	**11,968**	11,795
	25,573	19,658	**-**	-	**34,059**	34,657	**1,343**	541	**35,496**	38,681	**43,044**	41,867	**139,515**	135,405

****Mohaka Forest Fund:**

Emissions Trading Scheme

CPT participates in the Emissions Trading Scheme in accordance with Schedule 6 of the Climate Change Response (Emissions Trading) Amendment Act 2008. The carbon credits held have not been recognised in the Statement of Financial Position as their cost is nil. The rights to the relevant credits have been transferred to Fortuna or its agent on the sale of the cutting rights during 2017.

7. BONDS

	Balanced Growth Fund		Mohaka Forest Fund		Fixed Income Fund		Reserve Fund		Insurance Proceeds Fund		Cathedral Insurance Proceeds Fund		Total Funds Under Management	
	2017 $000	2016 $000	**2017 $000**	2016 $000	**2017 $000**	2016 $000	**2017 $000**	2016 $000	**2017 $000**	2016 $000	**2017 $000**	2016 $000	**2017 $000**	2016 $000
Rabobank Bond	**-**	-	**-**	-	**-**	-	**300**	310	**-**	-	**-**	-	**300**	310
	-	-	**-**	-	**-**	-	**300**	310	**-**	-	**-**	-	**300**	310

8. COMMITMENTS

Private Equity Funds:

	Total Commitment	First Call Date	Called/Invested	Uncalled Capital	Distributions	Asset Value at 31 December 2017	Asset Value at 31 December 2016
	$000	Date	$000	$000	$000	$000	$000
Knox Investment Fund IV	250	July-12	138	113	-	**121**	124
Maui Capital Indigo Fund	300	May-08	255	45	104	**240**	267
Maui Capital Aqua Fund	200	May-12	154	46	-	**162**	130
Continuity Capital Private Equity Fund No.2 LP	500	Feb-16	300	200	55	**257**	119
Continuity Capital Private Equity Fund No.4 LP	500	Dec-17	25	475	-	**23**	-
Pioneer	500	Mar-17	45	455	-	**41**	-
Pencarrow Bridge Fund LP	500	Nov-16	325	175	-	**324**	130
Pohutukawa II	300	Feb-10	186	54	241	**66**	69
	3,050		**1,428**	**1,563**	**400**	**1,234**	839

9. RECEIVABLES

Included in Accounts Receivable is the unrealised gain on foreign currency economic hedges in respect of Australian Dollar denominated investments. Contracted amounts entered by the following funds are as follows:

- Insurance Proceeds Fund to sell AUD 4,595,354 (2016: AUD 5,291,699) and
- Cathedral Insurance Proceeds Fund to sell AUD 6,129,027 (2016: AUD 5,885,032).

10. CONTINGENCIES

There are no contingent assets or liabilities at 31 December 2017.

11. CREDIT RISK

The funds are exposed to credit risk in that the failure of external counterparties to honour the terms and conditions of a contract may result in a financial loss to the funds. The funds are exposed to credit risk primarily through its investment activities. The maximum credit risk of financial instruments is considered to be their carrying value.

For the managed funds, EriksenGlobal regularly review the credit risk and advise CPT of any suggested changes to minimise this risk.

Where CPT invests directly in cash, private equity, bonds and forestry, appropriate processes and risk controls are in place to diversify and mitigate credit risk.

None of the financial assets are past due or impaired.

12. RELATED PARTIES

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

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

13. LOANS & MORTGAGES

The net loan from the Insurance Proceeds Fund to the Land & Buildings Trust (as trustee of the Hereford Street site for the Transitional Cathedral) at December 2016 was $1,636m. An arrangement was entered into during 2017 which resulted in CPT as trustee of the General Trust Estate purchasing the loan balance of $1,663m (having accumulated interest during the year) from the Insurance Proceeds Fund.
The mortgages in the Fixed Income Fund relate to Christchurch-St Michaels, Lyttelton St Saviours (for the purchase of the Licence to Occupy), Belfast Redwood and Opawa St Martins. These mortgages are secured by the relevant land and buildings held in trust.

14. RESERVE FUNDS NET ASSETS

CPT maintains the Reserve Fund as outlined in section 36 of the Anglican (Diocese of Christchurch) Church Property Trust Act 2003. The accumulated income of the Reserve Fund will ultimately be applied by CPT to stabilise or increase the income of the FIF or to replace losses of capital in the FIF.

15. PRIOR YEAR ADJUSTMENTS

In 2016 the entire Mohaka Forest asset was recorded as a current asset due to the decision to sell the forest. The financial statements did not correctly reflect the actual decision which was to only sell the cutting rights and not the land and 2008 plantings. The value of the cutting rights should have been classified as a current asset and the value of the remaining land and 2008 plantings should have been classified as a non-current asset.
The liability back to the owners of the forest should have been classified likewise between current and non-current liabilities. This has been corrected and the impact on the statement of financial position is detailed below:

Mohaka Forest Fund

	Previously Reported $000	Adjustment $000	Restated Balance $000
Total Fund Current Assets	4,828	(763)	4,065
Total Fund Current Liabilities	(4,828)	763	(4,065)
Net Impact	-	-	-
Total Fund Non-Current Assets	-	763	763
Total Fund Non-Current Liabilities	-	(763)	(763)
Net Impact	-	-	-

Building a better working world

Chartered Accountants

Independent Auditor's report to the Trustees of the Funds Held and Administered by Church Properties Trustees

We have audited the accompanying special purpose financial statements of the following funds held and administered by Church Properties Trustees ("the Funds"):

- Balanced Growth Fund,
- Mohaka Forest Fund,
- Fixed Income Fund,
- Reserve Fund,
- Insurance Proceeds Fund, and
- Cathedral Insurance Proceeds Fund.

These special purpose financial statements comprise the statement of financial position of the Funds as at 31 December 2017, and the statement of financial performance for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Opinion

In our opinion, the accompanying financial statements of the Funds for the year ended 31 December 2017 are prepared, in all material respects, in accordance with the accounting policies stated at Note 2.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Funds in accordance with Professional and Ethical Standard 1 (revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interest in, the Funds. Partners and employees of our firm may deal with the Funds on normal terms within the ordinary course of the trading activities of the Funds.

Emphasis of matter - Basis of accounting and restriction on use

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to enable the Funds to comply with the provisions of the Anglican (Diocese of Christchurch) Church Property Trust Act 2003. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Trustees of the Funds, Synod and each parish, ministry unit, and trust on whose behalf Church Property Trustees holds and administers investments and should not be used by parties other than the aforementioned. Our opinion is not modified in respect of this matter.

Information other than the financial statements and auditor's report

Those charged with governance are responsible for the Annual Report, which includes information other than the financial statements and auditor's report which is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and, if uncorrected, to take appropriate action to bring the matter to the attention of users for whom our auditor's report was prepared.

Those charged with governance responsibilities for the financial statements

Those charged with governance are responsible, on behalf of the Funds, for the preparation of the financial statements in accordance with the provisions of the Anglican (Diocese of Christchurch) Church Property Trust Act 2003 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, those charged with governance are responsible for assessing on behalf of the Funds their ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless those charged with governance either intend to liquidate the Funds or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (New Zealand) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board website: https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8. This description forms part of our auditor's report.

Ernst + Young

Christchurch
23 May 2018