
CHURCH PROPERTY TRUSTEES

ANNUAL PERFORMANCE REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

NEĀ KAITIAKI TAONGA O TE HĀHĀ
Church Property Trustees
THE ANGLICAN DIOCESE OF CHRISTCHURCH



CHURCH PROPERTY TRUSTEES
ANNUAL PERFORMANCE REPORT

Contents	Pages
Non-Financial Information:	
Entity Information	2
Statement of Service Performance	3 - 4
Financial Information:	
Statement of Financial Performance	5
Statement of Financial Position.....	6
Statement of Cash Flows.....	7
Notes to the Performance Report	8 - 9
Independent Auditors Report.....	10 - 11

CHURCH PROPERTY TRUSTEES

ENTITY INFORMATION

For the year ended 31 December 2019

Legal Name of Entity: Church Property Trustees [CPT]

CPT is established under the Anglican (Diocese of Christchurch)
Church Property Trust Act 2003.
CPT is a registered charity.

Charities Registration Number: CC36062

CPT Purpose or Mission:

- To hold & administer trust property in accordance with the Act.
- To administer the Bishopric Estate, Dean & Chapter Estate and General Trust Estate.
- To administer local endowments & glebe land for the benefit of the particular parishes concerned.
- To maintain and administer investment funds.

CPT Structure:

Governance Structure:

The membership of CPT is comprised of

(a) the Bishop (Chair) & (b) 8 trustees, being members of the Church elected by the Synod.

CPT must comply with all canon & ecclesiastical laws & regulations.

Operational Structure:

Day to day operations of CPT are headed by the General Manager. Reporting to the General Manager are the Finance Manager - Facilities, Property Manager; and Recovery Programme Manager.

Management operate under documented Delegations of Authority.

Main Sources of CPT Cash and Resources:

CPT relies on the following income sources to cover operating costs:

- Management Fees on invested funds.
- Parish Contributions.
- Project Management Fees on Earthquake Recovery Projects.

Main Methods Used by CPT to Raise Funds:

Not Applicable.

CPT's Reliance on Volunteers and Donated Goods or Services:

CPT relies on volunteers to provide expertise and time for its governing board and various committees.

Contact Details

Physical Address:	10 Logistics Drive, Harewood 8051
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CHURCH PROPERTY TRUSTEES
STATEMENT OF SERVICE PERFORMANCE
For the year ended 31 December 2019

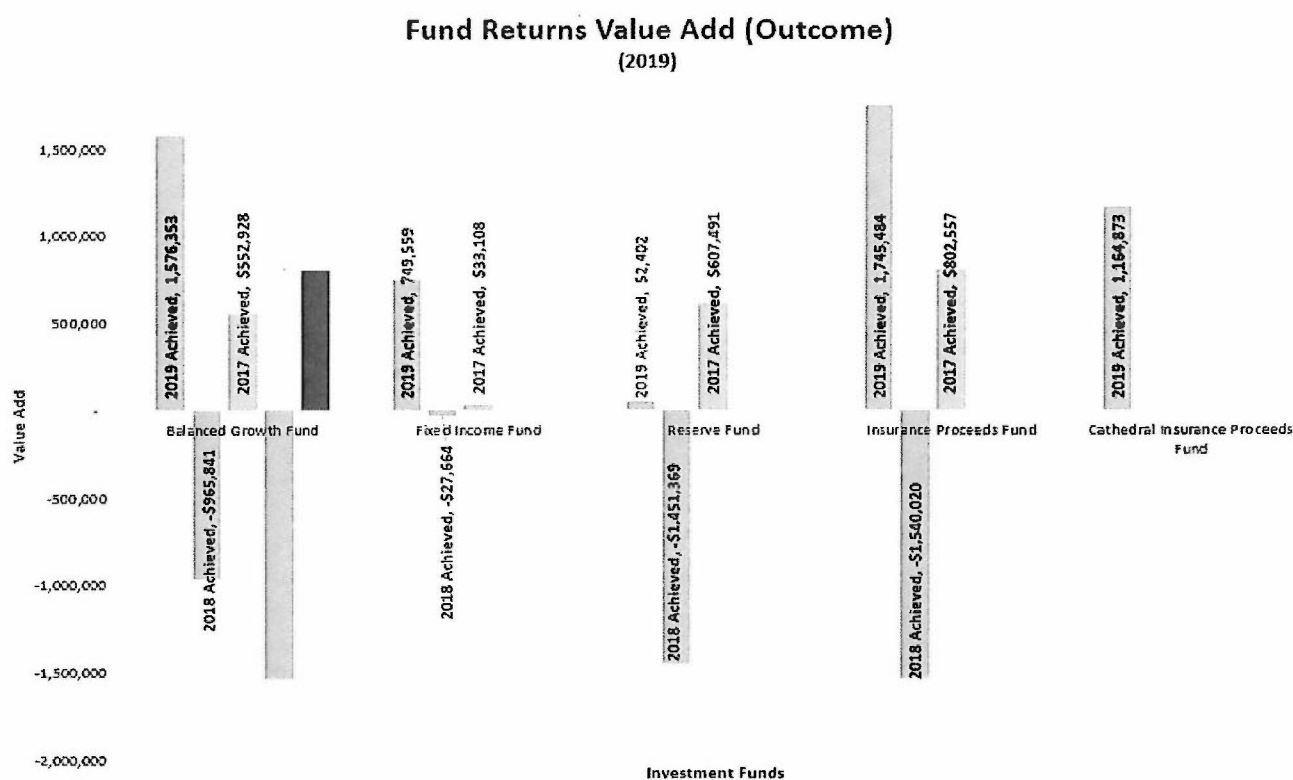
The function of CPT is to hold and administer trust property in accordance with the Anglican (Diocese of Christchurch) Church Property Trust Act 2003. CPT is therefore tasked with the prudent stewardship of the financial and property assets of the Diocese.

Financial Assets

CPT administers approximately \$150m of funds held in trust. CPT has developed a Statement of Investment Policy and Objectives [SIPO] that, among other things, serves as the basis for monitoring the on-going performance of funds invested.

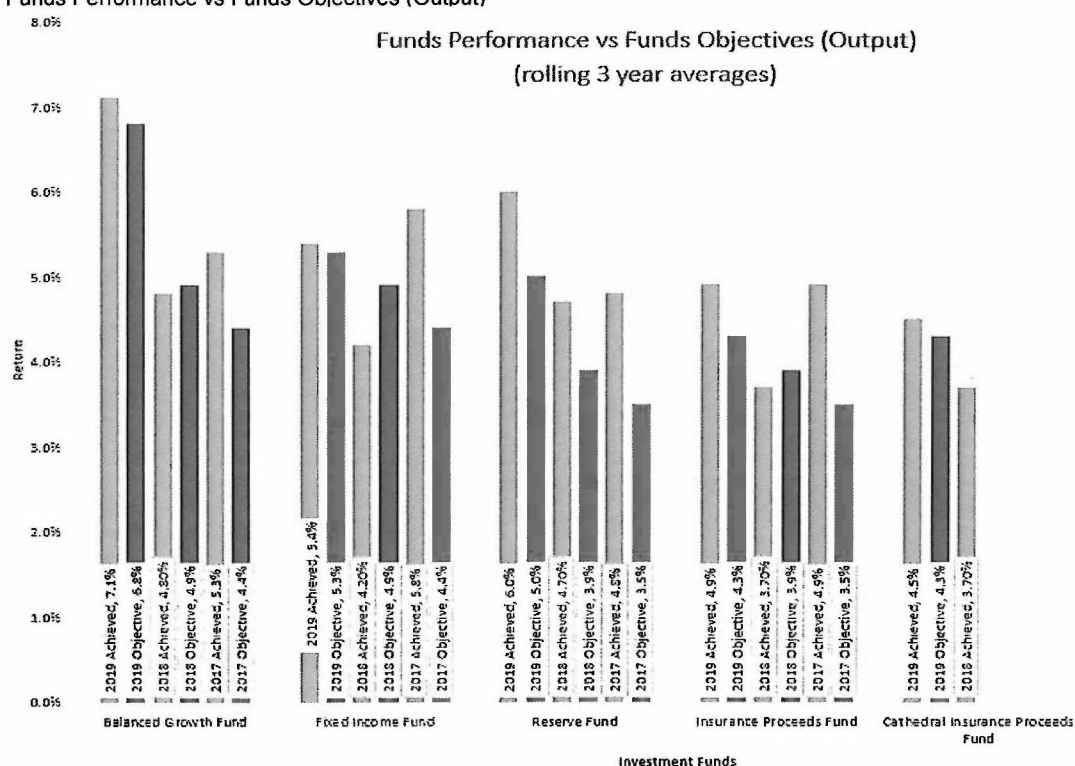
The 'outcome' (what CPT is seeking to achieve) is the extent to which additional income (benefit) is generated, over and above fund objectives, and is available for furthering the trust objectives for which the funds are employed.

The 'output' (what CPT has delivered) for funds held in trust is the extent to which the actual rolling 3 year return (years 2017, 2018 & 2019) meets the policy objective for each fund (Balanced Growth Fund (BGF), Fixed Income Fund (FIF), Reserve Fund (RF), Insurance Proceeds Fund (IPF), Cathedral Insurance Proceeds Fund (CIPF) and Cathedral Maintenance & Insurance Fund (CMIF)). This is illustrated in the graph "Funds Performance vs Funds Objectives (Output)".



In 2019 a strong recovery in the markets overtook the fall in late 2018, leading to significantly increased funds returns. Global equity values have fallen since yearend due to COVID-19 up to March 2020, but in the period have recovered significantly.

Funds Performance vs Funds Objectives (Output)



N.B. Cathedral Maintenance & Insurance Fund will be added in 2020.

Property Assets

CPT holds and administers approximately \$180m of land and buildings ('real property'). The 'outcome' for the property division is to ensure that an insurance programme is in place for the year with all real property appropriately insured at competitive and affordable insurance premium rates. The 'output' for the property division is the extent to which the premium rate has remained constant or decreased and the increase in Diocesan owned properties insured.

	2019	2018	2017
Insurance Premium Paid (excl ND Premiums)	\$399,911	\$361,005	\$310,999
Non-Domestic Buildings (Churches/Halls) Insured	221	217	227
Non-Domestic Buildings (Churches/Halls) Insured for Natural Disaster	13	9	3
Domestic Buildings (Vicarages/Garages) Insured	58	56	57
Number of Buildings not Insured	2	2	2

Earthquake Recovery Programme:

CPT successfully negotiated an insurance settlement with Ansvar in December 2013 for the 2010 and 2011 earthquakes. A project management team was established in 2014 to manage the repairs and rebuilds of Diocesan damaged churches, halls and vicarages.

The 'outcome' for the Recovery Programme is to complete the earthquake repairs and rebuilds within the insurance proceeds received and within a realistic timeframe.

The 'output' for the Recovery Programme is continual progress in closing out on individual building repairs and rebuilds. Progress is illustrated in the table below:

	2019		2018		2017	
	Number of Projects		Number of Projects		Number of Projects	
Number of projects in the programme	241	100%	236	100%	236	100%
Number of projects completed	213	88%	196	83%	163	69%
Projects in scoping, planning, tender or construction phase	28	12%	40	17%	65	27%
Number of projects not yet started	0	0%	0	0%	8	2%

CHURCH PROPERTY TRUSTEES
STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 31 December 2019

	2019 \$	2018 \$
EXCHANGE REVENUE		
Assets Management		
Estate management fees	15,084	55,120
Investment fund administration fees	613,353	652,255
Interest, dividends and other investment revenue	95,130	42,085
Grants & Parish contributions	80,000	289,230
Other income	5,232	6,699
Total Exchange Revenue Assets Management	808,800	1,045,390
Earthquake Recovery Programme		
Cost recovery	1,065,847	1,032,989
Interest, dividends and other investment revenue	2,599	2,589
Total Exchange Earthquake Recovery Programme	1,068,446	1,035,578
TOTAL EXCHANGE REVENUE	1,877,246	2,080,967
EXPENSES		
Assets Management		
Accommodation	69,257	67,736
Administration Expenses	28,089	100,746
Audit Fees	35,865	30,583
IT & Software	20,172	18,974
Communication	11,407	13,277
Legal & Professional Fees	63,616	126,839
Compliance & Projects Expenses	1,568	79,100
Grants	-	35,000
Staff Expenses	521,066	440,686
Total Expenses Assets Management	751,040	912,942
Earthquake Recovery Programme		
Accommodation	89,333	90,983
Administration Expenses	65,731	65,598
IT & Software	19,124	27,170
Communication	23,006	15,420
Legal & Professional Fees	16,359	4,618
Staff Expenses	854,893	831,788
Total Expenditure Earthquake Recovery Programme	1,068,446	1,035,578
TOTAL EXPENDITURE	1,819,486	1,948,520
Surplus for the Year	57,760	132,448

CHURCH PROPERTY TRUSTEES
STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Bank accounts and cash	3	637,077	933,851
Short Term deposit	3	838,976	-
Debtors & Prepayments		207,651	342,932
Total Current Assets		1,683,704	1,276,783
NON CURRENT ASSETS			
Investments			
Other Investments	3	430,225	784,044
Total Non Current Assets		430,225	784,044
TOTAL ASSETS		2,113,929	2,060,827
LIABILITIES			
CURRENT LIABILITIES			
Creditors		161,910	170,434
Employee Costs Payable		82,344	78,478
Total Current Liabilities		244,254	248,912
TOTAL LIABILITIES		244,254	248,912
NET ASSETS		1,869,675	1,811,915
ACCUMULATED FUNDS			
ACCUMULATED SURPLUSES			
Opening Balance		899,701	929,595
Surplus for the year		57,760	132,449
Transfers to Special Purpose Funds		(343,415)	(276,443)
Transfers from Special Purpose Funds		-	114,100
Closing Balance		614,046	899,701
Special Purpose Funds			
Earthquake Revenue Protection Fund			
Opening Balance		912,214	749,871
Transfer from Accumulated Funds		343,415	276,443
Transfer to Accumulated Funds		-	(114,100)
Closing Balance		1,255,630	912,214
TOTAL ACCUMULATED FUNDS		1,869,675	1,811,915

For and on behalf of the Board of Trustees who authorised the issue of the Financial statements on

8/08/2020



P R Carrell



S J Wakefield

CHURCH PROPERTY TRUSTEES
STATEMENT OF CASH FLOWS
For the year ended 31 December 2019

	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash was received from:		
Revenue from providing goods & services	1,914,797	2,108,785
Interest, dividends and other investment revenue	26,928	27,103
Inland Revenue Return of Funds	-	16,263,737
	<u>1,941,725</u>	<u>18,399,625</u>
Cash was applied to:		
Employee related costs	1,384,483	1,169,452
Costs related to providing goods or services	439,661	736,386
Inland Revenue Return of Funds (Held in L&B Trust)	0	16,263,738
	<u>1,824,144</u>	<u>18,169,576</u>
Net Cash Flows from Operating Activities	<u>117,581</u>	<u>230,049</u>
CASH FLOWS FROM INVESTING & FINANCING ACTIVITIES		
Cash was received from:		
Receipts from reduction of investments, revaluations & distributions	424,621	-
Cash was applied to:		
Payments to increase investments	838,976	60,201
Net Cash Flows from Investing and Financing Activities	<u>(414,355)</u>	<u>(60,201)</u>
Net Increase in Cash	(296,774)	169,848
Opening Cash	933,851	764,003
Closing Cash	<u>637,077</u>	<u>933,851</u>
THIS IS REPRESENTED BY:		
Bank Accounts and Cash	<u>637,077</u>	<u>933,851</u>

CHURCH PROPERTY TRUSTEES
NOTES TO THE FINANCIAL PERFORMANCE REPORT
For the year ended 31 December 2019

1. GENERAL INFORMATION

Reporting Entity

Church Property Trustees [CPT] is constituted as a Body Corporate under "The Anglican (Diocese of Christchurch) Church Property Trust Act 2003" (Church Property Trust Act 2003). This legislation defines the powers and responsibilities of Church Property Trustees. Church Property Trustees is registered as a charitable entity under the Charities Act 2005, registration number CC36062.

2. STATEMENT OF ACCOUNTING POLICIES

2.1. Basis of Preparation

The financial statements have been prepared in accordance with the Church Property Trust Act 2003. CPT has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) (PBE Tier 3) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. CPT has elected to apply PBE IPSAS 28, PBE IPSAS 29 and PBE IPSAS 30 for recognition and measurement of its investments. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

2.2. Changes in Accounting Policies

There have been no changes in the accounting policies. All policies have been applied on a basis consistent with those used in previous years.

2.3. Specific Account Policies

(a) Revenue

Revenue is recorded when goods and services have been provided.

(b) Bank Accounts and Cash

Bank accounts and cash comprise cash on hand and deposits held on call and term deposit with banks.

(c) Debtors and Prepayments

Accounts receivable are stated at the amount owed less impairment. Prepayments are recorded at the amount relating to the future goods or services to be received.

(d) Goods and Services Tax

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

(e) Financial Investments

Initial recognition and measurement:

CPT's investments are classified as financial assets at fair value through surplus or deficit. Investments are recognised initially at fair value.

Subsequent measurement:

Subsequently investments are carried in the statement of financial position at fair value with net changes in fair value presented as other investment expenses (negative net changes in fair value) or other investment revenue (positive net changes in fair value) in the statement of financial performance.

(f) Creditors and Accrued expenses

Creditors and accrued expenses are recorded on the receipt of goods and services and are measured at the amount owed.

(g) Employee costs payable

Employee costs payable are recorded when an employee has earned the entitlement and are measured at the amount to be paid.

(h) Taxation

CPT is registered as a charitable entity under the Charities Act 2005 which exempts the entity from liability for income tax.

CHURCH PROPERTY TRUSTEES
NOTES TO THE FINANCIAL PERFORMANCE REPORT
For the year ended 31 December 2019

3. BANK ACCOUNTS, TERM DEPOSITS AND INVESTMENTS

The Revenue Protection Fund investment with Mint Asset Management and Castle Point (2018: \$784,044), was realised and then invested in an ANZ sort term deposit. The funds are to be paid as a grant to the General Trust Estate in 2020. A further grant of \$500,000 is to be paid as a grant to the General Trust Estate in 2020. These grants have been approved by Church Property Trustees and Standing Committee.

4. CONTINGENT LIABILITIES

CPT did not have any contingent liabilities at balance date (2018: Nil).

5. CREDIT RISK

Financial instruments which potentially subject CPT to credit risk principally consist of bank balances, debtors and creditors. The normal investor risks are associated with the different asset classes.

6. COMMITMENTS

Church Property Trustees has the following operating lease obligations for 2019 \$4,726 (2018: \$19,495).

For the year ending 31 December 2019:

Within 12 Months	\$4,726
> 12 Months	-
Total	\$4,726

7. RELATED PARTIES

The Anglican Centre

CPT shares premises, office equipment and staffing resources with the Diocese of Christchurch, Anglican Diocese Ministry Support Centre (ADMSC) and Anglican Care. A service level agreement (SLA) was entered into in 2005 with the Anglican Centre. The purpose of the SLA is to reduce and apportion shared costs. The SLA cost allocations are agreed annually. SLA expenses in 2019 were \$352,760 (2018: \$351,776).

Wynn Williams

Jeremy Johnson, (the Diocesan Chancellor) is a Partner at Wynn Williams. Wynn Williams provided legal services to CPT to the value of \$57,058 (2018: \$41,397). The transactions were at an arms length basis.

8. SUBSEQUENT EVENTS

Subsequent to balance date the response to the Coronavirus [COVID-19] pandemic did not cause major disruption to the operation of Church Property Trustees, although income received from Investment Fund Management Fees will reduce as a consequence of reductions in values of funds under management.