

**ESTATES AND TRUSTS HELD AND ADMINISTERED BY  
CHURCH PROPERTY TRUSTEES**

**SPECIAL PURPOSE FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED 31 DECEMBER 2021



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**ESTATES AND TRUSTS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
 FOR THE PERIOD ENDED 31 DECEMBER 2021



		General Trust Estate		Bishopric Estate		Dean & Chapter Estate		Land & Buildings Trusts		Cathedral Trust	
	NOTE	Dec-21 \$000	Dec-20 \$000	Dec-21 \$000	Dec-20 \$000	Dec-21 \$000	Dec-20 \$000	Dec-21 \$000	Dec-20 \$000	Dec-21 \$000	Dec-20 \$000
<b>INCOME</b>											
Net Return from Investment Funds	3	1,809	1,660	489	386	169	136	180	(13)	1,029	1,008
Net Income from Share JV 2021										(48)	18
Net Income from Subsidiary 2022	22	-	-	-	-	-	-	-	-	16,938	
Insurance Premium Reimbursement	4	88	1,168	-	-	-	-	-	23	-	-
Grants & Donations Received	5	-	1,426	-	563	-	-	2,738	1,768	14,045	10,411
Interest Income		37	23	-	0	-	-	920	457	22	1
Parish Contributions	6	-	-	-	-	-	-	1,759	286	-	-
Realisation of Reserves	16	-	-	-	-	-	-	-	235	-	-
Profit from Disposal of Assets	7	-	-	-	-	-	-	-	475	940	-
Sundry Property Income		-	-	-	-	-	-	48	46	10	-
<b>Total Income</b>		<b>1,934</b>	<b>4,277</b>	<b>489</b>	<b>950</b>	<b>169</b>	<b>136</b>	<b>5,645</b>	<b>3,277</b>	<b>32,936</b>	<b>11,437</b>
<b>EXPENSES</b>											
Earthquake Repair & Build Expenditure	8	-	-	-	-	-	-	6,343	2,803	17,823	424
Distributions/Donations to Parishes	4	-	-	-	-	-	-	1	1,512	-	-
Grants Paid	9	479	992	298	259	58	52	7	90	-	-
Interest Paid		-	-	-	-	-	-	2	4	-	-
Insurance Fund Expense								3,900	-		
Legal Fees		59	1	-	-	-	-	10	91	44	(8)
Management Fees - CPT		-	-	4	11	3	4	787	915	56	86
Mohaka Forest Expenses		99	287	-	-	-	-	-	-	-	-
Loss from Disposal of Assets	7	-	-	-	-	-	-	9	-	-	-
Property Operating Expenditure		98	307	-	-	-	-	196	606	-	-
Property Sale Expenditure		-	-	-	-	-	-	5	108	-	-
Other Sundry Expenses		-	-	-	-	-	-	-	-	230	-
<b>Total Expenditure</b>		<b>735</b>	<b>1,588</b>	<b>303</b>	<b>270</b>	<b>61</b>	<b>56</b>	<b>11,261</b>	<b>6,129</b>	<b>18,153</b>	<b>502</b>
<b>Net Surplus/(Deficit)</b>		<b>1,199</b>	<b>2,689</b>	<b>186</b>	<b>680</b>	<b>108</b>	<b>80</b>	<b>(5,615)</b>	<b>(2,852)</b>	<b>14,783</b>	<b>10,935</b>

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.



**ESTATES AND TRUSTS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES**  
**STATEMENT OF MOVEMENTS IN EQUITY**  
 FOR THE PERIOD ENDED 31 DECEMBER 2021



	NOTE	General Trust Estate		Bishopric Estate		Dean & Chapter Estate		Land & Buildings Trusts		Cathedral Trust	
		Dec-21 \$000	Dec-20 \$000	Dec-21 \$000	Dec-20 \$000	Dec-21 \$000	Dec-20 \$000	Dec-21 \$000	Dec-20 \$000	Dec-21 \$000	Dec-20 \$000
<b>RETAINED EARNINGS</b>											
<b>Balance at 1 January</b>		<b>16,422</b>	13,732	<b>4,465</b>	3,785	<b>1,525</b>	1,445	<b>74,339</b>	77,191	<b>58,898</b>	47,962
CCRL RE on consolidation										96	-
Realisation of Revaluation Reserve		-	-	-	-	-	-			-	-
Net Surplus/(Deficit)		<b>1,199</b>	2,689	<b>186</b>	680	<b>108</b>	80	<b>(5,615)</b>	(2,852)	<b>14,783</b>	10,935
<b>Balance at 31 December 2021</b>		<b>17,621</b>	16,422	<b>4,651</b>	4,465	<b>1,632</b>	1,525	<b>68,724</b>	74,339	<b>73,777</b>	58,898
<b>ASSET REVALUATION RESERVE</b>											
<b>Balance at 1 January</b>		-	-	-	-	-	-	<b>146,546</b>	143,806	<b>6,390</b>	6,390
Release on sale of property		-	-	-	-	-	-		(235)	-	-
L&BT Trusts from BGF reclassification								<b>1,948</b>	-	-	-
Gain/(Loss) on revaluation of property		-	-	-	-	-	-	<b>6,151</b>	2,975	-	-
<b>Balance at 31 December 2021</b>		-	-	-	-	-	-	<b>154,644</b>	146,546	<b>6,390</b>	6,390
<b>TOTAL EQUITY</b>		<b>17,621</b>	16,422	<b>4,651</b>	4,465	<b>1,632</b>	1,525	<b>223,368</b>	220,885	<b>80,167</b>	65,288

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.

**ESTATES AND TRUSTS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES**  
**SPECIAL PURPOSE FINANCIAL STATEMENTS**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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## **1. GENERAL INFORMATION**

These financial statements have been prepared for each of the Estates and Trusts managed by Church Property Trustees [CPT]. The Estates and Trusts in these special purpose financial statements are the General Trust Estate [GTE], Bishopric Estate [BE], Dean and Chapter Estate [DCE], Land and Buildings held in Trust [LBT] and the Cathedral Trust [CT].

The financial statements are presented in New Zealand dollars.

### **Investment Policies**

**General Trust Estate:** The GTE 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 BE on trust to use the capital and income toward the cost of the Office of the Bishop, accommodation and other expenses under the Anglican (Diocese of Christchurch) Church Property Trust Act 2003 (the Act), Part 3, Sections 14-16.

**Dean & Chapter Estate:** CPT holds the DCE on trust to use the capital and income toward the costs of the Office of the Dean accommodation and other expenses. The Act, Part 3, Sections 17-19.

**Land & Buildings Held on 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 in the city centre.

**Joint Venture to Subsidiary:** On the 20<sup>th</sup> of August 2018 a 50% joint venture was formed with the Christ Church Cathedral Reinstatement Trust [CCRT]. Christ Church Cathedral Reinstatement Limited [CCCRL] is the Joint Venture company which was formed for the purpose of reinstating and maintaining Christ Church Cathedral. CCCRL was previously recognised up to 31 Dec 2020 as a joint venture operation, but from the year ended 2021 it is a fully 100% owned subsidiary by the Cathedral Trust and is accounted for in accordance with the accounting standards.

## **2. STATEMENT OF ACCOUNTING POLICIES**

### **2.1 Basis of Preparation**

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

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 the accounting policies and 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.

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**SPECIAL PURPOSE FINANCIAL STATEMENTS**  
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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 completed, and the associated costs are recognised.

CPT enters into a number of leases as landlord. The leases are residential, commercial and regular short-term leases. The rental income is received by the relevant parish. The rental income and offsetting distribution have not been incorporated in the financial statements as this cannot be reliably measured.

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) Basis of Consolidation**

The selected controlled entity Christ Church Cathedral Reinstatement Limited (CCRL) is consolidated from the date on which control is transferred. The CCRL meets the definition of a controlled entity and the Cathedral Trust is required to consolidate the financial statements of CCRL with the Cathedral Trust. In preparing the special purpose consolidated financial statements, all inter-entity balances and transactions and arising within the consolidated entity are eliminated in full.

The accounting policies of the controlled entity is consistent with the policies adopted by the Trust and all entities have a 31 December reporting date.

**d) Goods & Services Tax and Income tax**

Where applicable all amounts are stated exclusive of Goods & Services Tax (GST) except for accounts payable, accounts receivable and retentions payable which are stated inclusive of GST. Tax payable (if any at all) is payable by the investing entities.

**e) Financial Instruments**

*Classification:*

The financial instruments comprise investment funds, cash, receivables, payables and mortgages & loans. 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)

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.

(ii) Loans under Mortgage

Loans secured under mortgages are measured at fair value.

**f) Investment Properties**

Investment properties are stated at rateable value where a market value does not exist and they are not depreciated because of this.

**g) Capital Work in Progress**

Capital work in progress including strengthening and other improvements are stated at cost where these works will ultimately increase the value of the asset.

**ESTATES AND TRUSTS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES**  
**SPECIAL PURPOSE FINANCIAL STATEMENTS**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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**h) 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 after assessing at each reporting date whether there is any objective evidence that the other receivables are impaired.

**i) Land & Buildings**

Freehold land and buildings are not depreciated. New buildings built or purchased after the latest valuation date are valued at the higher of construction or acquisition cost until exceeded by rateable value, or the latest quotable value revaluations. Existing buildings which have incurred significant improvements are also valued at the cost of those improvements, until exceeded by rateable value.

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 expenditures are recognised in the Statement of Financial Performance 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.

**j) Payables**

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

**k) Cash & Cash Equivalent**

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

**l) Property Plant & Equipment**

Items of property plant and equipment are initially measured at cost less accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets and includes the cost of replacements that are eligible for capitalisation when these are incurred.

Any gain or loss on disposal of an item of property, plant & equipment (calculated as the difference between the net proceeds and the carrying amount of the item) is recognised in the statement of Financial Performance.

For property plant and equipment depreciation is based on the cost of an asset less its residual value. Depreciation is recognised in the statement of Financial Performance on a straightline basis over the estimated useful lives of each component on an item of property, plant & equipment

The following estimated depreciation rates / useful lives have been used in the current year:

Furniture & Fitout	7% SL – 03% SL
Office Equipment	8.5% SL – 100% SL
Systems Development	40% SL
Construction Assets	6%- 100% SL

**ESTATES AND TRUSTS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES**  
**SPECIAL PURPOSE FINANCIAL STATEMENTS**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**3. NET RETURN FROM INVESTMENT FUNDS**

	General Trust Estate		Bishopric Estate		Dean & Chapter Estate		Land & Buildings Trusts		Cathedral Trust	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000	2021 \$000	2020 \$000	2021 \$000	2020 \$000	2021 \$000	2020 \$000
BGF Revaluation	1,675	1,339	489	386	169	136	180	71	-	-
Net Income from Insurance Proceeds funds	-	-	-	-	-	-	-	(84)	1,029	1,008
Mohaka Forest Revaluation (92%)	134	321	-	-	-	-	-	-	-	-
	<b>1,809</b>	<b>1,660</b>	<b>489</b>	<b>386</b>	<b>169</b>	<b>136</b>	<b>180</b>	<b>(13)</b>	<b>1,029</b>	<b>1,008</b>

The Balanced Growth Fund (BGF) returns in 2021 were 11.5% net of all fees (2020 11.9%).

The General Trust Estate owns 92% of the Mohaka Forest investment. The Forest Manager prepares an annual report on the investment in the Mohaka Forest which includes a market valuation at Net Realisable Value:

GTE Share 92%	Valuations at Year End	
	2021 \$000	2020 \$000
2008 Trees (31 hectares)	212	266
2020 Trees (112 hectares)	295	264
Land Valuation	662	506
Other	63	156
Total Land & Trees Valuation	<b>1,232</b>	<b>1,192</b>

**ESTATES AND TRUSTS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES**  
**SPECIAL PURPOSE FINANCIAL STATEMENTS**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**4. INSURANCE PREMIUM REIMBURSEMENT AND ALLOCATIONS**

Insurance settlements of \$0.43m 2021 (2020 \$19.69m) were made from the Insurance Proceeds Funds and \$5.832m (2020 19.673m) were transferred into the Fixed Income Fund. The General Trust Estate received reimbursement of the 2012 insurance premium costs paid on behalf of parishes \$Nil, (2020 \$1.168m,). Direction was sought from the High Court on the allocation of any surplus insurance funds. As a result, \$3.9m of the surplus to be distributed has been recorded as an expense in 2021 which has been reflected by a decrease in FIF investment funds. The allocation for the distribution has been carried out in 2022.

**5. GRANTS & DONATIONS RECEIVED**

The General Trust Estate (GTE) had no grants and donations received in 2021 (one-off grant from CPT in 2020 \$1.426m). The Land & Buildings Held in Trust had grants of \$2,738 for 2021 (2020: \$1,768m) which have been recognised as income. Grants and Donations for the Christ Church Cathedral are in Note11.

	General Trust Estate		Land & Building Trusts	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
CPT Grant	-	1,426		
Parish Recovery Program			2,738	1,768
	<u>-</u>	<u>1,426</u>	<u>2,738</u>	<u>1,768</u>

**6. PARISH CONTRIBUTIONS**

	2021	2020
	\$000	\$000
Betterment	1,687	185
Capital loan contributions	39	66
Insurance excess	34	35
	<u>1,759</u>	<u>286</u>

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 is consulted and an agreement 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.

Capital Loan Contributions:

As Trustee of property held for the use by a Parish, CPT may enter into a loan agreement with the Parish to assist with the financing of a property purchase or capital improvements. Any capital repayment of these loans are considered contributions.

**ESTATES AND TRUSTS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES**  
**SPECIAL PURPOSE FINANCIAL STATEMENTS**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

Insurance Excess Contributions:

Excesses were deducted by CPT's insurers on global settlement. In November 2015 CPT approved a mechanism for the allocation of insurance excesses for repair projects. As earthquake repair work is completed, a contribution towards the excess is sought from parishes based on the final repair cost.

**7. PROFIT OR (LOSS) FROM DISPOSAL OF ASSETS**

	<b>Land &amp; Buildings Trusts</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
<b>Profits on Sale Assets</b>		
Strowan Road, Fendalton	-	82
Kauri Street, Timaru, Temuka	-	15
Vicarage, Julius Place, Akaroa	-	364
Other material recoveries	-	14
<b>(Loss) on Sale of Assets</b>		
Barrhill, Rakaia	<b>(9)</b>	-
	<b>(9)</b>	<b>475</b>

**8. EARTHQUAKE REPAIR EXPENDITURE**

	<b>Land &amp; Buildings Trusts</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
Earthquake Repair Expenses	<b>5,898</b>	696
Consultancy & Professional Fees	<b>445</b>	1,032
Other	-	1,075
	<b>6,343</b>	<b>2,803</b>

Earthquake repairs: Since September 2010 the Canterbury region experienced thousands of 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. See note 11 for the Christ Church Cathedral.

**ESTATES AND TRUSTS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES**  
**SPECIAL PURPOSE FINANCIAL STATEMENTS**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**9. GRANTS PAID**

	General Trust Estate		Bishopric Estate		Dean & Chapter Estate		Land & Buildings Trusts	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Anglican Diocese Ministry Support Centre	400	371	-	-	-	-	-	-
Diocese of Christchurch	79	121	298	259	-	-	7	90
Cathedral Chapter	-	-	-	-	58	52	-	-
Bishopric Estate	-	500	-	-	-	-	-	-
	<b>479</b>	<b>992</b>	<b>298</b>	<b>259</b>	<b>58</b>	<b>52</b>	<b>7</b>	<b>90</b>

The amount available for distribution by the General Trust Estate and the Dean & Chapter Estate is determined based on the needs of the Diocese of Christchurch, Anglican Diocese Ministry Support Centre (ADMSC) and Cathedral Chapter and the level of income available after reinvestment. Land & Buildings Trusts included a one-off grant paid in 2020 \$68k from Northwest Parish as a tithe, equally shared between Bryndwr and Rolleston parishes.

**ESTATES AND TRUSTS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES**  
**SPECIAL PURPOSE FINANCIAL STATEMENTS**  
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**10. RECEIVABLES AND PREPAYMENTS**

Prepayments include the amount transferred to LBT for betterment works to St Mark's Church in Opawa 2021 \$nil (2020 \$1.19m).

	Land & Building Trusts		Cathedral Trust	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Anstiss Garland Charitable Trust - St Peters Church Upper Riccarton	-	3	-	-
Canterbury Earthquake Heritage Building Trust - St Peters Upper Riccarton	-	200	-	-
Halswell Hornby, Riccarton Community Board - St Peters Upper Riccarton	-	30	-	-
Kate Valley Trust - St Pauls Church Glenmark	50			
New Zealand Lotteries Grant Board - St Johns Church Okains Bay	-	450	-	-
New Zealand Lotteries Grant Board - Christ Church Cathedral	-	-	-	3,000
New Zealand Lotteries Grant Board - Citizens War Memorial			200	
Parish funds - St Ambrose Church Linwood-Aranui	-	3	-	-
Parish funds - St Pauls Church Glenmark	289	289	-	-
Parish funds - St Peters Church Upper Riccarton	-	1,250	-	-
Parkinson's Memorial Trust - St Johns Church Okains Bay	9			
Rata Foundation - St Peters Church Upper Riccarton	-	100	-	-
Stained Glass Window Donor - St Pauls Church Glenmark	100	-		
Other Receivables and Prepayments	1,597	1,685	5,853	3,684
	<b>2,045</b>	<b>4,010</b>	<b>6,053</b>	<b>6,684</b>

**ESTATES AND TRUSTS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES**  
**SPECIAL PURPOSE FINANCIAL STATEMENTS**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**11. CATHEDRAL TRUST - CHRIST CHURCH CATHEDRAL REINSTATEMENT PROJECT**  
**A ) WORKS IN PROGRESS (WIP)**

During the course of either reinstating or repairing a property, certain costs may create additional capital value. Once the Christ Church Cathedral reinstatement is completed the asset(s) will be recorded as buildings as opposed to WIP. At the end of the year \$32.757m (2020 \$14.684m) are held as capital works in progress in the Cathedral Trust. These amounts will be capitalised on completion of the respective projects.

Cathedral Trust (WIP) \$ 000's	Year 2021	Year 2020	Project to Date at Dec 2021
	<b>\$ 000</b>	\$ 000	\$ 000
CPT Share Cathedral WIP	<b>8,040</b>	5,730	<b>13,770</b>
Christ Church Cathedral Reinstatement Ltd	<b>10,033</b>	8,954	<b>18,987</b>
	<b>18,073</b>	14,684	<b>32,757</b>

**B) PREPAYMENTS**

The Cathedral Trust has total of prepayments for Contract Works Insurance cover through to the end of the Reinstatement project, 2021 \$2.25m (2020 \$1.44m),

**C) CONTINGENT ASSET**

The Christchurch City Council has confirmed in its Long-Term Plan "Statement 170" that CCRL will receive \$10m in their 2024/2025 financial year. This is to be funded by a Special Heritage (Cathedral) targeted rate of \$6.52 on all land from 2021, ceasing 30 June 2028.

**D) GRANTS AND DONATIONS RECEIVED**

	Cathedral Trust	
	2021	2020
	<b>\$000</b>	\$000
CCRL (CCRT) Costs	<b>10,033</b>	7,615
Cathedral Lotteries grant	<b>3,414</b>	2,586
CWM LINZ grant	-	200
CWM CEAT grant	<b>534</b>	10
CWM Lotteries	<b>64</b>	-
	<b>14,045</b>	10,411

**12. REVENUE IN ADVANCE**

Revenue in advance (future Grant Income) of \$0.76m for Land & Building Trusts (2020: \$4.20m) have not been recognised as income, due to unfulfilled requirements at balance date. For the Cathedral Trust this figure is \$1.985m 2021 (2020 \$4.48m).

**ESTATES AND TRUSTS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES**  
**SPECIAL PURPOSE FINANCIAL STATEMENTS**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**13. INVESTMENT FUNDS**

	General Trust Estate		Bishopric Estate		Dean & Chapter Estate		Land & Buildings Trusts		Cathedral Trust	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000	2021 \$000	2020 \$000	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Mohaka Forest Fund	1,232	1,192	-	-	-	-	-	-	-	-
Balanced Growth Fund	15,861	15,061	4,591	4,453	1,626	1,523	6,070	1,049	-	-
Cathedral Insurance Proceeds Fund	-	-	-	-	-	-	-	-	36,440	39,791
Fixed Income Fund	-	-	-	-	-	-	21,656	27,436	-	-
Insurance Proceeds Fund	-	-	-	-	-	-	-	(1,495)	-	-
	<b>17,093</b>	<b>16,253</b>	<b>4,591</b>	<b>4,453</b>	<b>1,626</b>	<b>1,523</b>	<b>27,725</b>	<b>26,990</b>	<b>36,440</b>	<b>39,791</b>

The Cathedral Insurance Proceeds Fund have decreased in 2021 due to spending on demolition and stabilisation, developed design.

**14. LAND & BUILDINGS HELD IN TRUST**

	Land & Buildings - Held in Trusts					Cathedral Trust				
	Land	Improve - ments	Capital Value	2020	Rating Valuation Date	Land	Improve - ments	Capital Value	2020	Rating Valuation Date
	\$ 000's	\$ 000's	\$ 000's	\$ 000's		\$ 000's	\$ 000's	\$ 000's		
Ashburton District Council	4,488	3,831	8,319	6,738	2021					
Chatham Islands Council	150	238	388	371	2021					
Christchurch City Council	70,831	65,542	136,373	129,919	2019	6,390	-	6,390	6,390	2019
Hurunui District Council	1,777	1,477	3,254	3,254	2019					
Mackenzie District Council	3,205	450	3,655	3,655	2020					
Selwyn District Council	13,014	3,986	17,000	11,672	2021					
Timaru District Council	5,385	7,791	13,176	13,176	2020					
Waimakariri District Council	3,504	2,729	6,233	6,233	2019					
Waimate District Council	445	606	1,051	1,050	2019					
Westland District Council	722	942	1,664	1,664	2020					
	<b>103,521</b>	<b>87,591</b>	<b>191,112</b>	<b>177,732</b>		<b>6,390</b>	<b>-</b>	<b>6,390</b>	<b>6,390</b>	

**ESTATES AND TRUSTS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES**  
**SPECIAL PURPOSE FINANCIAL STATEMENTS**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

\*\*Increases (Decreases) are shown in the following table

	2021 \$'000's		Total	Total
	Land	Improvements	2021	2020
<b>Movements in Valuation: Revaluations, Additions and Disposals</b>				
Revaluations (QV)	5,773	575	6,348	2,746
WIP Capitalised (Recovery projects) Cost	-	5,091	5,091	976
Property Purchases at RV	1,148	840	1,988	3,340
Property Sales RV	(140)	-	(140)	(1,855)
Net L&BT Movement	6,781	6,506	13,287	5,207

**15. GAIN (LOSS) ON REVALUATION OF PROPERTY**

The increase in rateable value of the Land and Buildings held in Trust is \$6.34m (2020: \$2.74m). The Christ Church Cathedral at 100 Cathedral Square, has a rateable land value of \$6.4m (2020: \$6.4m).

**16. TENANT LIABILITY**

In 1976 CPT and the parish of Lyttelton completed the construction of 8 residential units at \$343,280. CPT retained ownership of the land whilst rights to the units were sold to tenants. The liability of \$878k (2020 \$1,024k) represents the Improvements Value (QV) of the 6 units not owned by the L&BT.

**16. SPECIAL FUNDS**

Name of Fund	Description	2021	2020
The Community of the Sacred Name (CSN) Bishopric Estate	The CSN purchased land occupied by the Community from CPT for \$5. A donation 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.	170,000	170,000
Fabric Fund Bishopric Estate	The CPT Act, section 16 provides a fund to be maintained to be applied toward the building, maintenance, enlargement or replacement of the Bishop's residence and its furnishings.	489,538	489,538

**17. RELEASE OF REVALUATION RESERVE ON SALE OF PROPERTY**

There were no revaluation releases of the revaluation reserve in 2021 for the sale of properties (2020; \$235k).

**18. 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 reinstatement of these insured assets has been noted either in the Statements of Financial Performance or Financial Position resulting in significant losses in subsequent years.

**ESTATES AND TRUSTS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES**  
**SPECIAL PURPOSE FINANCIAL STATEMENTS**  
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**19. LEASE COMMITMENTS**

There are operating lease obligations in the Christ Church Cathedral Trust by its subsidiary CCRL. The future aggregate minimum lease payments to be paid under non-cancellable leases are as follows:

	2021
	\$
Not later than one year	95,802
Later than one year and not later than five years	65,573
Total non-cancellable operating lease	161,373

**20. CONTINGENT ASSETS AND LIABILITIES**

None were applicable for 2021, except for Christ Church Cathedral Trust Note 11.

**21. RELATED PARTIES**

Diocese of Christchurch

When required, the General Trust Estate provides cash flow funding and grants to the Diocese of Christchurch, ADMSC and Cathedral Chapter.

No such funding has been provided by the General Trust Estate to the Diocese of Christchurch during the current and previous financial years. Additional funding has been made to the ADMSC to cover the costs of the Royal Commission into Abuse in Care.

Explanation: Arm's Length

Sales to and purchases from related parties are made at market prices and on commercial terms.

Trollope & Co

Maurice Walker, the Diocesan Chancellor appointed from September 2020 is a partner in Trollope & Co. Payments have been made in 2021 \$7,040 (2020 \$0).

Parry Field

Alex Summerlee, the Diocesan Vice-Chancellor is an Associate at Parry Field. Parry Field provided legal services to CPT to the value of \$15,516 (2020: \$nil). The transactions were at an arms-length basis.

**22. INVESTMENT IN CHRIST CHURCH CATHEDRAL REINSTATEMENT LIMITED (CCRL)**

During the year CPT acquired 100% of the share capital of CCRL, previously accounted for as a joint venture with Christ Church Reinstatement Trust (CCRT). As such CCRL has been recognised as a wholly owned subsidiary in the 2021 Statements of Financial Performance, Financial Position and Movements in Equity.

**ESTATES AND TRUSTS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES**  
**SPECIAL PURPOSE FINANCIAL STATEMENTS**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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**23. SUBSEQUENT EVENTS**

There have been no events post balance date.

Post balance date investment income from investments held by the Estates and Trusts are likely to be materially reduced. Amounts are not able to be reliably quantified.

**INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEES OF THE ESTATES AND TRUSTS HELD AND ADMINISTERED  
BY CHURCH PROPERTY TRUSTEES**

## Opinion

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 Trust
- Cathedral Trust

These financial statements comprise the statement of financial position of each of the Estates and Trusts as at 31 December 2021, and their statement of financial performance and statement of movements in equity for the year then ended, and notes to the special purpose financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying special purpose financial statements of the Estates and Trusts for the year ended 31 December 2021 are prepared, in all material respects, in accordance with the accounting policies as set out in Note 2 Statement of Accounting Policies on page 4 of the special purpose financial statements.

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (“ISAs (NZ)”). 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 Estates and Trusts 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 interests in, the Estates and Trusts.

## Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to the Statement of Accounting Policies on page 4 of the financial statements, which describes the basis of accounting. The financial statements are prepared to enable the Estates and Trusts 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 each of the Estates and Trusts and each of the Estates and Trusts and should not be distributed to or used by parties other than the aforementioned. Our opinion is not modified in respect of this matter.

## **Other Matter**

The performance report for the comparative period 1 January 2020 to 31 December 2020 was audited by a predecessor auditor, who issued an unmodified opinion on 25<sup>th</sup> May 2021.

## **Those Charged with Governance Responsibilities for the Financial Statements**

Those charged with governance are responsible for the preparation of the financial statements in accordance with the accounting policies as set out in Note 2 of the financial statements 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 Estates and Trusts their ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless those charged with governance either intend to liquidate the Estates and Trusts or to 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 ISAs (NZ) 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 decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Estates and Trusts' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of the use of the going concern basis of accounting by those charged with governance and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Estates and Trusts' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Estates and Trusts' to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Who we Report to**

This report is made solely to the Trustees of each of the Estates and Trusts and each of the Estates and Trusts as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's 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 aforementioned for our audit work, for this report or for the opinions we have formed.

*BDO Christchurch*

BDO Christchurch  
Christchurch  
New Zealand  
28 July 2022