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**FUNDS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES**

**SPECIAL PURPOSE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2021

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FUNDS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 DECEMBER 2021



	Balanced Growth Fund		Fixed Income Fund		Reserve Fund		Mohaka Forest Fund		Insurance Proceeds Fund		Cathedral Insurance Proceeds Fund		Cathedral Maintenance & Insurance Fund		Total Funds Under Management		
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	
NOTE	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
<b>INCOME</b>																	
Net Return from Investments	4,224	3,231	2,809	3,610	110	104	180	76	-	104	1,077	1,069	236	132	8,637	8,325	
Expenses Recovery	-	-	-	-	-	-	122	312	-	-	-	-	-	-	122	312	
<b>Total Income</b>	<b>4,224</b>	<b>3,231</b>	<b>2,809</b>	<b>3,610</b>	<b>110</b>	<b>104</b>	<b>303</b>	<b>388</b>	<b>-</b>	<b>104</b>	<b>1,077</b>	<b>1,069</b>	<b>236</b>	<b>132</b>	<b>8,759</b>	<b>8,637</b>	
<b>EXPENSES</b>																	
Management Fees - External	3	273	214	371	265	22	14	14	16	-	139	-	6	14	5	694	659
Management Fees - CPT	3	208	152	358	262	20	10	12	13	-	105	48	55	5	1	651	598
Forestry Expenses		-	-	-	-	-	-	14	10	-	-	-	-	-	-	14	10
Other Expenses	11	-	-	-	-	-	-	117	-	-	1,495	-	-	-	-	117	1,495
<b>Total Expenses</b>		<b>480</b>	<b>366</b>	<b>729</b>	<b>527</b>	<b>42</b>	<b>24</b>	<b>157</b>	<b>39</b>	<b>-</b>	<b>1,740</b>	<b>48</b>	<b>61</b>	<b>20</b>	<b>6</b>	<b>1,476</b>	<b>2,763</b>
<b>Net Surplus / (Deficit)</b>		<b>3,744</b>	<b>2,864</b>	<b>2,081</b>	<b>3,082</b>	<b>68</b>	<b>81</b>	<b>145</b>	<b>349</b>	<b>-</b>	<b>(1,636)</b>	<b>1,029</b>	<b>1,008</b>	<b>217</b>	<b>126</b>	<b>7,283</b>	<b>5,874</b>
<b>FUND ALLOCATIONS</b>																	
Bishopric Estate		489	386	-	-	-	-	-	-	-	-	-	-	-	-	489	386
Dean and Chapter Estate		169	137	-	-	-	-	-	-	-	-	-	-	-	-	169	137
General Trust Estate		1,675	1,345	-	-	-	-	134	321	-	-	-	-	-	-	1,809	1,666
Parishes & Anglican Organisations		1,411	996	1,849	1,616	-	-	12	28	-	-	-	-	-	-	3,272	2,640
Fixed Income Fund		-	-	-	-	(232)	(1,466)	-	-	-	-	-	-	-	-	(232)	(1,466)
Reserve Fund		-	-	232	1,466	300	1,547	-	-	-	-	-	-	-	-	531	3,013
Land & Buildings held in Trust		-	-	-	-	-	-	-	-	-	(1,636)	-	-	-	-	-	(1,636)
Cathedral Trust		-	-	-	-	-	-	-	-	-	-	1,029	1,008	217	126	1,245	1,134
<b>Net Surplus / (Deficit) Allocated</b>		<b>3,744</b>	<b>2,864</b>	<b>2,081</b>	<b>3,082</b>	<b>68</b>	<b>81</b>	<b>146</b>	<b>349</b>	<b>-</b>	<b>(1,636)</b>	<b>1,029</b>	<b>1,008</b>	<b>217</b>	<b>126</b>	<b>7,283</b>	<b>5,874</b>

**FUNDS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES**  
**STATEMENT OF FINANCIAL POSITION**  
 FOR THE YEAR ENDED 31 DECEMBER 2021



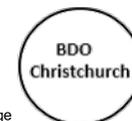
	Balanced Growth Fund		Fixed Income Fund		Reserve Fund		Mohaka Forest Fund		Insurance Proceeds Fund		Cathedral Insurance Proceeds Fund		Cathedral Maintenance & Insurance Fund		Total Funds Under Management	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
NOTE	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>FUND CURRENT ASSETS</b>																
Cash at Bank	274	113	558	106	26	6	39	8	-	-	39	459	12	117	949	807
Managed Funds	4 37,157	30,262	59,080	57,525	4,070	2,555	-	-	-	-	-	-	2,849	1,302	103,156	91,645
Short Term Deposits < 1 year	4 -	-	-	-	-	-	-	-	-	-	36,401	3,000	-	-	36,401	3,000
Private Equity Funds	5 2,213	2,083	-	-	-	-	-	-	-	-	-	-	-	-	2,213	2,083
Receivables	6 1	4	53	57	232	1,467	30	178	-	-	-	-	135	58	450	1,764
<b>Total Fund Current Assets</b>	<b>39,645</b>	<b>32,462</b>	<b>59,692</b>	<b>57,689</b>	<b>4,328</b>	<b>4,028</b>	<b>69</b>	<b>186</b>	<b>-</b>	<b>-</b>	<b>36,440</b>	<b>3,459</b>	<b>2,996</b>	<b>1,477</b>	<b>143,169</b>	<b>99,299</b>
<b>FUND CURRENT LIABILITIES</b>																
Payables	153	132	237	1,470	6	6	51	174	-	-	-	-	-	-	447	1,782
Parishes & Anglican Organisations	17,413	11,293	61,329	56,989	-	-	-	-	-	-	36,440	39,791	2,653	1,350	117,835	109,423
General Trust Estate	15,861	15,061	-	-	-	-	-	-	-	-	-	-	-	-	15,861	15,061
Bishopric Estate	4,591	4,453	-	-	-	-	-	-	-	-	-	-	-	-	4,591	4,453
Dean and Chapter Estate	1,626	1,523	-	-	-	-	-	-	-	-	-	-	-	-	1,626	1,523
<b>Total Fund Current Liabilities</b>	<b>39,645</b>	<b>32,462</b>	<b>61,566</b>	<b>58,459</b>	<b>6</b>	<b>6</b>	<b>51</b>	<b>174</b>	<b>-</b>	<b>-</b>	<b>36,440</b>	<b>39,791</b>	<b>2,653</b>	<b>1,350</b>	<b>140,361</b>	<b>132,242</b>
<b>Net Fund Current Assets / (Liabilities)</b>	<b>-</b>	<b>-</b>	<b>(1,874)</b>	<b>(770)</b>	<b>4,321</b>	<b>4,021</b>	<b>18</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(36,333)</b>	<b>343</b>	<b>126</b>	<b>2,808</b>	<b>(32,944)</b>
<b>NON-CURRENT FUND ASSETS</b>																
Reserve Fund	-	-	4,321	4,021	-	-	-	-	-	-	-	-	-	-	4,321	4,021
Term Deposits > one year	4 -	-	-	-	-	-	-	-	-	-	-	36,333	-	-	-	36,333
Forestry	-	-	-	-	-	-	1,272	1,126	-	-	-	-	-	-	1,272	1,126
Loans	7 -	-	1,874	770	-	-	-	-	-	-	-	-	-	-	1,874	770
<b>Total Non-Current Fund Assets</b>	<b>-</b>	<b>-</b>	<b>6,195</b>	<b>4,791</b>	<b>-</b>	<b>-</b>	<b>1,272</b>	<b>1,126</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,333</b>	<b>-</b>	<b>-</b>	<b>7,467</b>	<b>42,250</b>
<b>NON-CURRENT FUND LIABILITIES</b>																
Fixed Income Fund	-	-	-	-	4,321	4,021	-	-	-	-	-	-	-	-	4,321	4,021
Parishes & Anglican Organisations	-	-	-	-	-	-	103	91	-	-	-	-	-	-	103	91
General Trust Estate	-	-	-	-	-	-	1,187	1,047	-	-	-	-	-	-	1,187	1,047
Future Distributions Payable	-	-	4,321	4,021	-	-	-	-	-	-	-	-	343	126	4,664	4,148
<b>Total Non-Current Fund Liabilities</b>	<b>-</b>	<b>-</b>	<b>4,321</b>	<b>4,021</b>	<b>4,321</b>	<b>4,021</b>	<b>1,289</b>	<b>1,138</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>343</b>	<b>126</b>	<b>10,275</b>	<b>9,307</b>
<b>Net Fund Non-Current Assets/(Liabilities)</b>	<b>-</b>	<b>-</b>	<b>1,874</b>	<b>770</b>	<b>(4,321)</b>	<b>(4,021)</b>	<b>(18)</b>	<b>(12)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,333</b>	<b>(343)</b>	<b>(126)</b>	<b>(2,808)</b>	<b>32,944</b>
<b>Net Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

28th July 2022.

C G Murfitt

Steve Wakefield



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

**1. GENERAL INFORMATION**

These financial statements have been prepared for each of the funds administered by Church Property Trustees [CPT], comprising the Balanced Growth Fund, Fixed Income Fund, Reserve Fund, Mohaka Forest Fund, Insurance Proceeds Fund, Cathedral Insurance Proceeds Fund and Cathedral Maintenance & Insurance Fund.

The financial statements are presented in New Zealand dollars.

**Investment Policies**

The philosophy and investment objectives for CPT, its Committee for Audit, Risk & Finance [CARF], trusts, beneficiaries, investors and investment managers are outlined in the Statement of Investment Policy and Objectives [SIPO]. It creates parameters for investment of funds under CPT administration on behalf of 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 CARF.

An independent annual review of the investment strategy, including the distribution rate, is conducted by CPT’s independent investment advisors, EriksensGlobal.

**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 or reinvested. There are no capital reserves within the BGF as capital gains and losses are marked to market each month and apportioned between investors according to the number of units held monthly and 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 CPT Act”].

The following table shows annual interest rates paid quarterly to investors during the financial year and benchmarked against the ANZ Bank 30 Day Term Deposit rate for deposits \$10,000 and over (noting that the FIF is not a capital guaranteed fund). The investments administered by CPT on behalf of investors are predominately liquid and may be redeemed on 5 working days written notice.

Quarter Ends	Mar-21	Jun-21	Sep-21	Dec-21	Dec-2020
FIF	2.75%	2.75%	3.25%	3.25%	2.75%
ANZ	0.30%	0.30%	0.50%	0.30%	0.50%

**Reserve Fund:** CPT maintains a reserve fund in line with the principles set out in section 36 of the CPT Act. The reserve fund may be applied by CPT to augment the Reserve Fund, stabilise or increase the income of the FIF or to replace losses of capital in the FIF.

**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 CPT Act”]. CPT participates in the Emissions Trading Scheme in accordance with Schedule 6 of the Climate Change Response (Emissions Trading) Amendment Act 2008.

**FUNDS 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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**Insurance Proceeds Fund and the Cathedral Insurance Proceeds Fund:** CPT has established these investment funds in line with section 31 of the Act. The Ansvar [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. On the 2<sup>nd</sup> July, 2020 the Trustees noted that as the Earthquake Recovery Programme was winding down the longer term objectives of the IPF were no longer appropriate and the funds were transferred to the lower risk Fixed Income Fund and bank term deposit instruments.

## **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 Policies**

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 & Services Tax [GST].

#### **e) Financial Assets**

##### *Classification:*

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

**FUNDS 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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*Recognition / de-recognition:*

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, term deposits and private equity funds)

Financial assets 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.

Where available, quoted market prices, entry or exit, buy or sell or midpoint, are used as a measure of fair value.

(ii) Mortgages & Loans

Mortgages and Loans are measured at fair value.

(iii) Forestry

The value of the Forestry investment is based on the estimation of the net present value (NPV) of future cash flows at a discount rate of 7.5% (2020: 7.5%), associated with the development and future harvesting of the forest, as determined by the Forestry Manager. The valuation by the Forestry Manager was received on 20 December 2021. Forest land is valued at the August 2021 Rating Valuation. The NPV of cash flows relating to any revenue or future liabilities arising from the sale of carbon credits under the Government's Emissions Trading Scheme have 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, and are measured at year end deposit value.

**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.

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

**3. MANAGEMENT FEES**

<b>Balanced Growth Fund</b>		<b>Mohaka Forest Fund</b>		<b>Fixed Income Fund</b>		<b>Reserve Fund</b>		<b>Insurance Proceeds Fund</b>		<b>Cathedral Insurance Proceeds Fund</b>		<b>Cathedral Maintenance &amp; Insurance Fund</b>	
<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>%</b>	<b>%</b>	<b>\$</b>	<b>\$</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
0.60%	0.55%	\$12,500 per annum	\$12,500 p.a.	0.60%	0.55%	0.60%	0.55%	N/A	N/A	0.14% **	0.14%	0.30%	0.10%

A CPT management fee is deducted from funds. The internal CPT fee is used to pay for its operational expenses. External management fees are paid on managed funds. Church Property Trustees have engaged EriksensGlobal to provide investment advisory services for nominated funds and general investment advice. EriksensGlobal were paid \$60,000 in 2021 for services provided (2020 \$68,800).

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

**4. MANAGED FUNDS & SHORT-TERM DEPOSITS**

**A MANAGED FUNDS & SHORT-TERM DEPOSITS**

	Balanced Growth Fund		Fixed Income Fund		Reserve Fund		Cathedral Insurance Proceeds Fund **		Cathedral Maintenance & Insurance Fund		Total Funds Under Management	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Managed Funds</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
AMPCI Fixed Interest Fund	-	-	-	3,988	-	-	-	-	-	-	-	3,988
Aspiring Asset Management Ltd	7,488	6,534	-	-	-	-	-	-	-	-	7,488	6,534
Castle Point 5 Oceans Fund	4,791	3,210	5,328	5,340	-	-	-	-	1,416	485	11,535	9,036
Harbour Income Fund	-	-	17,698	12,200	-	-	-	-	-	-	17,698	12,200
Mint Trans-Tasman Equities	1,928	1,956	-	-	-	-	-	-	-	-	1,928	1,956
Mint Diversified Income Fund	3,053	3,752	19,379	22,110	2,096	1,292	-	-	-	-	24,528	27,154
Mint Diversified Growth Fund	3,345	2,023	-	-	-	-	-	-	1,042	551	4,387	2,574
Milford Active Growth	4,647	3,943	-	-	-	-	-	-	-	-	4,647	3,943
Milford Australasian Abs. Growth	4,709	2,763	-	-	-	-	-	-	-	-	4,709	2,763
Milford Diversified Income	3,079	2,517	16,675	13,887	-	-	-	-	-	-	19,754	16,404
Quay Street Asset Management	-	-	-	-	1,974	1,263	-	-	-	-	1,974	1,263
T Rowe Price Global Equity Growth	4,117	3,564	-	-	-	-	-	-	391	266	4,508	3,830
<b>Managed Funds</b>	<b>37,157</b>	<b>30,262</b>	<b>59,080</b>	<b>57,525</b>	<b>4,070</b>	<b>2,555</b>	<b>-</b>	<b>-</b>	<b>2,849</b>	<b>1,302</b>	<b>103,156</b>	<b>91,645</b>
<b>Short Term Deposits &lt; 1 Year</b>												
ANZ Bank	-	-	-	-	-	-	10,695	-	-	-	10,695	-
ASB Bank	-	-	-	-	-	-	10,632	-	-	-	10,632	-
Fixed Income Fund (FIF)	-	-	-	-	-	-	6,013	-	-	-	6,013	-
Kiwibank	-	-	-	-	-	-	9,061	3,000	-	-	9,061	3,000
<b>Total Term Deposits &lt; 1 Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,401</b>	<b>3,000</b>	<b>-</b>	<b>-</b>	<b>36,401</b>	<b>3,000</b>
<b>Total Managed Funds &amp; Short-Term Deposits</b>	<b>37,157</b>	<b>30,262</b>	<b>59,080</b>	<b>57,525</b>	<b>4,070</b>	<b>2,555</b>	<b>36,401</b>	<b>3,000</b>	<b>2,849</b>	<b>1,302</b>	<b>139,557</b>	<b>94,645</b>

\*\* Cathedral Insurance Proceeds Fund includes the Cathedral settlement proceeds and donations received by Church Property Trustees.

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

**4 B) LONG TERM DEPOSITS > One Year**

	Balanced Growth Fund		Fixed Income Fund		Reserve Fund		Cathedral Insurance Proceeds Fund **		Cathedral Maintenance & Insurance Fund		Total Funds Under Management	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000	2021 \$000	2020 \$000	2021 \$000	2020 \$000	2021 \$000	2020 \$000	2021 \$000	2020 \$000
<b>Term Deposits &gt; 1 Year</b>												
ANZ Bank	-	-	-	-	-	-	-	10,398	-	-	-	10,398
ASB Bank	-	-	-	-	-	-	-	10,364	-	-	-	10,364
Kiwibank	-	-	-	-	-	-	-	15,571	-	-	-	15,571
<b>Total Term Deposits &gt; One Year</b>	-	-	-	-	-	-	-	36,333	-	-	-	36,333

**5. PRIVATE EQUITY FUNDS**

	Total Commitment	Called / Invested	Uncalled Capital	Distributions	Asset Value at 31 December 2021	Asset Value at 31 December 2020
	\$000	\$000	\$000	\$000	\$000	\$000
Knox Investment Fund IV	250	200	50	167	49	140
Maui Capital Indigo Fund	300	255	45	159	102	105
Maui Capital Aqua Fund	200	154	46	5	140	140
Continuity Capital Private Equity Fund No.2 LP	500	475	25	471	319	335
Continuity Capital Private Equity Fund No.4 LP	500	363	138	115	356	287
Pioneer (PCP III)	500	405	95	54	420	424
Pencarrow Bridge Fund LP	500	445	55	-	723	573
Pohutukawa II	300	186	54	313	23	17
Radius Residential Care Ltd	103	103			80	63
<b>Private Equity Funds</b>	<b>3,153</b>	<b>2,586</b>	<b>507</b>	<b>1,284</b>	<b>2,213</b>	<b>2,083</b>

**6. RECEIVABLES**

Included in accounts receivable are the amount due from the Cathedral Recovery Project for Cathedral Maintenance & Insurance, Loan Receivables for FIF and GST receivable across many entities.

**7. LOANS & MORTGAGES**

The loans in the Fixed Income Fund relate to the following parishes and related entities: ADMSC - Cardale House, Christchurch-St John, Christchurch-St Michael, Lyttelton cottage and Opawa-St Martins. These loans are secured by mortgages over the relevant land and buildings held in trust.

**8. CONTINGENCIES**

There are no contingent assets or liabilities as at 31<sup>st</sup> December 2021.

**FUNDS 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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**9. INVESTMENT FUND RISKS:**

**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, EriksensGlobal regularly review the credit risk and advise CPT of any suggested changes to minimise this risk. Where CPT invests directly in cash, private equity, term deposits 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.

**INTEREST RATE RISK**

Interest rate risk is the risk that the value of an investment will fluctuate due to changes in interest rates. Interest rate risk is normally associated with bonds and is managed through bond duration management, hedging strategies and diversification of assets within a portfolio.

**MARKET RISK**

Market risk is the risk that market prices for investments go up or down, and may be down when the Trustees want the money for some other purpose. Market risk offers reward but can also cause losses. Examples of market risk are: changes in equity prices, property prices, fixed income securities prices and commodity prices. Triggers of market risk include recessions, geopolitics, changes in interest rates, natural disasters, terrorist attacks and changes in sentiment.

**10. RELATED PARTIES**

Diocese of Christchurch, ADMSC (Anglican Diocese Ministry Support Centre) and Various Anglican parishes

The Diocese of Christchurch, ADMSC and Anglican Parishes invest in the Fixed Income Fund and the Balanced Growth Fund on the same terms and conditions as other investors.

Explanation: Arm's Length

Transactions with related parties (parishes and related entities) are made in arm's length transactions both at normal market prices and on normal commercial terms.

**11. OTHER EXPENSES**

The Insurance Proceeds fund shows the reimbursement of the 2012 Insurance Premium refund for 2021 \$ nil (2020: \$1,495k) paid on behalf of the Diocese and Parishes, which was determined should be funded from the excess Insurance Settlements and agreed by Court.

**12. EVENTS POST BALANCE DATE**

There have been no events post balance date. Subsequent to balance date the impacts of the disruptions caused by the global COVID-19 response, extended global quantitative easing and the Russian invasion of Ukraine has caused significant reductions in value and volatility in equity investment values. These significant reductions in value are not recorded in the value of Funds under Management as at 31st December 2021. Post balance date investment capital and income from investments held are likely to be materially reduced.

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

**Opinion**

We have audited the special purpose financial statements of the following Funds held and administered by Church Property Trustees (together “the Funds” and each a “Fund”):

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

These special purpose financial statements comprise the statements of financial position of each Fund and the Funds as at 31 December 2021, and the statements of financial performance for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying special purpose financial statements of each Fund and the Funds 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 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 interests in, the Funds.

**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 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 each of the Funds and each Fund 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 Funds 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 Funds 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 Funds' 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 Funds' 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 Funds' 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 Fund and each Fund 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