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**CHURCH PROPERTY TRUSTEES**

**ANNUAL PERFORMANCE REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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



**CHURCH PROPERTY TRUSTEES**  
**ANNUAL PERFORMANCE REPORT**  
FOR THE YEAR ENDED 31 DECEMBER 2022



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**CHURCH PROPERTY TRUSTEES**  
**ENTITY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

<b>Legal Name of Entity:</b>	Church Property Trustees [CPT]  CPT is established under the Anglican (Diocese of Christchurch) Church Property Trust Act 2003. CPT is a registered charity.
<b>Charities Registration Number:</b>	CC36062
<b>NZ Business Number:</b>	NZBN:9429048839693
<b>CPT Purpose or Mission:</b>	<ul style="list-style-type: none"><li>- To hold &amp; administer trust property in accordance with the Act.</li><li>- To administer the Bishopric Estate, the Dean &amp; Chapter Estate and the General Trust Estate.</li><li>- To administer local endowments &amp; glebe land for the benefit of the particular parishes concerned.</li><li>- To maintain and administer investment funds.</li></ul>
<b>CPT Structure:</b>	<u>Governance Structure:</u> 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. The Committee for Audit, Risk and Finance (CARF) has as its purpose to assist the board in discharging its responsibilities relative to financial reporting, investment of funds, regulatory conformance, audit process and risk reduction.
<b>Operational Structure:</b>	Day to day operations of CPT are headed by the General Manager. Reporting to the General Manager are the Finance Manager, Property Manager and Office Manager. Management operate under documented Delegations of Authority.
<b>Main Sources of CPT Cash and Resources:</b>	CPT relies on the following income sources to cover operating costs: <ul style="list-style-type: none"><li>- Contributions on fees on invested funds and estates.</li><li>- Contributions as property fees on properties managed and sold.</li><li>- Contributions as project management fees on Earthquake Recovery Projects.</li></ul>
<b>Main Methods Used by CPT to Raise Funds:</b>	Not Applicable.
<b>CPT's Reliance on Volunteers and Donated Goods or Services:</b>	CPT relies on volunteers to provide expertise and time for its governing board and various committees.
<b>Contact Details</b>	
<b>Physical Address:</b>	95 Tuam Street, Central Christchurch City, Christchurch 8140.
<b>Postal Address:</b>	Box 4438, Christchurch 8140
<b>Phone:</b>	(03) 348 6960
<b>Email:</b>	<a href="mailto:cptfinance@anglicanlife.org.nz">cptfinance@anglicanlife.org.nz</a>

# CHURCH PROPERTY TRUSTEES STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2022

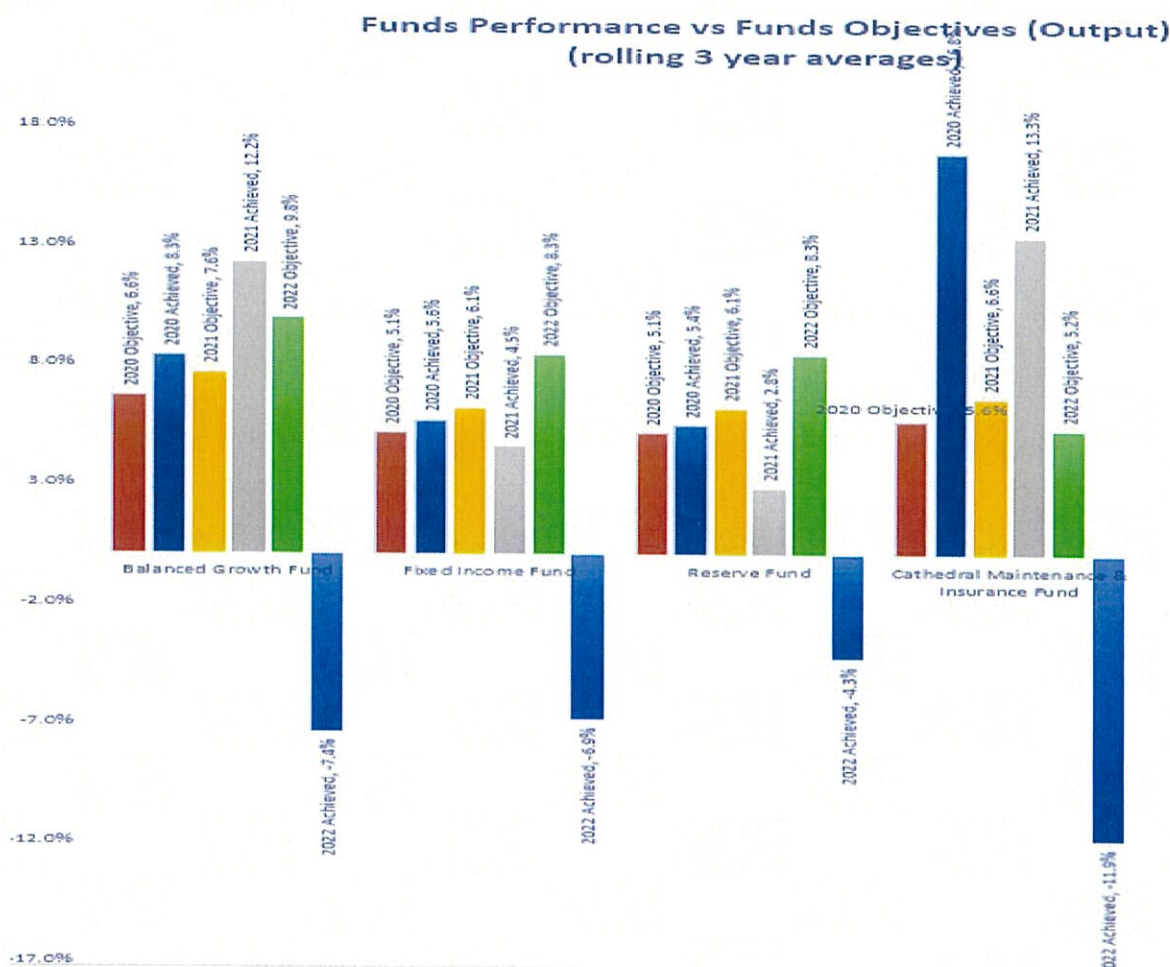
The function of CPT is to hold and administer trust property in accordance with the Anglican (Diocese of Christchurch) Church Property Trust Act 2003. CPT is therefore tasked with the prudent stewardship of the financial and property assets of the Diocese.

## Financial Assets

CPT administers approximately \$108m of investment funds and bank deposits held in trust. CPT has a Statement of Investment Policy and Objectives [SIPO] that 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 2022 - 2020) meets the policy objective for each fund: Balanced Growth Fund (BGF), Fixed Income Fund (FIF), Reserve Fund (RF), Cathedral Maintenance & Insurance Fund (CMIF). This is illustrated in the graph "Funds Performance vs Funds Objectives (Output)".

### 1. Funds Performance vs Funds Objectives (Output):





## Statement of Service Performance (Cont.)

### 2. Fund Returns Value Added (Outcomes 2022:

Fund Returns Value Added (Outcomes) 2022



### Property Assets

CPT holds and administers approximately \$270m of land and buildings ('real property'). An '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' is the extent to which the premium rate is minimised.

	2020	2021	2022
<b>Insurance Premium Paid</b>	\$439,022	\$438,253	\$ 439,421
<b>Non-Domestic Buildings (Churches/Halls/Other) Insured</b>	188	211	210
<b>Non-Domestic Buildings (Churches/Halls/Other) Insured for Natural Disaster</b>	13	16	12
<b>Domestic Buildings (Vicarages/Garages) Insured</b>	76	75	75
<b>Number of Buildings not Insured</b>	1	1	1

There has been an ongoing process to clearly identify different types of buildings / dwellings (i.e. pensioner flats) that have multiple occupancies.

### Earthquake Recovery Programme:

CPT successfully negotiated an insurance settlement with Ansva 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.

An 'outcome' for the Earthquake Recovery Programme (ERP) is to complete the earthquake repairs and rebuilds within the insurance proceeds received and within a realistic timeframe.

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

This ERP has concluded in 2022, with the exception of St Pauls Glenmark Waikari, St Mary's Timaru and the Christ Church Cathedral projects and minor tail claims.

The CPT Recovery team has been able to successfully complete the majority of the ERP and has been able to distribute an Insurance Surplus Allocation of \$8m in the first quarter 2022.

	2022		2021		2020	
	Number of Projects		Number of Projects		Number of Projects	
<b>Number of projects in the programme</b>	241	100%	241	100%	241	100%
<b>Number of projects completed</b>	239	99%	235	98%	226	94%
<b>Projects in construction phase **</b>	2	1%	6	2%	15	6%

\*\* excl Christ Church Cathedral

**CHURCH PROPERTY TRUSTEES  
STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 \$	2021 \$
<b>EXCHANGE REVENUE</b>			
<b>Assets Management</b>			
Contributions as Estate and Trusts management fees		28,379	17,535
Contributions as Investment fund administration fees		592,204	654,971
Interest & dividends		14,059	246
Investment gain / (loss) on fair value adjustment		(25,856)	5,420
Property Contributions as fees		140,870	87,499
Other income		42,856	10,744
<b>Total Exchange Revenue Assets Management</b>		<b>792,510</b>	<b>776,416</b>
<b>Earthquake Recovery Programme</b>			
Contributions on project management fees		243,377	754,557
Interest, dividends and investment revenue		5,802	1,305
<b>Total Exchange Earthquake Recovery Programme</b>		<b>249,179</b>	<b>755,862</b>
<b>TOTAL EXCHANGE REVENUE</b>		<b>1,041,689</b>	<b>1,532,277</b>
<b>EXPENSES</b>			
<b>Assets Management</b>			
Accommodation		45,910	66,848
Administration Expenses		44,320	42,079
Audit Fees	3	44,000	40,000
IT & Software		12,434	14,003
Communication		10,120	8,642
Legal & Professional Fees		13,622	5,536
Compliance & Projects Expenses		31,373	18,458
Grants to parishes	10	25,000	-
Staff Expenses		508,949	433,312
<b>Total Expenses Assets Management</b>		<b>735,728</b>	<b>628,879</b>
<b>Earthquake Recovery Programme</b>			
Accommodation		10,923	67,381
Administration Expenses		11,214	24,911
IT & Software		2,229	10,129
Communication		2,120	11,304
Legal & Professional Fees		-	82,101
Staff Expenses		205,653	545,687
<b>Total Expenditure Earthquake Recovery Programme</b>		<b>232,139</b>	<b>741,514</b>
<b>TOTAL EXPENDITURE</b>		<b>967,867</b>	<b>1,370,392</b>
<b>Surplus (Loss) for the Year</b>		<b>73,822</b>	<b>161,885</b>

CHURCH PROPERTY TRUSTEES  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2022

	Note	2022 \$	2021 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Bank Accounts	4	390,357	493,825
Receivables & Prepayments	4	80,271	75,308
<b>Total Current Assets</b>		<b>470,629</b>	<b>569,133</b>
<b>NON CURRENT ASSETS</b>			
<b>Investments</b>			
Fixed Income Fund	4	441,344	309,956
Other Related Entity accounts	8	6,000	5,451
<b>Total Non Current Assets</b>		<b>447,344</b>	<b>315,407</b>
<b>TOTAL ASSETS</b>		<b>917,973</b>	<b>884,540</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable & Accruals	4	88,004	72,812
Employee Costs Payable	4	48,654	104,236
<b>Total Current Liabilities</b>		<b>136,658</b>	<b>177,048</b>
<b>TOTAL LIABILITIES</b>		<b>136,658</b>	<b>177,048</b>
<b>NET ASSETS</b>		<b>781,315</b>	<b>707,493</b>
<b>ACCUMULATED FUNDS</b>			
<b>ACCUMULATED SURPLUSES</b>			
Opening Balance		707,493	545,608
Surplus for the year		73,822	161,885
<b>Closing Balance</b>		<b>781,315</b>	<b>707,493</b>
<b>TOTAL ACCUMULATED FUNDS</b>		<b>781,315</b>	<b>707,493</b>

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

30<sup>th</sup> JUNE 2023

C G Murfitt

S J Wakefield

**CHURCH PROPERTY TRUSTEES**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 \$	2021 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash was received from:		
Revenue from providing services	1,016,866	1,584,031
Interest, dividends and other investment revenue	19,860	1,551
	<u>1,036,726</u>	<u>1,585,582</u>
Cash was applied to:		
Employee related costs	699,411	1,004,468
Grants	10 25,000	-
Expenses for provision of administration services	283,846	359,865
	<u>1,008,257</u>	<u>1,364,333</u>
<b>Net Cash Flows from / (used in) Operating Activities</b>	<u>28,469</u>	<u>221,249</u>
<b>CASH FLOWS FROM INVESTING &amp; FINANCING ACTIVITIES</b>		
Cash was applied to:		
Payments to increase investments in the FIF	131,937	184,871
<b>Net Cash Flows from Investing and Financing Activities</b>	<u>(131,937)</u>	<u>(184,871)</u>
Net increase / (decrease) in Cash	(103,468)	36,378
Opening Cash	493,825	457,447
<b>Closing Cash / (Overdraft)</b>	<u>390,357</u>	<u>493,825</u>
<b>THIS IS REPRESENTED BY:</b>		
Cash at Bank	4 <u>390,357</u>	<u>493,825</u>



**CHURCH PROPERTY TRUSTEES  
NOTES TO THE FINANCIAL PERFORMANCE REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**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**

**Statement of compliance**

The financial statements have been prepared in accordance with the Church Property Trust Act 2003 and New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). CPT qualifies as a Tier 3 reporting entity as for the two most recent periods it is not publicly accountable and not large (operating expenditure is less than \$2m in the current or prior period).

These financial statements were authorised for issue by Church Property Trustees on 30th June, 2023.

CPT has elected from 2022 to apply "Public Benefit Entity International Public Sector Accounting Standard" (PBE IPSAS) 41 Financial Instruments (which replaces PBE IPSAS 28 Financial Instruments - Presentation, PBE IPSAS 29 Financial Instruments - Recognition and Measurement and PBE IPSAS 30 Financial Instruments - Disclosures).

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.

The financial statements have been prepared on a historical cost basis, except for investments which have been measured at fair value.

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, which are reported in the Funds Held accounts; and Estates and Trusts Held accounts both administered by CPT.

**2.2. Changes in Accounting Policies**

There has been a change in the accounting policies as it now incorporates the adoption of IPSAS 41. All other 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. Revenue on capital projects are recorded at stage of completion of the service at balance date.

**(b) Bank Accounts and Cash**

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances. Although cash and cash equivalents at 31 December, 2022 are subjected to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

**(c) Receivables and Prepayments**

Short term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL). This allowance is calculated based on lifetime ECL. In measuring ECL, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery.

**(d) Goods and Services Tax**

CPT is registered for GST. All amounts are recorded exclusive of GST except for accounts receivable and accounts payable which are stated GST inclusive.

**(e) Financial Investments**

*Initial recognition and measurement:*

Financial assets are initially recognised at fair value plus transaction costs unless they are measured at fair value through surplus or deficit, in which case the transaction costs are recognised in the surplus or deficit.

*Subsequent measurement:*

After initial recognition, the managed fund investments in FIF are actively traded with the intention of making profits. Therefore the managed fund FIF invests in are measured at fair value through surplus or deficit.

Method: The fair value investments held in the Fixed Income Fund (FIF) are determined by the Investment Fund published prices, being the price established by the managed funds held within the FIF.

Investment fund administration fees are levied based on funds under management (FUM). The diocese and various estates and trusts are also levied on a smaller rate.

**(f) Payables and Accrued expenses**

Payables 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.

**(i) Income Tax**

CPT is registered as a charitable entity under the Charities Act 2005, which is wholly exempt from New Zealand Income Tax having fully complied with all statutory conditions for these exemptions.

**CHURCH PROPERTY TRUSTEES  
NOTES TO THE FINANCIAL PERFORMANCE REPORT  
AS AT 31 DECEMBER 2022**

**3. AUDIT FEE EXPENSE**

The audit fees expensed by CPT cover the sets of accounts administered by CPT and are allocated based on the estimated work required as per the audit engagement letter.

	2022	2021
Church Property Trustees	11,000	10,000
Estate & Trusts administered by CPT	16,500	15,000
Funds Held administered by CPT	16,500	15,000
	<u>44,000</u>	<u>40,000</u>

**4. FINANCIAL INSTRUMENTS CATEGORY**

The carrying amounts of financial assets and liabilities are in each of the financial instrument categories are as follows:

**a Mandatorily measured at fair value through surplus or deficit:**

**Financial Assets**

Fixed Income Fund for short term funding.	<u>441,344</u>	<u>309,956</u>
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**b Financial assets measured at amortised cost**

Cash and Cash equivalents	390,357	493,825
Receivables	80,271	75,308

**c Financial liabilities measured at amortised cost**

Payables	(136,658)	(177,048)
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<b>Total financial assets less liabilities at amortised cost</b>	<u>333,971</u>	<u>392,085</u>
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**5. CONTINGENT LIABILITIES**

CPT did not have any contingent liabilities at balance date (2021: Nil).

**6. CREDIT RISK**

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

**7. COMMITMENTS**

Church Property Trustees have no operating lease obligations.

**8. RELATED PARTIES**

Anglican Diocese Ministry Support Centre (ADMSC)

CPT shares premises, IT office equipment and staffing resources with the Diocese of Christchurch, ADMSC and Anglican Care. CPT negotiates annually to pay a portion of the shared resources, these expenses in 2022 were \$105,239 (2021: \$254,367 ). The building located at 95 Tuam Street, is known as "The Anglican Centre at Cardale House".

### Solicitors and Barristers

Legal costs for these services are administered across CPT, the Estates and Trusts Held and Funds held. Many of these are property related and are reimbursed by parishes as appropriate.

Mr Maurice Walker of Trollope & Co is the Diocesan Chancellor. During the year Trollope & Co has billed CPT 2022 \$Nil (\$8,700 in 2021).

Mr Alex Summerlee of Parry Field & Co is the Diocesan vice-chancellor and Parry Field billed CPT for \$95,810 (2021 \$20,877). Of the \$95,810, \$3,963 has been recorded in the Statement of Financial Performance for CPT, as this relates solely to Church Property Trustees.

### Funds held and Administered by Church Property Trustees

Church Property Trustees hold and administers investment funds from various entities of the Anglican Diocese of Christchurch. The total investment assets held, as well as income and expenditure related to these investments, are reported in separately prepared and audited financial statements, to those of the financial statements of Church Property Trustees. This is due to Church Property Trustees acting as a trustee on behalf of the various entities with investments within the funds. Church Property Trustees receives contributions in the form of an investment fund administration fee for the service provided, with rates set annually by Church Property Trustees. During the year, Church Property Trustees received contributions of investment fund administration fees of \$592,204 (2021: \$654,971).

### Estates and Trusts held and administered by Church Property Trustees

Church Property Trustees holds and administers trust property of the Anglican Diocese of Christchurch. In addition to this, Church Property Trustees administers the Bishopric Estate, the Dean and Chapter Estate and the General Trust Estate. The trust property and estates are reported in separately prepared and audited financial statements, to those of the financial statements of Church Property Trustees. Church Property Trustees receives a contribution in the form of Estate and Trust Management fees as set annually by Church Property Trustees. During the year, Church Property Trustees received a contribution in the form of estate and trust management fees of \$137,512 (2021: \$105,034).

### Advances to other Related Entities

Related party - Reserve Fund (RF) reported in Funds Held, purpose was cashflow requirements, repaid 2023.

Other

6,000	6,000
-	(549)
<u>6,000</u>	<u>5,451</u>

## **9. SUBSEQUENT EVENTS**

None.

## **10. GRANTS AND ACCUMULATED FUNDS**

In 2022 CPT provided a grant of \$25,000 to assist the Glenmark-Waikari parish with the costs of the St Paul's reinstatement project.



**INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEES OF CHURCH PROPERTY TRUSTEES**

**Report on the Performance Report**

**Opinion**

We have audited the performance report of Church Property Trustees (the Body Corporate), which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 31 December 2022, the statement of financial position as at 31 December 2022, and the statement of accounting policies and other explanatory information.

In our opinion

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b) the accompanying performance report presents fairly, in all material respects:
  - the entity information for the year ended 31 December 2022;
  - the service performance for the year then ended; and
  - the financial position of the Body Corporate as at 31 December 2022, and its financial performance, and cash flows for the year then ended

in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board.

**Basis for Opinion**

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("ISAE (NZ) 3000 (Revised)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Performance Report* section of our report. We are independent of the Body Corporate in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) 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 Body Corporate.

**Other Information**

The Trustees are responsible for the other information. The other information obtained at the date of this auditor's report is information contained in the annual report, but does not include the performance report and our auditor's report thereon.

Our opinion on the performance report does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Trustees for the Performance Report**

The Trustees are responsible for:

- a) identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- b) the preparation and fair presentation of the performance report on behalf of the Body Corporate which comprises:
  - the entity information;
  - the statement of service performance; and
  - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance reportin accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board; and
- c) such internal control as the Trustees determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Trustees are responsible on behalf of the Body Corporate for assessing the Body Corporate's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Body Corporate or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Performance Report**

Our objectives are to obtain reasonable assurance about whether the performance report is 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) and ISAE (NZ) 3000 (Revised) 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 this performance report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the performance report, 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Body Corporate's 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 performance report 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 Body Corporate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We communicate with the Trustees 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 Body Corporate's members, 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 Body Corporate and the Body Corporate's members, as a body, for our audit work, for this report or for the opinions we have formed.

*BDO Christchurch*

BDO Christchurch  
Christchurch  
New Zealand  
30 June 2023