

THE ANGLICAN CENTRE
SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR SIX MONTHS ENDED 31 DECEMBER 2021



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THE ANGLICAN CENTRE

STATEMENT OF FINANCIAL PERFORMANCE
FOR SIX MONTHS ENDED 31 DECEMBER 2021

REVENUE	Note		Six months 2021	Full Year 2020-21
		\$	\$	\$
Service Level Agreements				
Anglican Care		103,239		435,699
Church Property Trustees		128,823		301,812
Anglican Diocesan Ministry Support Centre		547,239		942,070
Total Service Level Agreements	4		779,302	1,679,581
Other Income				
Advertising Income - Anglican Life		5,500		12,850
Accounting Services		1,650		3,150
Bequest Income		-		3,175
Donation Income		500		-
Interest Income	4	628		4,539
Photocopying & Sundry Income		617		469
Theology House - Rent Income		18,305		36,609
Theology House - Expense Recoveries		1,114		2,337
Gain on Sale of Equipment		-		35
Total Other Income			28,314	63,163
Total Revenue			807,616	1,742,744
EXPENSES				
Accommodation - Staff				
Building OPEX Charges		10,548		59,616
Cleaning & Supplies		4,428		11,977
Depreciation - Building Improvements		-		1,406
Building Improvements Written Off		13,641		-
Relocation Costs		25,473		-
Legal & Lease Fees		1,304		1,365
Rent		146,423		312,068
Utilities		6,463		11,754
Total Accommodation Staff			208,279	398,187
Accommodation - Archives				
Building OPEX Charges		1,581		5,335
Insurance & Rates		3,157		7,580
Relocation Costs - Grove Road		34,250		-
Rent		24,950		59,569
Utilities		3,844		8,267
Total Accommodation Archives			67,782	80,751
Equipment				
Depreciation - Furniture & Equipment		6,650		20,279
Depreciation - Container		286		1,299
Fixed Assets written off		15,602		-
Insurance - Contents		417		810
Office Equipment expensed		478		139
Repairs and Maintenance		2,663		5,180
Total Equipment			26,096	27,708

This Statement should be read in conjunction with the Audit Report and Notes to the Financial Statements

THE ANGLICAN CENTRE

STATEMENT OF FINANCIAL PERFORMANCE
FOR SIX MONTHS ENDED 31 DECEMBER 2021



		Six months 2021	Full Year 2020-21
	\$	\$	\$
Staffing			
ACC Levies	718		1,937
Cafeteria Supplies	1,599		3,613
Personnel Costs	4,736		5,551
Professional Development	762		1,567
Professional Memberships	1,616		3,332
Staff Wages	345,189		955,984
Total Staffing		354,621	971,985
Information Technology			
Computer Software Licences	9,655		18,129
Depreciation - Server & Sage Upgrade	17,711		10,377
External Computer Contractors	35,790		65,922
Internet Connection/Web Hosting	830		1,440
Phone/Fax Line Rental & Tolls	5,923		11,251
Rent - City Mission Server Room	4 1,200		2,400
Total Information Technology		71,109	109,518
Stationery, Printing & Postage			
Administration Costs	2,171		1,688
Audit Fees	4,000		3,780
Envelopes, Postage & Courier	1,705		4,068
Archive Materials & costs	3,040		4,112
Photocopying Charges	9,273		22,252
Stationery	3,252		3,883
Total Stationery, Printing & Postage		23,441	39,783
Communications & Media			
Media & Promotional costs	600		1,119
Print expenditure - Anglican Life	20,853		48,015
Staff Wages	31,662		62,371
Website Depreciation	1,600		800
Website Maintenance	1,574		2,508
Total Communications & Media		56,288	114,814
Total Expenses		807,616	1,742,744
<u>Net Surplus/(Loss)</u>		<u>-</u>	<u>-</u>

THE ANGLICAN CENTRE
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021



	Note	31/12/21 \$	30/6/21 \$
EQUITY			
Partners' Investment		3	3
Accumulated Funds		233,826	233,826
TOTAL EQUITY		233,829	233,829
ASSETS			
Current Assets			
Bank Accounts & Cash		96,608	165,185
CPT - Fixed Income Fund	4	-	45,339
Debtors & Prepayments		60,927	5,831
Rent in Advance		143,658	80,026
Plant & Equipment	1	113,179	-
Total Current Assets		414,372	296,381
Non Current Assets			
Plant & Equipment	1	-	174,219
Total Assets		414,372	470,600
LIABILITIES			
Current Liabilities			
Creditors & Accrued Expenses		57,050	89,554
Employee Costs Payable		100,690	119,389
Goods & Services Tax		22,802	27,828
Total Liabilities		180,543	236,771
NET ASSETS		233,829	233,829

Anglican Bishop of Christchurch

Date 5th July 2022

Anglican Centre Finance Manager

Date 5th July 2022

This Statement should be read in conjunction with the Audit Report and Notes to the Financial Statements

Reporting entity

The Anglican Centre is a joint venture consisting of the Anglican Diocesan Ministry Support Centre, the Church Property Trustees and Anglican Care.

The purpose of the joint venture is to support and facilitate the charitable objectives of the three partner entities through the efficient provision of shared services and resources as specified below:

- Provision of shared staffing services, including managerial, financial and property services.
- Provision of suitable equipment, resources and facilities.
- Provision of communications and media relations advice.
- Provision of storage for records and historical documents.

Basis of preparation

These financial statements have been prepared as special purpose reports given the Anglican Centre has no requirement to prepare Generally Accepted Accounting Practice ("NZ GAAP") compliant financial statements under the Financial Reporting Act 2013.

The financial statements have been prepared in accordance with the accounting policies detailed.

The financial statements have been prepared on a realisation basis.

The financial statements have been prepared for the entity's owners up to cessation of the Anglican Centre operations at 31 December 2021. Refer Subsequent Events note in relation to wind up and asset distribution.

These financial statements are for the six month period ending 31 December 2021. The comparative period is for the 12 months ending 30 June 2021.

Historical cost

These financial statements have been prepared on a historical cost basis, except for certain assets which have been revalued as identified in specific accounting policies below.

Changes in accounting policy

All accounting policies of the joint venture have been applied consistently during the year, other than to recognise plant and equipment as a current asset due to the pending wind up of the joint venture.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, to the extent it is probable that the economic benefits will flow to the joint venture and revenue can be reliably measured.

Interest received is recognised as interest accrues, gross of refundable tax credits received.

Goods and services tax

All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Income tax

The joint venture is not a taxable entity. Profits or losses are accounted for by the partner entities, each of which have charitable status for tax purposes.

Accounts receivable

Accounts receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts. Individual debts that are known to be uncollectable are written off in the period that they are identified.

Plant and equipment

Plant and equipment are stated at historical cost less any 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.

All other repairs and maintenance expenditure is recognised in profit and loss as incurred. Depreciation is calculated on a straight line basis over the estimated useful life of the asset using depreciation rates published by Inland Revenue. Assets estimated useful life is reassessed annually.

The following estimated depreciation rates have been used:

Portable buildings & Improvements	7% - 8%
Containers	7%
Computers and software	30 - 40%
Furniture & Fittings	7 - 10.5%
Plant & equipment	6 - 30%

An item of plant and equipment 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 (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Impairment of non-financial assets

At each balance date, non-financial assets are classified into four categories: assets measured at fair value; assets currently available that the joint venture intends to use to the end of its useful life; assets intended to be sold prior to the end of the useful life; and assets damaged or idle at balance date.

Assets measured at fair value or assets the joint venture intends to use to the end of its useful life, are not reviewed for impairment at balance date.

Assets intended to be sold prior to the end of their useful life or assets damaged or idle at balance date are reviewed to determine if any indicators of impairment exist. If indicators exist the asset is tested for impairment to ensure that the carrying amount of the asset is recoverable.

If the recoverable amount of an asset is determined to exceed its carrying amount then the resulting difference is recognised as an impairment in profit or loss for that period.

Financial instruments - financial assets

At initial recognition the joint venture determines the classification of financial assets as either held at fair value, cost or amortised cost. Financial assets are measured initially at fair value, estimated at the transaction price less any associated transaction costs.

Amortised cost

Includes assets where the joint venture intends to earn contractual cash flows in the nature of principal and interest payments. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the profit or loss when the assets are derecognised or impaired, as well as through the amortisation process.

Cost

Equity instruments are classified as held at cost. Assets are stated at cost less any accumulated impairment loss. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired.

Fair value

Financial assets not held at amortised cost or cost are held at fair value. Assets are subsequently measured at fair value only when the fair value of the instrument can be reliably measured based on a quoted price for an identical asset in an active market. Where no active price is available the instrument shall be measured at a prior year's fair value less any accumulated impairment loss.

Leases

Operating lease payments, where the lessors effectively retain substantially all the risk and benefits of ownership of the leased items, are recognised as an expense in profit or loss on a straight line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

1 Plant & Equipment

Asset Class	Cost	Accumulated Depn	Net Book Value
	\$	\$	\$
This Year (1 July 2021 - 31 December 2021)			
Containers	8,165	6,165	2,000
Computers and software	184,748	113,234	71,514
Furniture & Fittings	62,935	29,462	33,473
Plant & equipment	7,486	6,894	592
Website development	15,708	10,108	5,600
Total	279,042	165,863	113,179
Last Year (1 July 2020 - 30 June 2021)			
Portacoms & Improvements	20,085	6,443	13,642
Containers (Archives)	18,564	13,339	5,225
Computers and software	386,878	293,983	92,895
Furniture & Fittings	126,262	77,606	48,656
Plant & equipment	42,420	35,819	6,601
Website development	36,466	29,266	7,200
Total	630,675	456,456	174,219

2 Contingent assets and liabilities

There are no known contingent assets or liabilities as at 31 December 2021 (30 June 2021: Nil).

3 Lease disclosures

Operating Lease	31/12/21	30/6/21
Future minimum lease payments under non-cancellable leases	\$	\$
Current	-	237,775
Non-current	-	29,932
	-	267,707

4 Related parties

Partners	Revenue	Expenses	Loan Receivables & (Payables)	Receivables & (Payables)
	\$	\$	\$	\$
This Year (1 July 2021 - 31 December 2021)				
Anglican Care				3,601
Service level agreement	103,239			
Rent - City Mission Server Room		1,200		
Church Property Trustees			-	7,125
Service level agreement	128,823			
Interest received	587			
Ang Diocesan Ministry Support Centre				32,019
Service level agreement	547,239			

Partners	Revenue	Expenses	Loan Receivables & (Payables)	Receivables & (Payables)
Last Year (1 July 2020 - 30 June 2021)	\$	\$	\$	\$
Anglican Care				(7,761)
Service level agreement	435,699			
Rent - City Mission Server Room		2,400		
Church Property Trustees			45,339	(5,185)
Service level agreement	301,812			
Interest received	4,387			
Ang Diocesan Ministry Support Centre				(19,276)
Service level agreement	942,070			

Service Level Agreements

A Service Level Agreement is negotiated annually in advance with the Anglican Centre partners, based on projected service levels and the recovery of costs budgeted to perform these services.

Terms and conditions of transactions with related parties

Sales to and purchases from related parties are recorded on normal commercial terms.

The Anglican Centre invests in the CPT Fixed Income Fund on the same terms & conditions as other investors.

For the six months ended 31 December 2021, the joint venture has not made any allowance for impairment loss relating to amounts owed by related parties (30 June 2021: \$Nil).

5 Subsequent Events

The three joint venture partners have resolved to wind up the Anglican Centre. The net assets are to be distributed equally between the three partner entities as agreed at the 24th September 2021 Operating Management Board meeting. Financial assets (cash, investments and rent prepayments) less financial liabilities (Employee costs payable) to be paid out at cost; plant & equipment to be paid out at amortised cost. The distribution of the net assets is expected to occur in July 2022.

There are no other significant events subsequent to balance date which would have a material effect on the financial position or performance reflected in the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE PARTNER ENTITIES OF THE ANGLICAN CENTRE

Opinion

We have audited the financial statements of The Anglican Centre ("the joint venture"), which comprise the statement of financial position as at 31 December 2021, and the statement of financial performance for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the joint venture for the period ended 31 December 2021 are prepared, in all material respects, in accordance with the accounting policies specified in the 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 joint venture 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 joint venture.

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

We draw attention to the accounting policies at pages 4 and 5 of the financial statements, which describe the basis of accounting. The financial statements are prepared solely for the joint venture's partners. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the joint venture and the joint venture's partners (Anglican Care, Church Property Trustees and Anglican Diocesan Ministry Support Centre) and should not be distributed to or used by parties other than the joint venture and its partners. Our opinion is not modified in respect of this matter.

Emphasis of Matter - Subsequent Events

We draw attention to page 4, 'Basis of Preparation' which describes the preparation of the financial statements on a realisation basis as a result of the Operating Management Board's resolution to wind up the joint venture subsequent to balance date. Our opinion is not modified in respect of this matter.

Operating Management Board's Responsibilities for the Financial Statements

The Operating Management Board is responsible, on behalf of the joint venture, for the preparation of the financial statements in accordance with the accounting policies specified on pages 4 and 5 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, the Operating Management Board is responsible for assessing the joint venture's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Operating Management Board either intend to liquidate the joint venture 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 joint venture's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Operating Management Board.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Operating Management Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the joint venture'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 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 joint venture to cease to continue as a going concern.

We communicate with the Operating Management Board 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.

BDO Christchurch

BDO Christchurch
Christchurch
New Zealand
5 July 2022