

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

SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2020



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

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ESTATES AND TRUSTS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE PERIOD ENDED 31 DECEMBER 2020



	NOTE	General Trust Estate		Bishopric Estate		Dean & Chapter Estate		Land & Buildings Trusts		Cathedral Trust	
		Dec-20 \$000	Dec-19 \$000	Dec-20 \$000	Dec-19 \$000	Dec-20 \$000	Dec-19 \$000	Dec-20 \$000	Dec-19 \$000	Dec-20 \$000	Dec-19 \$000
INCOME											
Net Return from Investment Funds	3	1,660	1,372	387	429	136	162	(13)	3,186	1,008	2,864
Share of Net Income from Joint Venture	24	-	-	-	-	-	-	-	-	18	14
Insurance Premium Reimbursement	4	1,168	-	-	-	-	-	23	68	-	-
Grants & Donations Received	5, 25*	1,426	-	563	40	-	-	1,768	1,931	10,411	2,079
Interest Income		23	29	-	1	-	-	457	206	1	2
Parish Contributions	6	-	-	-	-	-	-	286	277	-	-
Realisation of Reserves	18	-	-	-	-	-	-	235	2,735	-	-
Write-up from RV to Cost		-	-	-	-	-	-	-	1,901	-	-
Profit from Disposal of Assets	7	-	-	-	2	-	-	475	-	-	-
Sundry Income		-	-	-	-	-	-	46	37	-	-
Total Income		4,277	1,401	950	472	136	162	3,277	10,341	11,437	4,959
EXPENSES											
Earthquake Repair & Build Expenditure	8	-	-	-	-	-	-	2,803	1,132	424	67
Distributions/Donations to Parishes		-	-	-	-	-	-	1,512	20	-	-
Grants Paid	9	992	17-19	259	264	52	52	90	39	-	-
Interest Paid		-	-	-	-	-	-	4	5	-	-
Legal Fees		1	1	-	-	-	-	91	36	(8)	19
Management Fees - CPT		-	-	11	11	4	4	915	945	86	72
Mohaka Forest Expenses		287	118	-	-	-	-	-	-	-	-
Loss from Disposal of Assets	7	-	-	-	-	-	-	-	716	-	-
Property Operating Expenditure		307	-	-	-	-	-	606	218	-	-
Property Sale Expenditure		-	8	-	-	-	-	108	53	-	-
Total Expenditure		1,588	127	270	275	56	56	6,129	3,163	502	158
Net Surplus/(Deficit)		2,689	1,274	680	197	80	106	(2,852)	7,178	10,935	4,801

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 19.

*Prior year restatement, refer note 25

ESTATES AND TRUSTS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020



	General Trust Estate		Bishopric Estate		Dean & Chapter Estate		Land & Buildings Trusts		Cathedral Trust	
NOTE	Dec-20 \$000	Dec-19 \$000	Dec-20 \$000	Dec-19 \$000	Dec-20 \$000	Dec-19 \$000	Dec-20 \$000	Dec-19 \$000	Dec-20 \$000	Dec-19 \$000
CURRENT ASSETS										
Cash & Cash Equivalents	77	188	17	97	2	9	13,074	357	2,378	45
Receivables and Prepayments	228	281	-	3	-	-	4,010	2,955	6,684	7,285
Investment Funds	57	57	-	-	-	-	-	-	-	-
Total Current Assets	362	526	17	100	2	9	17,084	3,312	9,062	7,330
CURRENT LIABILITIES										
Payables & Provisions	193	190	28	38	-	-	1,190	925	1,240	754
Mortgages & Loans	-	-	-	-	-	-	765	836	-	-
Revenue in Advance	-	-	-	-	-	-	4,219	3,308	4,448	6,743
Total Liabilities	193	190	28	38	-	-	6,175	5,069	5,688	7,497
Net Current Assets	169	336	(11)	62	2	9	10,909	(1,757)	3,374	(167)
NON CURRENT ASSETS										
Land & Buildings Held in Trust	-	17-19	-	-	-	-	177,733	172,559	6,390	6,390
Capital Work in Progress	-	157	-	-	-	-	6,277	3,341	14,684	4,036
Investment Funds	16,253	13,206	4,453	3,692	1,523	1,436	26,990	47,878	39,791	43,063
Cathedral Joint Venture	-	-	-	-	-	-	-	-	1,048	1,030
Fixed Assets at Book Value	-	-	23	31	-	-	-	-	-	-
Loans & Mortgages	-	33	-	-	-	-	-	-	-	-
Total Non Current Assets	16,253	13,395	4,476	3,723	1,523	1,436	211,000	223,778	61,913	54,519
NON CURRENT LIABILITIES										
Tenant Liability	-	-	-	-	-	-	1,024	1,024	-	-
Total Non Current Liabilities	-	-	-	-	-	-	1,024	1,024	-	-
Net Non Current Assets	16,253	13,395	4,476	3,723	1,523	1,436	209,976	222,755	61,913	54,519
Net Assets	16,422	13,732	4,465	3,785	1,525	1,445	220,885	220,997	65,288	54,352
EQUITY										
Retained Earnings	16,422	13,732	3,805	3,126	1,525	1,445	74,339	77,191	58,898	47,962
Asset Revaluation Reserve	-	-	-	-	-	-	146,546	143,806	6,390	6,390
CSN Trust Fund	-	-	170	170	-	-	-	-	-	-
Fabric Fund	-	-	490	490	-	-	-	-	-	-
Total Equity	16,422	13,732	4,465	3,785	1,525	1,445	220,885	220,997	65,288	54,352

*Prior year restatement, refer note 25

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

2021.

C G Murfitt
S J Wakefield

ESTATES AND TRUSTS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES
STATEMENT OF MOVEMENTS IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2020



	General Trust Estate		Bishopric Estate		Dean & Chapter Estate		Land & Buildings Trusts		Cathedral Trust	
	Dec-20 \$000	Dec-19 \$000	Dec-20 \$000	Dec-19 \$000	Dec-20 \$000	Dec-19 \$000	Dec-20 \$000	Dec-19 \$000	Dec-20 \$000	Dec-19 \$000
RETAINED EARNINGS										
Balance at 1 January	13,732	12,908	3,785	3,589	1,445	1,339	77,191	70,007	47,962	43,162
Prior year restatement, refer note 25*	-	-	-	-	-	-	-	-	-	2,018
Realisation of Revaluation Reserve	-	-	-	-	-	-	-	-	-	-
Net Surplus/(Deficit)	2,689	824	680	196	80	106	(2,852)	7,184	10,935	2,782
Balance at 31 December 2020	16,422	13,732	4,465	3,785	1,525	1,445	74,339	77,191	58,898	47,962
ASSET REVALUATION RESERVE										
Balance at 1 January	-	-	-	-	-	-	143,806	139,999	6,390	5,800
Release on sale of property	-	-	-	-	-	-	(235)	(2,735)	-	-
Gain/(Loss) on revaluation of property	-	-	-	-	-	-	2,975	6,542	-	590
Balance at 31 December 2020	-	-	-	-	-	-	146,546	143,806	6,390	6,390
TOTAL EQUITY	16,422	13,732	4,465	3,785	1,525	1,445	220,885	220,997	65,288	54,352

*Prior year restatement, refer note 25

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 19.

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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 2020

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 of the Estate to provide, amongst other things, a suitable residence for the Bishop, pay all the running costs, the Bishop's stipend, secretarial support 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 provide, amongst other things, housing and a stipend for the Dean of Christchurch. 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 on the site.

Joint Venture: On the 20th of August 2018 a 50% joint venture was formed with the Christ Church Cathedral Reinstatement Trust [CCRT]. Christ Church Cathedral Reinstatement Limited [CCRL] is the Joint Venture company which was formed for the purpose of reinstating and maintaining Christ Church Cathedral. CCRL is recognised as a Joint Operation, in accordance with the accounting standards the financial statements have included CPT's share of the assets, liabilities revenue and expenses in CCRL, as per Note 24.

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 Trust under management by CPT. They do not include any of the income, expenditure, assets or liabilities belonging to CPT itself.

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 2020

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, other than in Land & Buildings Trusts recognising the use of quotable values in the revaluation of properties, where the rateable valuations have not been finalised (refer note 12). Otherwise 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.

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) Income Tax

Tax payable (if any at all) is payable by the investing entities.

d) Goods & Services 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.

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.

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 2020

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.

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.

**ESTATES AND TRUSTS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES
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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) Fixed Asset Policy and Depreciation Rate

Motor Vehicles and plant are at cost less accumulated depreciation. Depreciation is provided on a straight-line basis to allocate the assets cost, less estimated residual value over the estimated economic life.

3. NET RETURN FROM INVESTMENT FUNDS

	General Trust Estate		Bishopric Estate		Dean & Chapter Estate		Land & Buildings Trusts		Cathedral Trust	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
BGF Revaluation	1,339	1,451	387	429	136	162	71	-	-	-
Net Income from Insurance Proceeds funds	-	-	-	-	-	-	(84)	3,186	1,008	2,864
Mohaka Forest Revaluation (92%)	321	(79)	-	-	-	-	-	-	-	-
	<u>1,660</u>	<u>1,372</u>	<u>387</u>	<u>429</u>	<u>136</u>	<u>162</u>	<u>(13)</u>	<u>3,186</u>	<u>1,008</u>	<u>2,864</u>

The Balanced Growth Fund (BGF) returns in 2020 were 11.9% net of all fees (2019 -13.0%).

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	
	2020	2019
	\$000	\$000
2008 Trees (31 hectares)	266	220
2020 Trees (112 hectares)	264	Nil
Land Valuation	506	506
Total Land & Trees Valuation	<u>1,036</u>	<u>726</u>

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 2020

4. INSURANCE PREMIUM REIMBURSEMENT AND SETTLEMENTS

Insurance settlements of \$19.696m (2019 \$4.42m) were made from the Insurance Proceeds Funds and \$19.673m (2019 \$4.35m) were transferred into the Fixed Income Fund. The General Trust Estate received reimbursement of the 2012/13 insurance premium costs \$1.168m, (2019 \$Nil). Direction is being sought from the High Court on the allocation of any surplus insurance funds.

5. GRANTS & DONATIONS RECEIVED

The General Trust Estate (GTE) received a one-off grant from CPT of \$1.426m. Of this \$500k was paid by the GTE to the Bishopric Estate (2019 \$Nil).

Grants of \$2.325m (2019: \$2.645m) have not been recognised as income, due to unfulfilled requirements at balance date, in the Land & Buildings Held in Trust Estate. See Note 10.

	Cathedral Trust	
	2020	2019
	\$000	\$000
Donation from GCTB to BGF to CIPF	-	61
CCRT costs 2019	-	2,018
CCRT costs 2020	7,615	
Cathedral Lotteries grant	2,586	
CWM LINZ grant	200	
CWM LINZ grant	10	-
	<u>10,411</u>	<u>2,079</u>

6. PARISH CONTRIBUTIONS

	2020	2019
	\$000	\$000
Betterment	185	179
Capital mortgage	66	46
Insurance excess	35	52
	<u>286</u>	<u>277</u>

ESTATES AND TRUSTS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES
SPECIAL PURPOSE FINANCIAL STATEMENTS
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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 will be consulted with and agreement will be 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 Mortgage 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.

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

	Dean & Chapter Estate		Land & Buildings Trusts		Cathedral Trust	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Profits on Sale Assets						
Strowan Road, Fendalton	-	-	82	-	-	-
Kauri Street, Timaru, Temuka	-	-	15	-	-	-
Vicarage, Julius Place, Akaroa	-	-	364	-	-	-
Other materials recoveries	-	-	14	-	-	-
(Loss) on Sale of Assets						
952 Medbury, Hawarden	-	-	-	(45)	-	-
All Saints, Parnassus St Waiau, Amuri	-	-	-	(260)	-	-
St Johns Church, Bishopdale	-	-	-	(105)	-	-
St Annes, Opawa - St Martins	-	-	-	(280)	-	-
St Peters, Jacobs River, Westland	-	-	-	(12)	-	-
St Barnabas, Chatham Islands	-	-	-	(14)	-	-
	-	-	475	(716)	-	-

**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 2020**

8. EARTHQUAKE REPAIR INCOME AND EXPENDITURE

The write up from rateable valuation to cost is \$nil (2019 \$1.901m).

	Land & Buildings Trusts		Cathedral Trust	
	2020	2019	2020	2019
	\$000	\$000	\$000	\$000
Earthquake Repair Expenses	696	506	-	-
Contract Works Insurance	-	-	215	-
Consultancy & Professional Fees	1,032	417	154	36
Other	1,075	209	55	31
	<u>2,803</u>	<u>1,132</u>	<u>424</u>	<u>67</u>

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.

9. GRANTS PAID

	General Trust Estate		Bishopric Estate		Dean & Chapter Estate		Land & Buildings Trusts	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Anglican Diocese Ministry Support Centre	371	369	-	-	-	-	-	-
Diocese of Christchurch	121	81	259	264	-	-	90	39
Cathedral Chapter	-	-	-	-	52	52	-	-
Bishopric Estate	500	-	-	-	-	-	-	-
	<u>992</u>	<u>450</u>	<u>259</u>	<u>264</u>	<u>52</u>	<u>52</u>	<u>90</u>	<u>39</u>

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 Trust includes a one-off grant paid in 2020 of \$67,500 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

Grants of \$2.325m (2019: \$2.645m) have not been recognised as income, due to unfulfilled requirements at balance date, in the Land & Building Trusts.

	Land & Buildings Trusts		Cathedral Trust	
	2020	2019	2020	2019
	\$000	\$000	\$000	\$000
Anississ Garland Charitable Trust - St Peters Church Upper Riccarton	3	3	.	.
Canterbury Earthquake Heritage Building Trust - Mariner's Bell Tower Lyttelton	.	45	.	.
Canterbury Earthquake Heritage Building Trust - St Peters Upper Riccarton	200	200	.	.
Halswell Hornby, Riccarton Community Board - St Peters Upper Riccarton	30	30	.	.
New Zealand Lotteries Grant Board - St Pauls Church Glenmark	.	720	.	.
New Zealand Lotteries Grant Board - St Johns Church Okains Bay	450	.	.	.
New Zealand Lotteries Grant Board - Christ Church Cathedral	.	.	3,000	6,000
Parish funds - St Ambrose Church Aranui	3	.	.	.
Parish funds - St Pauls Church Glenmark	289	289	.	.
Parish funds - St Peters Church Upper Riccarton	1,250	1,250	.	.
Parkinson Memorial Park Trust - St Kentigern & St Pauls Mt Herbert	.	8	.	.
Rata Foundation - St Peters Church Upper Riccarton	100	100	.	.
Other Receivables and Prepayments	1,685	310	3,684	1,285
	<u>4,010</u>	<u>2,955</u>	<u>6,684</u>	<u>7,285</u>

Prepayments include the amount transferred to LBT for betterment works to St Mark's Church in Opawa of \$1.19m (2019 Nil).

ESTATES AND TRUSTS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES
SPECIAL PURPOSE FINANCIAL STATEMENTS
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11. CAPITAL 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 \$6.277m (2019 \$3.341m) is held as capital works in progress in LBT. These amounts will be capitalised on completion of the respective projects.

Cathedral Trust (WIP) \$ 000's	Year 2020 \$ 000	Year 2019 \$ 000	Project to Date at Dec 2020 \$ 000
CPT Share Cathedral WIP	3,712	2,018	5,730
Christ Church Cathedral Reinstatement Trust: (CCRT) Share WIP	6,936	2,018	8,954
	10,648	4,036	14,684

All the WIP paid for by CCRT from the beginning of Christ Church Cathedral reinstatement has been recognised this year in the financial statements as WIP and donations.

**ESTATES AND TRUSTS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES
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12. LAND & BUILDINGS HELD IN TRUST

District Council	Land & Buildings Held in Trust				Cathedral Trust			
	Land	Improvements	Capital Value 2020	2019 \$000	Rating Valuation Date	District Council	Land	Improvements
	\$000	\$000	\$000	\$000			\$000	\$000
Ashburton	3,496	3,242	6,738	6,738	2018			
Chatham	229	142	371	371	2018			
Christchurch	69,980	59,940	129,919	127,233	2019	Christchurch	6,390	6,390
Hurunui	1,777	1,477	3,254	3,254	2019			
Mackenzie **	3,205	450	3,655	2,570	2020			
Selwyn	7,911	3,761	11,672	11,672	2018			
Timaru **	5,385	7,791	13,176	11,819	2020			
Waimakariri	3,504	2,729	6,233	6,233	2019			
Waimate	445	606	1,051	1,051	2018			
Westland	722	942	1,664	1,618	2020			
	<u>96,654</u>	<u>81,079</u>	<u>177,733</u>	<u>172,559</u>			<u>6,390</u>	<u>6,390</u>

**Increase as a result of using Quotable Value (QV's) \$2.7m (2019: Nil), for Mackenzie and Timaru District Councils.

ESTATES AND TRUSTS HELD AND ADMINISTERED BY CHURCH PROPERTY TRUSTEES
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13. INVESTMENT FUNDS

	General Trust Estate		Bishopric Estate		Dean & Chapter Estate		Land & Buildings Trusts		Cathedral Trust	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Mohaka Forest Fund	1,192	726	-	-	-	-	-	-	-	-
Balanced Growth Fund	15,061	12,480	4,453	3,691	1,523	1,436	1,049	617	-	-
Cathedral Insurance Proceeds Fund	-	-	-	-	-	-	-	-	-	-
Fixed Income Fund	-	-	-	-	-	-	27,436	8,294	39,791	43,063
Insurance Proceeds Fund	-	-	-	-	-	-	(1,495)	38,968	-	-
	16,253	13,206	4,453	3,691	1,523	1,436	26,990	47,878	39,791	43,063

Funds invested in the Insurance Proceeds Fund have been transferred to the Fixed Income Fund and Term Deposits during 2020. The Cathedral Insurance Proceeds Fund has decreased in 2020 due to spending on developed design and stabilisation.

14. LOANS SECURED UNDER MORTGAGES

The remaining secured loan receivable in the General Trust Estate was fully repaid by the Cathedral Grammar school in January 2020 (2019: \$8,580). There remains a loan receivable to GTE from Mohaka Forest Fund, previously shown in receivables.

15. 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 represents the Building Value of the units not owned by the L&BT.

16. THE COMMUNITY OF THE SACRED NAME TRUST (CSN)

The CSN purchased land occupied by the Community from CPT for \$5. A donation of \$170,000 was made to the Bishopric Estate to be held in a sub trust entitled "The Community of the Sacred Name Trust Fund". Both of these transactions occurred many years ago. The income from the donation is to be applied on an annual basis for the requirements of the Bishopric Estate.

17. 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.

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18. RELEASE OF REVALUATION RESERVE ON SALE OF PROPERTY

The revaluation releases on the revaluation reserve occurred in 2020 of \$235,000 for the sale of properties (2019: \$2,735m).

19. GAIN (LOSS) ON REVALUATION OF PROPERTY

The increase in rateable value of the Land and Buildings held in Trust is \$2.740m (2019: \$6.542m). The Cathedral rateable land value remains at \$6.4m (2019: \$6.4m).

20. 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.

21. COMMITMENTS

The operating lease obligation on the Grange Street storage facility ended during this year (2019: \$46,669).

22. CONTINGENT ASSETS AND LIABILITIES

In respect of insurance proceeds received from ACS as a global insurance settlement, CPT has applied to the Courts for confirmation of how it may treat any surplus. The Trustees will act in compliance with the Court direction when it is received.

23. 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 on an arms-length basis. 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 up to balance date.

Explanation: Arm's Length

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

Wynn Williams

Jeremy Johnson, the Diocesan Chancellor until September 2020 was a Partner at Wynn Williams and is now in his own practice Bankside Chambers. Wynn Williams provided legal services to CPT on behalf of Estates & Trusts to the value of \$8,842 (2019: \$68,441). The transactions were at an arm's length basis. Additional work was commissioned by CPT in conjunction with Parishes for conveyancing and other matters regarding property. The cost of these invoices has been met by the Parishes concerned.

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Trollope & Co

Maurice Walker, the Diocesan Chancellor appointed from September 2020 is a partner in Trollope & Co. No payments have been made in 2020 (2019 Nil).

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 \$Nil 2020 (2019: \$10,082). The transactions were at an arms-length basis.

24. INVESTMENT IN CATHEDRAL JOINT VENTURE

In 2018, in response to the 2017 Diocesan Synod decision to reinstate Christ Church Cathedral, CPT entered into a Joint Venture Agreement [JVA] with Christ Church Cathedral Reinstatement Trust [CCRT], established by the Crown to raise the shortfall in funding for the project, and Christ Church Cathedral Reinstatement Limited [CCRL], a company formed to undertake the project. Under the terms of the JVA, CPT and CCRT have both provided a \$1 million working capital advance to CCRL. The CPT share (50%) of reported profit/loss by CCRL is recognised in the financial statements.

25. PRIOR YEAR ADJUSTMENTS

A prior year restatement of \$2.018m was made to donations received and capital work in progress in the Cathedral Trust (refer note 11 & 5). The donation received represents the Christ Church Cathedral reinstatement costs incurred by CCRT.

26. SUBSEQUENT EVENTS

There have been no events post balance date.

2019: Subsequent to balance date the impacts of the Coronavirus [COVID-19] pandemic have caused significant reductions and volatility in equity investment values. These significant reductions in value are not recorded in the value of the Estates and Trusts at 31st December 2019. 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 accompanying 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 Trusts
- ▶ Cathedral Trust

These financial statements comprise the statement of financial position of each of the Estates and Trusts as at 31 December 2020, and their statement of financial performance and statement of movements in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of each of the Estates and Trusts for the year ended 31 December 2020 are prepared, in all material respects, in accordance with the accounting policies as set out in Note 2.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand). 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 *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 interest in, the Estates and Trusts. Partners and employees of our firm may deal with the Estates and Trusts on normal terms within the ordinary course of the trading activities of the Estates and Trusts.

Emphasis of matter - Basis of accounting and restriction on use

We draw attention to Note 2 to 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 used by parties other than the aforementioned. Our opinion is not modified in respect of this matter.

Information other than the financial statements and auditor's report

Those charged with governance are responsible for the Annual Report, which includes information other than the financial statements and auditor's report which is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and, if uncorrected, to take appropriate action to bring the matter to the attention of users for whom our auditor's report was prepared.

Those charged with governance responsibilities for the financial statements

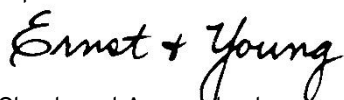
Those charged with governance are responsible, on behalf of the Estates and Trusts, for the preparation of the financial statements in accordance with the accounting policies set out in note 2 and for such internal control as management determines is necessary to enable the preparation of financial statements 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 related 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 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 International Standards on Auditing (New Zealand) 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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board website: <https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>. This description forms part of our auditor's report.



Chartered Accountants
Christchurch
25 May 2021