

# Social Service Council of the Diocese of Christchurch

## Annual Financial Statements For the year ended 30 June 2022





## **Social Service Council of the Diocese of Christchurch**

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For the year ended 30 June 2022

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Social Service Council of the Diocese of Christchurch



Statement of Comprehensive Revenue and Expenses  
For the year ended 30 June 2022

|   | Note   | 2022<br>\$'000             | 2021 (Restated)<br>\$'000  |
|---|--------|----------------------------|----------------------------|
| <b>Income</b>   |        |                            |                            |
| <u>Revenue from Non-exchange Transactions:</u>  |        |                            |                            |
| Appeals and Donations   | 1      | 3,539                      | 3,501                      |
| Grants  | 2      | 58                         | 167                        |
| Legacies and Endowments   |        | 230                        | 177                        |
|   |        | <u>3,827</u>               | <u>3,845</u>               |
| <u>Revenue from Exchange Transactions:</u>  |        |                            |                            |
| Government Contracts  |        | 2,777                      | 2,614                      |
| Grants  | 2      | 7,194                      | 2,906                      |
| Opportunity Shop Sales  |        | 809                        | 1,066                      |
| Fees  |        | 0                          | 2                          |
|   |        | <u>10,780</u>              | <u>6,588</u>               |
| <u>Other Income:</u>  |        |                            |                            |
| Other Income  |        | 499                        | 412                        |
| Dividends   |        | 493                        | 341                        |
| Gains on Investment   |        | 125                        | 98                         |
| Interest  | 21     | 260                        | 286                        |
|   |        | <u>1,377</u>               | <u>1,137</u>               |
| <b>TOTAL INCOME</b>   |        | <u><b>15,984</b></u>       | <u><b>11,570</b></u>       |
| <b>Expenses</b>   |        |                            |                            |
| Appeals and Publicity   |        | 202                        | 151                        |
| Programme Delivery Costs  |        | 657                        | 540                        |
| Employee Benefits Expense   | 18, 19 | 7,730                      | 6,389                      |
| Property Costs  |        | 1,586                      | 803                        |
| Administration and General Costs  |        | 1,148                      | 1,396                      |
| Audit Fees  | 3      | 25                         | 27                         |
| Depreciation  | 4      | 323                        | 329                        |
| <b>TOTAL EXPENSES</b>   |        | <u><b>11,671</b></u>       | <u><b>9,635</b></u>        |
| <b>Surplus/(Deficit) for the period attributable to operations<br/>excluding movement in fair value of property</b> |        | <u><b>4,313</b></u>        | <u><b>1,935</b></u>        |
| Movement in fair value of Investment Properties   | 10     | 100                        | 366                        |
| <b>Surplus for the period attributable to the Council</b>   |        | <u><b>4,413</b></u>        | <u><b>2,301</b></u>        |
| <b>Other Comprehensive Income and Expenses</b>  |        |                            |                            |
| Movement in fair value of Available-for-Sale Financial Assets   | 14     | (2,191)                    | 1,523                      |
| <b>Total Other Comprehensive Income and Expenses</b>  |        | <u><b>(2,191)</b></u>      | <u><b>1,523</b></u>        |
| <b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE<br/>COUNCIL</b>   |        | <u><u><b>2,222</b></u></u> | <u><u><b>3,824</b></u></u> |

The notes to the accounts on pages 6 to 20 form part of and are to be read in conjunction with these accounts.

Social Service Council of the Diocese of Christchurch



Statement of Comprehensive Revenue and Expenses  
For the year ended 30 June 2022

|   | Note | 2022<br>\$'000 | 2021 (Restated)<br>\$'000 |
|---|------|----------------|---------------------------|
| <b><u>Total Comprehensive Income is made up as follows:</u></b>   |      |                |                           |
| Movement in fair value of Investment Properties   | 10   | 100            | 366                       |
| Movement in fair value of Available-for-sale Financial Assets   | 14   | (2,191)        | 1,523                     |
| Net income for the period attributable to members excluding the movement in fair value of investment properties |      | 4,313          | 1,935                     |
| <b>TOTAL COMPREHENSIVE INCOME (See above)</b>   |      | <b>2,222</b>   | <b>3,824</b>              |

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# Social Service Council of the Diocese of Christchurch



## Statement of Financial Position as at 30 June 2022

|   | Note | 2022<br>\$'000 | 2021<br>(Restated)<br>\$'000 |
|---|------|----------------|------------------------------|
| <b>EQUITY</b>                                   |      |                |                              |
| Accumulated Comprehensive Revenue and Expenses  | 13   | 27,211         | 23,004                       |
| Available for Sale Reserve                      | 14   | (2,191)        | 1,523                        |
| Trusts and Special Funds                        | 15   | 25,235         | 23,506                       |
| <b>TOTAL EQUITY ATTRIBUTABLE TO THE COUNCIL</b> |      | <b>50,255</b>  | <b>48,033</b>                |
| <b>ASSETS</b>                                   |      |                |                              |
| Cash and Cash Equivalents                       | 5    | 1,636          | 2,496                        |
| Short Term Deposits                             | 6    | 3,018          | 3,419                        |
| Trade and Other Receivables                     | 7    | 428            | 221                          |
| Prepayments                                     | 7    | 75             | 74                           |
| Accrued Interest                                | 21   | 149            | 142                          |
| Investments                                     | 8    | 39,513         | 41,067                       |
| Property, Plant and Equipment                   | 9    | 20,237         | 16,087                       |
| Investment Property                             | 10   | 2,850          | 2,750                        |
| <b>TOTAL ASSETS</b>                             |      | <b>67,906</b>  | <b>66,256</b>                |
| <b>LIABILITIES</b>                              |      |                |                              |
| Trade and Other Payables                        | 11   | 1,425          | 871                          |
| Employee Entitlements                           | 19   | 673            | 539                          |
| Other Liabilities                               | 12   | 15,553         | 16,813                       |
| <b>TOTAL LIABILITIES</b>                        |      | <b>17,651</b>  | <b>18,223</b>                |
| <b>NET ASSETS</b>                               |      | <b>50,255</b>  | <b>48,033</b>                |

Trust Board Member

Treasurer

Date: 04 October 2022

The notes to the accounts on pages 6 to 20 form part of and are to be read in conjunction with these accounts.

**Statement of Cash Flows**  
**For the year ended 30 June 2022**

|  | Note  | 2022<br>\$'000 | 2021<br>\$'000 |
|--|-------|----------------|----------------|
| <b>Cash flows from operating activities</b>                            |       |                |                |
| <i>Cash was received from -</i>  |       |                |                |
| Receipts from residents and tenants                                    |       | 499            | 406            |
| Interest received  |       | 253            | 327            |
| Dividends received   |       | 493            | 341            |
| Donations received   |       | 3,539          | 3,501          |
| Opportunity shop sales   |       | 809            | 1,066          |
| Legacies and income from endowments                                    |       | 230            | 177            |
| Government contract income received                                    |       | 2,777          | 2,614          |
| Grants received  |       | 7,044          | 3,073          |
| Increase/(Decrease) in funds held on behalf of City Mission Foundation |       | 1,032          | (1,052)        |
|  |       | <u>16,676</u>  | <u>10,453</u>  |
| <i>Cash was applied to -</i>   |       |                |                |
| Payments to employees  |       | 7,388          | 6,302          |
| Payments to suppliers  |       | 2,275          | 2,446          |
| Grants, relief and assistance paid                                     |       | 33             | 56             |
|  |       | <u>9,696</u>   | <u>8,804</u>   |
| <b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>                        | 20    | <b>6,980</b>   | <b>1,649</b>   |
| <b>Cash flows from investing activities</b>                            |       |                |                |
| <i>Cash was received from -</i>  |       |                |                |
| Sale and maturity of investments                                       |       | 4,199          | 7,343          |
| Sale of property, plant and equipment                                  |       | 0              | 6              |
|  |       | <u>4,199</u>   | <u>7,349</u>   |
| <i>Cash was applied to -</i>   |       |                |                |
| Increase/(Decrease) short term deposits                                | 6     | (401)          | (581)          |
| Purchase of investments  |       | 7,112          | 7,938          |
| Purchase of property, plant and equipment                              | 9, 12 | 5,328          | 1,173          |
| Purchase of investment properties                                      | 10    | 0              | 34             |
|  |       | <u>12,039</u>  | <u>8,564</u>   |
| <b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>                     |       | <b>(7,840)</b> | <b>(1,215)</b> |
| <b>Net Increase/(Decrease) in cash</b>                                 |       | <b>(860)</b>   | <b>434</b>     |
| Cash and cash equivalents at 1 July                                    |       | 2,496          | 2,062          |
| <b>Cash and cash equivalents at 30 June</b>                            | 5     | <b>1,636</b>   | <b>2,496</b>   |

The notes to the accounts on pages 6 to 20 form part of and are to be read in conjunction with these accounts.

**Statement of Changes in Equity**  
**For the year ended 30 June 2022**

**Equity 2022**

|   | Note | Accumulated Comprehensive Income and Expenses | Available for Sale Reserve | Trust and Special Funds | Total Equity     |
|---|------|---|----------------------------|-------------------------|------------------|
| Balance as at 1 July 2021   |      | \$'000<br>23,004                              | \$'000<br>1,523            | \$'000<br>23,506        | \$'000<br>48,033 |
| Net income for the period attributable to the Council excluding movement in fair value of investment property   | 13   | 4,313   |                            |                         | 4,313            |
| Movement in fair value of Investment Properties   | 10   | 100   |                            |                         | 100              |
| Movement in fair value of Available-for-sale Financial Assets   | 14   |   | (2,191)                    |                         | (2,191)          |
| <b>Total Comprehensive Income</b>   |      | 4,413   | (2,191)                    | 0                       | 2,222            |
| <u>Fund reallocation transfers</u>  |      |   |                            |                         |                  |
| Net income for the period attributable to the Council excluding movement in fair value of investment property transferred to Trusts and Special Funds | 13   | (4,313)                                       |                            | 4,313                   | 0                |
| Capital grants in respect of capital expenditure  | 13   | 4,430   |                            | (4,430)                 | 0                |
| Amortisation of past grants   | 13   | (323)   |                            | 323                     | 0                |
| Transfer of 2021 revaluation of available-for-sale financial assets to Trusts & Special Funds   | 14   |   | (1,523)                    | 1,523                   | 0                |
| <b>Total capital receipts/(payments)</b>  |      | (206)   | (1,523)                    | 1,729                   | 0                |
| <b>Equity 30 June 2022</b>  |      | <b>27,211</b>                                 | <b>(2,191)</b>             | <b>25,235</b>           | <b>50,255</b>    |

**Equity 2021**

|   | Note | Accumulated Comprehensive Income and Expenses | Available for Sale Reserve (Restated) | Trust and Special Funds | Total Equity (Restated) |
|---|------|---|---------------------------------------|-------------------------|-------------------------|
| Balance as at 1 July 2020   |      | \$'000<br>21,364                              | \$'000<br>1,007                       | \$'000<br>22,177        | \$'000<br>44,548        |
| Net income for the period attributable to the Council excluding movement in fair value of investment property   | 13   | 1,935   |                                       |                         | 1,935                   |
| Movement in fair value of Investment Properties   | 10   | 366   |                                       |                         | 366                     |
| Other comprehensive income:<br>Movement in fair value of Available-for-sale Financial Assets  | 14   |   | 1,523                                 |                         | 1,523                   |
| <b>Total Comprehensive Income</b>   |      | 2,301   | 1,523                                 | 0                       | 3,824                   |
| <u>Fund reallocation transfers</u>  |      |   |                                       |                         |                         |
| Net income for the period attributable to the Council excluding movement in fair value of investment property transferred to Trusts and Special Funds | 13   | (438)   |                                       | 438                     | 0                       |
| Capital grants in respect of capital expenditure  | 13   | 106   |                                       | (106)                   | 0                       |
| Amortisation of past grants   | 13   | (329)   |                                       | 329                     | 0                       |
| Transfer of 2020 revaluation of available-for-sale financial assets to Trusts & Special Funds   | 14   |   | (668)                                 | 668                     | (0)                     |
| Transfer of revaluation of available-for-sale financial assets to City Mission Foundation liability   | 14   |   | (339)                                 |                         | (339)                   |
| <b>Total capital receipts/(payments)</b>  |      | (661)   | (1,007)                               | 1,329                   | (339)                   |
| <b>Equity 30 June 2021</b>  |      | <b>23,004</b>                                 | <b>1,523</b>                          | <b>23,506</b>           | <b>48,033</b>           |

The notes to the accounts on pages 6 to 20 form part of and are to be read in conjunction with these accounts.



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For the year ended 30 June 2022**

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The notes to the accounts on pages 6 to 20 form part of and are to be read in conjunction with these accounts.



## Social Service Council of the Diocese of Christchurch

### Notes to the Accounts

For the year ended 30 June 2022

#### Reporting Entity

The Social Service Council of the Diocese of Christchurch is a body corporate incorporated under the Social Service Council of the Diocese of Christchurch Act 1952, a charity registered under the Charities Act 2005, and is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act 2013.

The principal activities of the Social Service Council include operating in the Aged Care sector, City Mission and South Canterbury social services areas.

#### Basis of Preparation

These financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards and applicable Financial Reporting Standards, as appropriate for Tier 2 not-for-profit public benefit entities, for which all reduced disclosure regime exemptions have been adopted. The Council qualifies as a Tier 2 reporting entity as it does not have public accountability and is not large. There have been no changes in accounting policies.

The information is presented in New Zealand dollars, which is the Social Service Council's functional currency, rounded to the nearest thousand. There has been no change in the functional currency during the year.

#### Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and the Statement of Financial Position on a historical cost basis are followed by the Social Service Council, with the exception that certain assets as specified below have been revalued.

#### Critical Estimates and Judgements

In preparing these financial statements the Social Service Council was required to make estimates and assumptions. These estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the following accounting policies and notes:

|   |                           |         |
|---|---------------------------|---------|
| Valuation and depreciation of Property, Plant and Equipment | Refer: Policy (f) and (g) | Note 9  |
| Valuation of Investment Property                            | Refer: Policy (j)         | Note 10 |
| Valuation of Investments                                    | Refer: Policy (p)         | Note 8  |
| Valuation of Financial Instruments                          | Refer: Policy (p)         | Note 21 |

#### Specific Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. The significant accounting policies are set out below:

##### (a) Revenue

Revenue is recognised when the amount of revenue can be reliably measured and it is probable that economic benefits will flow. Revenue is measured at the fair value of considerations received or receivable.

##### (i) Revenue from Exchange Transactions

###### Contract Income

Contract income is of a revenue nature, relating to the provision of care for the ageing and social work and is credited direct to income and is recognised to the extent that service delivery requirements are met.

###### Grant Income (exchange)

Grant income from exchange transactions is of a revenue nature, relating to provision of social work carried out by the Social Service Council where there are specific conditions attached to the grants. It is credited to income and is recognised to the extent that the grant conditions are met. If conditions are not met, then the related items are recognised as a liability in the Statement of Financial Position.

###### Opportunity Shop Income

Sales revenue comprises the amounts received for goods supplied to customers in the ordinary course of business during the financial year reported on.

##### (ii) Revenue from Non-Exchange Transactions

Non-exchange transactions are those where the Council receives an inflow of resources but provides no (or nominal) direct consideration in return. With the exception of services-in-kind, inflows of resources from non-exchange transactions are only recognised as assets where both:

- \* It is probable that the associated future economic benefits or service potential will flow to the entity, and
- \* Fair value is reliably measurable.

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow.

## Social Service Council of the Diocese of Christchurch

### Notes to the Accounts

#### For the year ended 30 June 2022

Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where both:

- \* It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation, and
- \* The amount of the obligation can be reliably estimated.

The following specific criteria in relation to non-exchange transaction revenue streams must also be met before revenue is recognised.

#### Appeals and Donations

All monetary appeals, donations and fund-raising income are recognised as they are received and are included in the Statement of Comprehensive Revenue and Expenses. Donations for general purposes are included in divisional operational income. Donations for specific purposes are allocated to special funds, from which transfers have been made, when related expenditure has been incurred.

#### Grant Income (non-exchange)

Grant income from non-exchange transactions is of a revenue nature, relating to provision of social work carried out by the Social Service Council where there are no specific conditions attached. This income is recognised as revenue when the grant is received.

#### Legacies and Endowments

All legacies and endowments are included in the Statement of Comprehensive Revenue and Expenses when it is probable that the future economic benefits will flow to the Social Service Council. Legacies are allocated to trust and special funds and distributed to areas of work in accordance with the will of the legatee.

#### Volunteer Services

Volunteer committee members and other workers also donate time to enable the work of the Social Service Council to be carried out. The amount of this time is estimated in the notes to the accounts, however the value of this time is not included in these accounts because it cannot be reliably measured.

#### (iii) Other Income

#### Dividend Income

Dividends are recognised to the Statement of Comprehensive Revenue and Expenses when the right to receive payment is established.

#### Insurance Receipts

Insurance income is only recognised when a reliable estimate of the insurance claim proceeds is able to be made.

#### **(b) Finance Income and Finance Costs**

Finance income comprises interest income on financial assets, gains on the disposal of available-for-sale financial assets and fair value gains on financial assets at fair value through surplus or deficit. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprises interest expense on financial liabilities, unwinding of the discount on provisions, fair value losses on financial assets at fair value through surplus or deficit and impairment losses recognised on financial assets.

#### **(c) Operating Leases**

Leases under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments are charged to the Statement of Comprehensive Revenue and Expenses on a straight line basis over the periods of expected benefit.

#### **(d) Taxation**

The Social Service Council is registered as a charitable entity under the Charities Act 2005 (registration number CC27132). The charitable nature of the Social Service Council exempts it from liability to income tax.

#### **(e) Goods and Services Tax**

With the exception of accounts receivable and payable, all items are stated exclusive of goods and services tax.

#### **(f) Property, plant and equipment**

Items of property, plant and equipment are initially measured at cost, except those acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

\* Cost Model: Cost (or fair value for items acquired through non-exchange transactions) less accumulated depreciation and impairment.

\* Revaluation Model: fair value, less accumulated depreciation and accumulated impairment losses recognised after the date of the most recent revaluation.

Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from the carrying amount.



Gains and losses on revaluation are recognised in other comprehensive revenue and expense and presented in the revaluation surplus reserve within net assets/equity. Gains or losses relating to individual items are offset against those from other items in the same class of property, plant and equipment, however gains or losses between classes of property, plant and equipment are not offset.

Any revaluation losses in excess of credit balance of the revaluation surplus for that item of property, plant and equipment are recognised in surplus or loss as an impairment.

All of the items of property, plant and equipment are subsequently measured in accordance with the cost model.

The cost of plant, equipment and vehicles includes all costs directly attributable to bringing the item into working condition for its intended use.

Gains and losses on disposal are determined by comparing the proceeds received with the carrying amounts. The gain or loss arising from the disposal of an item of property, plant and equipment is recognised in the Statement of Comprehensive Revenue and Expenses.

The costs of regular repairs and maintenance is expensed. The costs of major upgrades or refurbishments are capitalised if it results in a material enhancement to the service potential or economic benefits of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Social Service Council, and the cost of the item can be measured reliably.

#### **(g) Depreciation**

Depreciation is provided on all property, plant and equipment other than freehold land, and is calculated using the straight line basis, assuming nil residual values and the following economic lives:

|           |            |
|-----------|------------|
| Buildings | 50 years   |
| Equipment | 5-20 years |
| Computers | 3 years    |
| Vehicles  | 5 years    |

The depreciation methods, residual value and economic lives are reviewed and adjusted if appropriate at each reporting date.

#### **(h) Impairment of non-financial assets**

Assets subject to depreciation are reviewed whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and value in use. If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised as an expense in the Statement of Comprehensive Revenue and Expenses unless the asset is carried at fair value, (with the exception of Investment Properties), in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years net of depreciation. A reversal of an impairment loss is recognised in the Statement of Comprehensive Revenue and Expenses unless the asset is carried at fair value in which case the reversal of the impairment loss is treated as a revaluation increase.

#### **(i) Non-current assets held for sale**

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets or components of a disposal group are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group are measured at the lower of their carrying amount and fair value less costs of disposal. Any impairment loss on a disposal group is allocated to assets and liabilities on a pro rata basis. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

#### **(j) Investment Properties**

Investment properties comprise principally land, buildings and chattels employed for long term rental purposes. Investment properties are intended to be held for the long term and are valued at cost on initial recognition and subsequently at fair value each year based on a professional valuation provided by independent registered valuers, FordBaker Valuation Ltd. The fair value is determined using discounted cash flow methodology. Investment properties are not depreciated and the gain or loss on the annual revaluation of such properties is recognised in net surplus.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

#### **(k) Trust and Special Funds**

Special funds relate to funds of the Social Service Council that are restricted for use in specific areas of social service work or are funds restricted for specific purposes. The divisional structure of the Social Service Council broadly reflects the major areas of social work.

Trust accumulated funds reflect the accumulated surpluses and deficits of each division and represent the reserves of each division that are available for the respective areas of social service work.



Trust and special fund income and expenses are included in net income and then allocated to trusts and special funds out of retained earnings.

Investment income is allocated to trust and special funds in the proportion that the balances of each trust and special fund bear to the total of trust and special funds.

Where the use of trust and special funds to fund areas of social work is limited to the income in the fund (but not the capital) distributions are restricted to maintain the value of capital in the fund.

#### (l) Employee Entitlements

Liabilities for wages and salaries, annual leave and long service leave are accrued and recognised in the Statement of Financial Position. Annual leave and long service leave are recorded at the undiscounted amount expected to be paid for the entitlement earned. Sick leave entitlements accumulate over periods, and up to a maximum number of days, specified in employment contracts. Sick leave entitlements are only paid to employees when sick leave is taken and are not paid on termination and accordingly sick leave entitlements are not accrued.

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in surplus or deficit in the periods during which services are rendered by employees.

#### (m) Provisions

Provisions are recognised when the Social Service Council has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### (n) Borrowings

Borrowings are initially recorded at fair value plus directly attributable transaction costs and subsequently at amortised cost using the effective interest method.

Borrowing costs are recognised in net income in the period in which they are incurred.

#### (o) Foreign Currency

Transactions in foreign currencies are translated into the functional currency at the exchange rate prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets denominated in foreign currency are recognised in net income.

#### (p) Financial Instruments

Financial assets and financial liabilities are recognised and de-recognised in the Statement of Financial Position when the Social Service Council becomes party to, and is released from, the contractual provisions of the instrument.

At each reporting date the carrying amount of financial assets are reviewed to determine whether there is any indication those assets have suffered an impairment loss. Any impairment losses are recognised immediately in net income.

#### Cash, cash equivalent and short term bank deposits

Cash and cash equivalents comprise cash on hand and at the bank, on demand deposits, any other short-term highly liquid investments that are readily convertible to a known amount of cash, equivalent to fair value, and are subject to an insignificant risk of changes in value. Deposits that have an original investment term of three months or less are included as cash equivalents.

#### Trade and other receivables

Trade receivables are initially measured at fair value, plus any directly attributable transaction costs, and subsequently measured at amortised cost using the effective interest method less any impairment. This is equivalent to fair value being the receivable face (or nominal) value, less appropriate allowances for estimated irrecoverable amounts, which are recognised in the Statement of Comprehensive Revenue and Expenses. The carrying amount for receivables is not materially different from the estimated realisable value.

#### Investments in Equity and Debt Securities

Shares, bonds, debentures and government and local authority securities are stated at fair value. Other short-term investments are stated at fair value.

Investments in equity shares, bonds and debt securities have been designated as 'Available for Sale'. Changes in fair value are recognised directly in other comprehensive income and transferred to the available-for-sale revaluation reserve. Upon disposal or impairment the accumulated change in fair value in the available-for-sale reserve is transferred to income or expenditure in the Statement of Comprehensive Revenue and Expenses.

The fair value of equity investments classified as available-for-sale is determined by reference to their published price quoted on the relevant New Zealand or Australian stock exchange at reporting date.

The fair value of debt securities classified as available-for-sale is determined by reference to a certified valuation by Hobson Wealth share brokers at reporting date.

At each reporting date the Social Service Council assesses whether there is any objective evidence that an investment is impaired. Any impairment losses are recognised in the Statement of Comprehensive Revenue and Expenses.

Notes to the Accounts

For the year ended 30 June 2022

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Trade and other payables

Trade and other payables are measured at amortised cost using the effective interest method. This is equivalent to the face (or nominal) value of payables which is assumed to be approximate to their fair value. The amounts are unsecured and are paid according to their contract terms.

Interest bearing loans and borrowings

Loans and borrowings are initially recorded at fair value, plus directly attributable transaction costs. Subsequent to initial recognition, loans and borrowings are measured at amortised costs using the effective interest method.

**1. DONATIONS AND VOLUNTEER SERVICES**

In addition to donations received in cash, which are disclosed in the financial statements of \$3.539m (2021: \$3.501m), the City Mission division received donations of food for redistribution. In 2022, 48,620 food parcels were distributed (2021: 38,345) and the estimated average value per food parcel at wholesale price was \$54.12 (2021: \$54.96). Using these estimated average wholesale prices per food parcel, and after deducting purchased food-stuffs, the estimated value of the donated food during the year was \$2.49m (2021: \$2.05m). These estimated non-monetary and non-exchange transaction costs are not included in these financial statements.

City Mission opportunity shop inventories are acquired via non-exchange donations of goods in kind. The Social Service Council consider that it is not practicable to reliably measure the fair value of the opportunity shop inventories on hand as at 30 June 2022 and therefore those inventories are not recognised in these financial statements.

Volunteers donate time to serve on committees, perform social work services and undertake fund raising activities. The volunteer time donated during the financial year is estimated at 27,500 hours (2021: 31,135 hours). These non-exchange transactions are not recognised in these financial statements.

**2. ANALYSIS OF GRANTS RECEIVED**

Grants have been received to part fund expenses of areas of work and expenditure of grants money is accordingly integrated into the costs shown in the Statement of Comprehensive Revenue and Expenses. The Grants total of \$7.252m (non-exchange grants \$58k and exchange grants \$7.194m) (2021: \$3.073m, non-exchange grants \$167k and exchange grants \$2.906m) includes grants from the following organisations:

|   | 2022         | 2021       |
|---|--------------|------------|
|   | \$'000       | \$'000     |
| Rata Foundation                                 | 360          | 60         |
| Christchurch City Council                       | 343          | 393        |
| Lottery Grants Board                            | 1,600        | 189        |
| Ministry of Business, Innovation and Employment | 139          | 0          |
| Ministry of Social Development                  | 440          | 170        |
|   | <u>2,882</u> | <u>812</u> |

These organisations are acknowledged in more detail in the Annual Report.

**3. REMUNERATION OF INDEPENDENT AUDITORS**

Consultant expenses include remuneration of auditors. During the year the following fees were paid or payable for services provided by the auditor.

|  | 2022      | 2021      |
|--|-----------|-----------|
|  | \$'000    | \$'000    |
| Audit services - audit of financial statements | <u>25</u> | <u>27</u> |
| <b>Total</b>                                   | <u>25</u> | <u>27</u> |

**4. DEPRECIATION**

|              | Note | 2022       | 2021       |
|--------------|------|------------|------------|
|              |      | \$'000     | \$'000     |
| Buildings    | 9    | 217        | 235        |
| Equipment    | 9    | 68         | 56         |
| Vehicles     | 9    | 38         | 38         |
| <b>Total</b> |      | <u>323</u> | <u>329</u> |

**5. CASH AND CASH EQUIVALENTS**

|   | 2022         | Interest rate * | 2021         | Interest rate * |
|---|--------------|-----------------|--------------|-----------------|
|   | \$'000       |                 | \$'000       |                 |
| Cash balances and bank accounts                                   | 1,632        | 1.40% - 1.65%   | 2,470        | 0.05% - 0.40%   |
| Bank - Australia  | <u>4</u>     | 0.01%           | <u>26</u>    | 0.10%           |
| <b>Total cash and cash equivalents in statement of cash flows</b> | <u>1,636</u> |                 | <u>2,496</u> |                 |

\* Interest rates are across the relevant cash balances and bank accounts  
These funds are held in immediately available and on-call accounts.  
There are no restrictions over any of the cash and cash equivalent balances held.



## Notes to the Accounts

For the year ended 30 June 2022

**6. SHORT TERM DEPOSITS**

Funds are invested in various short term deposits across different retail banks and finance companies. Interest rates range between 1.70% and 2.45%. The investments have differing maturity terms of up to 12 months.

|                           | Less than one<br>year<br>\$'000 | Total<br>\$'000 |
|---------------------------|---------------------------------|-----------------|
| <b>as at 30 June 2022</b> |                                 |                 |
| Term deposits             | <u>3,018</u>                    | <u>3,018</u>    |
| <b>as at 30 June 2021</b> |                                 |                 |
| Term deposits             | <u>3,419</u>                    | <u>3,419</u>    |

There are no restrictions over any of the short term deposits held.

**7. TRADE AND OTHER RECEIVABLES**

|  | 2022<br>\$'000 | 2021<br>\$'000 |
|--|----------------|----------------|
| Trade debtors from exchange transactions | 428            | 221            |
| Prepayments                              | 75             | 74             |
| Total receivables                        | <u>503</u>     | <u>295</u>     |

Debtors are non-interest bearing. Debtors principally comprise of invoices for services provided to various government agencies. Government agency payment terms vary, but are typically paid on the 20th of the month following date of invoice. There is no significant concentration of credit risk as trade debtors are either other entities or government agencies. No allowance for doubtful debts has been made (2021: nil). All of the above trade receivables are current.

**8. INVESTMENTS**

|  | 2022<br>\$'000 | 2021<br>\$'000 |
|--|----------------|----------------|
| Equity shares in New Zealand listed companies    | 7,423          | 8,866          |
| Equity shares in Australian listed companies     | 4,425          | 4,554          |
| Exchange Traded Funds (NZSE Listed)              | 3,174          | 2,856          |
| Equity shares in Property based listed companies | 1,315          | 1,579          |
| Bonds and debentures                             | 17,761         | 19,300         |
| Government and local authorities securities      | 5,415          | 3,912          |
| Total  | <u>39,513</u>  | <u>41,067</u>  |

Investments have been classified as available-for-sale financial assets.

Equity investments are valued at fair value as determined by the various stock exchanges that the investments are held on, e.g. NZX, ASX. Fixed interest bond, debentures, government and local authority securities are valued at fair value by the share brokers Hobson Wealth, based on attributable yields entered into the standard bond pricing formula. Attributable yields are obtained from the NZDX for listed securities and financial information systems such as IRIS or Bloomberg for unlisted securities.

Included in the above are investments held in trust for the City Mission Foundation of \$15,417,698 (2021: \$15,814,234) (see also Note 12 and Note 17) as well as trust and special funds held for specific purposes or allocated for divisional purposes (see Note 15).

# Social Service Council of the Diocese of Christchurch

## Notes to the Accounts

For the year ended 30 June 2022

### 9. PROPERTY, PLANT AND EQUIPMENT

|  | Note | Land<br>\$'000 | Buildings<br>\$'000 | Equipment<br>\$'000 | Vehicles<br>\$'000 | Total<br>\$'000 |
|--|------|----------------|---------------------|---------------------|--------------------|-----------------|
| <b>2022</b>                                    |      |                |                     |                     |                    |                 |
| <b>Cost</b>                                    |      |                |                     |                     |                    |                 |
| Balance at 1 July 2021                         |      | 5,018          | 12,920              | 882                 | 251                | 19,071          |
| Additions                                      |      | 0              | 10                  | 100                 | 33                 | 143             |
| Capital Work in Progress - CCM Redevelopment   |      | 0              | 5,293               | 0                   | 0                  | 5,293           |
| Disposals                                      |      | (26)           | (1,539)             | (281)               | 0                  | (1,846)         |
| Balance at 30 June 2022                        |      | <b>4,992</b>   | <b>16,684</b>       | <b>701</b>          | <b>284</b>         | <b>22,661</b>   |
| <b>Accumulated Depreciation and Impairment</b> |      |                |                     |                     |                    |                 |
| Balance at 1 July 2021                         |      | 0              | 2,199               | 599                 | 184                | 2,982           |
| Depreciation expense                           | 4    | 0              | 217                 | 68                  | 38                 | 323             |
| Depreciation on disposals                      |      | 0              | (649)               | (232)               | 0                  | (881)           |
| Balance at 30 June 2022                        |      | <b>0</b>       | <b>1,767</b>        | <b>435</b>          | <b>222</b>         | <b>2,424</b>    |
| <b>Net Carrying Value 30 June 2022</b>         |      | <b>4,992</b>   | <b>14,917</b>       | <b>266</b>          | <b>62</b>          | <b>20,237</b>   |
| <b>Net Carrying Value 30 June 2021</b>         |      | <b>5,018</b>   | <b>10,719</b>       | <b>282</b>          | <b>68</b>          | <b>16,087</b>   |

The City Mission building has a mortgage in favour of the Christchurch City Council against it - see Note 22 for further detail. Capital work in progress is not depreciated until the redevelopment is complete, see Note 16 for capital commitments.

### 10. INVESTMENT PROPERTIES

|                         | Fair Value<br>2022<br>\$'000 | Fair Value<br>2021<br>\$'000 |
|-------------------------|------------------------------|------------------------------|
| 38-40 Guild Street site | 2,440                        | 2,410                        |
| Stanmore Road Flat      | 410                          | 340                          |
| Total                   | <b>2,850</b>                 | <b>2,750</b>                 |

There were no investment properties where, due to fair value not being readily determinable, the cost model was applied.

|                                  | 2022<br>\$'000 | 2021<br>\$'000 |
|----------------------------------|----------------|----------------|
| Carrying amount at start of year | 2,750          | 2,350          |
| Additions                        | 0              | 34             |
| Fair value movement for year     | 100            | 366            |
| Carrying amount at end of year   | <b>2,850</b>   | <b>2,750</b>   |

The valuers, FordBaker Valuation Ltd, have advised that the market is now slowing following a period of unprecedented value growth and sales activity and in the early part of 2022 there has been a significant reduction in market activity. There is limited supply as well as an increase in build costs and construction delays as a result of material and labour shortages. The Russia/Ukraine conflict is contributing to international uncertainty. Interest rates are increasing affecting investors along with recent changes to the Residential Tenancies Act and the phasing out of mortgage interest deductibility.

Given the unknown future impact that COVID-19 and the above factors might have on the real estate market and the broader economy with a resulting valuation uncertainty Fordbaker has recommended that the valuations are kept under review.

### 11. TRADE AND OTHER PAYABLES

|   | 2022<br>\$'000 | 2021<br>\$'000 |
|---|----------------|----------------|
| Trade payables from exchange transactions | 1,407          | 855            |
| Other payables                            | 18             | 16             |
| Total trade and other payables            | <b>1,425</b>   | <b>871</b>     |

Trade payables are paid according to their contract terms which is generally 20th of the month following invoice date. Other payables are paid as they fall due. All of the amounts shown above are current.

**Notes to the Accounts**  
**For the year ended 30 June 2022**

**12. OTHER LIABILITIES**

| <b>Funds held in trust on behalf of other organisations</b> | <b>2022<br/>\$'000</b> | <b>2021 Restated<br/>\$'000</b> |
|---|------------------------|---------------------------------|
| City Mission Foundation                                     | 15,418                 | 16,786                          |

The Social Service Council holds investments in trust for the City Mission Foundation and provides investment management services on its behalf. See also Note 8 Investments, Note 17 Related Parties and Note 24 Prior Period Error.

|  |     |    |
|--|-----|----|
| Retentions on City Mission Redevelopment 269-275 Hereford St   | 135 | 27 |
| For retentions on construction completed to date on the City Mission redevelopment at 269-275 Hereford St. See also Note 16 Commitments. |     |    |

|                                   |               |               |
|-----------------------------------|---------------|---------------|
| <b>Total Loans and Borrowings</b> | <b>15,553</b> | <b>16,813</b> |
|-----------------------------------|---------------|---------------|

**13. ACCUMULATED COMPREHENSIVE REVENUE AND EXPENSES**

|   | <b>2022<br/>\$'000</b> | <b>2021<br/>\$'000</b> |
|---|------------------------|------------------------|
| Balance at 1 July   | 23,004                 | 21,364                 |
| - Add net income attributable to the Council before movement in fair value of investment properties                                       | 4,313                  | 1,935                  |
| - Add movement in fair value of investment properties (see (i) below)   | 100                    | 366                    |
| - Less net income attributable to the Council before movement in fair value of investment properties transfer to Trusts and Special Funds | (4,313)                | (438)                  |
| - Add capital grants in respect of capital expenditure  | 4,430                  | 106                    |
| - Less amortisation of past grants  | (323)                  | (329)                  |
| Balance at 30 June  | <b>27,211</b>          | <b>23,004</b>          |

(i) The fair valuation of investment property has been determined by the independent registered valuers FordBaker Valuation Limited based on forecasted cash flows from the sites, apportioned between land and buildings.

**14. AVAILABLE FOR SALE RESERVE**

|   | <b>2022<br/>\$'000</b> | <b>2021 Restated<br/>\$'000</b> |
|---|------------------------|---------------------------------|
| Balance at 1 July   | 1,523                  | 1,007                           |
| Transfer of revaluation of available-for-sale financial assets to Trusts & Special Funds  | (1,523)                | (668)                           |
| Transfer of revaluation of available-for-sale financial assets to CM Foundation liability | 0                      | (339)                           |
| Revaluation of available-for-sale financial assets  | (2,191)                | 1,523                           |
| Balance at 30 June  | <b>(2,191)</b>         | <b>1,523</b>                    |

Available for sale financial assets consist of the investments in shares, bonds, debentures and other financial securities listed in Note 8. See also Note 24 Prior Period Error.

**15. TRUSTS AND SPECIAL FUNDS**

This note sets out the attribution from retained earnings to the trusts and special funds. It shows net income/(expenditure) as well as the grants and transfers that are considered attributable to the trust or special fund. This is a detailed breakdown of the trusts and special funds from the Statement of Changes in Equity.



## Notes to the Accounts

For the year ended 30 June 2022

| <b>GENERAL</b>                | <b>Balance 1 July<br/>2021</b> | <b>Net Income<br/>(Expenditure)</b> | <b>Grants and<br/>Transfers</b> | <b>Balance 30<br/>June 2022</b> |
|-------------------------------|--------------------------------|-------------------------------------|---------------------------------|---------------------------------|
|                               | <b>\$'000</b>                  | <b>\$'000</b>                       | <b>\$'000</b>                   | <b>\$'000</b>                   |
| Youth Hub                     | (170)                          | (24)                                | 0                               | (194)                           |
| Insurance Proceeds Fund       | 9,168                          | 91                                  | 563                             | 9,822                           |
| Rental Maintenance Fund       | 47                             | 23                                  | 3                               | 73                              |
| <u>Trust Accumulated Fund</u> |                                |                                     |                                 |                                 |
| Opening balance               | 2,637                          |                                     |                                 |                                 |
| Capital surplus for year      |                                | (348)                               | 197                             |                                 |
| Operating surplus for year    |                                | 31                                  |                                 |                                 |
| Closing Balance               |                                |                                     |                                 | 2,517                           |
| <b>TOTAL GENERAL</b>          | <b>11,682</b>                  | <b>(227)</b>                        | <b>763</b>                      | <b>12,218</b>                   |

The General Trust funds are funds that have been donated or set aside for specific purposes or are available for general use at the discretion of the Trust Board of the Social Service Council.

| <b>CITY MISSION</b>                            | <b>Balance 1 July<br/>2021</b> | <b>Net Income<br/>(Expenditure)</b> | <b>Grants and<br/>Transfers</b> | <b>Balance 30<br/>June 2022</b> |
|--|--------------------------------|-------------------------------------|---------------------------------|---------------------------------|
|  | <b>\$'000</b>                  | <b>\$'000</b>                       | <b>\$'000</b>                   | <b>\$'000</b>                   |
| Maintenance Reserve                            | 60                             | 1                                   | 4                               | 65                              |
| Street Work Fund                               | 188                            | 2                                   | 12                              | 202                             |
| Children's Social Service and Educational Fund | 286                            | (65)                                | 18                              | 239                             |
| Earthquake Fund                                | 13                             | 0                                   | 1                               | 14                              |
| Short Term Accommodation Fund                  | 1                              | 0                                   | 0                               | 1                               |
| Medium Term Operations Fund                    | 3,824                          | 102                                 | 350                             | 4,276                           |
| City Mission Building Fund                     | 648                            | 309                                 | 132                             | 1,089                           |
| City Mission Foundation Reserve Fund           | 0                              | 0                                   | 0                               | 0                               |
| <u>Trust Accumulated Fund</u>                  |                                |                                     |                                 |                                 |
| Opening balance                                | 807                            |                                     |                                 |                                 |
| Capital surplus for year                       |                                | 956                                 | 52                              |                                 |
| Operating surplus for year                     |                                | (1,017)                             |                                 |                                 |
| Closing Balance                                |                                |                                     |                                 | 798                             |
| <b>TOTAL CITY MISSION</b>                      | <b>5,827</b>                   | <b>288</b>                          | <b>569</b>                      | <b>6,684</b>                    |

The City Mission trust and special funds consist of funds donated or set aside, either for the specific or general purposes of the Christchurch City Mission.

| <b>AGED CARE</b>                   | <b>Balance 1 July<br/>2021</b> | <b>Net Income<br/>(Expenditure)</b> | <b>Grants and<br/>Transfers</b> | <b>Balance 30<br/>June 2022</b> |
|------------------------------------|--------------------------------|-------------------------------------|---------------------------------|---------------------------------|
|                                    | <b>\$'000</b>                  | <b>\$'000</b>                       | <b>\$'000</b>                   | <b>\$'000</b>                   |
| S G Archbold Trust                 | 1                              | 0                                   | 0                               | 1                               |
| Mary Armitage Trust                | 108                            | 1                                   | 7                               | 116                             |
| WM Brook (Aged Care)               | 388                            | 4                                   | 24                              | 416                             |
| Elworthy Trust Fund                | 2                              | 0                                   | 0                               | 2                               |
| Bishopspark Lifecare               | 53                             | 1                                   | 3                               | 57                              |
| M O Burns Charitable Trust         | 5                              | 4                                   | 0                               | 9                               |
| Estate M A F Mussen                | 14                             | 1                                   | 1                               | 16                              |
| Estate K Petrie                    | 113                            | 1                                   | 7                               | 121                             |
| PM Leeny Bequest                   | 59                             | 0                                   | 4                               | 63                              |
| P G Hindle Trust                   | 64                             | 1                                   | 4                               | 69                              |
| Aged Care Bequests less than \$10K | 10                             | 11                                  | 0                               | 21                              |
| Elder Care Fund                    | 663                            | (11)                                | 41                              | 693                             |
| <b>TOTAL AGED CARE</b>             | <b>1,480</b>                   | <b>13</b>                           | <b>91</b>                       | <b>1,584</b>                    |

The Aged Care special funds consist of funds donated or set aside, either for the specific or general purposes of aged care.

# Social Service Council of the Diocese of Christchurch

## Notes to the Accounts

For the year ended 30 June 2022

| <b><u>FAMILY AND CHILD CARE</u></b>    |       | <b>Balance 1 July<br/>2021</b> | <b>Net Income<br/>(Expenditure)</b> | <b>Grants and<br/>Transfers</b> | <b>Balance 30<br/>June 2022</b> |
|--|-------|--------------------------------|-------------------------------------|---------------------------------|---------------------------------|
|  |       | <b>\$'000</b>                  | <b>\$'000</b>                       | <b>\$'000</b>                   | <b>\$'000</b>                   |
| J & L Storry Bequest                   | (i)   | 309                            | 0                                   | 19                              | 328                             |
| Wells Estate Fund                      | (ii)  | 50                             | 35                                  | 3                               | 88                              |
| Trust Accumulated Fund                 |       |                                |                                     |                                 |                                 |
| Opening balance                        | (iii) | 3,347                          |                                     |                                 |                                 |
| Capital surplus for year               |       |                                | (77)                                | 209                             |                                 |
| Operating surplus/Net funding for year |       |                                |                                     |                                 |                                 |
| Closing Balance                        |       |                                |                                     |                                 | 3,479                           |
| <b>TOTAL FAMILY AND CHILD CARE</b>     |       | <b>3,706</b>                   | <b>(42)</b>                         | <b>231</b>                      | <b>3,895</b>                    |

(i) The purpose of the J & L Storry scholarship bequest fund is to provide financial assistance towards the educational costs of gifted young persons under the age of 20. The scholarships are awarded annually from the income of the fund by a sub-committee of the Trust Board of the Social Service Council.

(ii) The Wells Estate fund represents the portion of income distributed from the Wells Trust to the Social Service Council by the Church Property Trustees not yet allocated to areas of social service work.

(iii) The purpose of the Trust Accumulated Fund of the Family and Childcare Trust is to provide social services to at-risk children, young people and their families in the Diocese of Christchurch. The distributions from the Trust are at the discretion of the Trust Board of the Social Service Council and are restricted to income, subject to an allowance for maintenance of capital, and are made available to the City Mission, Community Development and South Canterbury divisions in varying proportions.

| <b><u>SOUTH CANTERBURY</u></b>            |  | <b>Balance 1 July<br/>2021</b> | <b>Net Income<br/>(Expenditure)</b> | <b>Grants and<br/>Transfers</b> | <b>Balance 30<br/>June 2022</b> |
|---|--|--------------------------------|-------------------------------------|---------------------------------|---------------------------------|
|   |  | <b>\$'000</b>                  | <b>\$'000</b>                       | <b>\$'000</b>                   | <b>\$'000</b>                   |
| McPherson Bequest                         |  | 260                            | (6)                                 | 16                              | 270                             |
| Est JF Johnson                            |  | 86                             | (1)                                 | 5                               | 90                              |
| Sale of Dee Street                        |  | 461                            | 5                                   | 28                              | 494                             |
| South Canterbury Bequests less than \$10K |  | 4                              | (4)                                 | 0                               | 0                               |
| <b>TOTAL SOUTH CANTERBURY</b>             |  | <b>811</b>                     | <b>(6)</b>                          | <b>49</b>                       | <b>854</b>                      |

The South Canterbury special funds consist of funds that are donated or set aside either for the specific or general purposes of Anglican Care South Canterbury.

|                                      |               |           |              |               |
|--------------------------------------|---------------|-----------|--------------|---------------|
| Capital surplus for year             | 1,013         |           |              |               |
| Operating surplus for year           | (987)         |           |              |               |
| Loss on sale of Anglican Living      | 0             |           |              |               |
| <b>TOTAL TRUST AND SPECIAL FUNDS</b> | <b>23,506</b> | <b>26</b> | <b>1,703</b> | <b>25,235</b> |

## 16. COMMITMENTS

### Capital Expenditure Commitments

At 30 June 2022 the Social Service Council had \$3.41m in capital commitments (2021: \$8.65m) relating to the redevelopment of the Christchurch City Mission 269-275 Hereford St campus that commenced in 2021 which will include a new foodbank area, transitional housing, café and offices.

### Operating Lease Commitments

Commitments in respect of operating leases, for properties occupied, but not recognised in the financial statements are:

|  | <b>2022</b>   | <b>2021</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |
| Less than one year                           | 197           | 188           |
| More than one year and less than two years   | 118           | 138           |
| More than two years and less than five years | 216           | 264           |
| More than five years                         | 0             | 51            |
| <b>Total Operating Lease Commitments</b>     | <b>531</b>    | <b>641</b>    |

# Social Service Council of the Diocese of Christchurch

## Notes to the Accounts

For the year ended 30 June 2022

### 17. RELATED PARTIES

There have been no transactions with any of the Officers of the Social Service Council during the year apart from minor expense reimbursements and there were no balances with them at 30 June 2022. (2021: \$nil)

The Social Service Council, the Church Property Trustees (CPT) and the Diocese of Christchurch shared staff, premises, fixtures and fittings and office equipment through the Anglican Centre partnership. A portion of the Anglican Centre operating costs were charged to the Social Service Council by the Anglican Centre based on a negotiated service level agreement. The Anglican Centre partnership was dissolved at 31 December 2021 and the Anglican Centre functions have been transferred to a separate entity, Anglican Diocesan Ministry Service Centre (ADMSC). The remaining net assets of the Anglican Centre have been divided across the three partners on a pro-rata basis.

There is an annual service level agreement in place with the new entity, ADMSC, which is invoiced to CPT and the Social Service Council on a monthly basis.

|   | 2022<br>\$'000 | 2021<br>\$'000 |
|---|----------------|----------------|
| Anglican Centre partnership net assets receivable | 47             | 0              |
| ADMSC service level charges for year              | 131            | 439            |
| <u>Anglican Diocese Current Account</u>           |                |                |
| Balance owing in Accounts Receivable at year end  | 0              | 0              |
| Balance owing in Accounts Payable at year end     | 0              | 0              |
| <u>Investment in Church Property Trustees</u>     |                |                |
| Investment in term deposits                       | 112            | 109            |

Included in term deposits is the above deposit in the Church Property Trustees Fixed Interest Fund which earns interest at the Parish deposit rate and is unsecured and repayable on demand.

No related party debts have been written off or forgiven during the year.

|   |        |        |
|---|--------|--------|
| <u>The Christchurch City Mission Foundation Liability</u> | 15,418 | 15,814 |
|---|--------|--------|

See also Note 8 Investments and Note 12 Other Liabilities

The Christchurch City Mission Foundation made grants to the Christchurch City Mission totalling \$4,058,189 (2021: \$2,035,086).

### 18. KEY MANAGEMENT PERSONNEL COMPENSATION AND EMPLOYEE REMUNERATION

|   | 2022<br>\$'000 | 2021<br>\$'000 |
|---|----------------|----------------|
| Salaries and other short term employee benefits | 527            | 247            |

Key management personnel comprises the senior management team of the Social Service Council.

The number of individuals considered to be key management personnel is 3 (2021: 2).

In addition, governance and other managerial activities are provided to the Social Service Council by other individuals on a voluntary basis. An estimate of voluntary hours donated to the Social Service Council is provided in Note 1.

### 19. EMPLOYEE ENTITLEMENTS

|                             |                    | 2022<br>\$'000 | 2021<br>\$'000 |
|-----------------------------|--------------------|----------------|----------------|
| Key management personnel    | Long service leave | 0              | 0              |
|                             | Other entitlements | 17             | 27             |
|                             |                    | 17             | 27             |
| Other employees             | Long service leave | 33             | 27             |
|                             | Other entitlements | 623            | 485            |
|                             |                    | 656            | 512            |
| Total employee entitlements |                    | 673            | 539            |

Kiwisaver employer contributions for the financial year were \$188,198 (2021: \$151,755).

Employee termination payments for the financial year were \$101,000 (2021: \$1,250).



**Notes to the Accounts**  
**For the year ended 30 June 2022**

**20. RECONCILIATION OF NET SURPLUS WITH NET CASH FLOWS FROM OPERATING ACTIVITIES**

|  | <b>2022</b>         | <b>2021</b>         |
|--|---------------------|---------------------|
|  | <b>\$'000</b>       | <b>\$'000</b>       |
| Net surplus for year   | 4,413               | 2,301               |
| <u>Non-cash items:</u>                                       |                     |                     |
| Depreciation expense   | 323                 | 329                 |
|  | <u>323</u>          | <u>329</u>          |
| <u>Items classified as investing or financing activities</u> |                     |                     |
| Movement in fair value of Investment Properties              | (100)               | (366)               |
| (Gain)/Loss on disposal of Property, Plant and Equipment     | 965                 | 285                 |
| (Gain)/Loss on sale of investments                           | (125)               | (98)                |
|  | <u>740</u>          | <u>(179)</u>        |
| <u>Changes in net assets and liabilities</u>                 |                     |                     |
| Trade receivables  | (208)               | (294)               |
| Prepayments  | (1)                 | (3)                 |
| Accrued interest   | (7)                 | 41                  |
| Accounts payable   | 553                 | 417                 |
| Employee entitlements  | 135                 | 89                  |
| Funds held on behalf of City Mission Foundation              | 1,032               | (1,052)             |
|  | <u>1,504</u>        | <u>(802)</u>        |
| <b>Net cash flows from operating activities</b>              | <b><u>6,980</u></b> | <b><u>1,649</u></b> |

**21. FINANCIAL INSTRUMENTS**

Financial instruments consist of cash and bank balances, trade and other receivables, investments, accounts payable, employee entitlements, residents funds and loans.

**Categories of financial instruments**

|   | <b>2022</b>          |                   | <b>2021</b>          |                   |
|---|----------------------|-------------------|----------------------|-------------------|
|   | <b>\$'000</b>        |                   | <b>\$'000</b>        |                   |
| <b><u>Financial Assets</u></b>                              |                      | Interest          |                      | Interest          |
|   |                      | Received          |                      | Received          |
| <b>Loans and receivables</b>                                |                      |                   |                      |                   |
| Cash and cash equivalents                                   | 1,636                | 10                | 2,496                | 10                |
| Short term bank deposits                                    | 3,018                | 38                | 3,419                | 84                |
| Anglican Centre   | 0                    | 0                 | 0                    | 0                 |
| Trade accounts receivable                                   | 428                  | 0                 | 221                  | 0                 |
| Accrued interest  | 149                  | 7                 | 142                  | (77)              |
| Total loans and receivables                                 | <u>5,231</u>         | <u>55</u>         | <u>6,279</u>         | <u>17</u>         |
| Available for sale financial assets                         | 39,513               | 205               | 41,067               | 269               |
| <b>Total financial assets</b>                               | <b><u>44,744</u></b> | <b><u>260</u></b> | <b><u>47,346</u></b> | <b><u>286</u></b> |
| <b><u>Other Financial Liabilities at amortised cost</u></b> |                      |                   |                      |                   |
| Trade and other payables                                    | 1,425                |                   | 871                  |                   |
| Borrowing   | 135                  |                   | 27                   |                   |
| <b>Total financial liabilities at amortised cost</b>        | <b><u>1,560</u></b>  |                   | <b><u>898</u></b>    |                   |

**Fair Value Hierarchy**

It is considered by the Social Service Council that the carrying value of financial instruments in the Statement of Financial Position and detailed in the notes to the accounts is the same as their fair value in all material aspects. The fair value of available-for-sale financial assets is calculated using quoted prices in active markets. Therefore the Social Service Council has categorised available-for-sale financial assets as Level 1 under the fair value hierarchy contained within the amendments to IPSAS 30.32.

**Capital Management**

The Social Service Council's capital includes accumulated comprehensive revenue and expenses, reserves, trust and special funds.

The Social Service Council is managed with the objectives of maintaining a strong capital base and to maintain adequate working capital so that all obligations can be met on time and keeping the risks of high gearing to a moderate level. The Social Service Council's policies in respect of capital management are reviewed regularly by the Board. There have been no material changes in the Social Service Council's management of capital during the period.

The Social Service Council is not subject to any externally imposed capital requirements.

## 22. CONTINGENT LIABILITIES

2022: nil (2021 nil).

The Social Service Council is subject to the ongoing Royal Commission of Inquiry into Abuse in Faith Based Institutions. The public hearings into claims for redress relating to faith based institutions commenced in November 2020. The Social Service Council has made two payments for redress arising from the inquiry during this financial year. The Social Service Council is not aware of any other claims for redress.

Along with many other private and public organisations, the Social Service Council has found errors in the calculation of leave entitlements for employees under the Holidays Act 2003. An investigation into the holiday pay that was paid versus what should have been paid was completed this financial year. The liability was found to be \$146k across 545 employees (101 current staff and 444 exited staff) and this liability has been provided for in these statements. The first payment from the liability was made to current staff totalling \$18k in August 2022 with the remainder of the liability due to be paid to exited staff during the current financial year.

The funding for the new City Mission building at 276 Hereford St included a grant of \$2m from the Christchurch City Council (CCC) which was received in November 2011. The grant was paid on condition that the City Mission does not sell, gift, settle or otherwise dispose of the building within a period of 30 years from the payment date or the grant, plus an allowance for inflation for the relevant period, would have to be repaid to the CCC. The Social Service Council's obligations to the CCC under this agreement are secured by way of a mortgage of \$5m, registered against the property, as a first charge and the CCC are required to discharge the mortgage after the expiry of 30 years.

## 23. EVENTS SUBSEQUENT TO REPORTING DATE

There are no events that would significantly affect the financial results of the Social Service Council in future years.

## 24. PRIOR PERIOD ADJUSTMENTS

The 2022 audit identified an error in the fair valuation movement of available for sale assets attributed to the City Mission Foundation in the 2021 financial year.

This error has now been rectified and the 2021 Statement of Comprehensive Revenue and Expenses and the Statement of Financial Position have subsequently been amended.

| Statement of Comprehensive Revenue and Expenses   | Note | Previously reported in 2021 | Restated adjustment | Restated 2021 |
|---|------|-----------------------------|---------------------|---------------|
| Movement in fair value of Available-for-Sale Financial Assets                                       | 14   | 1,488                       | 35                  | 1,523         |
| Movement in fair value of Available-for-Sale Financial Assets - Trust Funds                         |      | 668                         | (668)               | 0             |
| Statement of Changes in Equity  | Note | Previously reported in 2021 | Restated adjustment | Restated 2021 |
| Movement in fair value of Available-for-Sale Financial Assets                                       | 14   | 1,488                       | 35                  | 1,523         |
| Transfer of revaluation of Available-for-Sale Financial Assets to Trust and Special Funds           | 14   | 0                           | (668)               | (668)         |
| Transfer of revaluation of Available-for-Sale Financial Assets to City Mission Foundation liability | 14   | 0                           | (339)               | (339)         |
| Statement of Financial Position   | Note | Previously reported in 2021 | Restated adjustment | Restated 2021 |
| Available for Sale Reserve  | 14   | 2,495                       | (972)               | 1,523         |
| Other Liabilities   | 12   | 15,841                      | 972                 | 16,813        |



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF SOCIAL SERVICE COUNCIL OF THE DIOCESE OF CHRISTCHURCH**

**Opinion**

We have audited the financial statements of Social Service Council of the Diocese of Christchurch ("the entity"), which comprise the statement of financial position as at 30 June 2022 and the statement of comprehensive revenue and expense, statement of changes in net assets/equity and cash flow statement 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 present fairly, in all material respects, the financial position of the entity as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") issued by the New Zealand Accounting Standards Board.

**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 entity 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 Entity.

**Other Matter**

The performance report for the comparative period 1 July 2020 to 30 June 2021 was not audited by BDO Christchurch. The predecessor auditor issued an unmodified audit opinion on 2 November 2021.

**Emphasis of Matter**

We draw attention to Note 24 to the financial statements, which describes the effects of a prior period error which resulted in the restatement of the 2021 comparatives. Our opinion is not modified in respect of this matter.

**Other Information**

Those charged with Governance 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 financial statements and our auditor's report thereon.

Our opinion on the financial statements 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 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 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.

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

The members are responsible on behalf of the Entity for the preparation and fair presentation of the financial statements in accordance with PBE Standards RDR, and for such internal control as the members determine 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 members are responsible on behalf of the Entity for assessing the Entity'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 members either intend to liquidate the Entity or to cease operations, or has 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.

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

This description forms part of our auditor's report.

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

This report is made solely to the Entity'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 Entity and the Entity's members, as a body, for our audit work, for this report or for the opinions we have formed.



BDO Christchurch  
Christchurch  
New Zealand  
4 October 2022

**Appendix One - Acknowledgements**

**For the year ended 30 June 2022**

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Legacies were received from the estates of:

|                              |               |
|------------------------------|---------------|
| NC Ball                      | 5,000         |
| J Benson                     | 20,000        |
| DH Boyd                      | 100           |
| MV Farrant                   | 34,206        |
| CN Grandi                    | 2,772         |
| B Jansen                     | 982           |
| PJ McAdam                    | 20,000        |
| WH Meek                      | 1,300         |
| I&S Sawtell Charitable Trust | 728           |
| <b>Total</b>                 | <b>85,088</b> |

Note that legacies received by Anglican Care during the year amounted to \$85,088. The balance after the legacies listed above, being \$3,636,256, were left to the City Mission and are recorded in the City Mission Foundation Financial Statements.

Grants have been received to part fund expenses of areas of work and expenditure of grants money is accordingly integrated into the costs shown in the Statement of Comprehensive Revenue and Expenses.

We acknowledge the support of the Christchurch City Council, the Rata Foundation, the New Zealand Lottery Grants Board and the Ministry of Business, Innovation and Employment and the many other organisations that have provided support for Anglican Care. These organisations are acknowledged in more detail in the Annual Report.

We also acknowledge the generous donations from many individuals, church groups, local bodies, trusts and businesses who supported the various works of Anglican Care during the year.

Anglican Care Canterbury/Westland  
(Social Service Council of the Diocese of Christchurch)

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Charities Act Registration Number CC27132  
New Zealand Business Number 9429047812741



Front Cover - clockwise from top right

Foodbank at Christchurch City Mission

Waiting to hand out energy efficient and energy saving devices at the Northcote Community Lunch

South Canterbury advocacy team

An Elder Care meeting

Back cover

New City Mission Café and Transitional Housing nearing completion