
CHURCH PROPERTY TRUSTEES

ANNUAL PERFORMANCE REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

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



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**CHURCH PROPERTY TRUSTEES
ENTITY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2023**

Legal Name of Entity:	Church Property Trustees (CPT)
	CPT is established under the Anglican (Diocese of Christchurch) Church Property Trust Act 2003.
Charities Registration Number:	CC36062
NZ Business Number:	NZBN:9429048839693
CPT Purpose or Mission:	To hold & administer trust property in accordance with the Act.
CPT Structure:	<p>Governance Structure: The membership of CPT is comprised of the Bishop (Chair) and 8 trustees, being members of the Church elected by Synod. The Board operates a Committee for Audit, Risk and Finance ("CARF") as a sub-committee.</p>
Operational Structure:	Day to day operations of CPT are headed by the General Manager. Reporting to the General Manager are the Finance Manager, Property Manager and Office Manager.
Main Sources of Cash and Resources:	CPT relies on the following income sources: Contributions as fees on invested estates, funds and trusts. Contributions as property fees on properties managed and sold.
Main Methods Used to Raise Funds:	Not Applicable.
Reliance on Volunteers and Donated Goods or Services:	CPT relies on volunteers to provide expertise and time for its governing board and various committees.
Contact Details:	
Physical Address:	95 Tuam Street, Christchurch Central, Christchurch 8011
Postal Address:	Box 4438, Christchurch 8140
Phone:	(03) 348 6960
Email:	cptfinance@anglicanlife.org.nz



**CHURCH PROPERTY TRUSTEES
STATEMENT OF SERVICE PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

Measure	2023 Actual	2022 Actual
Properties ¹ (number)	246	248
Properties Insured Value ¹ (\$m)	576	500
Funds Under Management (\$m)	89	102
Client Funds Accounts (number)	901	1002

1. Excludes Christchurch Cathedral.

Properties

Properties include churches, halls, residential, commercial and land held beneficially for ministry units. The movement in properties held reflects the net purchased/sold, and the sum insured due to revised independent valuation advice. Information on properties held on trust is reported in the audited 'Estates and Trusts Held and Administered' annual special purpose financial statements which are available online

Funds Under Management

Funds are held and administered for the Diocese, ministry units, estates and a few associated entities (collectively 'clients'). A current project to rationalise client funds will result in a reduced number of accounts. Information on funds under management is reported in the audited 'Funds Held and Administered' annual special purpose financial statements which are available online at www.anglicanlife.org.nz.

CHURCH PROPERTY TRUSTEES
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$	2022 \$
EXCHANGE REVENUE			
Assets Management			
Contributions as estate and trusts management fees	8	30,875	28,379
Contributions as investment fund administration fees	8	548,954	592,204
Interest & dividends		18,946	14,059
Investment gain / (loss) on fair value adjustment	4	27,909	(25,856)
Contributions as property fees and commission		147,800	140,870
Other income		19,451	42,856
Total Exchange Revenue Assets Management		793,936	792,510
Earthquake Recovery Programme			
Contributions on project management fees		-	243,377
Interest, dividends and investment revenue		-	5,802
Financial Information:			
TOTAL EXCHANGE REVENUE		793,936	1,041,689
EXPENSES			
Assets Management			
Accommodation		58,167	45,910
Administration Expenses		31,202	44,320
Audit Fees	3	46,000	44,000
IT & Software		20,737	12,434
Communication		3,639	10,120
Legal & professional fees		58,692	13,622
Compliance & projects expenses		13,300	31,373
Grants / Contributions to parishes and investments	10	65,120	25,000
Staff Expenses		606,683	508,949
Total Expenses Assets Management		903,540	735,728
Earthquake Recovery Programme			
Accommodation		-	10,923
Administration Expenses		-	11,214
IT & Software		-	2,229
Communication		-	2,120
Staff Expenses		-	205,653
Total Expenses Earthquake Recovery Programme		-	232,139
TOTAL EXPENDITURE		903,540	967,867
Surplus (Loss) for the Year		(109,603)	73,822



**CHURCH PROPERTY TRUSTEES
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash equivalents	4	110,541	390,357
Receivables & Prepayments	4	43,736	60,333
GST Net Refund Receivable		4,953	19,939
Total Current Assets		159,229	470,629
Financial Information:			
Fixed Interest Fund (s.32)	4	469,718	441,344
Balanced Growth Fund	4	149,335	-
Other Related Entity accounts	8	-	6,000
Total Non Current Assets		619,054	447,344.23
TOTAL ASSETS		778,283	917,973
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable & Accruals	4	56,050	88,004
Employee Costs Payable	4	50,521	48,654
Total Current Liabilities		106,571	136,658
TOTAL LIABILITIES		106,571	136,658
NET ASSETS		671,712	781,315
ACCUMULATED FUNDS			
ACCUMULATED SURPLUSES			
Opening Balance		781,315	707,493
Surplus for the year		(109,603)	73,822
Closing Balance		671,712	781,315
TOTAL ACCUMULATED FUNDS		671,712	781,315

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

Date 02/05/ 2024


R S Bji


S J Wakefield

CHURCH PROPERTY TRUSTEES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$	2022 \$
		<u> </u>	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was received from:			
Revenue from providing services		778,663	1,016,866
Interest, dividends and other investment revenue		18,946	19,860
		<u>797,610</u>	<u>1,036,726</u>
Cash was applied to:			
Employee related costs		638,637	699,411
Grants	10	65,120	25,000
Expenses for provision of administration services		201,960	283,846
		<u>905,717</u>	<u>1,008,257</u>
Net Cash Flows from / (used in) Operating Activities		(108,107)	28,469
CASH FLOWS FROM INVESTING & FINANCING ACTIVITIES			
Cash was applied to:			
Payments to increase investments in the BGF and FIF		171,709	131,937
Net Cash Flows from / (used in) Investing and Financing Activities		<u>(171,709)</u>	<u>(131,937)</u>
Net increase / (decrease) in Cash		(279,817)	(103,468)
Opening Cash		390,357	493,825
Closing Cash / (Overdraft)		<u>110,541</u>	<u>390,357</u>
THIS IS REPRESENTED BY:			
Cash at Bank	4	<u>110,541</u>	<u>390,357</u>



**CHURCH PROPERTY TRUSTEES
NOTES TO THE FINANCIAL PERFORMANCE REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. GENERAL INFORMATION

Reporting Entity

Church Property Trustees (CPT) is constituted as a Body Corporate under "The Anglican (Diocese of Christchurch) Church Property Trust Act 2003" (the Act). This legislation defines the powers and responsibilities of CPT, with the function of CPT being to hold and administer trust property in accordance with the Act, which are reported in the Funds Held accounts and Estates and Trusts Held accounts. CPT is registered as a charitable entity under the Charities Act 2005, registration number CC36062.

2. STATEMENT OF ACCOUNTING POLICIES

2.1. Basis of Preparation

Statement of compliance

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

These financial statements were authorised for issue by CPT on the 2nd May, 2024.

CPT has elected to apply PBE IPSAS 28, PBE IPSAS 41 and PBE IPSAS 30 for recognition and measurement of its investments. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future. The financial statements have been prepared on a historical cost basis, except for investments which have been measured at fair value.

2.2. Changes in Accounting Policies

There has been no change in the accounting policies. All other policies have been applied on a basis consistent with those used in previous years.

2.3. Specific Account Policies

(a) Revenue

Revenue is recorded when goods and services have been provided. Revenue on capital projects are recorded at stage of completion of the service at balance date.

(b) Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances. Although cash and cash equivalents at 31 December, 2023 are subjected to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

(c) Receivables and Prepayments

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

(d) Goods and Services Tax

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

(e) Financial Investments

Recognition and measurement:

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

(f) Payables and Accrued expenses

Payables are recorded on the receipt of goods and services and are measured at the amount owed.

(g) Employee costs payable

Employee costs payable are recorded when an employee has earned the entitlement and are measured at the amount to be paid.

(i) Income Tax

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

**CHURCH PROPERTY TRUSTEES
NOTES TO THE FINANCIAL PERFORMANCE REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

3. AUDIT FEE EXPENSE

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

	2023	2022
	\$	\$
Church Property Trustees	11,000	10,000
Estate & Trusts	16,500	15,000
Funds Held	16,500	15,000
	<u>44,000</u>	<u>40,000</u>

4. FINANCIAL INSTRUMENTS CATEGORY

These financial statements were authorised for issue by CPT on the 2nd May, 2024.

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

Financial Assets

Fixed Interest Fund (s.32) for short term funding	469,718	441,344
Balanced Growth Fund for long term funding	149,335	-
Total	<u>619,054</u>	<u>441,344</u>

b) Financial assets measured at amortised cost

Cash and Cash equivalents	110,541	390,357
Receivables and Prepayments	43,736	80,271

c) Financial liabilities measured at amortised cost

Payables	(106,571)	(136,658)
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Total financial assets less liabilities at amortised cost

	<u>666,759</u>	<u>775,315</u>
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5. CONTINGENT LIABILITIES

CPT did not have any contingent liabilities at balance date (2022: Nil).

6. CREDIT RISK

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

7. COMMITMENTS

CPT has no operating lease obligations.

8. RELATED PARTIES

Anglican Diocese Ministry Support Centre (ADMSC)

CPT shares premises (95 Tuam Street) and resources with the ADMSC. CPT negotiates annually to pay a portion of the shared resources, these expenses in 2023 were \$111,835 (2022: \$105,239).

Solicitors and Barristers

Legal costs for these services are incurred by CPT and have been recorded in the Statement of Financial Performance. Mr Alex Summerlee of Parry Field & Co is the Diocesan vice-chancellor and Parry Field has billed CPT \$5,428 (2022 \$3,963).

Funds held and administered by Church Property Trustees

The funds held and administered, as well as income and expenditure related to these funds, are reported in separate audited financial statements. This is due to CPT acting as trustee on behalf of the various entities with investments in the funds. CPT receives cost recovery contributions in the form of an investment fund administration fee for the service provided, with rates set annually by CPT. During the year, CPT received contributions of investment fund administration fees of \$548,954 (2022: \$592,204).

Estates and Trusts held and administered by Church Property Trustees

The estates and trusts held and administered are reported in separate audited financial statements. CPT receives a contribution in the form of Estate and Trust Management fees as set annually by CPT. During the year, CPT received a contribution in the form of estate and trust management fees of \$30,875 (2022: \$28,379); Insurance and Property Management Fees and Commission \$147,800. (2022 \$140,870).

Advances to other Related Entities

Related party - Reserve Fund (RF) reported in Funds Held.

	<u>-</u>	<u>6,000</u>
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9. SUBSEQUENT EVENTS

None.

10. GRANTS AND CONTRIBUTIONS

In 2023 CPT provided a grant of \$64,920 to contribute to the Reserve Fund 2022 and \$200 other entity contribution (2022: \$25,000 Grant was to Glenmark-Waikari).

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

Report on the Performance Report

Opinion

We have audited the performance report of Church Property Trustees (the Body Corporate), which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 31 December 2023, the statement of financial position as at 31 December 2023, and the statement of accounting policies and other explanatory information.

In our opinion

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b) the accompanying performance report presents fairly, in all material respects:
 - the entity information for the year ended 31 December 2023;
 - the service performance for the year then ended; and
 - the financial position of the Body Corporate as at 31 December 2023, and its financial performance, and cash flows for the year then ended

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

Basis for Opinion

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("ISAE (NZ) 3000 (Revised)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Performance Report* section of our report. We are independent of the Body Corporate in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Body Corporate.

Other Information

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

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

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

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

Responsibilities of the Trustees for the Performance Report

The Trustees are responsible for:

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

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

Auditor's Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the performance report is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this performance report.

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

- Identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Body Corporate's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Body Corporate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Who we Report to

This report is made solely to the Body Corporate's members, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Body Corporate and the Body Corporate's members, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Christchurch Audit Limited

BDO Christchurch Audit Limited
Christchurch
New Zealand
2 May 2024