

TARANAKI ANGLICAN TRUST BOARD

Financial Statements
for the year ended 31 December 2021

TARANAKI ANGLICAN TRUST BOARD

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TARANAKI ANGLICAN TRUST BOARD

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FOR THE YEAR ENDED 31 DECEMBER 2021

BOARD OF TRUSTEES	John Eagles (Chairperson) Elizabeth Bang Catherine Jones Joyce Margaret Marcon
TRUST ACTIVITY	Property Ownership and Investment Management
INDEPENDENT AUDITOR	BDO Auckland Level 4, BDO Centre, 4 Graham Street, Auckland
BANKERS	TSB Bank
TRUST OBJECTIVE	The administration of properties and specific trust funds under the terms of those specific trusts on behalf of most of the parishes of the Diocese of Waikato and Taranaki.

TARANAKI ANGLICAN TRUST BOARD

**Statement of Comprehensive Revenue and Expense
For the Year Ended 31 December 2021**

	Notes	2021 \$	2020 \$
Revenue			
Giving and Donations		100,282	68,016
Grant		2,750,000	501,149
Interest		35,585	54,300
Investment income		26,999	25,870
Other Income		16,083	12,958
Giftng from Parishes	6	724,881	-
Realised Investment Gain		5,792	-
Total Revenue		3,659,623	662,293
Expenses			
Operating expenses		33,571	33,179
Distributions		56,781	12,331
Depreciation	3	162,972	162,810
Loss on Disposal of Property, Plant and Equipment		320,000	-
Total Expenses		573,324	208,320
Total Surplus for the year		3,086,299	453,973
Other comprehensive revenue and expense			
Net Change in Fair Value of Investments		39,981	49,155
Net Change in Fair Value of Properties		162,972	273,310
Other Comprehensive Revenue and Expense for the year		202,953	322,465
Total Comprehensive Revenue and Expense for the year		3,289,252	776,438

These financial statements should be read in conjunction with the notes to the financial statements.

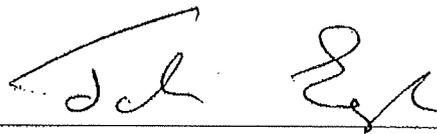
TARANAKI ANGLICAN TRUST BOARD

**Statement of Financial Position
As at 31 December 2021**

	Note	2021 \$	2020 \$
Current Assets			
Cash and cash equivalents		1,477,068	1,078,980
Term Deposits		3,149,949	2,741,346
Trade and other Receivables		18,402	8,075
Total Current Assets		4,645,419	3,828,401
Non Current Assets			
Investments	4	1,010,589	992,372
Property, Plant & Equipment	3	28,877,546	26,857,380
Total Non Current Assets		29,888,135	27,849,752
Total Assets		34,533,554	31,678,153
Current Liabilities			
Trade and other Payables		290,005	34,155
Related Party Payables	6	183,049	871,692
Provision for Distributions		24,154	25,212
Total Current Liabilities		497,208	931,059
Total Liabilities		497,208	931,059
Net Assets		34,036,346	30,747,094
Capital Funds			
General Trust		7,229	13,205
Sundry Trusts Held On Behalf Of Parishes		1,912,323	1,888,400
Properties Held on Behalf of the Anglican Church and Used by it in Various Parish and Ministry Unit Areas	5	28,877,630	26,857,380
Cathedral Remediation	5	3,239,149	1,988,096
Retained Trust Income		13	13
Total Equity		34,036,346	30,747,094

For and on behalf of the Board :

Date : 12/8/22



Trustee

These financial statements should be read in conjunction with the notes to the financial statements.

TARANAKI ANGLICAN TRUST BOARD

**Statement of Changes in Net Assets
For the Year Ended 31 December 2021**

	Trust Capital	Cathedral Remediation	Sundry Trusts Held	Equity from Properties Held	Total Equity
	\$	\$	\$	\$	\$
Equity at 1 January 2020	11,322	2,199,892	1,806,560	25,952,882	29,970,656
Surplus for the year	453,973	-	-	-	453,973
Other comprehensive revenue and expenses	-	-	49,156	273,309	322,465
Total comprehensive revenue and expense for the year	453,973	-	49,156	273,309	776,438
Allocation of surplus to reserves	(452,077)	582,203	32,684	(162,810)	-
Transfers between reserves	-	(793,999)	-	793,999	-
Total transfers	(452,077)	(211,796)	32,684	631,189	-
Equity at 31 December 2020	13,218	1,988,096	1,888,400	26,857,380	30,747,094
Surplus for the year	3,086,299	-	-	-	3,086,299
Other comprehensive revenue and expenses	-	-	39,981	162,972	202,953
Total comprehensive revenue and expense for the year	3,086,299	-	39,981	162,972	3,289,252
Allocation of surplus to reserves	(3,092,273)	2,866,423	11,729	214,121	-
Transfers between reserves	-	(1,615,370)	(27,787)	1,643,157	-
Total transfers	(3,092,273)	1,251,053	(16,058)	1,857,278	-
Equity at 31 December 2021	7,244	3,239,149	1,912,323	28,877,630	34,036,346

These financial statements should be read in conjunction with the notes to the financial statements.

TARANAKI ANGLICAN TRUST BOARD

**Cash flow Statement
For the year ended 31 December 2021**

	2021 \$	2020 \$
Cash flows from operating activities		
Receipts from donors	116,667	80,964
Grants and bequests	2,825,000	501,149
Interest and dividends received	24,212	54,898
Payments to suppliers	(184,941)	(10,746)
Net cash from operating activities	2,780,938	626,265
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,979,283)	(793,587)
Purchase of investments	(610)	(355,249)
Purchase of term deposits	(400,000)	(128,342)
Net cash (used in) investing activities	(2,379,893)	(1,277,178)
Cash flows from financing activities		
Movements in funds held for Parishes	(2,958)	(1,618)
Net cash (used in) financing activities	(2,958)	(1,618)
Net increase/(decrease) in cash and cash equivalents	398,087	(652,531)
Add Cash and cash equivalents at the beginning of the financial year	1,078,980	1,731,511
Cash and cash equivalents at the end of the financial year	1,477,067	1,078,980
Represented by		
Cash and Cash Equivalents	1,477,068	1,078,980
	1,477,068	1,078,980

These financial statements should be read in conjunction with the notes to the financial statements.

TARANAKI ANGLICAN TRUST BOARD

Notes to Financial Statements For the year ended 31 December 2021

1. Overview

Reporting Entity

The Taranaki Anglican Trust Board ("the Trust Board") is part of the Anglican Church of Aotearoa New Zealand & Polynesia, and is incorporated and domiciled in New Zealand. The Trust Board is a registered charity under the Charities Act 2005.

These financial statements have been approved and were authorised for issue by the Board of Trustees on page 3.

Statement of Compliance

These financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with the Public Benefit Entity Standards (PBE Standards RDR) and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board. For purposes of complying with the NZ GAAP, the Trust is a public benefit not-for-profit entity and is eligible to apply PBE Standards RDR on the basis that it does not have public accountability and it has operating expenditure of less than \$30m.

The Board of Trustees has elected to report in accordance with PBE Standards RDR and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis are followed by the Trust, with the exception that investments are stated at market value, and land & buildings are stated at rating valuation.

Functional and presentational Currency

These financial statements are presented in New Zealand dollars (\$), which is the Trust's functional currency and the Trust Board's presentation currency, rounded to the nearest dollar.

2. Accounting Policies

The significant accounting policies used in the preparation of these financial statements as set out below have been applied consistently to all periods presented.

2.1 Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Trust and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

The following recognition criteria must be met before revenue is recognised

Exchange Revenue

Interest income is accrued on a timely basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the assets carrying amount.

Distribution income from investments is recognised when the Trust's right to receive payment has been established.

TARANAKI ANGLICAN TRUST BOARD

Notes to Financial Statements For the year ended 31 December 2021

Accounting Policies (continued)

Non-Exchange Revenue

Non-exchange transactions are those where the Trust receives an inflow of resources (i.e. cash and other tangible or intangible items) but provides no (or nominal) direct consideration in return.

Giving & Donations are classified as revenue from non-exchange transactions and are recognised as income when they are received unless there is an obligation to return the funds if conditions are not met. If there is such an obligation, donations are initially recorded as received in advance, and recognised as revenue when conditions of the donations are satisfied.

Grant revenue is classified as revenue from non-exchange transactions and includes grants given by charitable organisations, philanthropic organisations and businesses. Grant revenue is recognised when the conditions attached to the grant have been complied with. Where there are unfulfilled conditions attaching to the grant, the amount relating to the unfulfilled use or return condition is recognised as a liability and released to revenue as the conditions are fulfilled. If there are no conditions attached to the Grant, it is recognised when the money is received.

Gifts from parishes is recognized as revenue, when the parish purchases a property, and the title interest is with the trust board.

2.2 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, cash at banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts if any, are shown within current liabilities in the Statement of Financial Position.

2.3 Goods and Services Tax

All items in the Statement of Financial Position are stated exclusive of GST, with the exception of receivables and payables, which include GST. All items in the Statement of Comprehensive Revenue and Expense are stated exclusive of GST.

2.4 Income Tax

The Trust Board has been granted exemption from income tax by the Inland Revenue Department.

2.5 Changes in accounting policies

There have been no changes in accounting policies. All policies have been applied on a basis consistent with prior year.

2.6 Use of Estimates and Judgements

The preparation of the financial statements in conformity with PBE Standards RDR requires management to make judgement, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected. The significant estimates and judgements made in applying accounting policies and that affect amounts recognised in the financial statements are the following:

- Valuation of investments - see note 4
- Valuation of property, plant and equipment - see note 3

TARANAKI ANGLICAN TRUST BOARD

Notes to Financial Statements For the year ended 31 December 2021

3. Property, Plant and Equipment

Property (land and buildings) is initially recorded at cost where the Trust Board has legal title. Subsequent to initial recognition, land and buildings are re-measured to fair value based on the latest council ratings valuation every three years. Revaluation gains are recognised in other comprehensive revenue and expense. Revaluation losses are also recognised in other comprehensive revenue and expense to the extent there is a balance in the revaluation reserve, and following this are recognised in surplus or deficit. Depreciation on buildings is recorded at 2% per annum.

The Trust Board is the Trustee for Parish property held within that part of the Diocese of Waikato and Taranaki that resides within the greater Taranaki region. All of these properties are at balance date held for Ministry purposes and do not form part of the investment portfolio of the Trust Board.

2021	Land \$	Buildings \$	Work In Progress \$	Total \$
Cost or valuation				
Opening 1/1/2021	13,638,500	11,403,796	1,815,084	26,857,380
Additions	362,083	334,926	1,643,157	2,340,166
Disposals	(36,000)	(284,000)	-	(320,000)
Revaluation	-	162,972	-	162,972
Transfer on revaluation	-	(162,972)	-	(162,972)
Closing 31/12/2021	13,964,583	11,454,722	3,458,241	28,877,546
Depreciation				
Balance at 1/1/2021	-	-	-	-
Depreciation for the year	-	162,972	-	162,972
Transfer on revaluation	-	(162,972)	-	(162,972)
Closing 31/12/2021	-	-	-	-
Net Book Value				
Closing 31/12/2021	13,964,583	11,454,722	3,458,241	28,877,546

2020	Land \$	Buildings \$	Work In Progress \$	Total \$
Cost or valuation				
Opening 1/1/2020	13,554,000	11,962,577	1,021,085	26,537,662
Additions	-	-	793,999	793,999
Revaluation	84,500	188,809	-	273,309
Transfer	-	(747,590)	-	(747,590)
Closing 31/12/2020	13,638,500	11,403,796	1,815,084	26,857,380
Depreciation				
Balance at 1/1/2020	-	584,780	-	584,780
Depreciation for the year	-	162,810	-	162,810
Transfer	-	(747,590)	-	(747,590)
Closing 31/12/2020	-	-	-	-
Net Book Value				
Closing 31/12/2020	13,638,500	11,403,796	1,815,084	26,857,380

The Taranaki Cathedral Church of St Mary closed in January 2016 and the Taranaki Anglican Trust Board has launched a significant restoration project. The costs relating to this project are being capitalised as work in progress in 2021 of \$1,615,369 (2020: \$1,815,084).

TARANAKI ANGLICAN TRUST BOARD

Notes to Financial Statements For the year ended 31 December 2021

4. Investments

Investments are classified as Available-for-Sale financial assets. Assets Available-for-Sale are stated at fair value. Subsequent to initial recognition investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned and are initially measured at fair value net of transaction costs. Gains and losses arising from changes in fair value are recognised in Other Comprehensive Revenue and Expense for the year. The cumulative gain or loss on an Available-for-Sale financial asset that has been recognised in Other Comprehensive Revenue and Expense is recognised in surplus or deficit when the asset is derecognised.

Investments are stated at fair value as at 31 December 2021 which are the quoted prices of the underlying managed funds at balance date.

	31/12/2021	31/12/2020
	\$	\$
Investment in Managed Funds	1,010,589	992,372

5. Reserves

The Trust's equity has been split between general funds and special funds. General funds are amounts available for distribution at the discretion of the Trust and are included in Retained Trust Income. Special funds have been identified by the Trust as funds with a specific purpose. The nature and purpose of the reserves that make up the Trust's special funds are set out below:

Cathedral Remediation	Funds reserved for spending on the St Mary's Taranaki Cathedral remediation project
Sundry Trusts Held	Investment held on behalf of the Diocese and Parishes which include the change in fair value of the Trust's investments
Equity from Properties Held	Properties held on behalf of the Diocese and Parishes and the change in fair value of the Trust's properties

	31/12/2021	31/12/2020
	\$	\$
Taranaki Cathedral Remediation Project Reserve	3,239,149	1,988,096
Properties held for the Diocese Parishes	28,877,630	26,857,380
Sundry Trusts Held	1,912,323	1,888,400

6. Related Party

Key Management Personnel of four (4) trustees did not receive any remuneration nor other benefits during the year.

The Trust Board and the Waikato Diocesan Trust Board are the legal entities for the Parishes of the Diocese of Waikato and Taranaki and the Standing Committee of the Diocese of Waikato and Taranaki.

The Trust Board has responsibility to prudently invest Funds held by the Parishes.

Anglican Action Trust Board is a charitable trust established for the provision of Anglican social services, the Trustees of which are appointed by the Standing Committee.

The Trust Board is the Trustees of various charitable trusts which are collectively defined as the "Bishopric Trusts". The Bishopric of the Diocese of Waikato and Taranaki is the Beneficiary of these trusts.

Types of transactions

Investments	Various Parishes and other entities within the Diocese of Waikato and Taranaki have money invested by the Trust Board. All money invested by the Trust is shared proportionately to the various related entities that provided the funds. The proportionate share can be in the form of income distributions or an uplift in the value of the funds held.
Investment held on behalf	An amount of \$183,049 (2020: \$871,692) relates to an investment which the Trust holds on behalf of the Diocese of Waikato and Taranaki. This is also payable to the Diocese of Waikato and Taranaki.
Payable to related party	An amount of \$183,049 (2020: \$871,692) is payable to the Diocese of Waikato and Taranaki. This relates to an investment which the Trust holds on behalf of the Diocese of Waikato and Taranaki.
Gifting	Gifting from the Parishes/ Diocese of Waikato to the Taranaki Anglican Trust Board during the year of 2021 is \$724,880.59 which consists with \$ 697,093 from St Chads Smith Estate and \$ 27,787 from Fitzroy Parish (2020: Nil).

7. Commitment and Contingencies

Capital commitments at 31 December 2021 are \$4,450,843. This was relating to Te Whare building project. (2020: Nil).

The Taranaki Anglican Trust Board has no contingent liabilities at 31 December 2021 (2020: Nil).

8. Events after Balance Date

There are no subsequent events.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF TARANAKI ANGLICAN TRUST BOARD**

Qualified Opinion

We have audited the financial statements of Taranaki Anglican Trust Board (“the Trust”), which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive revenue and expense, statement of changes in net assets 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, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at 31 December 2021, 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 Qualified Opinion

As described in Note 3 to the financial statements, the Trust’s Property, Plant and Equipment includes Land and Buildings (“Property”) amounting to \$25,419,305 as at 31 December 2021. Property is initially measured at cost and subsequently remeasured to fair value based on the latest council rating valuations. The council rating valuations are not market-based evidence which is indicative of the fair value of the property under PBE IPSAS 17 *Property, Plant and Equipment*. No further assessment of the fair value was performed by the Trust and therefore we were unable to obtain sufficient and appropriate audit evidence about the carrying value of the land and buildings as at 31 December 2021. Consequently, we were unable to determine whether any adjustments to this amount or related amounts included in the statement of comprehensive revenue and expense, statement of changes in net assets and the cash flow statement for the year then ended, were necessary.

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 Trust 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 qualified opinion.

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

Other Matter

The financial statements of the Trust for the year ended 31 December 2020 were audited by another auditor who expressed a qualified opinion on those financial statements on 7 July 2021.

Trustees' Responsibilities for the Financial Statements

The Trustees are responsible on behalf of the Trust for the preparation and fair presentation of the financial statements in accordance with PBE Standards RDR, and for such internal control as the trustees 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 Trustees are responsible on behalf of the Trust for assessing the Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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 Trust's Trustees, 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 Trust and the Trust's Trustees, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Auckland

BDO Auckland
Auckland
New Zealand
12 August 2022