

**TARANAKI ANGLICAN TRUST BOARD**

Financial Statements  
for the year ended 31 December 2020

# TARANAKI ANGLICAN TRUST BOARD

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## TARANAKI ANGLICAN TRUST BOARD

### Directory

FOR THE YEAR ENDED 31 DECEMBER 2020

<b>BOARD OF TRUSTEES</b>	John Eagles (Chairperson) Gerald Bailey Elizabeth Bang Catherine Jones Murray McEwen Joyce Margaret Marcon
<b>TRUST ACTIVITY</b>	Property Ownership and Investment Management
<b>INDEPENDENT AUDITOR</b>	KPMG 18 Viaduct Harbour Avenue Auckland
<b>BANKERS</b>	TSB Bank
<b>Trust Objective</b>	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 2020**

		2020 \$	2019 \$
<b>Revenue</b>			
Giving and Donations		68,016	331,484
Grant		501,149	1,888,400
Interest		54,300	49,562
Investment Income		25,870	14,919
Other Income		12,958	53,956
Gifts from Parishes	5	-	337,765
Realised Investment Gain		-	13,829
<b>Total Income</b>		<b>662,293</b>	<b>2,689,915</b>
<b>Expenses</b>			
Operating expenses		33,179	33,112
Distributions		12,331	239,245
Gifts to Parishes	5	-	337,765
Depreciation	3	162,810	158,830
Realised Property Loss		-	2,333
<b>Total Expenses</b>		<b>208,320</b>	<b>771,284</b>
<b>Total Surplus for the year</b>		<b>453,973</b>	<b>1,918,632</b>
<b>Other comprehensive income</b>			
Net Change in Fair Value of Investments		49,155	5,519
Net Change in Fair Value of Properties		273,310	3,398,830
<b>Other Comprehensive Revenue and Expense for the year</b>		<b>322,465</b>	<b>3,404,349</b>
<b>Total Comprehensive Revenue and Expense for the year</b>		<b>776,438</b>	<b>5,322,980</b>

These financial statements should be read in conjunction with the notes from page 6 to page 8 of the financial statements.

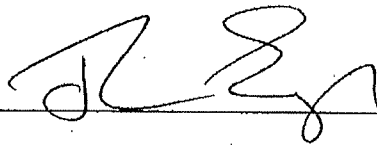
**TARANAKI ANGLICAN TRUST BOARD**

**Statement of Financial Position  
As at 31 December 2020**

	Note	31/12/2020	31/12/2019
<b>Current Assets</b>			
Cash and cash equivalents		1,078,980	1,731,511
Term Deposits		2,741,346	2,605,200
Trade and other Receivables		8,075	19,102
<b>Total Current Assets</b>		<b>3,828,401</b>	<b>4,355,813</b>
<b>Non Current Assets</b>			
Investments	4	992,372	570,220
Property, Plant & Equipment	3	26,857,380	25,952,882
<b>Total Non Current Assets</b>		<b>27,849,752</b>	<b>26,523,102</b>
<b>Total Assets</b>		<b>31,678,153</b>	<b>30,878,915</b>
<b>Current Liabilities</b>			
Trade and other Payables		34,155	8,401
Related Party Payables	5	871,692	873,310
Provision for Distributions		25,212	26,548
<b>Total Current Liabilities</b>		<b>931,059</b>	<b>908,259</b>
<b>Total Liabilities</b>		<b>931,059</b>	<b>908,259</b>
<b>Net Assets</b>		<b>30,747,094</b>	<b>29,970,656</b>
<b>Capital Funds</b>			
General Trust		13,205	11,309
Sundry Trusts Held On Behalf Of Parishes		1,888,400	1,806,560
Properties Held on Behalf of the Anglican Church and Used by It in Various Parish and Ministry Unit Areas		26,857,380	25,952,882
Cathedral Remediation		1,988,096	2,199,892
Retained Trust Income		13	13
<b>Total Equity</b>		<b>30,747,094</b>	<b>29,970,656</b>

For and on behalf of the Board :

Date :



10-6-2021

Trustee

These financial statements should be read in conjunction with the notes from page 6 to page 8 of the financial statements.

**TARANAKI ANGLICAN TRUST BOARD**

**Statement of Changes in Net Assets  
For the Year Ended 31 December 2020**

	Retained Trust Income	Cathedral Remediation	General Trust	Taranaki Bishopric Fund	Govett Brown Memorial Fund	Sundry Trusts Held	Equity from Properties held	Total Equity
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Equity at 1 January 2019</b>	<b>13</b>	<b>299,696</b>	<b>9,766</b>	<b>4,005.00</b>	<b>(2,650)</b>	<b>1,637,613</b>	<b>22,699,234</b>	<b>24,647,676</b>
Surplus for the year	-	2,253,844	2,101	-	-	(176,151)	(161,163)	1,918,631
Other Comprehensive Income	-	-	-	-	-	5,519	3,398,830	3,404,349
Distributions	-	(353,648)	(556)	(4,005)	2,650	339,579	15,980	-
<b>Equity at 31 December 2019</b>	<b>13</b>	<b>2,199,892</b>	<b>11,309</b>	<b>-</b>	<b>-</b>	<b>1,806,560</b>	<b>25,952,882</b>	<b>29,970,656</b>
Surplus for the year	-	582,203	1,896	-	-	32,684	(162,810)	453,973
Other Comprehensive Income	-	-	-	-	-	49,156	273,309	322,465
Distributions	-	(793,999)	-	-	-	-	793,999	-
<b>Equity at 31 December 2020</b>	<b>13</b>	<b>1,988,096</b>	<b>13,205</b>	<b>-</b>	<b>-</b>	<b>1,888,400</b>	<b>26,857,380</b>	<b>30,747,094</b>

These financial statements should be read in conjunction with the notes from page 6 to page 8 of the financial statements.

**TARANAKI ANGLICAN TRUST BOARD**

**Cash flow Statement  
For the year ended 31 December 2020**

	2020 \$	2019 \$
<b>Cash flows from operating activities</b>		
Cash received from donors	80,964	331,484
Cash received from operating activities	-	53,956
Grants and bequests	501,149	1,888,400
Interest and dividends received	54,898	45,364
Payments to suppliers and activities	(10,746)	(78,848)
<b>Net cash from operating activities</b>	<b>626,265</b>	<b>2,240,357</b>
<b>Cash flows from investing activities</b>		
Building Improvement	(793,587)	(353,648)
Sale of Properties	-	337,765
Purchase of investments	(355,249)	(247,382)
Sale of investments	-	69,749
<b>Net cash from/(used in) investing activities</b>	<b>(1,148,836)</b>	<b>(193,516)</b>
<b>Cash flows from financing activities</b>		
Funds held for parish	(1,618)	70,998
Purchase of bank deposits	(128,342)	(1,427,344)
<b>Net cash from/(used in) financing activities</b>	<b>(129,960)</b>	<b>(1,356,346)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(652,531)</b>	<b>690,494</b>
<b>Add Cash at the beginning of the financial year</b>	<b>1,731,511</b>	<b>1,041,017</b>
<b>Cash at the end of the financial year</b>	<b>1,078,980</b>	<b>1,731,511</b>
Represented by		
Cash and Cash Equivalents	1,078,980	1,731,511
	1,078,980	1,731,511

These financial statements should be read in conjunction with the notes from page 6 to page 8 of the financial statements.

## TARANAKI ANGLICAN TRUST BOARD

### Notes to Financial Statements For the year ended 31 December 2020

#### 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 NZ GAAP. They comply with the Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") "not-for-profit" and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Charitable Trusts. For purposes of complying with the NZ GAAP, the Trust is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-for-Profit PBE IPSAS 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 Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions.

##### Measurement Base

The accounting principles are 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 which are stated at rating valuation.

#### 2. Accounting Policies

The significant accounting policies used in the preparation of these financial statements as set out below have been prepared in these financial statements.

##### 2.1 Functional and presentational currency

These financial statements are presented in New Zealand dollars (\$), which is the Trust's functional currency.

##### 2.2 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.

The following recognition criteria must be met before revenue is recognised

##### Rental Income

Rental income is recognised in the surplus or deficit on a straight line basis over the term of the lease.

##### Interest Income

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 equity 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 2020

#### Accounting Policies (continued)

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 includes grants given by charitable organisations, philanthropic organisations and businesses. Grant revenue is recognised when the conditions attached to the grant has been complied with. Where there are unfulfilled conditions attaching to the grant, the amount relating to the unfulfilled 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.

#### 2.3 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instrument. Bank overdrafts if any, are shown within current liabilities in the Statement of Financial Position.

#### 2.4 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.

#### 2.5 Income Tax

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

#### 2.6 Changes in accounting policies

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

### 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 income directly in equity. Revaluation losses are also recognised in other comprehensive income to the extent there is a balance in the revaluation reserve, and following this are recognised in surplus or deficit. Depreciation on building 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. These properties are at balance date held for Ministry purposes and do not form part of the investment portfolio of the Trust Board.

2020	Land \$	Buildings \$	Work In Progress \$	Total \$
<b>Cost or valuation</b>				
Opening 1/1/2020	13,554,000	11,962,577	1,021,085	26,537,662
Additions	-	-	793,999	793,999
Disposals	-	-	-	-
Revaluation	84,500	188,809	-	273,309
Transfer	-	(747,590)	-	(747,590)
<b>Closing 31/12/2020</b>	<b>13,638,500</b>	<b>11,403,796</b>	<b>1,815,084</b>	<b>26,857,380</b>
<b>Depreciation</b>				
Balance at 1/1/2020	-	584,780	-	584,780
Depreciation for the year	-	162,810	-	162,810
Transfer	-	(747,590)	-	(747,590)
<b>Closing 31/12/2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Book Value</b>				
<b>Closing 31/12/2020</b>	<b>13,638,500</b>	<b>11,403,796</b>	<b>1,815,084</b>	<b>26,857,380</b>
2019	Land \$	Buildings \$	Work In Progress \$	Total \$
<b>Cost or valuation</b>				
Opening 1/1/2019	13,678,000	8,791,307	667,437	23,136,744
Additions	-	-	353,648	353,648
Disposals	(124,000)	(227,560)	-	(351,560)
Revaluation	-	3,398,830	-	3,398,830
<b>Closing 31/12/2019</b>	<b>13,554,000</b>	<b>11,962,577</b>	<b>1,021,085</b>	<b>26,537,662</b>
<b>Depreciation</b>				
Balance at 1/1/2019	-	437,510	-	437,510
Depreciation for the year	-	147,270	-	147,270
<b>Closing 31/12/2019</b>	<b>-</b>	<b>584,780</b>	<b>-</b>	<b>584,780</b>
<b>Net Book Value</b>				
<b>Closing 31/12/2019</b>	<b>13,554,000</b>	<b>11,377,797</b>	<b>1,021,085</b>	<b>25,952,882</b>

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 (2020: \$1,815,084; 2019: \$1,021,085)

## TARANAKI ANGLICAN TRUST BOARD

### Notes to Financial Statements For the year ended 31 December 2020

#### 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 2020 which are the quoted prices of the underlying managed funds at balance date.

	31/12/2020	31/12/2019
	\$	\$
Investment in Managed Funds	992,372	570,220

#### 5. Related Party

Key Management Personnel of six (6) 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 and the Waikato Diocesan Trust Board are 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 WDTB and TATB 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 \$871,692 (2019: \$873,310) 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 \$871,692 (2019: \$873,310) is payable to related party. This relates to an investment which the Trust holds on behalf of the Diocese of Waikato and Taranaki.
Gifting	No Gifting to and from the Diocese of Waikato and Taranaki during the year of 2020 (2019: \$337,765).

#### 6. Commitment and Contingencies

There were no capital commitments at 31 December 2020 (2019: \$nil).

The Taranaki Anglican Trust Board has no contingent liabilities at 31 December 2020 (2019: \$nil).

#### 7. Events after Balance Date

There are no subsequent events.



# Independent Auditor's Report

To the Trustees of Taranaki Anglican Trust Board

## Report on the audit of the financial statements

### Qualified Opinion

In our opinion, the accompanying financial statements of Taranaki Anglican Trust Board (the 'trust') on pages 2 to 8, except for the possible effects of the matter described in the basis for qualified opinion:

- i. present fairly in all material respects the trust's financial position as at 31 December 2020 and its financial performance and cash flows for the year ended on that date; and
- ii. comply with Public Benefit Entity Standards Reduced Disclosure Regime (Not For Profit).

We have audited the accompanying financial statements which comprise:

- the statement of financial position as at 31 December 2020;
- the statements of comprehensive revenue and expenses, changes in net assets and cash flows for the year then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



### Basis for qualified opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Land and buildings are currently measured at fair value based on the latest Council valuation, which is not considered to be market value under PBE IPSAS 17 *Property, Plant and Equipment*. We were unable to obtain sufficient and appropriate audit evidence about the carrying value of the land and buildings at 31 December 2020 as Council valuations are not indicative of fair value, and no further assessment of fair value was undertaken. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

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 the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

Subject to certain restrictions, partners and employees of our firm may also deal with the trust on normal terms within the ordinary course of trading activities of the business of the trust. These matters have not impaired our independence as auditor of the trust. The firm has no other relationship with, or interest in, the trust.



### Other information

The Trustees, on behalf of the trust, are responsible for the other information included in the entity's directory. Our opinion on the financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, 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.

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## Use of this independent auditor's report

This independent auditor's report is made solely to the Trustees as a body. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in the independent 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 beneficiaries as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.

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## Responsibilities of the Trustees for the financial statements

The Trustees, on behalf of the trust, are responsible for:

- the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being Public Benefit Entity Standards Reduced Disclosure Regime (Not For Profit));
  - implementing necessary internal control to enable the preparation of a set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
  - assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.
- 



## Auditor's responsibilities for the audit of the financial statements

Our objective is:

- 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 independent 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. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

This description forms part of our independent auditor's report.

KPMG  
Auckland

7 July 2021