



WAIKATO
DIOCESAN
TRUST BOARD

**GENERAL PURPOSE
FINANCIAL REPORT**

**For the Year Ended
31 December 2023**

WAIKATO DIOCESAN TRUST BOARD

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FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

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WAIKATO DIOCESAN TRUST BOARD

DIRECTORY

FOR THE YEAR ENDED 31 DECEMBER 2023

BOARD OF TRUSTEES

Elizabeth Bang (chair)
Alexander James Twaddle
Catherine Jones
John Eagles
Joyce Marcon

REGISTERED OFFICE

Charlotte Brown House
104 Morrinsville Road
Hillcrest
Hamilton

NATURE OF BUSINESS

Provides religious services / activities

CHARITIES COMMISSION REGISTRATION NUMBER

CC11309

INDEPENDENT AUDITOR

BDO Auckland
4 Graham Street
Auckland

WAIKATO DIOCESAN TRUST BOARD

Statement of Service Performance For the Year Ended 31 December 2023

Our Mission and Purpose

The Waikato Diocesan Trust Board (WDTB) is a charitable trust based in New Zealand with the charitable purposes of;

- holding trusts for religious and charitable purposes in connection with the Anglican Church. This purpose is covered by the Anglican Church Trusts Act 1981;
- holding the land and buildings of Churches of the Dioceses of Waikato and Taranaki in the Waikato region;
- Managing investments of Churches of the Dioceses of Waikato and Taranaki.

Our Strategic Focus

Trustees strategic focus is to hold and manage the properties and investments of the Trust in line with the following objectives:

- Maximise the level of distributions made to unitholders
- Maintain and grow the value of the capital base over the long term
- Enhance and develop the Diocese for the best interests of the Churches when a decision is made for property sale and purchase.

The Trust maintains a diversified investment portfolio which ultimately invests in:

- Commercial Property
- Australasian Shares
- New Zealand Bonds
- International Shares
- International Bonds

Outcomes

The outcome that the Trust is seeking is that the capital value of the Trust is maintained and the distributions to unitholders are maximised.

Key Measurable Outputs

	2023 Actual \$	2022 Actual \$
Cash Distributions to Unitholders	304,326	201,696
Capital Gain/(Loss) Investments	220,365	(1,474,620)
Capital Gain/(Loss) Properties	3,435,417	18,926,148

2023 proved a better year in respect to investment markets with an increase of \$220,365 in the Trust's capital (2022: decrease of \$1,474,620).

Despite the volatile returns over the past year, the cash income returns have been stable and the Trust has managed to maintain reasonably consistent distributions to the unit holders for the year.

The value of properties held by the Trust increased by \$3.4m in 2023 (2022: \$18.9m). See Note 3 Property, Plant and Equipment.

Key Judgement

Management has made judgements in relation to which outcomes and outputs best reflect the achievement of the performance for the Trust's vision.

The performance measures are designed to inform:

- our commitment to meeting the needs of the current Trusts
- our efficiency and effectiveness in maintaining the capital value of the Trust for future distributions.

WAIKATO DIOCESAN TRUST BOARD

Statement of Comprehensive Revenue and Expense For the Year Ended 31 December 2023

	Notes	2023 \$	2022 \$
Revenue			
<u>Revenue from exchange transactions</u>			
Investment income	2	430,610	341,436
Rental income		87,850	90,450
Other income		5,082	10,566
<u>Revenue from non-exchange transactions</u>			
Donations	2	500,000	75,000
Total Revenue		1,023,542	517,452
Expenses			
Legal, Insurance and Valuations		4,960	9,990
Management Fees		10,000	10,000
Professional Fees		49,628	44,044
General Expenses		3,971	10,149
Depreciation	3	668,417	581,031
Givings to parish	5	272,248	2,852,132
Total Expenses		1,009,224	3,507,346
Total Operating Surplus / (Deficit) for the Year		14,318	(2,989,894)
Non Distributable Income			
Realised (Loss) on Sale of Property		(1,856,640)	(84,496)
Realised Gain on Sale of Investments	4	-	26,061
Revaluation of investments at fair value through surplus or deficit	4	220,365	(1,474,620)
Total Net (Deficit) for the Year		(1,621,957)	(4,522,949)
Other comprehensive revenue and expense			
Unrealised Gain on Revaluation of Property, Plant and Equipment	3	3,435,417	18,926,148
Other Comprehensive Revenue and Expense for the Year		3,435,417	18,926,148
Total Comprehensive Revenue and Expense for the Year		1,813,460	14,403,199

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

WAIKATO DIOCESAN TRUST BOARD

**Statement of Financial Position
As at 31 December 2023**

	Notes	2023 \$	2022 \$
Current Assets			
Cash and cash equivalents		1,275,035	3,233,119
Cash held on behalf	5	278,125	-
Trade and other Receivables		117,440	136,616
Loans to related parties	5	134,513	151,803
Total Current Assets		1,805,113	3,521,538
Non Current Assets			
Investments	4	11,221,718	11,001,353
Property, Plant & Equipment	3	79,921,392	78,788,280
Investments held on behalf	5	4,014,969	4,720,427
Total Non Current Assets		95,158,079	94,510,060
Total Assets		96,963,192	98,031,598
Current Liabilities			
Trade and other Payables		32,736	38,771
Total Current Liabilities		32,736	38,771
Non Current Liabilities			
Other Loans		-	300,000
Payable to related parties	5	5,208,324	5,635,657
Total Non Current Liabilities		5,208,324	5,935,657
Total Liabilities		5,241,060	5,974,428
Net Assets		91,722,132	92,057,170
Equity		91,722,132	92,057,170

For and on behalf of the Board :

Trustee

Date

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

WAIKATO DIOCESAN TRUST BOARD

**Statement of Changes in Net Assets
For the Year Ended 31 December 2023**

	Unitholder Funds \$	Revaluation of Trust Board Properties \$	Diocesan Properties \$	Total Equity \$
Equity at 1 January 2022	13,456,448	356,614	62,446,403	76,259,465
Surplus/(Deficit) for the year	(4,522,949)	-	-	(4,522,949)
Transfers - disposal of revalued property, plant and equipment	1,303,666	-	(1,303,666)	-
Other Comprehensive revenue and expense	-	1,948,970	16,977,178	18,926,148
Total Comprehensive revenue and expense for the year	(3,219,283)	1,948,970	15,673,512	14,403,199
Distribution to Unitholders	(201,696)	-	-	(201,696)
Net Receipts from Unitholders	1,596,202	-	-	1,596,202
Equity at 31 December 2022	11,631,671	2,305,584	78,119,915	92,057,170
Equity at 1 January 2023	11,631,671	2,305,584	78,119,915	92,057,170
Surplus/(Deficit) for the year	(1,621,957)	-	-	(1,621,957)
Transfers - disposal of revalued property, plant and equipment	1,633,888	(169,969)	(1,463,919)	-
Other Comprehensive revenue and expense	-	53,257	3,382,160	3,435,417
Total Comprehensive revenue and expense for the year	11,931	(116,712)	1,918,241	1,813,460
Distribution to Unitholders	(304,326)	-	-	(304,326)
Net Payments to Unitholders	(1,844,171)	-	-	(1,844,171)
Equity at 31 December 2023	9,495,105	2,188,871	80,038,156	91,722,132

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

WAIKATO DIOCESAN TRUST BOARD

Cash flow Statement

For the year ended 31 December 2023

	2023 \$	2022 \$
Cash flows from operating activities		
<u>Receipts</u>		
Receipts from tenants	98,780	104,017
Donations received and other	5,012	75,000
<u>Payments</u>		
Payments to suppliers	(79,729)	(82,644)
Gifting to Parish	(272,248)	-
Net cash flows from operating activities	(248,186)	96,373
Cash flow from investing activities		
<u>Receipts</u>		
Interest received	117,804	3,995
Investment income	331,258	294,512
Withdrawal from investments	-	915,230
Sale of property, plant and equipment	272,248	-
<u>Payments</u>		
Acquisition of property, plant and equipment	-	(1,260,557)
Net cash flows from investing activities	721,310	(46,820)
Cash flows from financing activities		
<u>Receipts</u>		
Loan repayment received	17,291	55,821
Borrowings	-	300,000
Borrowings from related parties	-	915,230
Net receipts from unitholders	-	1,596,202
<u>Payments</u>		
Net payments to unitholders	(1,844,171)	-
Distribution to unitholders	(304,326)	(201,696)
Loan Repayment made	(300,000)	-
Net cash flows from financing activities	(2,431,206)	2,665,557
Net (decrease)/increase in cash and cash equivalents	(1,958,084)	2,715,109
Add Cash and cash equivalents at the beginning of the financial year	3,233,119	518,010
Cash and cash equivalents at the end of the financial year	1,275,035	3,233,119
Represented by		
Cash and Cash Equivalents	1,275,035	3,233,119
	1,275,035	3,233,119

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

WAIKATO DIOCESAN TRUST BOARD

Notes to Financial Statements For the year ended 31 December 2023

1. Overview

Reporting Entity

The Waikato Diocesan Trust Board ("the Trust Board") is part of the Anglican Church of Aotearoa New Zealand & Polynesia, it 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 4.

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 by 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 Tier 2 Non-For-Profit 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 Tier 2 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 presentation currency, rounded to the nearest dollar.

Goods and Services Tax

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

Income Taxation

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

WAIKATO DIOCESAN TRUST BOARD

Notes to Financial Statements For the year ended 31 December 2023

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 Board and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. The following specific recognition criteria must be met before revenue is recognised.

Revenue from non-exchange transactions.

Under PBE IPSAS 23, revenue from non-exchange transactions refers to revenue received by a public benefit entity (PBE) that does not arise from an exchange of goods, services, or assets with another party. It typically includes donations, bequests, grants, and similar contributions. Revenue is recognised when it is probable that the PBE will receive the economic benefits associated with the revenue and the amount can be reliably measured. Revenue is measured at the fair value of the contribution received, unless it is not practicable to do so.

Donations

Revenue includes one-off and regular donations from individuals, trusts, foundations and corporate entities. Donations from non-exchange revenue are recognised at the point at which cash is received

Donations of \$500,000 in 2023 (2022: \$75,000) include cash donation of \$5,000 and \$495,000 in relation to the property gifted at 51 Hinewai Street, Otorohanga.

Revenue from exchange transactions.

Rental income

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

Investment Income

	2023 \$	2022 \$
Recognised in revenue		
<i>Distribution income on financial assets at fair value through surplus or deficit</i>		
Distribution income on managed funds	303,487	304,487
<i>Interest income from financial assets at amortised cost</i>		
Interest on term deposits and bank balance	127,123	36,949
	430,610	341,436

Investment income comprises interest income on financial assets at amortised cost and distribution income from financial assets at fair value. Interest income is recognised as it accrues in surplus or deficit, using the effective interest method. Income from distributions is recognised when the Trust's right to receive payment is established, and the amount can be reliably measured.

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. Cash and cash equivalents are classified as financial assets at amortised cost. They are initially recorded at fair value and subsequently recorded at amortised cost.

2.3 Trade and Other Receivables

Trade and Other Receivables are stated at their estimated realisable value. They are classified as financial assets at amortised cost, and are initially recorded at fair value and subsequently recorded at amortised cost.

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.

Short-term receivables are written off when there is no reasonable expectation of recovery.

As at 31 December 2023 there were no impairment allowances (2022: nil).

WAIKATO DIOCESAN TRUST BOARD

Notes to Financial Statements For the year ended 31 December 2023

2. Accounting Policies (continued)

2.4 There have been no changes in accounting policies in 2023. All policies have been applied consistently with those used in the prior year.

2.5 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
- Key Measurable Outputs - see Statement of Service Performance

WAIKATO DIOCESAN TRUST BOARD

Notes to Financial Statements For the year ended 31 December 2023

3. Property, Plant and Equipment

Property (land and buildings) is initially recorded at cost where the Trust Board have 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 Waikato region. These properties are at balance date held for Ministry purposes and do not form part of the investment portfolio of the Trust Board.

2022	Trust Board Properties		Diocesan Properties		Total
	Land	Buildings	Land	Buildings	
	\$	\$	\$	\$	\$
Cost or valuation					
Opening 1/1/2022	2,777,030	1,885,204	27,944,000	27,262,999	59,869,234
Addition /(Disposals)	942,092	318,465	(530,000)	(756,628)	(26,071)
Reclassification from assets held for sale	-	-	600,000	-	600,000
Revaluation	1,367,680	581,290	12,646,076	4,331,102	18,926,148
Transfer on revaluation	-	(42,481)	-	(538,550)	(581,031)
Closing 31/12/2022	5,086,802	2,742,478	40,660,076	30,298,923	78,788,280
Depreciation					
Balance at 1/1/2022	-	-	-	-	-
Depreciation for the year	-	42,481	-	538,550	581,031
Disposals	-	-	-	(46,800)	(46,800)
Transfer on revaluation	-	(42,481)	-	(491,750)	(534,231)
Closing 31/12/2022	-	-	-	-	-
Net Book Value					
Closing 31/12/2022	5,086,802	2,742,478	40,660,076	30,298,923	78,788,280

2023	Trust Board Properties		Diocesan Properties		Total
	Land	Buildings	Land	Buildings	
	\$	\$	\$	\$	\$
Cost or valuation					
Opening 1/1/2023	5,086,802	2,742,478	40,660,076	30,298,923	78,788,280
Addition /(Disposals)	(942,092)	(691,796)	-	-	(1,633,888)
Revaluation	-	53,257	1,545,500	1,836,660	3,435,417
Transfer on revaluation	-	-	-	(65,740)	(65,740)
Closing 31/12/2023	4,144,710	2,103,939	42,205,576	32,069,844	80,524,069
Depreciation					
Balance at 1/1/2023	-	-	-	-	-
Depreciation for the year	-	53,257	-	615,160	668,417
Transfer on revaluation	-	-	-	(65,740)	(65,740)
Closing 31/12/2023	-	53,257	-	549,420	602,677
Net Book Value					
Closing 31/12/2023	4,144,710	2,050,682	42,205,576	31,520,424	79,921,392

WAIKATO DIOCESAN TRUST BOARD

Notes to Financial Statements For the year ended 31 December 2023

4. Investments

The Trust's investments are classified as financial assets at fair value through surplus or deficit because they do not meet the requirements to be classified as financial assets held at amortised cost or financial assets at fair value through other comprehensive revenue and expense. The transaction costs are recognised in surplus or deficit.

Changes in the fair value of investments are recognised in surplus or deficit.

	2023 \$	2022 \$
Managed Funds		
The total net gain/(loss) on financial assets at fair value through surplus or deficit for the year is shown below:		
Distribution income (note 2.1)	303,487	304,487
Realised gain on sale of investments	-	26,061
Revaluation of investments at fair value through surplus or deficit	220,365	(1,474,620)
Total net gain/loss on financial assets at fair value through surplus or deficit	523,852	(1,144,073)

	2023 \$	2022 \$
Investments in Managed Funds	11,221,718	11,001,353

5. Related Party

Key Management Personnel of five (5) trustees did not receive any remuneration nor other benefits during the year.

The Trust Board and the Taranaki Anglican 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 and Standing Committee.

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

The 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, the Standing Committee, the Taranaki Anglican Trust Board, the "Bishopric Trusts" and other entities within the Diocese of Waikato and Taranaki have money invested by the Trust Board. All money invested by the Trust Board 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.
Cash held on behalf	An amount of \$278,125 relates to cash which the Trust holds on behalf of the Parish of Otorohanga (2022: nil). This is also payable to the Parish of Otorohanga.
Investment held on behalf	An amount of \$4,014,969 relates to an investment which the Trust holds on behalf of the Waikato Cathedral (2022: \$4,720,427). This is also payable to the Waikato Cathedral.
Payable to related party	An amount of \$4,014,969 is payable to Waikato Cathedral (2022: \$4,720,427). This relates to an investment which the Trust holds on behalf of the Waikato Cathedral. An amount of \$278,125 is payable to the Parish of Otorohanga (2022: nil). This relates to cash held in a interest earning account which the Trust holds on behalf of Parish of Otorohanga. An amount of \$915,230 is payable to Diocese of Waikato and Taranaki which was borrowed and used to repay short-term borrowings in order to purchase a new property at 61 Rangiaowhia Road, Te Awamutu (2022: \$915,230).

WAIKATO DIOCESAN TRUST BOARD

Notes to Financial Statements For the year ended 31 December 2023

5. Related Party (continued)

Gifts	Gifts to The Parish of Otorohanga for the sale of property at 51 Hinewai St \$272,248 (2022: \$2,852,133).
Loans	Ngaruawahia Parish \$134,513 at an interest rate of 6.55% and to be repaid when the parish is able to realise certain assets to settle the loan (2022: \$134,513).

All loans are unsecured.

6. Commitment and Contingencies

There were no capital commitments at 31 December 2023 (2022: nil).

The Waikato Diocesan Trust Board has no contingent liabilities at 31 December 2023 (2022: nil).

The Waikato Diocesan Trust Board has entered into the following guarantees with BNZ:
Parish of Holy Trinity Forest Lake \$207,000
Creators Educational Trust \$180,000

7. Subsequent Events

There have been no material post balance sheet events which would require disclosure or adjustment to the 31 December 2023 Financial Statements (2022: nil).