

WAIKATO  
DIOCESAN  
TRUST BOARD

**GENERAL PURPOSE  
FINANCIAL REPORT**

**For the Year Ended  
31 December 2022**

WAIKATO DIOCESAN TRUST BOARD

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FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022

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## WAIKATO DIOCESAN TRUST BOARD

### DIRECTORY

FOR THE YEAR ENDED 31 DECEMBER 2022

BOARD OF TRUSTEES	Elizabeth Bang (chair) John Eagles Catherine Jones 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 2022

#### 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 Equities
- 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

	2022 Actual \$	2021 Actual \$
Cash Distributions to Unitholders	201,696	199,233
Capital Gain/(Loss) Investments	(1,474,620)	666,115
Capital Gain/(Loss) Properties	18,926,148	5,458,914

2022 proved a very difficult period in respect to investment markets. The Trust's capital fell by \$1.5 million. This is compared with the large capital gains that have been recorded in recent years.

Despite a tough investment environment, 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 \$17.6m in 2022 (note 3).

#### 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 2022

	Notes	2022 \$	2021 \$
<b>Revenue</b>			
<u>Revenue from exchange transactions</u>			
Investment income		341,436	370,371
Rental income		90,450	90,450
Other income		10,566	14,005
<u>Revenue from non-exchange transactions</u>			
Donations	2	75,000	-
<b>Total Revenue</b>		<b>517,452</b>	<b>474,826</b>
<b>Expenses</b>			
Legal, Insurance and Valuations		9,990	2,661
Management Fees		10,000	10,000
Professional Fees		44,044	41,773
General Expenses		10,149	2,253
Depreciation	3	581,031	575,415
Givings to parish	6	2,852,132	-
<b>Total Expenses</b>		<b>3,507,346</b>	<b>632,102</b>
<b>Total Operating (Deficit) for the Year</b>		<b>(2,989,894)</b>	<b>(157,276)</b>
<b>Non Distributable Income</b>			
Realised (Loss) on Sale of Property		(84,496)	-
Realised Gain on Sale of Investments	5	26,061	-
Revaluation of investments at fair value through surplus or deficit	5	(1,474,620)	-
<b>Total Net (Deficit) for the Year</b>		<b>(4,522,949)</b>	<b>(157,276)</b>
<b>Other comprehensive revenue and expense</b>			
Fair value movement on available for sale financial assets	5	-	666,115
Unrealised Gain/(Loss) on Revaluation of Property, Plant and Equipment	3	18,926,148	5,458,914
<b>Other Comprehensive Revenue and Expense for the Year</b>		<b>18,926,148</b>	<b>6,125,029</b>
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b>14,403,199</b>	<b>5,967,753</b>

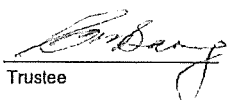
These financial statements should be read in conjunction with the notes to the financial statements.

WAIKATO DIOCESAN TRUST BOARD

Statement of Financial Position  
As at 31 December 2022

	Notes	2022 \$	2021 \$
<b>Current Assets</b>			
Cash and cash equivalents		3,233,119	518,010
Trade and other Receivables		136,616	75,450
Loans to related parties	6	151,803	190,697
Property held for sale	4	-	2,250,000.00
<b>Total Current Assets</b>		<b>3,521,538</b>	<b>3,034,157</b>
<b>Non Current Assets</b>			
Investments	5	11,001,353	13,365,142
Property, Plant & Equipment	3	78,788,280	59,869,234
Investments held on behalf	6	4,720,427	4,860,802
Loans to related parties	6	-	16,928
<b>Total Non Current Assets</b>		<b>94,510,060</b>	<b>78,112,106</b>
<b>Total Assets</b>		<b>98,031,598</b>	<b>81,146,263</b>
<b>Current Liabilities</b>			
Trade and other Payables		38,771	25,996
<b>Total Current Liabilities</b>		<b>38,771</b>	<b>25,996</b>
<b>Non Current Liabilities</b>			
Other Loans		300,000	-
Payable to related parties	6	5,635,657	4,860,802
<b>Total Non Current Liabilities</b>		<b>5,935,657</b>	<b>4,860,802</b>
<b>Total Liabilities</b>		<b>5,974,428</b>	<b>4,886,798</b>
<b>Net Assets</b>		<b>92,057,170</b>	<b>76,259,465</b>
<b>Equity</b>		<b>92,057,170</b>	<b>76,259,465</b>

For and on behalf of the Board :

  
Trustee

26.23  
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 2022

	Investment Revaluation Reserve \$	Unitholder Funds \$	Revaluation of Trust Board Properties \$	Diocesan Properties \$	Total Equity \$
Equity at 1 January 2021	492,317	12,665,768	318,911	57,025,192	70,502,188
Surplus/(Deficit) for the year	-	(157,276)	-	-	(157,276)
Other Comprehensive revenue and expense	666,115	-	37,704	5,421,211	6,125,029
Total Comprehensive revenue and expense for the year	666,115	(157,276)	37,704	5,421,211	5,967,753
Distribution to Unitholders	-	(199,233)	-	-	(199,233)
Net Payments to Unitholders	-	(11,243)	-	-	(11,243)
Equity at 31 December 2021	1,158,432	12,298,016	356,614	62,446,403	76,259,465
Equity at 1 January 2022 (previously reported)	1,158,432	12,298,016	356,614	62,446,403	76,259,465
Change in accounting policy PBE IPSAS 41 (note 1)	(1,158,432)	1,158,432	-	-	-
Restated 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

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 2022

	2022 \$	2021 \$
<b>Cash flows from operating activities</b>		
<u>Receipts</u>		
Receipts from tenants	104,017	90,451
Donations received and other	75,000	25,298
<u>Payments</u>		
Payments to suppliers	(82,644)	(67,154)
<b>Net cash flows from operating activities</b>	<b>96,373</b>	<b>48,595</b>
<b>Cash flow from investing activities</b>		
<u>Receipts</u>		
Interest received	3,995	5,215
Investment income	294,512	356,170
Withdrawal from investments	915,230	-
<u>Payments</u>		
Addition to investments	-	(250,000)
Acquisition of property, plant and equipment	(1,260,557)	-
<b>Net cash flows from investing activities</b>	<b>(46,820)</b>	<b>111,385</b>
<b>Cash flows from financing activities</b>		
<u>Receipts</u>		
Loan repayment received	55,821	63,795
Borrowings	300,000	-
Borrowings from related parties	915,230	-
Net movement from/(to) unitholders	1,596,202	(11,243)
<u>Payments</u>		
Distribution to unitholders	(201,696)	(199,233)
<b>Net cash flows from financing activities</b>	<b>2,665,557</b>	<b>(146,681)</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,715,109</b>	<b>13,298</b>
<b>Add Cash and cash equivalents at the beginning of the financial year</b>	<b>518,010</b>	<b>504,712</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>3,233,119</b>	<b>518,010</b>
<b>Represented by</b>		
Cash and Cash Equivalents	3,233,119	518,010
	3,233,119	518,010

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 2022

### 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 2022

### 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

The Trust Board received donations of \$75,000 in 2022 (2021:nil)

##### 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

	2022 \$	2021 \$
Recognised in revenue		
<i>Distribution income on financial assets at fair value through surplus or deficit (2021:available for sale financial assets)</i>		
Distribution income on managed funds	304,487	356,705
<i>Interest income from financial assets at amortised cost (2021: loans and receivables)</i>		
Interest on term deposits and bank balance	36,949	13,666
	<b>341,436</b>	<b>370,371</b>

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 (2021: loans and receivables). 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 (2021: loans and receivables), 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 2022 and 2021 there were no impairment allowances.

# WAIKATO DIOCESAN TRUST BOARD

## Notes to Financial Statements

For the year ended 31 December 2022

### 2. Accounting Policies (continued)

#### 2.4 Changes in Accounting Policies

##### PBE FRS 48 Service Performance Reporting

PBE FRS 48 is effective for annual periods beginning on or after 1 January 2022. This standard establishes principles and requirements for presenting service performance information useful for accountability and decision making purposes. The main change will be the inclusion of a Statement of Service Performance in the Performance Report for 31 December 2022, including comparative information for the 31 December 2021 period.

##### PBE IPSAS 41 Financial Instruments

PBE IPSAS 41 Financial Instruments supersedes PBE IPSAS 29 Financial Instruments: Recognition and Measurement. The Trust has adopted PBE IPSAS 41 and the main changes between PBE IPSAS 29 and PBE IPSAS 41 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected credit losses, which may result in earlier recognition of impairment losses.

Other than changes in disclosure, the only impact of the adoption of PBE IPSAS 41, is a change in the treatment of the Trust's investments. Under PBE IPSAS 29, the Trust classified its investments as available for sale financial assets, with unrealised gains recorded through other comprehensive revenue and expense in the investment revaluation reserve. Under PBE IPSAS 41, the investments meet the definition of 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 Trust's investments are disclosed in note 5. The method of measuring the fair value of the investments did not change on reclassification. The only change was the reclassification of the unrealised gain or loss from other comprehensive revenue and expense to surplus or deficit.

In accordance with the transitional provisions in PBE IPSAS 41, the Trust has elected not to restate the comparative information. The comparative information continues to be reported under PBE IPSAS 29. Adjustments arising from the adoption of PBE IPSAS 41 are recognised in opening equity at 1 January 2022 (the date of initial application).

There have been no other changes in accounting policies in 2022.

#### 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 5
- 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 2022

#### 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.

2021	Trust Board Properties		Diocesan Properties		Total
	Land	Buildings	Land	Buildings	
	\$	\$	\$	\$	\$
<b>Cost or valuation</b>					
Opening 1/1/2021	2,777,030	1,885,204	25,762,000	26,811,500	57,235,734
Reclassification to assets held for sale	-	-	(1,290,974)	(959,026)	(2,250,000)
Revaluation	-	37,704	3,472,974	1,948,237	5,458,915
Transfer on revaluation	-	(37,704)	-	(537,711)	(575,415)
<b>Closing 31/12/2021</b>	<b>2,777,030</b>	<b>1,885,204</b>	<b>27,944,000</b>	<b>27,262,999</b>	<b>59,869,234</b>
<b>Depreciation</b>					
Balance at 1/1/2021	-	-	-	-	-
Depreciation for the year	-	37,704	-	537,711	575,415
Transfer on revaluation	-	(37,704)	-	(537,711)	(575,415)
<b>Closing 31/12/2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Book Value</b>					
<b>Closing 31/12/2021</b>	<b>2,777,030</b>	<b>1,885,204</b>	<b>27,944,000</b>	<b>27,262,999</b>	<b>59,869,234</b>

2022	Trust Board Properties		Diocesan Properties		Total
	Land	Buildings	Land	Buildings	
	\$	\$	\$	\$	\$
<b>Cost or valuation</b>					
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)
<b>Closing 31/12/2022</b>	<b>5,086,802</b>	<b>2,742,478</b>	<b>40,660,076</b>	<b>30,298,923</b>	<b>78,788,280</b>
<b>Depreciation</b>					
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)
<b>Closing 31/12/2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Book Value</b>					
<b>Closing 31/12/2022</b>	<b>5,086,802</b>	<b>2,742,478</b>	<b>40,660,076</b>	<b>30,298,923</b>	<b>78,788,280</b>

#### 4. Property Held For Sale

There are no properties held for sale in 2022. The sale of 40 Jesmond Street, Ngaruawahia did not settle in 2022 hence the property has been reclassified from held for sale to land and buildings (2021: Forest Lake Road, Hamilton and 40 Jesmond Street, Ngaruawahia).

## WAIKATO DIOCESAN TRUST BOARD

### Notes to Financial Statements For the year ended 31 December 2022

#### 5. 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.

Fair value is determined based on the quoted prices of the underlying investments at balance date.

Changes in the fair value of investments are recognised in surplus or deficit (2021: other comprehensive revenue and expense, and accumulated in the investment revaluation reserve in equity).

	2022 \$	2021 \$
Managed Funds		
The total net gain/(loss) on financial assets at fair value through surplus or deficit for the year (2021: available for sale financial assets) is shown below:		
Distribution income (note 2.1)	304,487	356,705
Realised gain on sale of investments	26,061	-
Revaluation of investments at fair value through surplus or deficit	(1,474,620)	-
Total net gain/(loss) recorded in surplus or deficit	(1,144,072)	356,705
Fair value movement on available for sale financial assets	-	666,115
Total net gain/(loss) recorded in other comprehensive revenue and expense	-	666,115
Total net gain/loss on financial assets at fair value through surplus or deficit (2021: available for sale assets)	(1,144,072)	1,022,820

	2022 \$	2021 \$
Investments in Managed Funds	11,001,353	13,365,142

#### 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 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.
Investment held on behalf	An amount of \$4,720,427 relates to an investment which the Trust holds on behalf of the Waikato Cathedral (2021: \$4,860,802). This is also payable to the Waikato Cathedral.
Payable to related party	An amount of \$4,720,427 is payable to Waikato Cathedral (2021: \$4,860,802). This relates to an investment which the Trust holds on behalf of the Waikato Cathedral.  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 (2021: nil).

## WAIKATO DIOCESAN TRUST BOARD

### Notes to Financial Statements For the year ended 31 December 2022

#### 6. Related Party (continued)

Gifts	Gifts to Forest Lake Parish for the sale of Forest Lake Properties \$1,621,978; Gifts to Waikato Cathedral Parish for the sale of 1030 River Road, Hamilton \$1,230,155 (2021: nil).
Loans	* Standing Committee \$7,677 at 5% repayable by 31 December 2026 (2021: \$35,943). * Loans to Car Fund of \$9,613 at an interest rate of 5% and repayable by 31 May 2023 (2021: \$37,170). * 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 (2021: \$134,513).

All loans are unsecured.

#### 7. Commitment and Contingencies

There were no capital commitments at 31 December 2022 (2021: nil)

The Waikato Diocesan Trust Board has no contingent liabilities at 31 December 2022 (2021: 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

#### 8. Subsequent Events

There have been no material post balance sheet events which require disclosure or adjustment to these Financial Statements.

**INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEES OF THE WAIKATO DIOCESAN TRUST BOARD**

**Qualified Opinion**

We have audited the general purpose financial report of the Waikato Diocesan Trust Board (“the Trust”), which comprises the financial statements on pages 3 to 12 and the service performance information on page 2. The complete set of financial statements comprise the statement of financial position as at 31 December 2022, 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 performance report presents fairly, in all material respects:

- the financial position of the Trust as at 31 December 2022, and its financial performance and its cash flows for the year then ended; and
- the service performance for the year ended 31 December 2022

in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

**Basis for Qualified Opinion**

As described in Note 3 to the general purpose financial report, the Trust’s Property, Plant and Equipment includes Land and Buildings (“Property”) amounting to \$78,788,280 as at 31 December 2022, included in this amount is an unrealised gain/(loss) on revaluation of Property, Plant and Equipment amounting to \$18,926,148 that is recognised in the statement of comprehensive revenue and expense. The service performance information includes the key measurable output “capital gain/(loss) properties” amounting to \$18,926,148.

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 2022.

Consequently, we were unable to determine whether any adjustments to this amount or related amounts included in the statement of service performance, statement of comprehensive revenue and expense, and statement of changes in net assets for the year then ended, were necessary.

Our audit opinion was also modified for the same matter as described above for the year ended 31 December 2021.

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (“ISAs (NZ)”) and the audit of the service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard (NZ AS) 1 *The Audit of Service Performance Information (NZ)*. 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 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 opinion.

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

### **Trustees' Responsibilities for the General Purpose Financial Report**

Those charged with governance are responsible on behalf of the Trust for:

(a) the preparation and fair presentation of the financial statements and service performance information in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board;

(b) service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity Standards Reduced Disclosure Regime; and

(c) such internal control as those charged with governance determine is necessary to enable the preparation of the financial statements and service performance information that are free from material misstatement, whether due to fraud or error.

In preparing the General Purpose Financial Report, 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 General Purpose Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, and the service performance information 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) and NZ AS 1 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 this performance report.

A further description of our responsibilities for the audit of the performance report is located at the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-14/>

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  
14 June 2023