

ANGLICAN CHURCH IN AOTEAROA, NEW ZEALAND AND POLYNESIA

Performance Report

For the year ended
31 December 2016

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ANGLICAN CHURCH IN AOTEAROA, NEW ZEALAND AND POLYNESIA

Entity Information

"Who are we?", "Why do we exist?"

For the year ended
31 December 2016

Legal Name of Entity:	THE ANGLICAN CHURCH IN AOTEAROA NEW ZEALAND AND POLYNESIA, TE HAHU MIHINARE KI AOTEAROA, KI NIUTIRENI, KI NGA MOUTERE O TE MAONA NUI A KIWA
Other Name of Entity (if any):	ANGLICAN CHURCH IN AOTEAROA, NEW ZEALAND AND POLYNESIA
Type of Entity and Legal Basis (if any):	Registered Charity
Registration Number:	CC26426

Entity's Purpose or Mission:

- (i) To proclaim the good news of the Kingdom;
- (ii) To teach, baptise and nurture the new believers;
- (iii) To respond to human needs by loving service;
- (iv) To seek to transform unjust structures of society, to challenge violence of every kind and to pursue peace and reconciliation;
- (v) To strive to safeguard the integrity of creation and sustain and renew the life of the earth.

Entity Structure:

General Synod Te Hinota Whanui (GSTHW) meets every second year, with representatives of each of the 7 Dioceses in New Zealand, the 5 Amorangi in Aotearoa, and the Diocese of Polynesia.
Between meetings the entity is represented by the General Synod Standing Committee (GSSC) of 18 members representing the three houses of Bishops/ Clergy/ Laity, and the three Tikanga of Maori/ Pakeha/ Polynesia.
There are three Archbishops, a General Secretary (Exec Officer), and various Commissions/ Councils/ Boards/ and Committees.

Main Sources of the Entity's Cash and Resources and Main Methods to Raise Funds

Trust grants and church donations, with some limited interest income and sales of resources,
Raised through annual applications to Trusts and voluntary contributions by Dioceses/ Amorangi.

Entity's Reliance on Volunteers and Donated Goods or Services:

GSTHW has 5 full time and 5 part time staff, and relies on over 300 volunteers for much of its work.

Contact details

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ANGLICAN CHURCH IN AOTEAROA, NEW ZEALAND AND POLYNESIA

Statement of Service Performance

"What did we do?", When did we do it?"

**For the year ended
31 December 2016**

Description of the Entity's Outcomes:

- (i) the good news of the Kingdom is proclaimed;
- (ii) new believers are taught, baptised and nurtured;
- (iii) human needs are responded to by loving service;
- (iv) unjust structures of society are transformed, violence of every kind is challenged and peace and reconciliation is pursued;
- (v) the integrity of creation is safeguarded, and the life of the earth is sustained and renewed.

Description and Quantification (to the extent practicable) of the Entity's Outputs:

1 A biennial GSTHW is held and governance provided in between by Standing Committee.

General Synod Te Hinota Whanui was held for 8 days in May 2016, in Napier. General Synod Standing Committee (GSSC) met in March, July, and September, for two days each time.

2 Administrative and Support services provided to three-tikanga ministry.

In addition to GSSC, support was delivered to 5 Commissions, 7 Councils or Committees, 2 Tribunals, and 12 Small Working Groups.

3 Church leadership resourced and supported.

The Primacy (shared by three Archbishops) and the House of Bishops (15) were supported for their ongoing work and for 2 meetings/conferences.

4 International and ecumenical relationships maintained.

Relationships, contributions and communications were maintained with WCC, CCA, PCC, ACC, NDCU, and various international and national networks and ecumenical dialogues. Funding is provided for membership, international conferences and representation on council commissions.

5 Communications provided to Church and Society.

The Anglican Toanga magazine is published 3 times a year, and a regular news website, Taonga Online, is maintained.

Additional Information:

Theological Education, Womens Studies, Social Justice Education, Youth Work.
These areas of work employed staff, ran programmes, and produced resources.

ANGLICAN CHURCH IN AOTEAROA, NEW ZEALAND AND POLYNESIA

Statement of Financial Performance

"How was it funded?" and "What did it cost?"

For the year ended

31 December 2016

	Note	Actual This Year \$	Budget This Year \$	Actual Last Year \$
Revenue				
Donations, fundraising and other similar revenue	1	1,669,172	1,877,750	1,612,014
Fees, subscriptions and other revenue from members	1	299,756	381,018	296,163
Revenue from providing goods or services	1	38,649	23,500	33,863
Interest, dividends and other investment revenue		46,495	7,000	55,225
Total Revenue		2,054,072	2,289,268	1,997,265
Expenses				
Costs related to providing goods or services		1,485,862	1,713,451	1,257,752
Volunteer and employee related costs	2	510,029	650,400	514,853
Grants and donations made		-	-	500
Other expenses		9,347	10,100	10,941
Total Expenses		2,005,238	2,373,951	1,784,046
Surplus/(Deficit) for the Year		48,834	(84,683)	213,219

ANGLICAN CHURCH IN AOTEAROA, NEW ZEALAND AND POLYNESIA

Statement of Financial Position

"What the entity owns?" and "What the entity owes?"

As at
31 December 2016

	Note	Actual This Year \$	Actual Last Year \$
Assets			
Current Assets			
Bank accounts and cash	3	1,336,064	1,217,858
Debtors and prepayments	3	26,607	55,427
Total Current Assets		1,362,671	1,273,285
Non-Current Assets			
Property, plant and equipment	4	7,290	10,891
Investments	3	454,494	454,494
Total Non-Current Assets		461,784	465,385
Total Assets		1,824,455	1,738,670
Liabilities			
Current Liabilities			
Creditors and accrued expenses		166,844	130,784
Employee costs payable		19,907	19,016
Other current liabilities		-	-
Total Current Liabilities		186,751	149,800
Total Liabilities		186,751	149,800
Total Assets less Total Liabilities (Net Assets)		1,637,704	1,588,870
Accumulated Funds			
Accumulated surpluses		725,982	739,709
Reserves		911,722	849,161
Total Accumulated Funds		1,637,704	1,588,870

ANGLICAN CHURCH IN AOTEAROA, NEW ZEALAND AND POLYNESIA

Statement of Cash Flows

"How the entity has received and used cash"

For the year ended
31 December 2016

	Actual This Year \$	Actual Last Year \$
Cash Flows from Operating Activities		
Cash was received from:		
Donations, fundraising and other similar receipts	1,664,267	1,721,894
Fees, subscriptions and other receipts from members	309,306	296,163
Receipts from providing goods or services	38,649	33,863
Interest, dividends and other investment revenue	46,888	54,723
Net GST	17,520	-
Cash was applied to:		
Payments to suppliers	1,449,286	1,479,910
Payments to employees	509,138	522,553
Grants and donations paid	-	500
Net GST	-	783
Net Cash Flows from Operating Activities	118,206	102,897
Cash flows from Investing and Financing Activities		
Cash was applied to:		
Payments to acquire property, plant and equipment	-	638
Net Cash Flows from Investing and Financing Activities	-	(638)
Net Increase / (Decrease) in Cash	118,206	102,259
Opening Cash	1,217,858	1,115,599
Closing Cash	1,336,064	1,217,858
This is represented by:		
Bank Accounts and Cash	1,336,064	1,217,858

M. E. Hughes
General Secretary

10/4/17



ANGLICAN CHURCH IN AOTEAROA, NEW ZEALAND AND POLYNESIA

Statement of Accounting Policies

"How did we do our accounting?"

For the year ended
31 December 2016

Basis of Preparation

ANGLICAN CHURCH IN AOTEAROA, NEW ZEALAND AND POLYNESIA has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and had total annual expenses of equal to or less than \$2,000,000 for at least one of the previous two financial years. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

First Time Adoption of PBE Accounting Standards

This is the first performance report prepared in accordance with Tier 3 PBE accounting standards by the entity. For the year ended 31 December 2015, the entity prepared special purpose financial statements. These have now been restated to comply with PBE SER A(NFP). The date of transition to the new PBE Accounting Standards is 1 January 2015. There were no adjustments to previously reported equity or accounting policies as a result of adopting these accounting standards.

Revenue Recognition

Donations are recognised as revenue upon receipt.

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 condition is recognised as a liability and released to income as the conditions are fulfilled.

Goods and Services Tax (GST)

The entity is registered for GST. Therefore, all amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

Income Tax

ANGLICAN CHURCH IN AOTEAROA, NEW ZEALAND AND POLYNESIA is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Receivables

Receivables are stated at their realisable value.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation rates are as follows:

Software and Computer Equipment	depreciated over 3 years straight line
Motor Vehicles	depreciated over 7 years straight line

Investments

Investments are recorded at cost.

Functional Currency and Presentation Currency

The presentation currency and functional currency of the entity is the New Zealand Dollar.

Employee Entitlements

An accrual for employee entitlements is recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid.

ANGLICAN CHURCH IN AOTEAROA, NEW ZEALAND AND POLYNESIA

Notes to the Performance Report

For the year ended
31 December 2016

Note 1: Analysis of Revenue

Revenue Item	Analysis	This Year \$	Last Year \$
Donations and other similar revenue	General Church Trust Board	1,209,000	917,000
	Donations	4,667	23,736
	Grants	455,505	671,278
	Total	1,669,172	1,612,014

Revenue Item	Analysis	This Year \$	Last Year \$
Fees, subscriptions and other revenue from members	Auckland Diocese	60,000	60,000
	Christchurch Diocese	57,222	57,222
	Dunedin Diocese	16,713	16,713
	Nelson Diocese	17,500	17,500
	Polynesia Diocese	19,691	15,748
	Te Pihopatanga O Aotearoa	23,498	23,500
	Waipapu Diocese	40,382	39,590
	Waikato Diocese	22,750	22,750
	Wellington Diocese	42,000	42,000
	Other Contribution	-	1,140
Total	299,756	296,163	

Revenue Item	Analysis	This Year \$	Last Year \$
Revenue from providing goods or services	Advertising Revenue	18,429	14,242
	Subscriptions Revenue	7,270	157
	Royalties Received	1,356	916
	Others	11,594	18,547
	Total	38,649	33,862



ANGLICAN CHURCH IN AOTEAROA, NEW ZEALAND AND POLYNESIA

Notes to the Performance Report

For the year ended
31 December 2016

Note 2 : Analysis of Expenses

Expense Item	Analysis	This Year	Last Year
		\$	\$
Volunteer and employee related costs	ACC	1,173	1,885
	Kiwisaver	5,556	5,554
	Training Costs	13,184	44,542
	Wages and Salaries	490,116	462,872
	Total		510,029



ANGLICAN CHURCH IN AOTEAROA, NEW ZEALAND AND POLYNESIA

Notes to the Performance Report

For the year ended
31 December 2016

Note 3 : Analysis of Assets and Liabilities

Asset Item	Analysis	This Year \$	Last Year \$
Bank accounts and cash	BNZ Cheque Account	526,064	617,213
	NBZ Call Account	-	45
	Petty Cash Visa	-	600
	Short Term Deposits	810,000	600,000
	Total	1,336,064	1,217,858

Asset Item	Analysis	This Year \$	Last Year \$
Debtors and prepayments	Trade and Other Receivables	12,685	23,345
	Prepayments	-	6,262
	GST Receivable	13,922	25,820
	Total	26,607	55,427

Asset Item	Analysis	This Year \$	Last Year \$
Investments	Opening	454,494	454,494
	Total	454,494	454,494



ANGLICAN CHURCH IN AOTEAROA, NEW ZEALAND AND POLYNESIA

Notes to the Performance Report

For the year ended
31 December 2016

Note 4 : Property, Plant and Equipment

This Year					
Asset Class	Opening Carrying Amount	Purchases	Sales / Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
Motor Vehicles	9,321	-	-	2,804	6,517
Computers (including software)	1,570	-	-	798	772
Total	10,891	-	-	3,602	7,289

Last Year					
Asset Class	Opening Carrying Amount	Purchases	Sales / Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
Motor Vehicles	12,125	-	-	2,804	9,321
Computers (including software)	2,703	638	-	1,771	1,570
Total	14,828	638	-	4,575	10,891



ANGLICAN CHURCH IN AOTEAROA, NEW ZEALAND AND POLYNESIA

Notes to the Performance Report

For the year ended
31 December 2016

Note 5: Accumulated Funds

This Year			
Description	Accumulated Surpluses or Deficits	Reserves	Total
Opening Balance	739,709	849,161	1,588,870
Surplus/(Deficit)	48,834	-	48,834
Transfer to Reserves	(165,818)	165,818	-
Transfer from Reserves	103,257	(103,257)	-
Closing Balance	725,982	911,722	1,637,704

Last Year			
Description	Accumulated Surpluses or Deficits	Reserves	Total
Opening Balance	679,298	696,353	1,375,651
Surplus/(Deficit)	213,219	-	213,219
Transfer to Reserves	(249,926)	249,926	-
Transfer from Reserves	97,118	(97,118)	-
Closing Balance	739,709	849,161	1,588,870

Reserves	Nature & purpose
Car Replacement Fund	Ongoing quarterly reserving provision for replacement. Purchased - 2011. Due for replacement in 2017
Office Equip Provision	Ongoing quarterly reserving provision, including for Video conference equipment.
Conference Study Leave Prov	Ongoing quarterly reserving provision for Staff attendance at Conferences.
Episcopal Units & Other Part B	EU's is a provision for Part B balancing, if required. Funds reserved for future spending in this area. Publications shows balance available for Liturgical publications, or underwriting other publications against income from sales.
New Publications Fund	Net income from sales, after annual production/print costs for the annual lectionary. Funds reserved for future spending in this area.
Lectionary	Investment Fund balance with an annual interest distribution to Episcopal Units.
Hooper Estate	Net income from sales, transferred from Publications. Due to publish next in 2017 (Biennial).
Clerical Directory	The balance of funds available for the Primates Social Justice Policy Research project work currently underway.
Social Justice Commission	Balance of extra distribution for staff restructure, partly deferred to 2017.
General Synod Office	Invested funds on behalf of Youth Commission. Income from a source other than SJCTB and available to TTYC for projects above those funded by SJCTB. Funds reserved for future spending in this area.
Youth TYE Putea	Hold some SJ money committed to ongoing Tik Pakeha SJ project work.
Social Justice Project	Hold income from DOM Advent Card sales at Publications for future DOM projects, including current music CD.
Decade of Mission	Like Youth Putea above, but from a different income source. Funds available for TTYC projects above those funded by SJCTB. Funds reserved for future spending in this area.
TORU	Income from sources other than SJCTB, mostly book sales or donations, and available for CAWS projects above those funded by SJCTB, specially for further resource publications. Funds reserved for future spending in this area.
Womens Studies	A reserve held for expenses related to the Military Chaplaincy support by the Military Liaison Bishop and transferred to Anglican Military Affairs code where expenses are paid during the year. Funds reserved for future spending in this area.
Anglican Military Affairs	A reserve held for equipment expenses related the provincial Archives held at St John Kinder Theological Library, and transferred to Archives code where expenses are paid during the year. Funds reserved for future spending in this area.
Archives Equipment Reserve	Balance available for annual Greek scholar prize.
Archeacon Johnston Prize Fund	Quarterly reserving for next Assembly/Conference (5 yearly).
CCA Conference Reserve	Funds available to CFE who are responsible to use this.
Ecumenical Publicity Reserve	Quarterly reserving available for next Assembly/Conference.
Pacific Conference of Churches	The reserve available for GSTHW meetings, and for general purposes.
G5 Reserve 2012	Quarterly reserving for the next Assembly, in 2020.
WWC Assembly Reserve	Reserving for the annual NY Conference, with transfers to cover expenses in Ecumenical for travel/ attendance as required.
UNSCW	Quarterly reserving for next Conference.
IALC Reserve	2015 year windfall grant from Perpetual Guardian for general 'mission' initiatives. GSSC allocated this to DOM projects.
ACC 2016 Conference Reserve	Provision for Committee attendance.
WCC Central Committee A/C	



Note 5: Accumulated Funds continued

Breakdown of Reserves

2016	Opening	Movement	Closing
Car Replacement Fund	(30,436)	(4,000)	(34,436)
Office Equip Provision	(49,328)	(3,609)	(52,937)
Conference Study Leave Prov	(1,936)	(1,500)	(3,436)
Episcopal Units & Other Part B	(19,721)	-	(19,721)
New Publications Fund	(147,606)	31,406	(116,200)
Lectionary	(13,093)	(2,378)	(15,471)
Hooper Estate	(154,998)	-	(154,998)
Clerical Directory	(14,848)	(278)	(15,126)
Social Justice Commission	(22,323)	15,303	(7,020)
General Synod Office	-	(83,780)	(83,780)
Youth TYE Putea	(29,854)	(33,764)	(63,618)
Social Justice Project	(29,972)	3,719	(26,253)
Decade of Mission	(2,954)	1,708	(1,246)
TORU	(2,550)	-	(2,550)
Womens Studies	(6,532)	73	(6,459)
Anglican Military Affairs	(56,668)	4,413	(52,255)
Archives Equipment Reserve	(3,320)	-	(3,320)
Archeacon Johnston Prize Fund	(2,294)	500	(1,794)
CCA Conference Reserve	(9,713)	4,205	(5,508)
Ecumenical Publicity Reserve	(12,119)	-	(12,119)
Pacific Conference of Churches	(25,659)	(2,000)	(27,659)
GS Reserve 2012	(47,220)	20,194	(27,026)
WWC Assembly Reserve	(24,800)	(1,773)	(26,573)
UNSCW	(5,432)	(4,000)	(9,432)
IALC Reserve	-	(2,000)	(2,000)
ACC 2016 Conference Reserve	(105,906)	-	(105,906)
WCC Central Committee A/C	(29,876)	(5,000)	(34,876)
Total	(849,161)	(62,561)	(911,722)

2015	Opening	Movement	Closing
Car Replacement Fund	(25,441)	(4,995)	(30,436)
Office Equip Provision	(58,335)	9,007	(49,328)
Conference Study Leave Prov	(7,887)	5,951	(1,936)
Episcopal Units & Other Part B	(19,721)	-	(19,721)
New Publications Fund	(134,955)	(12,651)	(147,606)
Lectionary	(7,807)	(5,286)	(13,093)
Hooper Estate	(155,828)	830	(154,998)
Clerical Directory	(12,969)	(1,879)	(14,848)
Social Justice Commission	(15,572)	(6,751)	(22,323)
General Synod Office	(3,021)	3,021	-
Youth TYE Putea	(28,878)	(976)	(29,854)
Social Justice Project	(25,781)	(4,191)	(29,972)
Decade of Mission	(2,419)	(535)	(2,954)
TORU	(2,467)	(83)	(2,550)
Womens Studies	(3,789)	(2,743)	(6,532)
Anglican Military Affairs	(58,965)	2,297	(56,668)
Archives Equipment Reserve	(7,181)	3,861	(3,320)
Archeacon Johnston Prize Fund	(2,719)	425	(2,294)
CCA Conference Reserve	(8,062)	(1,651)	(9,713)
Ecumenical Publicity Reserve	(11,723)	(396)	(12,119)
Pacific Conference of Churches	(22,820)	(2,839)	(25,659)
GS Reserve 2012	(25,272)	(21,948)	(47,220)
WWC Assembly Reserve	(23,579)	(1,221)	(24,800)
UNSCW	(4,654)	(778)	(5,432)
IALC Reserve	(2,609)	2,609	-
ACC 2016 Conference Reserve	-	(105,906)	(105,906)
WCC Central Committee A/C	(23,899)	(5,977)	(29,876)
Total	(696,354)	(152,808)	(849,161)

ANGLICAN CHURCH IN AOTEAROA, NEW ZEALAND AND POLYNESIA

Notes to the Performance Report

For the year ended
31 December 2016

Notes 6 to 9

Note 6 Capital Commitments

The entity has no capital commitments as at 31 December 2016 (2015 nil).

Note 7 Contingent Liabilities

The entity has no contingent liabilities & no guarantees as at 31 December 2016 (2015 nil).

Note 8 Events after balance date

There were no events that have occurred after balance date that would have a material impact on the Performance Report (2015 nil).

Note 9 Related Party disclosure

There were no material transactions involving related parties during the financial year (2015 nil).



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INDEPENDENT AUDITOR'S REPORT

To the General Synod/te Hinota Whanui of The Anglican Church in Aotearoa, New Zealand, and Polynesia

Report on the Performance Report

Opinion

We have audited the performance report of The Anglican Church in Aotearoa, New Zealand, and Polynesia (the "Church"), which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 31 December 2016, the statement of financial position as at 31 December 2016, and the statement of accounting policies and other explanatory information.

In our opinion:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b) the accompanying performance report presents fairly, in all material respects:
 - the entity information for the year then ended;
 - the service performance for the year then ended; and
 - the financial position of the Church as at 31 December 2016, and its financial performance, and cash flows for the year then ended

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

Basis for Opinion

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("ISAE (NZ) 3000 (Revised)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Performance Report* section of our report. We are independent of the Church in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* 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 Church.

Responsibilities of the General Synod/te Hinota Whanui for the Performance Report

The General Synod/te Hinota Whanui is responsible for:

- a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;

PARTNERS: David Pearson Ross Hadwin Glenn Fan-Robertson Heather Hallam Lisa Townshend Matt Coulter
ASSOCIATES: Cary Davis David Hopping Sheena Mason Billie Stanley
CONSULTANTS: Ron Eglinton

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- b) the preparation and fair presentation of the performance report on behalf of the Church which comprises:
- the entity information;
 - the statement of service performance; and
 - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report
- in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board; and
- c) such internal control as the General Synod/te Hinota Whanui determines is necessary to enable the preparation of a performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the General Synod/te Hinota Whanui is responsible on behalf of the Church for assessing the Church'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 General Synod/te Hinota Whanui either intends to liquidate the Church or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Performance Report

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

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

- Identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the General Synod/te Hinota Whanui and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Church's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Church to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

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

Who we report to

This report is made solely to the Church's General Synod/te Hinota Whanui, 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 Church and the Church's General Synod/te Hinota Whanui, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Central (NI)

BDO CENTRAL (NI)
Napier
New Zealand
10 April 2017