

**PRESBYTERIAN CHURCH OF AOTEAROA NEW ZEALAND
BENEFICIARY FUND**

Financial Statements

For the Year Ended 30 June 2009

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Auditor's Report

To the Members of Presbyterian Church of Aotearoa New Zealand Beneficiary Fund ("the Fund").

We have audited the financial statements on pages 3 to 14. The financial statements provide information about the past financial performance of the Fund and its financial position as at 30 June 2009. This information is stated in accordance with the accounting policies set out on pages 6 to 7.

This report is made solely to the Members. Our audit has been undertaken so that we might state to the Members those matters 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 Fund and the Members as a body, for our audit work, for this report, or for the opinions we have formed.

Trustees' Responsibilities

The Trustees are responsible for the preparation of financial statements which comply with generally accepted accounting practice in New Zealand and fairly present the net assets of the Fund as at 30 June 2009 and its changes in net assets and cash flows for the year ended on that date.

Auditor's Responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the Trustees and report our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- ▶ the significant estimates and judgements made by the trustees in the preparation of the financial statements; and
- ▶ whether the accounting policies are appropriate to the Fund's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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

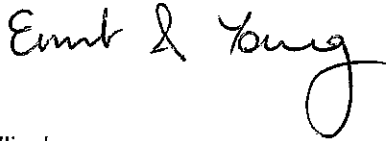
Unqualified Opinion

We have obtained all the information and explanations we have required.

In our opinion the financial statements on pages 3 to 14:

- ▶ comply with generally accepted accounting practice in New Zealand; and
- ▶ fairly present the net assets of the Fund as at 30 June 2009 and its changes in net assets and cash flows for the year ended on that date.

Our audit was completed on 22 October 2009 and our unqualified opinion is expressed as at that date.



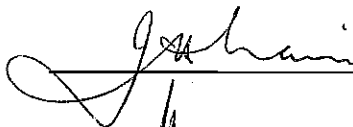
Wellington

**PRESBYTERIAN CHURCH OF AOTEAROA NEW ZEALAND
BENEFICIARY FUND**

Statement of Net Assets As at 30 June 2009	Note	2009 \$	2008 \$
Investments	<u>6</u>		
Alliance Bernstein		7,548,233	11,354,802
ANZ Term Deposits		5,142,533	10,033,289
ING (NZ) Ltd		16,168,596	12,400,724
Russell Investments		15,001,050	13,795,502
Trust Investments		7,246,723	7,788,033
Tyndall Investment Management NZ Ltd		17,919,054	19,129,518
		<u>69,026,189</u>	<u>74,501,868</u>
Trustees			
Mortgages on Properties		<u>238,630</u>	<u>361,849</u>
Total Investments		69,264,819	74,863,717
CURRENT ASSETS			
Cash at Bank		129,011	65,281
Contributions Receivable - Member	9	1,487	2,847
Sundry Debtors		<u>6,000</u>	<u>221,105</u>
Total Current Assets		<u>136,498</u>	<u>289,233</u>
Total Assets		<u>69,401,317</u>	<u>75,152,950</u>
Less LIABILITIES			
Prepaid Contributions		-	5,293
Sundry Creditors		<u>70,774</u>	<u>132,474</u>
		70,774	137,767
Term Liabilities			
Supplementary Benefit Scheme		<u>900,819</u>	<u>1,781,300</u>
Total Liabilities		971,593	1,919,067
NET ASSETS AVAILABLE FOR BENEFITS	2 & 3	<u>68,429,724</u>	<u>73,233,883</u>


For and on behalf of The Presbyterian Church Property Trustees which authorised the issue of these financial statements on:

Trustee



Date 22.10.09

Trustee



Date 22/10/09

This statement is to be read in conjunction with the notes on pages 6 to 14



**PRESBYTERIAN CHURCH OF AOTEAROA NEW ZEALAND
BENEFICIARY FUND**

Statement of Changes in Net Assets
For the Year Ended 30 June 2009

	Note	2009 \$	2008 \$
INVESTMENT ACTIVITIES			
Increase in assets from:			
Investment activities			
Change in net market values	8	(3,928,387)	(2,750,279)
Revenue from Trustees Investments			
Dividends		1,128,818	1,766,516
Interest		2,530,301	1,526,140
Total revenue from trustees investments		<u>3,659,119</u>	<u>3,292,656</u>
Total Investment Revenue		(267,268)	542,377
Less: Investment Expenses		<u>(165,885)</u>	<u>(119,567)</u>
Net Investment Revenue		(433,153)	422,810
OTHER EXPENSES			
Actuarial Fees	11	30,205	67,071
Administration and management charges		144,260	133,972
Auditors' Remuneration		18,431	25,397
Investment Consulting		84,537	116,327
Legal expenses		17,301	27,958
Secretarial costs		17,342	-
Bad Debts		58,152	-
Sundry expenses		10,775	9,174
PIE tax		3,991	-
Total Other Expenses		<u>384,994</u>	<u>379,899</u>
Change in Net Assets before membership activities		(818,147)	42,911
MEMBERSHIP ACTIVITIES			
Contributions			
Member Contributions	5	514,055	540,189
Employer Contributions		923,224	753,547
Other Employer assessments		9,524	159,671
Legacies and Gifts		538	40,443
Total Contributions		<u>1,447,341</u>	<u>1,493,850</u>
Benefits Paid			
Annuities paid		2,149,240	2,065,268
Resignation		182,255	-
Death Payment		60,665	-
Cash payments on retirement		1,348,570	715,174
Commutation payments on retirement		750,477	282,652
Surviving spouse annuities		746,256	789,971
Disablement allowances		120,055	157,338
Funeral grants		25,855	25,108
Special grants		49,980	96,410
Medical insurance premiums		-	300
Earnings credited to members		-	856
Total Benefits Paid		<u>5,433,353</u>	<u>4,133,077</u>
Net Contributions / Benefits paid		<u>(3,986,012)</u>	<u>(2,639,227)</u>
Net (Decrease) in Net Assets During the Year	8	(4,804,159)	(2,596,316)
Net Assets Available for Benefits at Beginning of the Year		<u>73,233,883</u>	<u>75,830,199</u>
Net Assets Available for Benefits at End of the Year	10	<u>68,429,724</u>	<u>73,233,883</u>

This statement is to be read in conjunction with the notes on pages 6 to 11



**PRESBYTERIAN CHURCH OF AOTEAROA NEW ZEALAND
BENEFICIARY FUND**

Statement of Cash Flows
For the Year Ended 30 June 2009

	Note	2009 \$	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Cash provided from:</i>			
Member Contributions		511,200	520,329
Employer Contributions		920,919	911,103
Personal Assessments		9,524	-
Legacies and Gifts		538	40,443
Debtors		1,139	6,316
Contributions to Supplementary Accounts		-	10,221
Dividends		544,363	469,136
Interest		415,931	227,536
		<u>2,403,614</u>	<u>2,185,084</u>
<i>Cash applied to:</i>			
Benefits Paid		5,433,352	4,133,077
Fund Operating Costs		249,511	288,962
Fund and Investment Manager Fees		248,198	225,645
Withdrawals from Supplementary Accounts		873,088	272,037
		<u>6,804,149</u>	<u>4,919,721</u>
Net Cash Outflows from Operating Activities	<u>8</u>	<u>(4,400,535)</u>	<u>(2,734,637)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Cash provided from:</i>			
Proceeds from Sale of Investment Assets		9,319,792	7,530,000
Mortgages Repaid		144,473	152,552
		<u>9,464,265</u>	<u>7,682,552</u>
<i>Cash applied to:</i>			
Purchase of Investments		5,000,000	5,000,000
		<u>4,464,265</u>	<u>2,682,552</u>
Net Cash Inflows from Investing Activities		<u>4,464,265</u>	<u>2,682,552</u>
Net (Decrease)/Increase in Cash Held		63,730	(52,085)
Cash at Beginning of Year		65,281	117,366
Cash at End of Year		<u>129,011</u>	<u>65,281</u>

This statement is to be read in conjunction with the notes on pages 6 to 14



PRESBYTERIAN CHURCH OF AOTEAROA NEW ZEALAND BENEFICIARY FUND

Notes to the Financial Statements
For the Year Ended 30 June 2009

1. Statement of Accounting Policies

(a) Reporting Entity

The Presbyterian Church of Aotearoa New Zealand Beneficiary Fund (Beneficiary Fund or the Fund) provides retirement and other benefits to ordained ministers of the Presbyterian Church under a Trust Deed, the Regulations of which are available at:

www.presbyterian.org.nz/sites/default/files/cpt/08_Beneficiary_Fund_Trust_Deed_and_Regulations.pdf.

The Presbyterian Church Property Trustees are the Fund's Trustees, and Aon Consulting administers the Fund. The financial statements have been prepared in accordance with the provisions of the Trust Deed and generally accepted accounting practice.

(b) Measurement Base

The measurement base adopted in the preparation of the financial statements is that of historical cost with the exception of investments, which are stated at market value.

(c) Particular Accounting Policies

The following are the significant accounting policies, which have been adopted in the preparation of the financial statements.

(i) Assets

Assets of the Fund are recorded at market values as at balance date and changes in the market values of assets are recognised in the Statement of Changes in Net Assets in the years in which they occur. Market values have been determined as follows:

- In the case of shares in listed companies and government and other fixed interest securities by reference to relevant market quotations;
- In the case of property advances and mortgages on property, by reference to the outstanding principal of the loans.
- Receivables are stated at their net realisable value.

ii) Foreign Currencies

Transactions in foreign currencies are converted at the New Zealand rate of exchange ruling at the date of the transaction.

At balance date foreign monetary assets are translated at the closing rate. The exchange difference arising from the translation of the opening net investment at an exchange rate different from that previously reported is taken as a change in the market value of the investment as reported in the Statement of Changes in Net Assets.

(iii) Taxation

- Income Tax: The fund is charitable and is exempt from income tax.
- GST: The Fund does not produce any taxable supplies and is therefore unable to claim any input credits. All transactions are shown inclusive of GST.

iv) Financial Instruments

The Fund, through its fund managers, is party to financial instruments with off balance sheet risk to reduce exposure to fluctuations in foreign currency exchange rates.

The Fund managers can use instruments to manage the Fund's exposure to currency risk. Any exposure to gains or losses on these instruments is generally offset by a related loss or gain on the item being hedged. The Fund does not purchase or sell financial instruments for the purpose of speculation.

The financial instruments recognised in the Statement of Net Assets include cash balances, debtors creditors and investments. Any financial instruments that do not qualify as hedges are stated at market value and any gain or loss is recognised in the Statement of Changes in Net Assets.



PRESBYTERIAN CHURCH OF AOTEAROA NEW ZEALAND BENEFICIARY FUND

Notes to the Financial Statements
For the Year Ended 30 June 2009

1. Statement of Accounting Policies (Cont'd)

(d) Changes in Accounting Policies

There have been no changes in the accounting policies. All of the policies have been applied on a consistent basis with those used in previous years.

2. Description of the Fund

The Fund is primarily a contributory defined benefit superannuation fund covering ordained ministers of the Presbyterian Church of Aotearoa New Zealand ("the Church"). Since 1 Jan 2009, a complying fund section has been created. Under the Trust Deed the members and the Church make contributions. The Fund is registered under the Superannuation Schemes Act 1989.

Prior to 01 January 2009, members have been able to make additional contributions to the Supplementary Benefit Scheme within the Fund. Such contributions are held in the name of the member and restrictions are placed on the withdrawal of these funds until the member reaches the age of 55. Funds deposited with the Supplementary Benefit Scheme are invested with fund managers as part of the general funds within the Fund. In the event that the Fund is wound up, repayment of contributions to the supplementary scheme have first call on fund assets. Investments in the Supplementary Benefit Scheme receive interest from time to time at rates determined by the Trustees.

There has been an amendment to the Trust Deed effective 1 January 2009. The amendment introduces an additional section in the Fund which is capable of becoming a complying Fund as defined under section RD66 of the Income Tax Act 2007, to be known as the Complying Section of the Beneficiary Fund.

Existing members can remain as members in the Defined Benefit Scheme, but may elect into the Complying Section.

New members must join both Funds.

Personal Contributions were made to the defined benefit plan at the rate of 1/12 of 5% of Basic Stipend monthly.

Both Employer and Member Contributions to the Complying Fund were at a rate of 1/12 of 4% of Basic Stipend monthly.

3. Actuarial Information

a) Triennial Actuarial Review

The valuation of the Fund was undertaken as at 30 June 2006. The Fund was previously valued as at 30 June 2003.

b) Details of Actuary

Ms Linda Caradus, a principal of Melville Jessup Weaver, prepared the report. Ms Caradus is a Fellow of the New Zealand Society of Actuaries.

c) Significant Actuarial Assumptions

Significant actuarial assumptions used in the valuation of accrued benefits were:

	2006	2003
Investment return	6.25%	6.25%
Stipend escalation rate	3.25%	2.25%
Pension increase rate	1.625%	1.125%
Medical insurance premium increase rate	n/a	7.25%
Expense inflation rate	2.25%	2.25%



PRESBYTERIAN CHURCH OF AOTEAROA NEW ZEALAND BENEFICIARY FUND

Notes to the Financial Statements
For the Year Ended 30 June 2009

3. Actuarial Information (Cont'd)

c) Significant Actuarial Assumptions (Cont'd)

Rates of mortality are based on standard published tables adjusted in line with the Fund's experience. Rates of morbidity and withdrawal are in line with the Fund's experience.

Payment of medical benefits ceased on 30 June 2004, post the appropriate notification from the Fund Trustees and the six month notification period required to be given to members.

d) Liability for Accrued Benefits

The amount disclosed below has been determined by reference to expected future stipend levels and by the application of appropriate interest and inflation rates and relevant actuarial assumptions.

	2006 \$,000	2003 \$,000
Accrued benefits at 30 June	<u>61,491</u>	<u>59,103</u>

The report states that the assets held are 121% of the value of the benefits, an increase from the 2003 level of 107%. It was noted that the accrued benefits at 30 June 2003 included \$329,000 in respect of medical insurance premiums for six months, being the notification period prior to termination of that benefit.

e) Financial Condition of the Fund

The actuary has advised that the results of the 2006 review show that the Fund has an actuarial deficit assuming the continuation of payment of the current level of benefits. The financial condition has improved significantly since the 2003 review as a result of ceasing payment of medical benefits on 30 June 2004, together with investment returns being higher than assumed by the Actuary.

The Fund's actuary has concluded that the Fund has sufficient assets to pay all members' vested benefits as at 30 June 2006. Vested benefits comprise payment of a withdrawal benefit to frozen members and contributing members aged under 55, a retirement pension to contributing members aged 55 and continued payment of pensions to annuitants and their spouses.

f) Contribution levels

The report notes that if the Fund were to continue to pay benefits at their current level, the contribution rate required from parishes and employers to fully fund the liabilities would need to be 6.3% (2003: 43%) of the basic stipend.

g) Vested benefits

Vested benefits are benefits payable to members or beneficiaries under the conditions of the Trust Deed, on the basis of all members ceasing to be members of the Scheme at balance date.

	2009 \$,000	2006 \$,000	2003 \$,000
	<u>61,473</u>	<u>65,138</u>	<u>59,103</u>

4. Guaranteed Benefits

No guarantees have been made in respect of any part of the liability for promised benefits (2008: Nil).



PRESBYTERIAN CHURCH OF AOTEAROA NEW ZEALAND BENEFICIARY FUND

Notes to the Financial Statements
For the Year Ended 30 June 2009

5. Supplementary Benefit Scheme

From 1 January 2009, contributions are no longer being accepted into the Supplementary Benefit Scheme. The interest rate applicable to this Scheme for the year to 30 June 2009 has been decreased to 0%. Members are being encouraged to withdraw their funds from this scheme once eligible (aged 55 years or older).

6. Investment Assets

At 30 June 2009 the total market value of investments controlled through fund managers was \$69,026,189 (2008: \$74,501,868), comprising:

Investments 30 June 2009	ING NZ \$,000	Tyndall \$,000	Alliance Bernstein \$,000	Trust Investments \$,000	Russell Investments \$,000	ANZ Term Deposit \$,000	Total \$,000
Short Term Deposits		4,250					4,250
Fixed Interest - Onshore	8,268	7,486				5,143	20,897
Fixed Interest - Offshore		3,195					3,195
Equities - Trans Tasman	3,755	2,987					6,742
Equities - Offshore	4,146		7,548				11,694
Global Bonds					15,001		15,001
Property (Unitised)				7,247			7,247
Total	16,169	17,918	7,548	7,247	15,001	5,143	69,025

Investments 30 June 2008	ING NZ \$,000	Tyndall \$,000	Alliance Bernstein \$,000	Trust Investments \$,000	Russell Investments \$,000	ANZ Term Deposit \$,000	Total \$,000
Short Term Deposits	4,804	9,598	-	-	-	10,033	24,435
Fixed Interest - Onshore	4,772	5,944	-	-	-	-	10,716
Equities - Trans Tasman	2,660	3,223	-	-	-	-	5,883
Equities - Offshore	-	-	11,355	-	-	-	11,355
Global Bonds	-	-	-	-	13,795	-	13,795
Settlements Receivable	-	365	-	-	-	-	365
Property (Unitised)	165	-	-	7,788	-	-	7,953
Total	12,401	19,130	11,355	7,788	13,795	10,033	74,501

7. Investments in Church and Related Party Transactions

The Beneficiary Fund paid \$40,042 to the General Assembly for the management services provided by the General Assembly (2008: \$39,468).

The Beneficiary Fund paid \$33,333 to the Church Property Trustees for trustee services provided. (2008: \$40,000).

Total debts forgiven during the year was \$58,152 (2008: \$Nil). At balance date \$Nil was owed by the Beneficiary Fund to the General Assembly (2008: \$Nil).



PRESBYTERIAN CHURCH OF AOTEAROA NEW ZEALAND BENEFICIARY FUND

Notes to the Financial Statements
For the Year Ended 30 June 2009

8. Reconciliation of Net Cash Flows from Operating Activities to Increase Net Assets	2009 \$,000	2008 \$,000
(Decrease) in Net Assets	(4,804)	(2,596)
Non-cash Items		
Changes in net market values	3,926	2,750
PIE Tax paid	3	-
Dividends and interest receivable	<u>(2,774)</u>	<u>(2,525)</u>
	(3,649)	(2,371)
Movements in Other Working Capital Items		
Decrease/(Increase) in Sundry Receivables	215	(14)
Decrease/(Increase) in Contributions Receivable	1	-
(Decrease)/Increase in Prepaid Contributions	(5)	(30)
(Decrease)/Increase in Sundry Creditors	(62)	(20)
(Decrease)/Increase in Supplementary Benefit Scheme	<u>(880)</u>	<u>(261)</u>
	(731)	(325)
Items Classified as Investing Activities		
Interest on mortgages classified as investing activities	<u>(21)</u>	<u>(39)</u>
	(21)	(39)
Net Cash Outflows from Operating Activities	<u><u>(4,401)</u></u>	<u><u>(2,735)</u></u>

9. Contributions Receivable	2009 \$,000	2008 \$,000
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At balance date the following amounts were due from members and employers:

Parish and Members	1	3
	1	3

10. Fund Balance	2009 \$,000	2008 \$,000
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The movements in the Fund's balance are summarised below:

Opening balance 1 July 2008	73,234	75,830
Investment income	(433)	423
Contributions & other receipts	1,447	1,494
Less benefits paid	(5,433)	(4,133)
Less other expenditure	<u>(385)</u>	<u>(380)</u>
Closing balance 30 June 2009	<u><u>68,430</u></u>	<u><u>73,234</u></u>

11. Actuarial Fees

Actuarial fees decreased in 2009 as only standard actuarial services were required.

12. Segmental Reporting

The Fund operates in a single industry geographical segment being financial investment in New Zealand.



PRESBYTERIAN CHURCH OF AOTEAROA NEW ZEALAND BENEFICIARY FUND

Notes to the Financial Statements
For the Year Ended 30 June 2009

13. Financial Instruments

(a) Disclosures concerning currency and interest rate risk

The Trustees have determined, in consultation with professional investment advisors, an investment strategy for the Fund. This strategy is contained in the Statement of Investment Policies and Objectives (SIPO). This document is regularly reviewed by the Trustees to ensure it remains appropriate for prevailing market conditions and the liability profile of the Fund and in June 2007 was altered to reflect the maturing nature of the fund, ie the increasing proportion of liabilities relating to retired members. The revisions resulted in a decrease in investment in equities and an increase in fixed interest investments.

The SIPO establishes an investment target (ie to achieve a rate of return that exceeds an investment index) for each manager in each asset class that they manage for the fund. Failure by an investment manager to achieve the benchmark rate of return can result in its mandate being revoked.

The asset classes can be divided into capital and income assets. Capital assets offer significant long-term growth prospects but at the expense of potentially large variations in the short-term asset valuation, whereas income assets are not expected to vary as greatly in their capital value, and provide a regular income stream.

(b) Credit Risk

Financial instruments, which potentially subject the Fund to credit risk, principally consist of debtors, accrued interest receivable, money market deposits and debentures.

The investment managers appointed for the Fund perform evaluations of all potential investments before investing and continuously monitor the performance of these.

The Fund employs ING (NZ) Ltd, Tyndall Investment Management, Trust Investments Management Ltd, Russell Investments and Alliance Bernstein Investment Management Ltd to manage its investments. Maximum exposures to credit risk at balance date are:

	2009 \$,000	2008 \$,000
Bank account	129	65
Sundry debtors	6	224
Australasian shares	6,742	5,883
Call money market	4,250	14,402
Commercial property	7,247	7,953
Fixed interest New Zealand	20,897	15,857
Fixed interest - Overseas	3,195	18,687
Settlements receivable	-	365
Mortgages on property	239	362
Overseas shares	26,695	11,355
	<u>69,400</u>	<u>75,153</u>

(c) Concentrations of Credit Risk

As the Fund employs five fund managers who have control over the majority of the Fund's financial instruments there is no apparent concentration of credit risk. Titles to financial instruments are either registered in the name of the Trustees or held by an independent trustee on behalf of the Trustees. Investment fund managers do not hold title to financial instruments. The Trustees also directly control a portion of the Fund's investments. The apportionment of investments over the various fund managers' comprise:



PRESBYTERIAN CHURCH OF AOTEAROA NEW ZEALAND BENEFICIARY FUND

Notes to the Financial Statements
For the Year Ended 30 June 2009

13. Financial Instruments (Cont'd)

(c) Concentrations of Credit Risk (Cont'd)	2009 \$,000	2008 \$,000
AllianceBernstein	7,548	11,355
Trust Investments	7,247	7,788
Tyndall Investment Funds Management	17,919	19,130
ING (NZ)	16,169	12,401
Russell Investments	15,001	13,795
ANZ Term deposit	5,142	10,033
Trustees	239	362
	<u>69,265</u>	<u>74,864</u>

(d) Price Risk

The Fund's investments in financial instruments are subject to price risk. Price risk embodies not only the potential for loss but also the potential for gain.

(e) Currency Risk

Currency Risk - June 2009	ING NZ \$,000	Tyndall \$,000	Trust \$,000	Russell \$,000	Term Deposit \$,000	Alliance Bernstein \$,000	Total \$,000
Overseas shares	7,901	2,987	-	-	-	7,548	18,436
Fixed interest overseas	-	3,195	-	-	-	-	3,195
	<u>7,901</u>	<u>6,182</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,548</u>	<u>21,631</u>

Currency Risk - June 2008	ING NZ \$,000	Tyndall \$,000	Trust \$,000	Russell \$,000	Deposit \$,000	Alliance Bernstein \$,000	Total \$,000
Overseas shares	-	-	-	-	-	11,355	11,355
Fixed interest overseas	-	-	-	13,795	4,892	-	18,687
	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,795</u>	<u>4,892</u>	<u>11,355</u>	<u>30,042</u>

(f) Interest Rate Risk

Interest rate risk is the risk that the value of financial securities will fluctuate due to changes in market interest rates. The fund managers hedge the risk by using a range of maturities. Investment securities, invested through the fund managers and the Trustees, which are subject to interest rate risks, comprise:

Interest Risk - June 2009	ING NZ \$,000	Tyndall \$,000	Trust \$,000	Russell \$,000	Term Deposit \$,000	Trustees \$,000	Total \$,000
Call Money market	-	4,250	-	-	-	-	4,250
Fixed interest - New Zealand	8,268	7,486	-	-	5,143	-	20,897
Fixed interest - Overseas	-	3,195	-	-	-	-	3,195
Property advances	-	-	-	-	-	239	239
	<u>8,268</u>	<u>14,931</u>	<u>-</u>	<u>-</u>	<u>5,143</u>	<u>239</u>	<u>28,581</u>



PRESBYTERIAN CHURCH OF AOTEAROA NEW ZEALAND BENEFICIARY FUND

Notes to the Financial Statements
For the Year Ended 30 June 2009

13. Financial Instruments (Cont'd)

(f) Interest Rate Risk (Cont'd)

Interest Risk - June 2008	ING NZ \$,000	Tyndall \$,000	Trust \$,000	Russell \$,000	Term Deposit \$,000	Trustees \$,000	Total \$,000
Call Money market	4,804	9,598	-	-	-	-	14,402
Fixed interest - New Zealand	4,772	5,944	-	-	5,141	-	15,857
Fixed interest - Overseas	-	-	-	13,795	4,892	-	18,687
Mortgages on property	-	-	-	-	-	362	362
Property advances	-	-	-	-	-	(2)	(2)
	9,576	15,542	-	13,795	10,033	360	49,306

(g) Market Risk

Market Risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Fund has, through its fund managers and the Trustees, the following investments subject to market risk:

Market Risk - June 2009	ING NZ \$,000	Tyndall \$,000	Trust \$,000	Russell \$,000	Term Deposit \$,000	Alliance Bernstein \$,000	Total \$,000
Australasian shares	3,755	2,987	-	-	-	-	6,742
Commercial property	-	-	7,247	-	-	-	7,247
Overseas shares	4,146	-	-	-	-	7,548	11,694
Global bonds	-	-	-	15,001	-	-	15,001
	7,901	2,987	7,247	15,001	-	7,548	40,684

Market Risk - June 2008	ING NZ \$,000	Tyndall \$,000	Trust \$,000	Russell \$,000	Term Deposit \$,000	Alliance Bernstein \$,000	Total \$,000
Australasian shares	2,660	3,223	-	-	-	-	5,883
Commercial property	165	-	7,788	-	-	-	7,953
Overseas shares	-	-	-	-	-	11,355	11,355
Global bonds	-	-	-	13,795	-	-	13,795
	2,825	3,223	7,788	13,795	-	11,355	38,986

(h) Fair Values

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Sundry debtors, money market deposits, trade creditors, mortgages on property and property advances. The carrying value is the fair value for each of these classes of financial instruments.

Mortgages on property have maturities from call to 12 years with an interest rate range of 9% to 10.30% (2008: call to 12 years with an interest range of 9% to 10.30%).



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**Notes to the Financial Statements
For the Year Ended 30 June 2009**

13. Financial Instruments (Cont'd)

(l) Contractual Maturity Periods

The Scheme holds 3 separate Term Deposit Investments with the ANZ Bank. These are due to mature on 23 August 2010, 23 August 2011 and 23 August 2012.

