

**The Presbyterian Church Property Trustees - Operational Accounts  
Performance Report**

For the year ended  
30 June 2016

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# The Presbyterian Church Property Trustees - Operational Accounts

## Entity Information

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

For the year ended  
30 June 2016

Legal Name of Entity:*	The Presbyterian Church Property Trustees
Type of Entity and Legal Basis (if any):*	The Presbyterian Church Property Act 1885
Registration Number:	CC 25356
Entity's Purpose or Mission: *	<p>The Presbyterian Church Property Trustees are constituted under The Presbyterian Church Property Act 1885 (the Act). Under the Act, the Trustees are the legal entity in which the property of congregations situated north of the Waitaki River is vested, and which holds and invests church trust funds, including the Beneficiary Fund. Funds under the control of the Trustees are managed in accordance with the requirements of the Act and the Trustees Act 1956. The Trustees are the Trustees for the Beneficiary Fund and the Presbyterian Investment Fund.</p>
Entity Structure: *	<p>Managed by a Board of Trustees Employees: 2 full time, one part time office staff Outsources work of specialised nature in relation to Beneficiary Fund and the Presbyterian Investment Fund</p>
Main Sources of the Entity's Cash and Resources:*	<p>Administration levies Service charges</p>
Main Methods Used by the Entity to Raise Funds:*	n/a
Entity's Reliance on Volunteers and Donated Goods or Services: *	<p>The entity's reliance on volunteers is limited to the time spent by the Trustees in undertaking their role as Trustees, including attendances at meetings and as members of various sub committees</p>
Additional Information:*	

### Contact details

Physical Address:	Ground Floor Corelogic House 275 Cuba Street Wellington
Postal Address:	PO Box 9049 Wellington 6141
Phone/Fax:	04 381 8289
Email/Website:	<a href="mailto:trustees@presbyterian.org.nz">trustees@presbyterian.org.nz</a>

## The Presbyterian Church Property Trustees - Operational Accounts

### Statement of Service Performance

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

For the year ended  
30 June 2016

	Actual*	Actual*
<b>Description of the Entity's Outcomes*:</b>		
During the year ended 30 June 2016 the trustees have been involved in the following:		
*Working with the Beneficiary Fund Review Workgroup (BFRWG) re the future direction of Beneficiary Fund.		
* Undertaking a review of the PIF investment structure - with a view to the appointment of a professional investment manager.		
*Approving a number of property transactions including sales, purchases, new projects, alterations, upgrades and strengthening.		
* Approval of property mortgages.		
<b>Description and Quantification (to the extent practicable) of the Entity's Outputs*:</b>	<b>This Year</b>	<b>Last Year</b>
Value of Property sales	\$ 8,387,614	\$ 4,640,000
Number of Property Sales	21	7
Value of Property purchases	\$ 2,350,000	\$ 4,510,000
Number of Property purchases	2	3
Value of new projects, alterations, upgrades & strengthening	\$ 14,392,319	\$ 7,851,647
Number of projects, alterations, upgrades & strengthening	30	20
Value of Mortgages	\$ 2,526,500	\$ 1,000,000
Number of mortgages	5	2

Legal ownership of all property of the Presbyterian Church of Aotearoa New Zealand (the "church") is vested in the entity in accordance with the requirements of the Act. The property is held for the benefit of parishes, presbyteries and the General Assembly. In the absence of a specific trust, property is held on trust on terms specified in The Presbyterian Church Property Act 1885.

This property referred to above is recorded in the Financial Statements of the individual parishes, not in the Financial statements of the Presbyterian Church Property Trustees.

# The Presbyterian Church Property Trustees - Operational Accounts

## Statement of Financial Performance

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

For the year ended  
30 June 2016

	Note	Actual* This Year \$	Actual* Last Year \$
<b>Revenue</b>			
Administration levies	1	344,500	343,000
Expenses recovered	1	39,093	22,014
Service charges	1	22,051	15,650
Interest	1	8,909	9,872
		<b>414,553</b>	<b>390,536</b>
<b>Expenses</b>			
Volunteer and employee related costs*	2	259,675	250,721
Costs related to providing goods or services*	2	33,032	15,505
Other expenses	2	82,817	132,613
<b>Total Expenses*</b>		<b>375,524</b>	<b>398,839</b>
<b>Surplus/(Deficit) for the Year*</b>		<b>39,029</b>	<b>(8,303)</b>

# The Presbyterian Church Property Trustees - Operational Accounts

## Statement of Financial Position

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

As at  
30 June 2016

	Note	Actual* This Year \$	Actual* Last Year \$
<b>Current Assets</b>			
Cash at bank	3	265,935	210,328
Accounts receivable	3	27,088	41,618
<b>Total Current Assets</b>		<b>293,023</b>	<b>251,946</b>
<b>Non-Current Assets</b>			
Property, plant and equipment*	5	11,940	16,361
<b>Total Non-Current Assets</b>		<b>11,940</b>	<b>16,361</b>
<b>Total Assets*</b>		<b>304,963</b>	<b>268,307</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Creditors and accrued expenses*	3	5,535	4,418
Employee costs payable*	3	13,722	17,212
<b>Total Current Liabilities</b>		<b>19,257</b>	<b>21,630</b>
<b>Total Liabilities*</b>		<b>19,257</b>	<b>21,630</b>
<b>Total Assets less Total Liabilities (Net Assets)*</b>		<b>285,706</b>	<b>246,677</b>
<b>Accumulated Funds</b>			
Capital contributed by owners or members*		-	-
Accumulated surpluses or (deficits)*	4	285,706	246,677
Reserves*		-	-
<b>Total Accumulated Funds*</b>		<b>285,706</b>	<b>246,677</b>

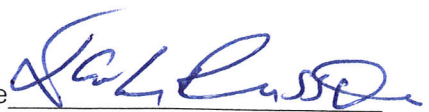
Trustee

Date

  
29 September 2016

Trustee

Date

  
29 September 2016

# The Presbyterian Church Property Trustees - Operational Accounts

## Statement of Cash Flows

"How the entity has received and used cash"

For the year ended  
30 June 2016

	Actual* This Year \$	Actual* Last Year \$
<b>Cash Flows from Operating Activities*</b>		
Interest	8,909	9,872
Receipts from providing goods or services*	421,091	378,990
<b>Cash was applied to:</b>		
Payments to suppliers and employees*	372,940	393,320
Net GST payable	1,453	3,790
<b>Net Cash Flows from Operating Activities*</b>	<b>55,607</b>	<b>(8,248)</b>
<b>Cash was applied to:</b>		
Payment to purchase property, plant and equipment	-	4,176
<b>Net Cash Flows from Investing and Financing Activities*</b>	<b>-</b>	<b>(4,176)</b>
<b>Net Increase / (Decrease) in Cash*</b>	<b>55,607</b>	<b>(12,424)</b>
Opening Cash*	210,328	222,752
Closing Cash*	265,935	210,328
<b>This is represented by:</b>		
Bank Accounts and Cash*	265,935	210,328

# The Presbyterian Church Property Trustees - Operational Accounts

## Statement of Accounting Policies

"How did we do our accounting?"

For the year ended

30 June 2016

The Presbyterian Church Property Trustees - Operational Accounts 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 has total annual expenses of equal to or less than \$2,000,000. 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.

### Accounts Receivable

All receivables are stated at their estimated realisable value.

### Fixed assets

Legal ownership of all property of the Presbyterian Church of Aotearoa New Zealand (the "church") is vested in the entity in accordance with the requirements of the Act. The property is held for the benefit of parishes, presbyteries and the General Assembly. In the absence of a specific trust, property is held on trust on terms specified in The Presbyterian Church Property Act 1885.

Fixed assets included in these financial statements comprise only the assets held by the Trustee for the benefit of The Presbyterian Church Property Trustees.

Assets in beneficial ownership of a Parish or Presbytery are not included in these financial statements.

The entity's fixed assets fall into the following categories:

-Leasehold improvements	-Computer Equipment
-Furniture and fittings	-Office Equipment

Fixed assets are initially recorded at cost.

### Depreciation

Depreciation is provided on a straight-line basis on all fixed assets at depreciation rates calculated to allocate the assets' costs less estimated residual value over their estimated useful lives.

Major depreciation periods are:

Leasehold improvements	2 years
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Depreciation on other assets is charged at the same rate as allowed by the Income Tax Act 2004. The following rates have been used.

Furniture & fittings	13-16% DV
Computer equipment	50% DV
Office Equipment	16% DV

Where assets are sold, any gain or loss is recognised in the statement of financial performance and is calculated as the difference between the sale price and the book value of the fixed assets.

### Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the assets, even if that right is not explicitly specified in an arrangement.

#### *CPT as a lessee*

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

# The Presbyterian Church Property Trustees - Operational Accounts

## Statement of Accounting Policies

"How did we do our accounting?" - continued

For the year ended

30 June 2016

### **Goods and Services Tax (GST)\***

The Presbyterian Church Property Trustees - Operational Accounts have been prepared on a GST exclusive basis, with the exception of receivables and payables which are stated inclusive of GST.

### **Income Tax**

The Presbyterian Church Property Trustees - Operational Accounts are 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.

### **Annual leave accrual**

A liability for annual leave is accrued and recognised in the statement of financial position. The liability is equal to the present value of the estimated future cash outflows as a result of employee services provided at balance date.

### **Changes in Accounting Policies\***

There have been no changes in accounting policies during the financial year (last year - nil).



# The Presbyterian Church Property Trustees - Operational Accounts

## Notes to the Performance Report

For the year ended  
30 June 2016

### Note 1: Revenue

	Actual This Year \$	Actual Last Year \$
<b>Administration Levies</b>		
Presbyterian Investment Fund	190,000	190,000
Beneficiary Fund	60,000	60,000
Insurance	15,000	15,000
Burnett Loan Fund	22,500	18,000
Ministers Loan Fund	9,000	12,000
Farms	40,000	40,000
St John's Wellington	8,000	8,000
	<b>344,500</b>	<b>343,000</b>
<b>Expenses Recovered</b>		
Land Information New Zealand	61	9
Legal fees	33,032	15,505
Trust Administration	6,000	6,500
	<b>39,093</b>	<b>22,014</b>
<b>Service charges</b>	<b>Analysis</b>	
Service charges	22,051	15,650
	<b>Total</b>	<b>15,650</b>
<b>Interest Income</b>	<b>Analysis</b>	
Interest income	8,909	9,872
	<b>Total</b>	<b>9,872</b>

# The Presbyterian Church Property Trustees - Operational Accounts

## Notes to the Performance Report

For the year ended  
30 June 2016

### Note 2: Expenses

		Actual This Year \$	Actual Last Year \$
<b>Costs related to providing goods or services</b>	<b>Analysis</b>		
Administration expenses			
Legal fees Recoverable		33,032	15,505
	<b>Total</b>	<b>33,032</b>	<b>15,505</b>
<b>Expense Item</b>	<b>Analysis</b>		
Volunteer and employee related costs		259,675	250,721
		<b>259,675</b>	<b>250,721</b>
<b>Other expenses</b>			
Advertising		2,291	2,291
Bank fees		450	-
Debtor written off		879	-
Depreciation		4,421	7,039
General expenses		279	167
Insurance		8,283	10,301
Interest		-	33
IT Expenses		9,379	11,353
Legal fees		-	43,084
LINZ reports		87	143
Memberships		4,613	5,700
Meeting expenses		5,438	5,329
Office Supplies & relocation		865	1,729
Postage & courier		1,777	1,528
Power		3,195	2,239
Printing & stationery		9,365	5,684
Rent		16,800	16,800
Telephone		1,465	994
Training		641	646
Travel expenses		12,589	17,553
		<b>82,817</b>	<b>132,613</b>

# The Presbyterian Church Property Trustees - Operational Accounts

## Notes to the Performance Report

For the year ended  
30 June 2016

### Note 3: Balance Sheet

		Actual This Year \$	Actual Last Year \$
<b>Cash &amp; receivables</b>	<b>Analysis</b>		
Cash at bank		4,693	18,992
Presbyterian Investment Fund		261,242	191,336
		<b>265,935</b>	<b>210,328</b>
<b>Asset Item</b>	<b>Analysis</b>		
Accounts receivable		21,805	41,618
Other receivables		4,367	-
Prepaid expenses		916	-
		<b>27,088</b>	<b>41,618</b>
<b>Asset Item</b>	<b>Analysis</b>		
Furniture & fittings		7,337	8,368
Office equipment		1,497	1,782
Computer equipment		3,106	6,211
Fixed assets			
	<b>Total</b>	<b>11,940</b>	<b>16,361</b>
<b>Liability Item</b>	<b>Analysis</b>		
Accounts payable		5,177	2,607
GST payable		358	1,811
	<b>Total</b>	<b>5,535</b>	<b>4,418</b>
<b>Liability Item</b>	<b>Analysis</b>		
Employee costs payable		13,722	17,212
	<b>Total</b>	<b>13,722</b>	<b>17,212</b>

The Presbyterian Church Property Trustees - Operational Accounts

Notes to the Performance Report

For the year ended  
30 June 2016

Note 4: Accumulated Funds

This Year

Description*	Capital	Accumulated	Reserves*	Total*
	Contributed by Owners or Members*	Surpluses or Deficits*		
	\$	\$	\$	\$
Opening Balance	-	246,677	-	246,677
Surplus/(Deficit)*	-	39,029	-	39,029
Closing Balance	-	285,706	-	285,706

Last Year

Description*	Capital	Accumulated	Reserves*	Total*
	Contributed by Owners or	Surpluses or Deficits*		
	\$	\$	\$	\$
Opening Balance	-	254,980	-	254,980
Capital returned to owners or members*	-	-	-	-
Surplus/(Deficit)*	-	(8,303)	-	(8,303)
Closing Balance	-	246,677	-	246,677

The Presbyterian Church Property Trustees - Operational Accounts

Notes to the Performance Report

For the year ended  
30 June 2016

Note 5: Fixed asset Schedule

This Year	Opening Carrying Amount*	Purchases	Sales/Disposals	Current Year Depreciation and Impairment*	Closing Carrying Amount*
Asset Class*	\$	\$	\$	\$	\$
Furniture and fixtures*	8,369	-	-	1,031	7,338
Office equipment*	1,781	-	-	3,105	1,324
Computers (including software)*	6,211	-	-	285	5,926
<b>Total</b>	<b>16,361</b>	<b>-</b>	<b>-</b>	<b>4,421</b>	<b>11,940</b>

Last Year	Opening Carrying Amount*	Purchases	Sales/Disposals	Current Year Depreciation and Impairment*	Closing Carrying Amount*
Asset Class*	\$	\$	\$	\$	\$
Furniture and fixtures*	7,439	2,108	-	1,178	8,369
Office equipment*	2,121	-	-	340	1,781
Computers (including software)*	9,665	2,068	-	5,522	6,211
<b>Total</b>	<b>19,225</b>	<b>4,176</b>	<b>-</b>	<b>7,040</b>	<b>16,361</b>

# The Presbyterian Church Property Trustees - Operational Accounts

## Notes to the Performance Report

For the year ended  
30 June 2016

### Note 6 : Related Parties

The trustees of the entity are managers of the following entities and receive income for the services provided:

Burnett Loan Fund	day to day operations managed internally
Ministers Loan Fund	day to day operations managed internally
Presbyterian Investment Fund	the Trustees have appointed an external party to assist with the day to day operations of this fund and this external party is paid directly by the fund
Beneficiary Fund	the Trustees have appointed an external party to assist with the day to day operations of this fund and this external party is paid directly by the fund
Insurance Fund	the Trustees have appointed an external party to assist with the day to day operations of this fund and this external party is paid directly by the fund

The amount of revenue received from these entities is detailed in note 1.

No amounts are outstanding or receivable as at 30 June 2016 (2015: \$Nil).

### Note 7 : Capital Commitments

CPT has entered into commercial leases on Commercial office premises with lease terms of 4 year commencement date 01/02/2014 with 2 rights of renewal of 3 year each.

Future minimum rentals payable under non-cancellable operating leases as at 30 June 2016 are, as follows:

Within one year	16,800	16,800
After one year but not more than five years	11,200	28,000
	<u>28,000</u>	<u>44,800</u>

### Note 8 : Contingencies

There are no contingencies as at 30 June 2016 (2015:\$Nil).

### Note 9 : Subsequent Events

There are no events subsequent to balance date that will affect the users of these financial statements (2015:\$Nil).