

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

**For the year ended
30 June 2019**

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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 2019

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 (CPT) are constituted under The Presbyterian Church Property Act 1885 (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.</p> <p>Funds under the control of the Trustees are managed in accordance with the requirements of the Act and the Trustee Act 1956. The Trustees are the Trustee for the Presbyterian Investment Fund. The Trustees were the Trustee of the Presbyterian Beneficiary Fund until 30 November 2016 when Presbyterian Beneficiary Fund Trustee Ltd (PBFTL) was appointed Trustee. CPT is the sole shareholder of PBFTL and CPT continues to provide administration services to the Beneficiary Fund.</p>
Entity Structure:	<p>Managed by a Board of Trustees</p> <p>Employees: two full time, one part time office staff</p> <p>Outsources work of specialised nature in relation to Presbyterian Beneficiary Fund and the Presbyterian Investment Fund.</p>
Main Sources of the Entity's Cash and Resources:	<p>Administration levies</p> <p>Service charges</p>
Main Methods Used by the Entity to Raise Funds:	n/a
Entity's Reliance on Volunteers and Donated Goods or Services:	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
Additional Information:	
Contact details	
Physical Address:	<p>Ground Floor</p> <p>Corelogic House</p> <p>275 Cuba Street</p> <p>Wellington</p>
Postal Address:	<p>PO Box 9049</p> <p>Wellington 6141</p>
Phone	04 381 8289
Email	trustees@presbyterian.org.nz

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 2019

Description of the Entity's Outcomes:

During the year ended 30 June 2019 the Trustees have been involved in the following:

- * Approving property transactions including sales, purchases, new projects, alterations, upgrades and strengthening.
- * Further development of Property Database to enable accurate and timely reporting on properties and the insurance on property.
- * Administration of requests for grants made to the Benevolent Fund.
- * Administration relating to the Presbyterian Insurance Collective.
- * Supervision of farming operations.
- * Supervision of and administrative support for the Presbyterian Investment Fund.

During the year ended 30 June 2018 the Trustees have been involved in the following:

- * Assisting the Beneficiary Fund with collation of data required for the wind up of the of Beneficiary Fund and dealing with issues and matters arising due to the changes in the Beneficiary Fund.
- * Oversight of Beneficiary Fund windup payment in November 2017.
- * Started development of Property Database to enable accurate and timely reporting on properties, not completed as at 30/06/2018
- * Approving property transactions including sales, purchases, new projects, alterations, upgrades and strengthening.
- * Approval of property mortgages.

Description and Quantification (to the extent practicable) of the Entity's Outputs:	This Year	Last Year
Value of Completed Property Sales	\$ 4,427,690	\$ 9,644,750
Number of Property Sales	10	13
Value of Completed Property Purchases	\$ -	\$ 2,202,000
Number of Completed Property Purchases	-	2
Value of approved new projects, alterations, upgrades & strengthening	\$ 10,440,849	\$ 9,187,992
Number of approved new projects, alterations, upgrades & strengthening	21	15
Value of Mortgages	\$ 2,519,000	\$ 526,250
Number of mortgages	3	2

Legal ownership of all property of the Presbyterian Church of Aotearoa New Zealand (the "Church") situated north of the Waitaki River 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 2019

	Note	Actual This Year \$	Actual Last Year \$
Revenue	1		
Administration levies		422,606	426,905
Expenses recovered		58,864	69,454
Service charges		20,550	15,200
Interest		12,961	11,903
		514,981	523,462
Expenses	2		
Costs related to providing goods or services		51,258	61,564
Volunteer and employee related costs		274,615	273,653
Other expenses		148,250	101,816
Total Expenses		474,123	437,033
Surplus for the Year		40,858	86,429

The Presbyterian Church Property Trustees - Operational Accounts

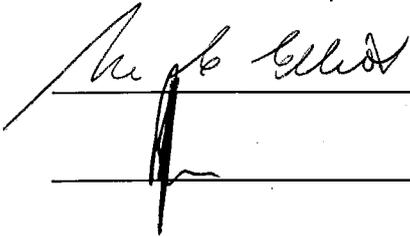
Statement of Financial Position

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

As at
30 June 2019

	Note	Actual This Year \$	Actual Last Year \$
Assets			
Current Assets			
Cash And deposits	3	305,659	394,711
Receivables	3	311,097	43,544
Total Current Assets		616,756	438,255
Non-Current Assets			
Fixed assets	5	6,096	7,321
Total Non-Current Assets		6,096	7,321
Total Assets		622,852	445,576
Liabilities			
Current Liabilities			
Creditors and accrued expenses	3	159,961	22,624
Employee costs payable	3	16,327	17,246
Total Current Liabilities		176,288	39,870
Total Liabilities		176,288	39,870
Total Assets less Total Liabilities (Net Assets)		446,564	405,706
Equity			
Accumulated surpluses	4	446,564	405,706
Total equity		446,564	405,706

For and on behalf of The Presbyterian Church Property Trustees who authorised these Financial Statements



Trustee

Date

26/09/19

Trustee

Date

26/9/19.

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 2019

	Actual This Year \$	Actual Last Year \$
Cash Flows from Operating Activities		
Cash was received from:		
Interest	12,960	11,903
Receipts from providing goods or services	481,114	495,028
Cash was applied to:		
Payments to suppliers and employees	472,491	422,797
Net GST payable	(901)	171
Net Cash Flows from Operating Activities	22,484	83,963
Cash Flows from Investing & Financing Activities		
Cash was applied to:		
Advance made to parish	111,536	-
Net Cash Flows from Investing and Financing Activities	(111,536)	-
Net Increase in Cash	(89,052)	83,963
Opening Cash	394,711	310,748
Closing Cash	305,659	394,711
This is represented by:		
Cash and deposits	305,659	394,711

The Presbyterian Church Property Trustees - Operational Accounts

Statement of Accounting Policies

"How did we do our accounting?"

For the year ended

30 June 2019

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") situated north of the Waitaki River 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

Fixed assets included in these financial statements comprise only the assets held by the CPT for the benefit of The CPT.

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 rate have been used:

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

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 arrangement conveys a right to use the asset or 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 CPT 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

The Presbyterian Church Property Trustees - Operational Accounts

Statement of Accounting Policies

"How did we do our accounting?" - continued

For the year ended
30 June 2019

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.

Cash and deposits

Cash in the Statement of Cash Flows comprise cash and bank balances (including short term deposits) and short term investments 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 and all policies have been applied consistently to all periods presented in these financial statements.

The Presbyterian Church Property Trustees - Operational Accounts

Notes to the Performance Report

For the year ended
30 June 2019

Note 1: Revenue

	Actual This Year \$	Actual Last Year \$
Administration Levies		
Presbyterian Investment Fund	240,000	225,000
Presbyterian Beneficiary Fund	77,395	105,217
Presbyterian Benevolent Fund	7,000	-
Insurance	20,004	16,008
Burnett Loan Fund	15,207	16,920
Ministers Loan Fund	-	5,760
Farms	55,000	50,000
St John's Wellington	8,000	8,000
	422,606	426,905
Expenses Recovered		
Land Information New Zealand	10	-
Legal fees	51,544	61,564
Trust Administration	7,310	7,890
	58,864	69,454
Service charges		
Property Application fees	20,550	15,200
	20,550	15,200
Interest Income		
Interest income	12,961	11,903
	12,961	11,903

The Presbyterian Church Property Trustees - Operational Accounts

Notes to the Performance Report

For the year ended
30 June 2019

Note 2: Expenses

	Note	Actual This Year \$	Actual Last Year \$
Costs related to providing goods or services			
Legal fees Recoverable		51,258	61,564
		51,258	61,564
Expense Item			
Volunteer and employee related costs		274,615	273,653
		274,615	273,653
Other expenses			
Advertising		808	-
Bank fees		373	435
Consultants		30,118	11,280
Depreciation	5	1,225	1,789
General expenses		129	522
Insurance		8,938	8,526
IT Expenses		9,298	9,240
Legal fees		27,529	13,937
LINZ reports		181	35
Memberships		672	-
Meeting expenses		6,786	5,534
Office Supplies & relocation		974	408
Postage & courier		970	870
Power		3,134	2,909
Printing & stationery		4,303	4,975
Property Database		6,554	8,381
Rent		20,371	18,263
Telephone		1,812	2,054
Training		1,471	383
Travel expenses		22,604	12,275
		148,250	101,816

The Presbyterian Church Property Trustees - Operational Accounts

Notes to the Performance Report

For the year ended
30 June 2019

Note 3: Balance Sheet

	Actual This Year \$	Actual Last Year \$
Cash & receivables		
Cash and deposits	13,235	8,446
Presbyterian Investment Fund	292,424	386,265
	305,659	394,711
Receivables		
Accounts receivable	45,979	28,172
Other receivables*	265,118	13,664
Prepaid expenses	-	1,708
	311,097	43,544
* includes an amount of \$262,018 due from a parish for costs paid on it's behalf and subsequently received after balance date		
Fixed assets		
Furniture & fittings	4,820	5,488
Office equipment	888	1,057
Computer equipment	388	776
	6,096	7,321
Creditors & accrued expenses		
Accounts payable*	154,829	16,894
Accrued expenses	455	1,953
GST payable	4,677	3,777
	159,961	22,624
* includes an amount of \$136,819 being costs payable on behalf of a parish		
Employee costs		
Employee costs payable	16,327	17,246
	16,327	17,246

The Presbyterian Church Property Trustees - Operational Accounts

Notes to the Performance Report

For the year ended
30 June 2019

Note 4: Equity

This Year

Description	Capital Contributed by Owners or Members	Accumulated Surpluses	Total
	\$	\$	\$
Opening Balance	-	405,706	405,706
Surplus	-	40,858	40,858
Closing Balance	-	446,564	446,564

Last Year

Description	Capital Contributed by Owners or Members	Accumulated Surpluses	Total
	\$	\$	\$
Opening Balance	-	319,277	319,277
Surplus	-	86,429	86,429
Closing Balance	-	405,706	405,706

The Presbyterian Church Property Trustees - Operational Accounts

Notes to the Performance Report

For the year ended
30 June 2019

Note 5: Fixed asset Schedule

This Year

Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
	\$	\$	\$	\$	\$
Furniture and fixtures	5,488	-	-	668	4,820
Office equipment	1,056	-	-	169	887
Computers (including software)	777	-	-	388	389
Total	7,321	-	-	1,225	6,096

Last year

Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
	\$	\$	\$	\$	\$
Furniture and fixtures	6,300	-	-	812	5,488
Office equipment	1,257	-	-	201	1,056
Computers (including software)	1,553	-	-	776	777
Total	9,110	-	-	1,789	7,321

The Presbyterian Church Property Trustees - Operational Accounts

Notes to the Performance Report

For the year ended
30 June 2019

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	Oversight and day to day operations
Presbyterian Benevolent Fund	Oversight and day to day operations
Presbyterian Investment Fund	Oversight and administrative support. CPT have appointed external parties to carry out the day to day operations of this Fund, who are paid directly by the Fund.
Presbyterian Beneficiary Fund	Administrative support. PBFTL has appointed external parties to carry out the day to day operations of this fund and this external party are paid directly by the fund
Presbyterian Insurance Collective	Oversight and administrative support. CPT have appointed external parties to carry out the day to day operations of this Fund, who are paid directly by the Fund.
The McNutt Trust and Clark Estate	Oversight and administrative support. CPT have appointed external parties to carry out the day to day operations of this Fund, who are paid directly by the Fund.

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

The amounts outstanding as receivables as at 30 June 2019 are as follows:

	Actual This Year \$	Actual Last Year \$
Burnett Loan Fund	-	759
Beneficiary Fund	-	231
Presbyterian Benevolent Fund	8,050	-
	<u>8,050</u>	<u>990</u>

Note 7 : Capital Commitments

CPT entered into a lease on commercial office premises with lease term of 4 years, a commencement date of 01/02/2014 and 2 rights of renewal of 3 years each. The first right of renewal was exercised as at 01/02/2018.

Future minimum rentals payable under non-cancellable operating leases as at 30 June 2019 are, as follows:

	Actual This Year \$	Actual Last Year \$
Within one year	24,841	16,800
After one year but not more than five years	14,491	11,200
	<u>39,332</u>	<u>28,000</u>

CPT has entered into an operating lease with Sharp Corporation of New Zealand for a term of 5 years and a commencement date 22/05/2017.

Future minimum rentals payable under non-cancellable operating leases as at 30 June 2019 are, as follows:

	Actual This Year \$	Actual Last Year \$
Within one year	2,307	2,307
After one year but not more than five years	4,614	9,228
	<u>6,921</u>	<u>11,535</u>

Note 8 : Contingencies

There are no contingencies as at 30 June 2019 (2018:\$Nil).

Note 9 : Subsequent Events

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

On 19 August 2019 the CPT were advised by their solicitors that an entity had filed a Statement of Claim with the High Court in respect of a cancelled contract for the sale and purchase of land and buildings on behalf of a parish.

Costs incurred on behalf of this parish total approximately \$60,000 as at 31 August 2019.