



Presbyterian Church of Aotearoa New Zealand

General Assembly Funds

Financial Statements for the year ended 30 June 2015

This package comprises 12 pages including this cover sheet

Statement of Financial Performance

For the Year Ended 30 June 2015

	Note	June 2015 \$	June 2014 \$
Income			
Contributions from Parishes		3,689,293	3,607,250
Investment Income		1,079,618	1,131,640
Property Income		116,000	126,000
Gifts & Donations		996,037	811,197
General Assembly Registrations		194,250	-
Other		254,040	320,333
Total Income		6,329,238	5,996,420
Expenditure			
Provision for Doubtful Debt		-	26,305
Beneficiary Fund		1,302,981	1,305,175
Computer Costs		63,247	82,944
Consultants		171,030	139,653
Conference Events		107,205	143,669
Depreciation	2	44,863	62,360
General Assembly		182,878	-
Grants & Donations		847,081	839,232
Insurance		32,998	31,143
Legal Fees		117,997	120,374
Administration		188,579	186,895
Mission Projects		208,066	202,357
Property Costs		138,070	137,242
Publications		97,323	102,599
Staff Costs		1,950,520	1,817,241
Student Training		580,327	562,588
Travel Costs		223,676	222,659
Sundry Costs		19,148	114,850
Total Expenditure		6,275,988	6,097,286
Operating Surplus/(Deficit) for the Year		53,250	(100,866)
Transfer of Ministers Loans	3	-	165,000
Revaluation of Investment Property	7b	25,000	(355,000)
Total Surplus / (Deficit) for the Year		78,250	(290,866)

This statement is to be read in conjunction with the Notes to Financial Statements.

Statement of Movements in Equity
For the Year Ended 30 June 2015

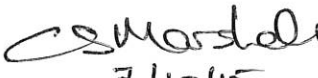
	Note	June 2015 \$	June 2014 \$
Opening Equity at 1 July		23,901,895	24,192,761
Total Surplus for the Year		78,250	(290,866)
Capital Introduced		262,911	-
Total Recognised Revenue and Expenses		<u>341,161</u>	<u>(290,866)</u>
Closing Equity at 30 June	5a	<u>24,243,055</u>	<u>23,901,895</u>

Statement of Financial Position
As at 30 June 2015

	Note	June 2015 \$	June 2014 \$
Equity	5a	24,243,055	23,901,895
Current Liabilities			
Accounts Payable and Accruals		423,267	755,066
Employee Entitlements	8	145,499	162,913
Funds Payable	16	<u>372,209</u>	<u>177,457</u>
Total Current Liabilities		940,975	1,095,436
Non Current Liabilities			
Funds Payable	16	121,457	122,206
Total Equity and Liabilities		<u>25,305,487</u>	<u>25,119,537</u>
Non Current Assets			
Unsecured Advances	3	123,112	155,585
Investment Property	7b	1,645,000	1,620,000
Computer and Office Equipment	7a	76,404	109,587
Non-current Deposits Presbyterian Investment	6	<u>13,108,965</u>	<u>13,271,858</u>
Total Non Current Assets		14,953,481	15,157,030
Current Assets			
Cash and Bank		163,678	241,170
Accounts Receivable	4	171,846	232,237
Unsecured Advances	3	32,000	36,800
Deposits Baptist Savings	6	1,100,000	1,200,000
Deposits Presbyterian Investment Fund	6	8,884,482	8,252,200
Total Current Assets		<u>10,352,006</u>	<u>9,962,407</u>
Total Assets		<u>25,305,487</u>	<u>25,119,437</u>

This statement is to be read in conjunction with the Notes to Financial Statements.

For and on behalf of the Council of Assembly who authorised the issue of these Financial Statements


7/10/15
Colin Marshall - Convenor


15/10/15
Jenny Flett – Deputy Convenor

Statement of Cash Flows
For the Year Ended 30 June 2015

	June 2015	June 2014
	\$	\$
Cash Flows from Operating Activities		
Cash was provided from		
Receipts from Parishes	3,749,684	3,747,743
Interest Received	-	32,838
Property Income	116,000	126,000
Grants and Donations	966,037	811,197
Other income	448,290	320,333
	<u>5,280,011</u>	<u>5,038,111</u>
Cash was Disbursed for:		
Payments to Suppliers and Employees	(5,509,255)	(5,493,329)
Grants and Donations Paid	(847,081)	(839,232)
	<u>(6,356,336)</u>	<u>(6,332,561)</u>
Net Cash Outflow from Operations	10 (1,076,325)	(1,294,450)
Cash Flows from Investing Activities		
Cash was Provided from		
Decrease in Investments	710,229	1,139,579
Recovery of Ministers Loans	-	165,000
Decrease in Unsecured Advances	37,273	87,407
	<u>747,502</u>	<u>1,391,986</u>
Cash was Applied to:		
Purchase of Fixed Assets	(11,680)	(76,889)
	<u>(11,680)</u>	<u>(76,889)</u>
Net Cash Inflow From Investing Activities	735,822	1,315,097
Increase/(Decrease) in Bank	(77,592)	20,647
Bank Balance 1 July	241,270	220,623
Closing Bank Balance	<u>163,678</u>	<u>241,270</u>

This statement is to be read in conjunction with the Notes to Financial Statements



1. **Statement of Accounting Policies**

a) **Reporting Entity**

The reporting entity is the General Assembly Funds of The Presbyterian Church of Aotearoa New Zealand (The Assembly). The Assembly is the governing body of the individual parishes and presbyteries that have pledged allegiance to the principles and teachings of The Presbyterian Church of Aotearoa New Zealand. The Presbyterian Church and the Assembly are unincorporated bodies.

The reporting entity records the exercise of the power of the Assembly to raise money from, receive money on behalf of or spend money on account of the individual parishes that comprise the body of The Presbyterian Church of Aotearoa New Zealand. Any residual assets or liabilities arising from the exercise of this power are included in the results of the reporting entity.

As part of its powers the Assembly appoints the Presbyterian Church Property Trustees (The Trustees) who hold their property on behalf of the individual member parishes, presbyteries and the church as a whole. Only where the Assembly or its appointed Trustees have the power to either determine: a) the nature of the trust, b) the class of beneficiary, c) the disposition of the trust or where the Assembly is the beneficiary of the trust will the reporting entity include the assets, liabilities and income of the trust. The Trustees separately report the financial performance of certain trusts under their jurisdiction.

The Church is a beneficiary of trusts whose financial performance is reported separately by the Trustees to the General Assembly. The trusts are for commercial activities gifted to the Church for the purpose of providing financial and material assistance to the Church and its Ministers. Payments to the Church from these trusts are recognised as income as and when received. To include these commercial activities within the body of the Church accounts would give a misleading picture of the financial activities of the General Assembly.

The Financial Statements of The Presbyterian Church of Aotearoa New Zealand General Assembly Funds have been prepared in accordance with generally accepted accounting practice in New Zealand.

b) **Measurement Base**

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on an historical cost basis are followed with the exception that certain assets as specified below are recorded at a value other than their historical cost.

c) **Specific Accounting Policies**

The following specific accounting policies, which materially affect the measurement of financial performance and the financial position, have been applied.

(i) **Unsecured Advances**

Advances are recorded at their estimated realisable value.

(ii) **Accounts Receivable**

Accounts Receivable are stated at their estimated realisable value.

(iii) **Fixed Assets**

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

The property of The Presbyterian Church of Aotearoa New Zealand includes real and personal property in each Parish together with real and personal property held for the general operation of the Church. Fixed assets included in these Financial Statements comprise only the assets held by the Trustees for the benefit of the General Assembly and trusts where the General Assembly can exercise one or more of the rights described in Note 1(a) above.

Assets in the beneficial ownership of a Parish or Presbytery are not included in these Financial Statements.

The Fixed Assets of the General Assembly consist of computer and office equipment. Fixed assets are initially recorded at cost. Depreciation is provided on a straight-line basis on all fixed assets at depreciation rates calculated to allocate the assets' cost less estimated residual value over their estimated useful lives. If an asset has not been valued, cost is deemed to be its valuation.

Major depreciation periods are: Computer & Office equipment: 4 years

When computer and office equipment is 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 asset.

(iv) Investment Properties

Investment Properties are valued annually on balance date and are reported at their current net realisable value. Depreciation is not charged on investment properties. Revaluation gains and losses on such properties have been recorded in the Statement of Financial Performance, and is calculated as the difference between the valuation amount and the book value.

(v) Taxes

Income Tax

The General Assembly Fund has charitable status and being a Religious Organisation, is exempt from income tax.

Goods and Services Tax

The Financial Statements have been prepared on a GST exclusive basis, with the exception of receivables and payables which are stated inclusive of GST.

(vi) Grants

Grants for general purposes are recorded as income when received. Grants for specific purposes are recorded as liabilities up until the grant is spent for the specified purpose, at which point it is transferred to income.

d) Changes In Accounting Policies

There have been no changes in accounting policies in the year to 30 June 2015.

e) Prior Year Comparatives

Where necessary, prior year comparative numbers have been reclassified to reflect current year presentation. As Insurance expense was presented separately in the current year Statement of Financial Performance, the prior year amount was presented separately as well, which resulted in a reduction in the administration amount reported.

2. Depreciation

	June 2015	June 2014
	\$	\$
Computer and Office Equipment	44,863	62,360
	<u>44,863</u>	<u>62,360</u>

3. Unsecured Advances

	June 2015	June 2014
	\$	\$
Loans to Ministers and Parishes		
Current Portion	32,000	36,800
Non-Current portion	123,112	155,585
Total Unsecured Advances	<u>155,112</u>	<u>192,385</u>
Loans to Parishes	155,112	187,109
Loans to Ministers		
Ministers Loan Fund Car Loans	-	5,276
Total Unsecured Advances	<u>155,112</u>	<u>192,385</u>

4. Accounts Receivable

	June 2015	June 2014
	\$	\$
Accounts Receivable	242,941	343,939
Less Provision for Doubtful Debts	<u>(150,115)</u>	<u>(235,814)</u>
	92,826	108,125
Prepayments and Accrued Income	79,020	124,112
Net Accounts Receivable	<u>171,846</u>	<u>232,237</u>

5. Equity

a) Summary of Equity

	General Funds	Capital Trusts	Presbyterian Foundation	Total Equity
June 2015	\$	\$	\$	\$
Balance 1 July 2014	10,630,038	10,270,169	3,001,688	23,901,895
Net Surplus for the Year	78,250	-	-	78,250
Capital Introduced	-	262,911	-	262,911
Funds Transferred	162,893	(204,905)	42,012	-
Balance 30 June 2015	10,871,181	10,328,175	3,043,700	24,243,056

	General Funds	Capital Trusts	Presbyterian Foundation	Total Equity
June 2014	\$	\$	\$	\$
Balance 1 July 2013	11,272,152	9,951,503	2,969,106	24,192,761
Net Surplus for the Year	(290,866)	-	-	(290,866)
Funds Transferred	(351,248)	318,666	32,582	-
Balance 30 June 2014	10,630,038	10,270,169	3,001,688	23,901,895

b) Inclusion of Trusts in Equity

The Church periodically receives bequests or donations that are subject to strict conditions on their use including the provision that no distributions may be made from the capital of the trust. Such gifts are in the nature of an equity contribution to the Church and are accordingly incorporated in the reserves of the Church.

A number of these small gifts have been amalgamated and provide the funding for the Presbyterian Foundation. The Foundation disperses the income it earns from investing the gifts on the mission work of the Church. The Foundation is included in the equity of the Church and identified in Note 6.

6 Presbyterian Investment Fund Deposits and Other Advances

	June 2015	June 2014
	\$	\$
General Funds	2,024,165	1,396,486
Trusts and Deposits - Income and Capital Available	6,860,316	6,855,716
Trusts and Deposits - Income Only Available	10,065,266	10,270,168
Presbyterian Foundation	3,043,700	3,001,688
Total Presbyterian Investment Fund	21,993,447	21,524,058
Baptist Savings	1,100,000	1,200,000
	23,093,447	22,724,058
	June 2015	June 2014
	\$	\$
Current	9,984,482	9,452,200
Non-Current	13,108,965	13,271,858
	23,093,447	22,724,058

Funds held are required by the terms of their trust to be used for specified activities of the General Assembly. The Assembly organises its activities so as to take advantage of these trusts. Income of the Presbyterian Foundation is distributed to parishes so as to provide financial assistance to specific parish projects. The Foundation balance comprises capital of \$2,777,854 and undistributed income of \$265,846 (2014: \$2,757,620 and \$244,068).

7 Fixed Assets and Investment Property

a) Computer and Office Equipment

	June 2015	June 2014
	\$	\$
Cost	539,170	527,488
Accumulated Depreciation	(462,766)	(417,901)
	<u>76,404</u>	<u>109,587</u>

b) Investment Property

This property is subject to a long-term lease to Cold Storage Nelson Limited. The property was valued on 30th June 2015 by Lance Collings, independent registered valuer of the firm Jones Lang LaSalle Ltd at \$1,645,000 (2014: \$1,620,000). Lance Collings is a member of the New Zealand Institute of Valuers (Inc). The property is valued at net current value, being open market value less the estimated costs of disposal.

8 Employee Entitlements

The following employee entitlements are included as part of accounts payable and accruals.

	June 2015	June 2014
	\$	\$
Accrued Annual Leave	109,151	92,072
Accrued Study Leave	36,348	70,841
	<u>145,499</u>	<u>162,913</u>

9 Related Party Transactions

a) Knox Centre for Ministry and Leadership & Presbyterian Research Centre

The Knox Centre for Ministry and Leadership and Presbyterian Research Centre are rent free tenants of Knox College.

b) Presbyterian Investment Fund

Investments held in the Presbyterian Investment Fund are under the management of the Presbyterian Church Property Trustees.

10 Reconciliation of Net Surplus with the net Cash Flow from Operating Activities

	June 2015	June 2014
	\$	\$
Reported Net Surplus (Deficit) for the Year to date	78,249	(290,902)
Adjustment to reconcile profit to net cash flow		
Depreciation	44,863	62,360
Revaluation of investment property	(25,000)	355,000
Transfer of ministers loans		(165,000)
Compounded Interest	(1,079,618)	(1,098,802)
Adjustments for Movement in Working Capital		
Decrease in Payables and Accruals	(155,210)	(297,599)
Decrease/(Increase) in Accounts Receivable	60,391	140,493
	<u>(1,154,574)</u>	<u>(1,003,548)</u>
Net Cash Outflow From Operating Activities	<u>(1,076,325)</u>	<u>(1,294,450)</u>

11 Financial Instruments

a) Credit Risk

Financial Instruments, which potentially subject the Funds to credit risk principally consist of Cash and Bank, Accounts Receivable, Unsecured Advances and Presbyterian Investment Fund Deposits. Maximum exposures to credit risk at balance date are:

	June 2015	June 2014
	\$	\$
Cash and Bank	163,678	241,270
Accounts Receivable	242,941	343,939
Unsecured advances	155,112	192,385
Presbyterian Investment Fund	21,993,447	21,524,058
Presbyterian Savings and Development Society	1,100,000	1,200,000
	<u>23,655,178</u>	<u>23,501,652</u>

The above maximum exposures are net of any recognised provision for losses on these financial instruments, except for Accounts Receivable, which are shown gross (please see note 4). No collateral is held on the above amounts.

b) Concentrations of Credit Risk

There is a concentration of credit risk in that the General Assembly uses the Presbyterian Investment Fund as banker for all surplus funds. The Presbyterian Investment Fund manages its own concentration of credit risk by investing in a wide range of interest bearing investments in accordance with its Statement of Investment Policies and Objectives.

c) 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 Funds invested in Presbyterian Investment Fund are subject to interest rate risk.

d) Fair Values

The carrying value is deemed to be the fair value of all financial instruments.

12 Commitments and Contingent Liabilities

a) Capital Expenditure Commitments

The General Assembly Funds had no capital expenditure commitments at 30 June 2015 (2014 – nil).

b) Contingent Liabilities

The General Assembly Funds had no contingent liabilities as at 30 June 2015 (2014 – nil).

13 Subsequent Events

There have been no events subsequent to balance date requiring disclosure in the financial statements.

14 Segment Information

The General Assembly Fund's financial statements represent the funds controlled by the General Assembly of the Church. The General Assembly is the governing body of the Church whose principal activity is "making Jesus Christ known" within New Zealand.

15 Lease Commitments

The General Assembly lease of Core Logic House was renewed in March 2014 for a period of three years. Lease commitments are:

	June 2015	June 2014
	\$	\$
Lease of Corelogic House, Including Carparks		
Up to one year	49,262	73,387
One to two years	-	73,387
Two to five years	-	55,040
	<u>49,262</u>	<u>201,814</u>

16 Funds Payable

	June 2015	June 2014
	\$	\$
Council of World Mission Funds	161,456	198,368
Moderators Appeal	113,856	-
CWM Mission in Training	58,251	13,098
Global Mission Donations Payable	54,832	47,682
Research Centre Lotteries Grant	28,238	-
CSRO Fees	26,783	-
Connect Registrations	24,127	24,665
Ecumenical Institute	11,973	-
Presbyterian Savings Development Society	11,500	11,500
Knox Centre Funds Payable	1,298	-
Kids Friendly Grants Received	1,352	-
Moderator Grant	-	3,000
Prescare	-	1,350
	<u>493,666</u>	<u>299,663</u>
	<u>493,666</u>	<u>299,663</u>
	June 2015	June 2014
	\$	\$
Current	372,209	177,457
Non-Current	121,457	122,206
	<u>493,666</u>	<u>299,663</u>
	<u>493,666</u>	<u>299,663</u>