



Presbyterian Church
of Aotearoa New Zealand

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2018

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Council of Assembly

Convenor	Mrs Jenny Flett
Deputy Convenor	Rev Richard McLean
Council Members	Rev Hamish Galloway Mr Wayne Ogden Rev Dr Jaco Reyneke Rev Pauline Stewart Rev Dr Tokerau Joseph Mr Mahaki Albert Mr Leilua Timaloa Mrs Rhee Heesook Barry Ms Anne Edgar Dr Deborah Bower

Registered Office

Level 1, Core Logic House
275 Cuba Street
Wellington 6141

Nature of Business

Making Jesus Christ known in the Community

Charities Commission Registration Number

CC33597

Presbyterian Church of Aotearoa New Zealand
Consolidated Statement of Comprehensive Revenue and Expenses
For the year ended 30 June 2018

	Note	Group June 2018 \$	Group June 2017 \$	Parent June 2018 \$	Parent June 2017 \$
Revenue	3.4				
Revenue from exchange transactions					
Administration Fees		427,401	373,295	496	11,315
Assembly Assessment excl. Beneficiary Fund		2,011,663	1,926,606	2,011,663	1,926,606
Cooperating Parish Contributions		238,004	296,519	238,004	296,519
Intern Contribution Received		305,782	239,187	305,782	239,187
Investment Income		819,234	769,912	807,331	761,264
Mission Enterprise Fund		549,016	551,623	549,016	551,623
Property Income		116,000	116,000	116,000	116,000
Gain on revaluation of investment property		145,000	-	145,000	-
Registrations		107,086	212,155	107,086	212,155
Sundry Income		149,474	215,503	64,534	152,370
Total Revenue from exchange transactions		4,868,660	4,700,800	4,344,912	4,267,039
Revenue from non-exchange transactions					
Beneficiary Fund Income		-	1,250,000	-	1,250,000
Donations Received	5.1	196,223	324,132	196,223	324,132
Grants Received	5.2	517,696	580,547	517,696	580,547
Total Revenue from non-exchange transactions		713,919	2,154,679	713,919	2,154,679
Total Revenue		5,582,579	6,855,479	5,058,831	6,421,718
Less Operating Expenses					
Administration		677,881	591,230	571,485	498,071
Depreciation and amortisation		36,137	37,950	34,348	35,120
Donations Paid	6.2	123,727	175,093	123,727	175,093
Events		137,921	294,170	132,387	289,114
Grants Paid	6.1	546,274	633,960	546,274	633,960
Ministers Beneficiary Fund		-	1,250,001	-	1,250,001
Mission Enterprise Fund's Grants Paid		128,281	260,138	128,281	260,138
Mission Expenses		158,913	211,945	158,913	211,945
Property Costs		171,060	162,937	141,507	142,927
Publications		103,492	71,990	98,516	66,536
Salaries and Stipends		2,253,220	1,897,562	1,979,567	1,993,175
Staff Costs		22,115	391,131	21,732	25,257
Student Training		518,778	472,593	518,778	472,592
Travel and Accommodation		212,472	221,394	200,673	217,974
Total Operating Expenses		5,090,271	6,672,094	4,656,188	6,271,903
Total surplus for the year		492,308	183,385	402,643	149,815
Total comprehensive revenue and expense for the year		492,308	183,385	402,643	149,815

Presbyterian Church of Aotearoa New Zealand
Consolidated Statement of Changes in Net Assets
For the year ended 30 June 2018

Consolidated	Note	Retained Earnings	General Funds	Capital Trusts	Total Equity
		\$	\$	\$	\$
June 2017	7				
Balance 1 July 2016		1,816,515	9,894,719	13,665,752	25,376,986
Total surplus for the year		183,385	-	-	183,385
Funds Transferred		(277,913)	634,633	(356,720)	-
Balance 30 June 2017		1,721,987	10,529,352	13,309,032	25,560,371
June 2018					
Balance 1 July 2017		1,721,987	10,529,352	13,309,032	25,560,371
Total surplus for the year		492,308	-	-	492,308
Funds Transferred		(272,689)	(413,775)	686,464	-
Balance 30 June 2018		1,941,606	10,115,577	13,995,496	26,052,679
Parent		Retained Earnings	General Funds	Capital Trusts	Total Equity
		\$	\$	\$	\$
June 2017					
Balance 1 July 2016		1,792,049	9,633,478	13,665,752	25,091,279
Total surplus for the year		149,815	-	-	149,815
Funds Transferred		(234,270)	590,990	(356,720)	-
Balance 30 June 2017		1,707,594	10,224,468	13,309,032	25,241,094
June 2018					
Balance 1 July 2017		1,707,594	10,224,468	13,309,032	25,241,094
Total surplus for the year		402,643	-	-	402,643
Funds Transferred		(191,306)	(495,158)	686,464	-
Balance 30 June 2018		1,918,931	9,729,310	13,995,496	25,643,737

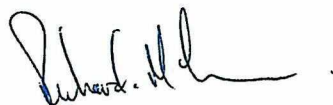
Presbyterian Church of Aotearoa New Zealand
Consolidated Statement of Financial Position
As at 30 June 2018

	Note	Group June 2018 \$	Group June 2017 \$	Parent June 2018 \$	Parent June 2017 \$
Assets					
Current Assets					
Cash and cash equivalents		103,433	113,508	94,987	107,644
Accounts Receivable from Exchange Transactions		131,185	92,799	103,013	67,496
Accrued Income and Prepayments		122,884	173,907	107,513	173,551
Christian Savings	8	7,296,783	8,000,000	7,296,783	8,000,000
Presbyterian Investment Fund	8	2,818,794	2,529,353	2,432,529	2,224,469
Total Current Assets		10,473,079	10,909,567	10,034,825	10,573,160
Non Current Assets					
Presbyterian Investment Fund	8	13,995,495	13,309,031	13,995,495	13,309,031
Investment Property	13	1,875,000	1,730,000	1,875,000	1,730,000
Fixed Assets	11	54,744	72,768	47,423	63,656
Intangible Assets	12	48,296	7,509	48,296	7,509
Unsecured Advances		95,779	107,779	95,779	107,779
Total Non Current Assets		16,069,314	15,227,087	16,061,993	15,217,975
Total Assets		26,542,393	26,136,654	26,096,818	25,791,135
Liabilities					
Current Liabilities					
Accounts Payable		201,486	252,526	183,765	250,036
Accrued Expenses		181,767	252,940	162,855	229,188
Deferred Income		106,461	70,817	106,461	70,817
Total Current Liabilities		489,714	576,283	453,081	550,041
Net Assets		26,052,679	25,560,371	25,643,737	25,241,094
Equity					
Reserves					
Capital Trusts		13,995,496	13,309,032	13,995,496	13,309,032
General Funds		10,115,577	10,529,352	9,729,310	10,224,468
Total Reserves		24,111,073	23,838,384	23,724,806	23,533,500
Retained Earnings		1,941,606	1,721,987	1,918,931	1,707,594
Total Equity		26,052,679	25,560,371	25,643,737	25,241,094

Signed for and on behalf of the Council of Assembly who authorised the issue of these financial statements.



Jenny Flett - Convenor



Richard McLean - Deputy Convenor

Date: 18 September 2018

Date: 18 September 2018

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These financial statements should be read in conjunction with the notes to the financial statements

Presbyterian Church of Aotearoa New Zealand

Consolidated Cash Flow Statement

For the year ended 30 June 2018

Note	Group June 2018 \$	Group June 2017 \$	Parent June 2018 \$	Parent June 2017 \$
Cash Flows from Operating Activities				
Cash was provided from:				
Receipts from Parishes	3,048,600	4,607,386	3,066,486	4,243,980
Interest Received	410,412	139,016	398,509	130,368
Property Income	116,000	116,000	116,000	116,000
Grants and Donations	713,919	904,679	713,919	904,679
Other Income	683,961	427,658	172,116	364,525
	<u>4,972,892</u>	<u>6,194,739</u>	<u>4,467,030</u>	<u>5,759,552</u>
Cash was Disbursed for:				
Payments to Suppliers and Employees	(4,476,386)	(5,798,962)	(4,056,300)	(5,408,590)
Grants and Donations Paid	(670,001)	(809,052)	(670,001)	(809,052)
	<u>(5,146,387)</u>	<u>(6,608,014)</u>	<u>(4,726,301)</u>	<u>(6,217,642)</u>
Net Cash Outflow from Operation	(173,495)	(413,275)	(259,271)	(458,090)
Cash Flows from Investing Activities				
Cash was Provided from:				
Net Investments Proceeds	212,133	352,984	293,515	396,627
Unsecured Advances Proceeds	12,000	15,333	12,000	15,333
	<u>224,133</u>	<u>368,317</u>	<u>305,515</u>	<u>411,960</u>
Cash was Applied to:				
Purchase of Fixed Assets	(60,713)	(54,497)	(58,901)	(54,496)
Cash Flows from Investing Activities	163,420	313,820	246,614	357,464
Increase / (Decrease) in Bank	(10,075)	(99,455)	(12,657)	(100,626)
Bank Balance 1 July 2018	113,508	212,963	107,644	208,270
Cash and Bank 30 June	<u>103,433</u>	<u>113,508</u>	<u>94,987</u>	<u>107,644</u>

Presbyterian Church of Aotearoa New Zealand

Consolidated Notes to the Financial Statements

For the year ended 30 June 2018

1. Reporting Entity

The reporting entity is the Presbyterian Church of Aotearoa New Zealand (the Church), consolidated with the operations of the Presbyterian Church Property Trustees (the Trustees). Reference to the "parent" in this report means reference to the Church and reference to the "Group" means reference to the Church consolidated with the Trustees. As part of its powers the church appoints Trustees who hold their property as Custodian on behalf of the individual member parishes, presbyteries and the church as a whole.

The Group 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 Church. Any residual assets or liabilities arising from the exercise of this power are included in the results of the reporting entity.

The Church is a beneficiary of funds whose financial performance is reported separately by the Trustees to the General Assembly. The Funds 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 Funds are recognised as income as and when received. These commercial activities are not included in the Church accounts.

These Group financial statements and the accompanying notes summarise the financial results of activities carried out by the Group. The Group provides support for Presbyterian Churches and cooperating churches under Presbyterian oversight to enable the promotion and teachings of Jesus Christ in the New Zealand area. All entities within the Group are charitable organisations registered under the Charitable Trusts Act 1957 and the Charities Act 2005.

The Church is domiciled in New Zealand and is a charitable organisation registered under the Charities Act 2005.

These consolidated financial statements have been approved and were authorised for issue by the Council of Assembly on 18 September 2018.

2. Statement of Compliance

The Group financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with PBE Standards Reduced Disclosure Regime ("PBE Standards RDR") and disclosure concessions have been applied. For the purposes of complying with NZ GAAP, the Group is a not-for-profit public benefit entity and is eligible to apply PBE Standards RDR on the basis that it does not have public accountability and it is not defined as large.

3. Summary of Accounting Policies

3.1 Basis of measurement

These consolidated financial statements have been prepared on the basis of historical cost, except for non-derivative financial instruments and investment property, which are measured at fair value.

Presbyterian Church of Aotearoa New Zealand

Consolidated Notes to the Financial Statements

For the year ended 30 June 2018

3.2 Functional and presentational currency

The consolidated financial statements are presented in New Zealand dollars (\$), which is the Group's functional currency.

3.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Presbyterian Church of Aotearoa New Zealand and its controlled entities (the Group) as at 30 June 2018. Controlled entities are all those entities over which the Council (the controlling entity) has the power to govern the financial and operating policies so as to obtain benefits from their activities.

The Church has the power to appoint Trustees, but affirms the Trustees independence in governance, management and influence over financial and operating policies of the Church Property Trustees operations.

In preparing the consolidated financial statements, all inter entity balances and transactions, unrealised gains and losses arising within the consolidated entity are eliminated in full. The accounting policies of the controlled entities are consistent with the policies adopted by the Group.

3.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

Revenue from non-exchange transactions

Donation Revenue

Donations are recognised as revenue upon receipt and include donations from the general public, donations received for specific purposes or services or donations in-kind.

Grant Revenue

Grant revenue includes grants given by other charitable organisations, philanthropic organisations and businesses. Grant revenue is recognised as revenue when it is receipted, unless there are conditions, including a return obligation, attached to the grant. If such conditions exist, then the grant amount is recognised initially as a deferred revenue liability, and revenue is recognised as the conditions are fulfilled.

Beneficiary Fund

Income from parishes for church contributions to the Ministers Beneficiary Fund is recognised as invoiced.

Presbyterian Church of Aotearoa New Zealand

Consolidated Notes to the Financial Statements

For the year ended 30 June 2018

Revenue from exchange transactions

Receipts from parishes

Receipts from parishes includes levies charged to Presbyterian parishes, receipts from cooperating churches and receipts from churches hosting ministry interns. Levies are charged and recognised evenly throughout the accounting period. Contributions from cooperating churches and church contributions to ministry interns are recognised as received.

Investment income

Investment income relates to interest income and is recognised using the effective interest method and is accrued monthly. Interest is reinvested quarterly for funds held in the Presbyterian Investment Fund, and is received for investments held with Christian Savings.

3.5 Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. The Group derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

- The Group has transferred substantially all the risks and rewards of the asset; or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial Assets

All financial assets are initially recognised at fair value plus, in the case of financial assets not recorded at fair value through surplus or deficit, transaction costs that are attributable to the acquisition of the financial asset. The Group's financial assets include: cash and cash equivalents, investments, receivables from exchange transactions and unsecured advances.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest rate method, less any allowance for impairment. Loan agreements are for repayment of capital only and are interest free. All financial assets fall into this category of financial instruments. The effective interest rate amortisation is included in finance income in the statement of financial performance.

Impairment of assets

Assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired.

Presbyterian Church of Aotearoa New Zealand

Consolidated Notes to the Financial Statements

For the year ended 30 June 2018

Financial liabilities

The Group's financial liabilities include trade and other creditors (excluding GST). All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost.

3.6 Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.7 Investments

Current Investments

Current investments comprise deposits in which capital and income is accessible, and the term of the deposit is less than one year.

Non Current Investments

Non current investments comprise deposits in which income only is accessible, or the use of capital is restricted to specific purposes under the terms of the Trust deed. These investments are not expected to be realised in the next 12 months.

3.8 Investment Property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria is met, and excludes the cost of day-to-day maintenance of an investment property.

Subsequent to initial recognition, investment properties are measured at fair value, which is based on active market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset at the reporting date.

Gain or loss arising from changes in the fair values of investment properties are recognised in surplus or deficit in the year in which they arise.

3.9 Plant and Equipment

Property, plant and equipment is measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the items. Plant and equipment are measured at cost, net of accumulated depreciation and impairment losses, if any. Depreciation is charged on a straight line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life.

3.10 Intangible Assets

Intangible assets are measured at cost and are carried at cost less any accumulated amortisation and accumulated impairment losses. Intangible assets are amortised over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Presbyterian Church of Aotearoa New Zealand

Consolidated Notes to the Financial Statements

For the year ended 30 June 2018

3.11 Employee benefits

Liabilities for wages and salaries, annual leave and study leave are recognised in surplus or deficit during the period in which the employee provided the related services. Liabilities for the associated benefits are measured at the amounts expected to be paid when the liabilities are settled.

3.12 Income Tax

Due to its charitable status, the Group is exempt from income tax.

3.13 Equity

Equity is measured as the difference between total assets and total liabilities. Equity is made up of the Group accumulated comprehensive revenue and expense, adjusted for transfers to/from specific reserves. Equity is categorised as general funds, capital trusts and retained earnings adjusted for net operating surplus/(deficit) for the year (as defined in the Consolidated Statement of changes in Net Assets/Equity)

Equity is categorised into sections:

- Funds available for Knox Centre for Ministry and Leadership activities
- Funds available for Global Mission activities
- Funds available for General Assembly operations
- Funds available for Presbyterian Foundation grants
- Funds available for Press Go grants and expenses
- Church Property Trustees working capital
- Retained earnings. Accumulated earnings retained by the group and not represented by Capital Trusts or General Funds

Each section of equity has funds reserved for Working Capital (capital and income available for use in that section), and funds reserved for specific purposes as defined by Trust deeds or bequest requirements. When specific purpose funds are accessed the terms of the Trust Deeds or bequests (the purpose of funds and where applicable the access of income only) must be met.

Please refer to note 8 for an explanation of how the above sections are split between "general funds" and "capital trusts" reserves.

4. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

Presbyterian Church of Aotearoa New Zealand

Consolidated Notes to the Financial Statements

For the year ended 30 June 2018

4. Significant accounting judgements, estimates and assumptions cont.

Grants and donation expenditure

Grants and Donation expense decisions are at the discretion of the appropriate functional manager (or Board in the case of Press Go and Presbyterian Foundation grants). Grants and donations are within appropriate budget parameters and where necessary, comply with appropriate trust deed specifications.

Investment Property

Assumptions for valuation of investment property include

- Movement in market indicators
- That the property is free from further caveats and financial liens
- That there are no restrictions or impediments that may affect the valuation
- A discount rate of 6% has been allowed for (2017: 6.5%)

Study Leave

A provision of 30% of study leave owing has been provided for in the accounts. This is based on the percentage of study leave taken over the previous 3 years.

5 Revenue from non exchange transactions

Revenue from non-exchange transactions received during each reporting period:

5.1 Donations Received	Group June 2018	Group June 2017	Parent June 2018	Parent June 2017
	\$	\$	\$	\$
Bequests Received	-	10,379	-	10,379
Moderator Appeal for Earthquake Relief	-	51,013	-	51,013
Global Mission	167,364	117,355	167,364	117,355
Press Go	8,159	109,270	8,159	109,270
Kids Friendly	850	1,557	850	1,557
Knox Centre - Music Ministry	10,724	20,340	10,724	20,340
Youth Ministry	6,000	2,100	6,000	2,100
Local Mission	1,126	-	1,126	-
Research Centre	2,000	-	2,000	-
Untagged	-	12,118	-	12,118
	196,223	324,132	196,223	324,132

Presbyterian Church of Aotearoa New Zealand
Consolidated Notes to the Financial Statements
For the year ended 30 June 2018

5.2 Grants Received	Group June 2018 \$	Group June 2017 \$	Parent June 2018 \$	Parent June 2017 \$
Synod Otago and Southland - Knox Centre	134,997	239,000	134,997	239,000
Synod Otago and Southland - Research Centre	90,170	106,333	90,170	106,333
Synod of Otago and Southland - Youth Ministry	5,000	-	5,000	-
Synod Otago and Southland - GA16 Clark Estate	-	40,000	-	40,000
PDS Grant - Lighthouse	100,000	100,000	100,000	100,000
PDS Grant - Missions	23,000	-	23,000	-
PDS Grant - Transformers	7,100	-	7,100	-
Council for World Mission (CWM) - Salaries grant for Asian Mission	3,130	-	3,130	-
CWM Grant towards Connect	5,063	45,448	5,063	45,448
CWM - Press Go Grant	7,000	-	7,000	-
CWM - AES Travel Grant	84,014	-	84,014	-
Dunedin Foundation Charitable Trust	-	2,268	-	2,268
Glenfield Bethel Trust	7,500	-	7,500	-
Bible Society	45,000	-	45,000	-
Ministry of Social Development - Salary Grant	4,000	-	4,000	-
Press Go - Knox Centre	1,722	-	1,722	-
United Church of Australia - Global Mission	-	30,000	-	30,000
Knox College - Hewitson Library	-	12,498	-	12,498
	-	5,000	-	5,000
	517,696	580,547	517,696	580,547

The following amounts were received and not recorded as Grants Received:

	Group June 2018 \$	Group June 2017 \$	Parent June 2018 \$	Parent June 2017 \$
Training in Mission Programme		34,062		34,062

Training in Mission is a Council for World Mission, not a Church activity therefore funds received for this purpose are recorded as an asset and a liability in the Statement of Financial Position until they are used for the designated purpose.

Presbyterian Church of Aotearoa New Zealand
Consolidated Notes to the Financial Statements
For the year ended 30 June 2018

6 Grants and Donations Paid

6.1 Grants Paid	Group June 2018	Group June 2017	Parent June 2018	Parent June 2017
	\$	\$	\$	\$
Bill Best Travel Grants	3,365	3,717	3,365	3,717
Council of Assembly	-	4,605	-	4,605
Global Mission Grants	22,574	75,197	22,574	75,197
Knox Centre Minister Study Grants	25,921	56,285	25,921	56,285
Moderator's Parish	79,000	82,000	79,000	82,000
Presbyterian Foundations Grants	115,500	131,337	115,500	131,337
Press Go (Excluding Mission Enterprise Fund)	16,298	55,228	16,298	55,228
Pacific Island Synod	134,616	37,591	134,616	37,591
Northern Presbytery - Asian Ministry Coordinator	9,000	-	9,000	-
Te Aka Puaho Partnership Grant	140,000	140,000	140,000	140,000
United Congregations	-	48,000	-	48,000
	546,274	633,960	546,274	633,960

6.2 Donations Paid	Group June 2018	Group June 2017	Parent June 2018	Parent June 2017
	\$	\$	\$	\$
Global Mission	120,080	129,879	120,080	129,879
Moderator Appeal for Earthquake Relief	-	43,375	-	43,375
Other donations paid	3,647	1,839	3,647	1,839
	123,727	175,093	123,727	175,093

Presbyterian Church of Aotearoa New Zealand
Consolidated Notes to the Financial Statements
For the year ended 30 June 2018

7 Reserves	Balance	Transactions	Transactions	Balance
	1 July 17	In	Out	30 June 18
	\$	\$	\$	\$
General Assembly Reserves				
General Purpose Reserves				
Presbyterian Investment Fund	1,531,443	2,723,393	(3,499,725)	755,111
Christian Savings	3,000,000	1,030,239	(533,456)	3,496,783
	<u>4,531,443</u>	<u>3,753,632</u>	<u>(4,033,181)</u>	<u>4,251,894</u>
Specific Purpose Reserves				
Presbyterian Foundation (Capital)	2,811,256	96,545	(116,226)	2,791,575
Kid's Friendly	29,827	1,032	-	30,859
Presbyterian Archives Reserve	122,692	4,145	(10,000)	116,837
Council for World Mission	94,201	2,962	(96,616)	547
DI Langmuir Estate	636,750	22,025	-	658,775
Margaret and Bill Best Memorial Fund	269,510	14,240	(8,338)	275,412
Estate of Mary McLeish	5,523	191	-	5,714
Home Mission Trust	290,900	18,998	-	309,898
F J Borrie Trust	36	1	-	37
MA Borrie Trust	23,422	810	-	24,232
JE Long Memorial Trust	51,756	1,790	-	53,546
Outfields Mission	57,204	2,031	-	59,235
TW Pairman Trust	8,863	307	-	9,170
M&E Thompson Bequest	29,366	1,134	-	30,500
A Cowie Estate.	200,438	6,933	-	207,371
	<u>4,631,744</u>	<u>173,144</u>	<u>(231,180)</u>	<u>4,573,708</u>
Transfer to:				
Global Mission Specific Purpose Reserve	-	-	(658,775)	(658,775)
Total General Assembly Reserves	<u>9,163,187</u>	<u>3,926,776</u>	<u>(4,923,136)</u>	<u>8,166,827</u>

	Balance	Transactions	Transactions	Balance
	1 July 17	In	Out	30 June 18
	\$	\$	\$	\$
Knox Centre for Ministry and Leadership Reserves				
General Purpose Reserves				
Presbyterian Investment Fund	257,528	407,498	(454,895)	210,131
Christian Savings	3,000,000	-	-	3,000,000
	<u>3,257,528</u>	<u>407,498</u>	<u>(454,895)</u>	<u>3,210,131</u>

Presbyterian Church of Aotearoa New Zealand
Consolidated Notes to the Financial Statements
For the year ended 30 June 2018

	Balance	Transactions	Transactions	Balance
Knox Centre for Ministry and Leadership Reserves cont.	1 July 2017	In	Out	30 June 18
	\$	\$	\$	\$
Specific Purpose Reserves				
Knox Centre Property #1	1,481,434	50,714	(31,400)	1,500,748
Knox Centre Property #2	2,026,637	69,377	(42,956)	2,053,058
Knox Centre Property #3	1,307,700	44,766	(27,717)	1,324,749
Thornton-Blair Scholarship	139,876	19,581	(15,267)	144,190
Frustrated Trust	25,419	879	-	26,298
Lay & Recognised Ministry Training Post Graduate Scholarships - Distribution Account	355,828	12,308	-	368,136
CPE Scholarships	114,300	3,954	-	118,254
Book Prizes Account	92,525	3,194	(250)	95,469
Ministers Study Grants	520,814	17,741	(28,754)	509,801
Hewitson Library	14,253	493	-	14,746
Pastoral Contingencies Fund	148,902	5,097	(2,336)	151,663
Begg Dickie Scholarship Fund	239,709	8,292	-	248,001
Vanuatu Training	18,707	647	-	19,354
Cumming Travel Scholarship	19,345	669	-	20,014
Sanderson Stewart McKay Trust	73,519	2,543	-	76,062
DM Phillips Gift	12,874	445	-	13,319
Knox Centre Intern Reserve	143,015	51,238	(11,343)	182,910
Carrick Crombie Scholarship	190,204	6,068	(22,556)	173,716
Harrison Bequest	283,695	9,778	(1,859)	291,614
	<u>7,279,829</u>	<u>314,364</u>	<u>(184,438)</u>	<u>7,409,755</u>
Total Knox Centre Reserves	10,537,357	721,862	(639,333)	10,619,886
Global Mission Reserves				
General Purpose Reserves				
Presbyterian Investment Fund	435,498	1,095,046	(63,257)	1,467,287
Christian Savings	1,000,000	-	(1,000,000)	-
	<u>1,435,498</u>	<u>1,095,046</u>	<u>(1,063,257)</u>	<u>1,467,287</u>

Presbyterian Church of Aotearoa New Zealand
Consolidated Notes to the Financial Statements
For the year ended 30 June 2018

	Balance 1 July 2017	Transactions In	Transactions Out	Balance 30 June 18
	\$	\$	\$	\$
Global Mission Reserves cont.				
Specific Purpose Reserves				
Estate AJM Campbell	8,226	285	-	8,511
W & B Pullar Vanuatu Fund	96,154	3,326	-	99,480
Onesua Presbyterian College	43,572	1,507	-	45,079
Shirley Gray Memorial scholarship Vanuatu	20,964	719	(1,350)	20,333
Doreen Riddell - Scholarship Fund	56,187	2,746	-	58,933
Friends of Jagadhri	48,589	1,681	-	50,270
Ricebowl Mission	89,977	17,260	(12,635)	94,602
Total Specific Reserves	5,069	18,694	(14,591)	9,172
	368,738	46,218	(28,576)	386,380
	1,804,236	1,141,264	(1,091,833)	1,853,667
Transfer from:				
General Assembly Specific Purpose Reserve	-	658,775	-	658,775
Total Global Mission Reserves	1,804,236	1,800,039	(1,091,833)	2,512,442
	Balance 1 July 17	Transactions In	Transactions Out	Balance 30 June 18
	\$	\$	\$	\$
Press Go Reserves				
General Purpose Reserves				
Christian Savings	1,000,000	-	(200,000)	800,000
	1,000,000	-	(200,000)	800,000
Specific Purpose Reserves				
Press Go	74,740	561,180	(311,530)	324,390
Presbyterian Investment Fund	133,853	120,946	(109,500)	145,299
Mission Enterprise Fund	820,128	701,631	(365,795)	1,155,964
	1,028,721	1,383,757	(786,825)	1,625,653
Total Press Go Reserves	2,028,721	1,383,757	(986,825)	2,425,653
Church Property Trustees Reserves				
	Balance 1 July 17	Transactions In	Transactions Out	Balance 30 June 18
	\$	\$	\$	\$
General Purpose Reserves				
Presbyterian Investment Fund	304,884	331,484	(250,102)	386,266
	304,884	331,484	(250,102)	386,266

Presbyterian Church of Aotearoa New Zealand
Consolidated Notes to the Financial Statements
For the year ended 30 June 2018

8 Summary of Reserves

Reserves by Function	Balance 1 July 17 \$	Transactions In \$	Transactions Out \$	Balance 30 June 18 \$
Global Mision	1,804,236	1,800,039	(1,091,833)	2,512,442
Knox Centre	10,537,357	721,862	(639,333)	10,619,886
General Assembly	9,163,187	3,926,776	(4,923,136)	8,166,827
Press Go	2,028,721	1,383,757	(986,825)	2,425,653
Church Property Trustees	304,884	331,484	(250,102)	386,266
	23,838,385	8,163,918	(7,891,229)	24,111,074
Reserves by Investment Partner				
Presbyterian Investment Fund	15,838,385	6,474,904	(5,498,998)	16,814,291
Christian Savings	8,000,000	1,030,239	(1,733,456)	7,296,783
	23,838,385	7,505,143	(7,232,454)	24,111,074
Reserves by Type				
Capital Trusts	13,309,032	1,917,483	(1,231,019)	13,995,496
General Funds	10,529,353	5,587,660	(6,001,435)	10,115,578
	23,838,385	7,505,143	(7,232,454)	24,111,074
Reserves by Parent / Group				
The Church	23,533,501	7,832,434	(7,641,127)	23,724,808
The Trustees	304,884	331,484	(250,102)	386,266
Group	23,838,385	8,163,918	(7,891,229)	24,111,074

Unless stated otherwise, funds held in Specific Reserves are held in the Presbyterian Investment Fund.

Presbyterian Church of Aotearoa New Zealand
Consolidated Notes to the Financial Statements
For the year ended 30 June 2018

9 Changes in Assets and Equity

	Knox Centre	General Assembly	Global Mission	Press Go	Presbyterian Foundation	Mission Enterprise Fund
Capital Trusts						
Balance 1 July 2017	7,279,829	1,820,488	368,738	74,740	2,945,109	820,128
Deposits and Income	314,364	76,599	704,993	561,180	217,491	701,631
Withdrawals and Transfers	(184,438)	(773,729)	(28,576)	(311,530)	(225,726)	(365,795)
Balance 30 June 2018	7,409,755	1,123,358	1,045,155	324,390	2,936,874	1,155,964
General Funds						
Balance 1 July 2017	3,257,528	4,531,443	1,435,498	1,000,000	-	-
Deposits and Income	407,498	3,753,632	1,095,046	-	-	-
Withdrawals and Transfers	(454,895)	(4,033,181)	(1,063,257)	(200,000)	-	-
Balance 30 June 2018	3,210,131	4,251,894	1,467,287	800,000	-	-
Retained Earnings						
Balance 1 July 2017	-	-	-	-	-	-
Net Surplus	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance at 30 June 2018	-	-	-	-	-	-
Total Equity						
Balance at 1 July 2017	10,537,357	6,351,931	1,804,236	1,074,740	2,945,109	820,128
Net Movements	82,529	(976,679)	708,206	49,650	(8,235)	335,836
Balance at 30 June 2018	10,619,886	5,375,252	2,512,442	1,124,390	2,936,874	1,155,964

Presbyterian Church of Aotearoa New Zealand

Consolidated Notes to the Financial Statements

For the year ended 30 June 2018

10 Auditors Remuneration

Ernst and Young provide audit services to the Group. Total amount recognised for as an audit expense is \$32,500 (2017: \$38,475). No non-audit services are provided by Ernst and Young

11 Fixed Assets

	Group June 2018	Group June 2017	Parent June 2018	Parent June 2017
Computer Equipment				
<i>Cost</i>				
Opening Cost	183,413	129,295	170,857	116,739
Additions	9,484	54,118	9,484	54,118
Disposals	(54,174)	-	(54,174)	-
<i>Closing Cost</i>	138,723	183,413	126,167	170,857
<i>Depreciation and Impairment</i>				
Opening Accumulated Depreciation	125,108	110,594	114,104	101,143
Depreciation charge for year	18,883	14,514	18,107	12,961
Disposals	(51,042)	-	(51,042)	-
<i>Closing Accumulated Depreciation</i>	92,949	125,108	81,169	114,104
Computer Equipment Net Book Value	45,774	58,305	44,998	56,753
Office Equipment				
<i>Cost</i>				
Opening Cost	51,737	51,737	49,465	49,465
Additions	1,379	-	1,379	-
Disposals	(5,762)	-	(5,762)	-
<i>Closing Cost</i>	47,354	51,737	45,082	49,465
<i>Depreciation and Impairment</i>				
Opening Accumulated Depreciation	46,838	45,137	45,823	44,361
Depreciation charge for year	883	1,701	682	1,462
Disposals	(3,187)	-	(3,187)	-
<i>Closing Accumulated Depreciation</i>	44,534	46,838	43,318	45,823
Office Equipment Net Book Value	2,820	4,899	1,764	3,642
Office Furniture				
<i>Cost</i>				
Opening Cost	230,499	230,499	220,657	220,657
Additions	1,047	-	1,047	-
Disposals	-	-	-	-
<i>Closing Cost</i>	231,546	230,499	221,704	220,657
<i>Depreciation and Impairment</i>				
Opening Accumulated Depreciation	220,935	215,962	217,396	213,382
Depreciation charge for year	4,443	4,973	3,632	4,014
Disposals	(15)	-	(15)	-
<i>Closing Accumulated Depreciation</i>	225,363	220,935	221,043	217,396
Office Furniture Net Book Value	6,183	9,564	661	3,261
Total Net Book Value	54,777	72,768	47,423	63,656

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Presbyterian Church of Aotearoa New Zealand

Consolidated Notes to the Financial Statements

For the year ended 30 June 2018

12 Intangible Assets	Group June 2018	Group June 2017	Parent June 2018	Parent June 2017
Computer Software				
<i>Cost</i>				
Opening Cost	161,269	161,269	161,269	161,269
Additions	52,713	-	52,713	-
Disposals	-	-	-	-
<i>Closing Cost</i>	213,982	161,269	213,982	161,269
<i>Depreciation and Impairment</i>				
Opening Accumulated Depreciation	153,760	137,076	153,760	137,076
Depreciation charge for year	11,926	16,684	11,926	16,684
Disposals	-	-	-	-
<i>Closing Accumulated Depreciation</i>	165,686	153,760	165,686	153,760
Net Book Value	48,296	7,509	48,296	7,509

13 Investment Property

The investment property is subject to a long-term lease to Cold Storage Nelson Limited. The property was last valued on 30 June 2018 by Lance Collings, independent registered valuer of the firm Jones Lang LaSalle Ltd at \$1,875,000. 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 cost of disposal.

14 Lease Commitments

The General Assembly lease of Core Logic House was renewed in June 2018 for a period of two years from March 2017 to March 2019, with a further renewal date of March 2021. The expiry date of the lease is February 2023.

The lease of the office of the Church Property Trustees was renewed in June 2018 for a term of 3 years to March 2021.

	Group June 2018 \$	Group June 2017 \$	Parent June 2018 \$	Parent June 2017 \$
Lease of Corelogic House, Including Carparks		\$		
Up to one year	81,501	66,062	60,311	49,262
One to two years	35,317	11,200	-	-
Two to five years	-	-	-	-
Sharp Corporation of NZ (Photocopier Lease)				
Up to one year	2,307	2,307	-	-
One to two years	4,614	4,614	-	-
Two to five years	2,307	4,614	-	-

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Presbyterian Church of Aotearoa New Zealand

Consolidated Notes to the Financial Statements

For the year ended 30 June 2018

15 Capital Commitments

There are no capital commitments at reporting date. (2017: nil)

16 Contingent assets and liabilities

There are no contingent assets or liabilities at reporting date. (2017: nil)

17 Related Party Transactions

Grants to Presbyterian Churches

The key management personnel, as defined in PBE IPSAS 20 Related Party Disclosures, are the members of the Presbyterian Church of Aotearoa New Zealand Council of Assembly and the Resource and Leadership subcommittees. No remuneration is paid to members of these groups, although grants were paid to the churches of some members in recognition of their contribution to church management:

18 Related Party Transactions cont.

	Group June 2018	Group June 2017	Parent June 2018	Parent June 2017
	\$		\$	\$
Jenny Flett (Council Convenor)	13,000		13,000	-
St Johns Mt Roskill (Council Convenor)	-	4,605	-	4,605
St Columba Botany Downs (Moderator)	-	23,332	-	23,332
Leith Valley Presbyterian Church (Moderator)	79,000	58,666	79,000	58,666
St Columba Botany Downs (Press Go Convenor)	-	6,666	-	6,666

Presbyterian Investment Fund

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

19 Events after balance date

The Council of Assembly and management are not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in these financial statements that have significantly or may significantly affect the operations of the General Assembly.

Independent auditor's report to the Members of the Presbyterian Church of Aotearoa New Zealand

Report on the audit of the financial statements

Opinion

We have audited the financial statements of the Presbyterian Church of Aotearoa New Zealand (the "Church") and its subsidiary (together the "Group") on pages 2 to 20, which comprise the statements of financial position of the Church and Group as at 30 June 2018, and the statements of comprehensive revenue and expenses, statement of changes in net assets and cash flow statements for the year then ended of the Church and Group, and the notes to the financial statements including a summary of significant accounting policies.

This report is made solely to the Church's members, as a body. Our audit has been undertaken so that we might state to the Church's 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 Church and the Church's members as a body, for our audit work, for this report, or for the opinions we have formed.

Opinion on the Church Financial Statements

In our opinion, the financial statements on pages 2 to 20 present fairly, in all material respects, the financial position of the Church as at 30 June 2018 and its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

Adverse Opinion on the Group Financial Statements

In our opinion, because of the significance of the matter described in the Basis for Adverse Opinion on the Group, the financial statements on pages 2 to 20 do not present fairly, in all material respects, the financial position of the Group as at 30 June 2018 and its financial performance and cash flows for the year ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Group 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 interest in, the Group. Partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group.

Basis for Adverse Opinion on the Group Financial Statements

The Group is required to apply the requirements of PBE IPSAS 6 consolidated and separate financial statements to consolidate entities which, for financial reporting purposes, are controlled by the Church. Such entities include parishes and a variety of other trusts and operations.

Other than consolidating the operational activities of one controlled entity (the Church Property Trustees), the Group has not consolidated its controlled entities. Had these entities been consolidated, many elements in the accompanying financial statements of the Group would have been materially affected. The effects on the financial statements of not consolidating these entities have not been determined.

Information other than the financial statements and auditor's report

Those charged with governance are responsible for the Annual Report, which includes information other than the financial statements and auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

If, based upon the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Council of Assembly's responsibilities for the financial statements

The Council of Assembly is responsible, on behalf of the Church, for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, and for such internal control as those charged with governance determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, those charged with governance are responsible for assessing on behalf of the Church the Group'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 those charged with governance either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 International Standards on Auditing (New Zealand) 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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board website: <https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-7/>. This description forms part of our auditor's report.

A handwritten signature in blue ink, appearing to read 'Ernst & Young', is written over a faint, larger version of the signature.

Chartered Accountants
Wellington
18 September 2018