
**PRESBYTERIAN CHURCH OF AOTEAROA NEW ZEALAND
PRESBYTERIAN INVESTMENT FUND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

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**PRESBYTERIAN CHURCH OF AOTEAROA NEW ZEALAND
PRESBYTERIAN INVESTMENT FUND
FUND INFORMATION
AS AT 30 JUNE 2022**

Nature of Fund	Amalgamated Investment Fund
Trustee	The Presbyterian Church Property Trustees
Principal Place of Business	275 Cuba Street, Wellington
Fund Administrator	Booster Financial Services Limited
Fund Managers	Harbour Asset Management Limited Mercer (N.Z.) Limited
Custodian Trustee	Trustees Executors Limited
Solicitors	DLA Piper
Bankers	ANZ Bank BNZ Bank
Auditors	Ernst & Young

**PRESBYTERIAN CHURCH OF AOTEAROA NEW ZEALAND
PRESBYTERIAN INVESTMENT FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 \$	2021 \$
Revenue			
Interest income	4	3,158,295	2,762,384
Net (losses)/gains on financial instruments at fair value through profit or loss	6	(8,558,105)	4,056,992
Management fee rebate income		118,150	85,421
Brokerage income		9,382	35,000
Foreign exchange gains/(losses)		2,772	(134)
Total Revenue		(5,269,506)	6,939,663
Expenses			
Administration expenses	5	688,026	705,899
On Call Fund interest expense	12	1,825,445	2,218,557
Long Term Fund interest expense	12	1,348,568	939,183
Long Term Fund reserve interest (income)/expense	12	(7,399,075)	2,377,400
Long Term Fund inflation interest expense	12	3,036,515	1,040,690
Total Expenses		(500,521)	7,281,729
Net (Loss) for the year		(4,768,985)	(342,066)
Other Comprehensive Income		-	-
Total Comprehensive (Loss)		(4,768,985)	(342,066)

The accompanying notes form an integral part of these financial statements.

**PRESBYTERIAN CHURCH OF AOTEAROA NEW ZEALAND
PRESBYTERIAN INVESTMENT FUND
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**

	Income \$	Reserve Fund \$	Total \$
As at 1 July 2021	-	8,620,016	8,620,016
Total comprehensive loss	(4,768,985)	-	(4,768,985)
Transferred to/(from) Reserve Fund	4,768,985	(4,768,985)	-
As at 30 June 2022	<u>-</u>	<u>3,851,031</u>	<u>3,851,031</u>

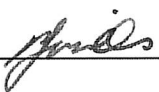
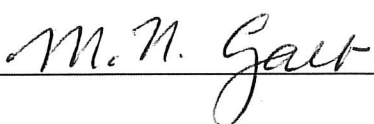
	Income \$	Reserve Fund \$	Total \$
As at 1 July 2020	-	8,962,082	8,962,082
Total comprehensive loss	(342,066)	-	(342,066)
Transferred to/(from) Reserve Fund	342,066	(342,066)	-
As at 30 June 2021	<u>-</u>	<u>8,620,016</u>	<u>8,620,016</u>

The accompanying notes form an integral part of these financial statements.

**PRESBYTERIAN CHURCH OF AOTEAROA NEW ZEALAND
PRESBYTERIAN INVESTMENT FUND
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	Note	2022 \$	2021 \$
Assets			
Cash and cash equivalents	7	14,023,824	6,698,821
Trade and other receivables	8	1,108,162	398,226
Financial assets at fair value through profit or loss	10	177,781,408	111,438,239
Bank deposits		6,126,145	69,690,162
Mortgages	11	2,522,491	-
Total Assets		201,562,030	188,225,448
Liabilities and equity			
Liabilities			
Trade and other payables	9	9,709,063	102,616
Trust account deposits	12	185,405,314	178,550,076
Financial liabilities at fair value through profit or loss	10	2,596,622	952,740
		197,710,999	179,605,432
Equity			
Reserve Fund		3,851,031	8,620,016
		3,851,031	8,620,016
Total Equity and Liabilities		201,562,030	188,225,448

The financial statements have been authorised for issue by the Trustee, The Presbyterian Church Property Trustees.

Trustee		Date	10/11/2022
Trustee		Date	10/11/2022

The accompanying notes form an integral part of these financial statements.

**PRESBYTERIAN CHURCH OF AOTEAROA NEW ZEALAND
PRESBYTERIAN INVESTMENT FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Cash was provided from:			
Interest income		2,678,159	3,061,660
Sale of investments		195,647,595	169,496,353
Other income		127,532	120,421
Mortgages repaid		-	1,850,000
Cash was applied to:			
Payment of management costs		(603,504)	(712,500)
Payment of interest on deposits		-	(28)
Purchase of investments		(196,212,667)	(173,931,897)
Mortgages advanced		(2,500,000)	-
Net settlement of derivatives		120,962	1,794,114
Net cash (outflows)/inflows from operating activities		(741,923)	1,678,123
Cash flows from financing activities			
Received from trust account deposits		32,388,118	24,670,917
Applied to trust account deposits repaid		(24,321,415)	(25,002,251)
Net cash inflows/(outflows) from financing activities		8,066,703	(331,334)
Net increase in cash and cash equivalents		7,324,780	1,346,789
Opening cash brought forward		6,698,821	5,352,143
Effect of exchange rate fluctuations		223	(111)
Cash and cash equivalents at the end of the year	7	14,023,824	6,698,821

The accompanying notes form an integral part of these financial statements.

**PRESBYTERIAN CHURCH OF AOTEAROA NEW ZEALAND
PRESBYTERIAN INVESTMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

1. General information

These financial statements are for the Presbyterian Church of Aotearoa New Zealand Presbyterian Investment Fund ("Fund") for the year ended 30 June 2022 ("balance date").

The Fund was established by the Presbyterian Church Property Trustees Empowering Act 1957 ("Act") to amalgamate investments and money of trust funds and is governed by that Act.

The Trustee of the Fund is The Presbyterian Church Property Trustees ("Trustee"). The Trustee is a body corporate established under the Presbyterian Church Property Act 1885. The Trustee has delegated certain administration functions to Booster Financial Services Limited, fund management functions to Harbour Asset Management Limited as well as Mercer (N.Z.) Limited, and custodial and accounting services to Trustees Executors Limited. Mortgage security holding services has been delegated to Presbyterian Investment Fund Lending Limited.

The financial statements of the Fund cover the year ended 30 June 2022 and comparatives for the year ended 30 June 2021.

2. Summary of accounting policies

i Basis of preparation

The financial statements of the Fund have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). The financial statements comply with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime ("NZ IFRS RDR"), other New Zealand accounting standards and authoritative notices that are applicable to entities that apply NZ IFRS RDR.

The Fund is eligible and has elected to report in accordance with Tier 2 for-profit accounting standards, NZ IFRS RDR on the basis that the Fund has no public accountability and is not a large for-profit public sector entity.

In applying NZ IFRS RDR, the Fund has applied a number of disclosure concessions.

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of financial instruments at fair value through profit or loss. The methods used to measure fair values are discussed further below. The accrual basis of accounting has been applied, as has the going concern assumption.

All accounting policies have been applied consistently with prior periods. New standards, amendments to standards and interpretations that came into effect during the reporting period do not have a material impact on the financial statements. The same applies for any new standards, amendments to standards and interpretations that have been issued but are not yet effective.

ii Functional and presentation currency

These financial statements are presented in New Zealand dollars (\$), which is the Fund's functional currency. All financial information presented has been rounded to the nearest dollar.

iii Financial instruments

(a) Classification

Assets

Financial assets are recognised initially at fair value. After initial recognition, financial assets are measured at fair value or amortised cost.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss can be either designated as such upon initial recognition or mandatorily measured at fair value in accordance with NZ IFRS 9. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focussed on fair value information and uses that information to assess the assets' performance and to make decisions.

(ii) Financial assets at amortised cost

Cash and cash equivalents include cash in hand, deposits held at call with banks and overdrawn balances with brokers in New Zealand dollars and foreign currencies. Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represents the Funds' main income generating activity.

Bank deposits are debt instruments where the business model is held for collection only; the contractual terms only give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further the "hold to collect" model will be applied for these financial assets due to the following: collection of contractual cash flows is not incidental, there's no intention to sell these assets and they are used to effectively manage cash reserves. On this basis, the fair value option will not be applied and are classified as financial assets at amortised cost.

Mortgages are debt instruments secured by the underlying physical assets and where the business model is held for collection only; the contractual terms only give rise to cash flows that are solely interest on the principal amount outstanding. Further the "hold to collect" model will be applied for these financial assets due to the following: loan terms will be up to 15 years, collection of contractual cash flows is not incidental, there's no intention to sell these assets and they are used to effectively manage cash reserves. On this basis, the fair value option will not be applied and are classified as financial assets at amortised cost.

Unsettled investment sales included in trade and other receivables, are receivable for securities sold but not yet settled at balance sheet date. The unsettled trade receivable balance is held for collection.

Trade and other receivables include margin accounts, accrued interest and contributions receivable.

Margin accounts represents deposits held in respect of open trades in financial instruments and not included as a component of cash and cash equivalents.

2. Summary of accounting policies (continued)

Financial instruments (continued)

Liabilities

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss can be either designated as such upon initial recognition or mandatorily measured at fair value in accordance with NZ IFRS 9. The portfolio of financial liabilities is managed and performance is evaluated on a fair value basis. Consequently, all financial liabilities are measured at fair value through profit or loss. All financial liabilities previously classified as financial liabilities at fair value through profit or loss under the category held for trading, are now classified as mandatorily measured at fair value through profit or loss. Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

(ii) Financial liabilities at amortised cost

Trade and other payables include unsettled investment purchases are amounts representing liabilities and accrued expenses owing by the Fund at year end. These amounts include related party fees payable, distributions payable and withdrawals payable.

Unsettled investment purchases included in trade and other payables, are payables for securities purchased but not yet settled at balance sheet date.

(b) Recognition, Derecognition and Measurement

Financial assets and liabilities at fair value through profit or loss

The Fund recognises financial assets and liabilities at fair value through the profit and loss on the date it becomes party to the contractual agreement. Financial assets and liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the Statement of Comprehensive Income. Financial assets at fair value through profit or loss are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all of the risks and rewards of ownership. This occurs upon maturity or disposal of the asset. Financial liabilities at fair value through profit or loss are derecognised when the obligation under the liability is discharged, cancelled or expires. Subsequent to initial recognition, all financial assets and liabilities at fair value through the profit or loss are measured at fair value. Gains and losses arising from changes in the fair value are recognised in the Statement of Comprehensive Income when they arise. Any gain or loss arising on derecognition of the financial asset or financial liability at fair value through profit or loss is included in the Statement of Comprehensive Income in the period the item is derecognised. Gains or losses are calculated as the difference between the disposal proceeds and the carrying amount of the item. Interest and dividend income are separately recognised in the Statement of Comprehensive Income. Purchases and sales of investments are recognised on the trade date, the date on which the Fund commits to purchase or sell the investment.

Financial assets and liabilities at amortised cost

The Fund recognises financial assets and liabilities at amortised cost on the date it becomes party to the contractual agreement. Financial assets and liabilities at amortised cost are initially recognised at fair value. Financial assets at amortised cost are derecognised when the rights to receive cash flows from the investments have been expired or the Fund has transferred all of the risks and rewards of ownership. This occurs upon maturity or disposal of the asset. Financial liabilities at amortised cost are derecognised when the obligation under the liability is discharged, cancelled or expires. Subsequent to initial recognition, all financial assets and liabilities at amortised cost are measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance of the financial assets at amortised cost at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12 months' of expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due or a counterparty credit rating which has fallen below BBB/Baa. Any contractual payment which is more than 90 days past due is considered credit impaired. There is a risk of non-recovery.

iv Fair value hierarchy

Fair value measurements and fair value disclosures for financial assets and liabilities can be categorised into a three level hierarchy based on the use of market observable and unobservable inputs:

Level one - fair value in an active market

The fair value of financial assets traded in active markets is based on their quoted market prices at balance date without any deduction for estimated future selling costs. Generally, a level one category asset will have the most independent, reliable basis for measurement.

Level two - fair value in an inactive or unquoted market using valuation techniques and observable market data.

The fair value of financial assets that are not traded in an active market is determined using valuation techniques for which all significant inputs are based on observable market data.

Level three - fair value in an inactive or unquoted market using valuation techniques without observable market data

The fair value of financial assets that are not traded in an active market is determined using valuation techniques for which any significant input is not based on observable market data.

PRESBYTERIAN CHURCH OF AOTEAROA NEW ZEALAND
PRESBYTERIAN INVESTMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2. Summary of accounting policies (continued)

v Revenue recognition

- (a) Interest income is recognised as the interest accrues using the effective interest rate method. Interest income is earned on short term deposits, loans granted, cash held at the bank and on bonds and swaps.
- (b) Gains or losses on financial assets and liabilities at fair value through profit or loss are recognised in the Statement of Comprehensive Income disclosed in note 2(iii) above.
- (c) Foreign exchange gains and losses on cash are recognised in the Statement of Comprehensive Income as they arise. Foreign exchange gains and losses on financial instruments at fair value through profit or loss are recognised in the Statement of Comprehensive Income.
- (d) Other income is recognised in the Statement of Comprehensive Income when the Fund's right to receive payment is established.

vi Expenses

Expenses comprise management fees, trustee fees, custody and accounting fees, registry fees, audit fees, legal fees and other administration fees. Management, trustee, custody and accounting, audit and registry fees are accrued for on a monthly basis. All other expenses are recognised when incurred.

vii Interest expense, Attribution of capital loss adjustment and Inflation allocations to the Long Term Fund

The Interest expense, Attribution of capital loss adjustments and Inflation allocations to the Long Term Fund are all rates determined by the Investment Committee of the Trustee and are expensed when incurred.

viii Income tax

The Fund is a registered charity under the Charities Act 2005 and pursuant to Section CW of the Income Tax Act 2007 is exempt from income tax.

ix Goods and services tax ("GST")

The Fund is not registered for GST and all components of the financial statements are stated inclusive of GST where applicable.

x Statement of cash flows

Definitions of the terms used in the statement of cash flows are:

- (a) Operating activities comprise all transactions and other events that are not financing activities and includes purchases and sales of investments.
- (b) Financing activities are those activities that result in changes in the size and composition of deposit holders' funds. This includes elements of deposit holders' funds not falling within the definition of cash. Distributions paid in relation to deposit holders' funds are included in financing activities.

xi Equity

Pursuant to the Act, the Fund provides for an Income Account and a Reserve Fund. These have the following purposes:

Income Account

The Income Account receives all investment income after the deduction of administration expenses. The remainder, after any transfers required to maintain the Reserve Fund, is available to be credited to the deposit holders' accounts. The balance of the Income Account is transferred to or from the Reserve Fund at the end of the year.

Reserve Fund

The Reserve Fund receives investment income on its funds and the balance of the Income Account at the end of the year is transferred to or from the Reserve Fund. The Fund is used to stabilise or increase the income of the Fund, to reinstate any capital losses and to hold unrealised gains or losses on fixed interest investments until maturity.

3. Accounting estimates and judgements

The preparation of financial statements in conformity with NZ IFRS RDR requires the use of certain critical accounting estimates. It also requires the Trustee to exercise its judgement in the process of applying the Fund's accounting policies. The Trustee has applied its judgement in selecting the accounting policy to designate financial assets at fair value through profit or loss at inception. This policy has a significant impact on the amounts disclosed in the financial statements.

4. Interest income

	2022	2021
	\$	\$
Interest on financial assets held at amortised cost	679,010	598,054
Interest on investment assets at fair value through profit or loss	2,479,285	2,164,330
Total interest income	3,158,295	2,762,384

5. Administration expenses

Trustee fees	250,049	259,992
Registry fees	138,000	149,500
Management fees	159,305	168,317
Custody fees	55,757	55,693
Audit fees	25,841	35,238
Accounting fees	26,848	27,615
Consultancy Fees	4,025	-
Legal fees	28,201	9,544
Total administration expenses	688,026	705,899

PRESBYTERIAN CHURCH OF AOTEAROA NEW ZEALAND
PRESBYTERIAN INVESTMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

6. Net gains/(losses) on financial instruments at fair value through profit or loss	2022	2021
	\$	\$
New Zealand corporate bonds	(3,567,914)	(1,517,862)
New Zealand local authority bonds	(588,451)	(290,546)
New Zealand government bonds	(212,044)	(298,453)
Mercer Socially Responsible Investment Balanced Fund	(4,270,615)	4,385,456
New Zealand swaps, futures and options	161,498	1,771,402
International bonds	(68,838)	8,856
Forward foreign exchange contracts	(11,741)	(1,861)
Net gains on financial instruments at fair value through profit or loss	(8,558,105)	4,056,992

7. Cash and cash equivalents		
Cash at bank	14,023,824	6,698,821
Total cash and cash equivalents*	14,023,824	6,698,821

Cash and cash equivalents include cash balances and are classified as financial assets at amortised cost under NZ IFRS 9.

8. Trade and other receivables		
Margin accounts	1,108,162	398,226
Total trade and other receivables*	1,108,162	398,226

All trade and other receivable balances are classified as financial assets at amortised cost under NZ IFRS 9.

9. Trade and other payables		
Audit fees payable	25,000	25,000
Management fees payable	47,413	38,367
Sundry expenses payable	94,158	12,849
Unsettled investment purchases	9,493,171	-
Trust account withdrawals payable	49,321	26,400
Total trade and other payables*	9,709,063	102,616

All trade and other payables are current liabilities and are classified as financial liabilities at amortised cost under NZ IFRS 9.

* For cash and cash equivalents, term deposits, trade and other receivables, trade and other payables as well as trade and other payable to related parties, the carrying amount is considered to be the fair value.

10. Financial assets and liabilities at fair value through profit or loss	2022	2021
	\$	\$
<i>Financial assets at fair value through profit or loss</i>		
New Zealand corporate bonds	111,894,913	53,828,175
New Zealand local authority bonds	6,575,627	7,656,039
New Zealand government bonds	6,730,846	3,839,205
Mercer Socially Responsible Investment Balanced Fund	42,616,335	38,663,850
International bonds	1,143,496	694,020
New Zealand discounted securities	6,982,024	5,997,031
New Zealand interest rate swaps	1,838,167	755,650
Forward foreign exchange contracts	-	4,269
Total financial assets at fair value through profit or loss	177,781,408	111,438,239
<i>Financial liabilities at fair value through profit or loss</i>		
New Zealand interest rate swaps	(2,592,010)	(952,740)
Forward foreign exchange contracts	(4,612)	-
Total financial liabilities at fair value through profit or loss	(2,596,622)	(952,740)

11. Related parties

The Trustee of the Fund is The Presbyterian Church Property Trustees. The Presbyterian Investment Fund provides both On-Call deposit and Long-Term investment facilities for the General Assembly, Presbyteries, Parishes, Church Trusts and other entities within the Presbyterian Church of Aotearoa New Zealand family. Funds are held in the name of the Trustee on behalf of these entities.

PRESBYTERIAN CHURCH OF AOTEAROA NEW ZEALAND
PRESBYTERIAN INVESTMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

11. Related parties (continued)

Loans to the same group of entities were introduced during June 2020 as part of the Fund's investment strategy within the On-Call portfolio. Loans are secured either against first mortgages on Church property or, from June 2022, by a guarantee from a Presbytery (secured via a claim over the Presbytery's holding in the PIF). Mortgages are in the name of the Trustee and held by Presbyterian Investment Fund Lending Limited, a wholly owned subsidiary of The Presbyterian Church Property Trustees, on behalf of the Trustee. The Trustees act as Trustee for the Borrower (typically a parish), the Lender (PIF), and the Guarantor (Presbytery). Loans have terms of up to 15 years, no fixed repayments, with floating interest rates determined by the Investment Committee of the Trustee and secured by the physical underlying assets.

For the year ended 30 June 2022, the Fund has not recorded any impairment of receivables relating to amounts owed by related parties (2021: nil).

The following table provides the total amount of transactions including trustee fees paid that have been entered into with related parties for the relevant financial year.

		2022	2021
		\$	\$
The Presbyterian Church Property Trustees:	Trustee fees paid	250,049	259,992
The Presbyterian Church Property Trustees:	Loans secured via mortgage	2,021,840	-
	Loans secured via guarantee	500,651	-

There were 2 loans (2021: Nil) issued during the year. There have been no repayments made on the mortgages as at 30 June 2022.

12. Trust account deposits

The Fund amalgamates investments and money held by the Trustee on behalf of Presbyterian Church of Aotearoa New Zealand parishes, Presbyteries, General Assembly, and other related trusts and entities ("Presbyterian Entities"). Prior to 1 July 2019, the Fund provided a single On-Call account for Presbyterian Entities. From 1 July 2019, the Fund provides two types of Trust accounts for Presbyterian Entities: On-Call and Long-Term.

On-Call accounts are backed by investments into highly-rated NZ cash, term deposits and short-term fixed interest securities managed by Harbour Asset Management and loans to Presbyterian Entities secured by a first mortgage or guarantee. Long-Term accounts are backed by investment in the Mercer Socially Responsible Investment Balanced Fund ("Mercer Fund"). The Mercer Fund is comprised of a diversified mix of NZ and global equity, real asset, infrastructure, fixed interest and cash securities.

On-Call accounts are credited with interest (calculated on daily balances) each quarter.

Long-Term accounts are credited with interest and inflation (calculated on daily balances) each quarter. The Inflation Interest is calculated using Statistics NZ Consumer Price Index figures. Long-Term accounts may also be debited/credited with Reserve Interest to reflect investment returns from the Mercer Fund that vary significantly from the regular Interest and Inflation amounts credited to accounts. All interest rates are all determined by the Investment Committee of the Trustee.

Interest, Inflation Interest and Reserve Interest amounts debited/credited to Trust accounts are recorded as expenses of the Fund.

Interest, Inflation Interest and Reserve Interest on On-Call and Long-Term accounts were credited at the following rates:

Term	On-Call Interest		Long-Term Interest		Long-Term Inflation Interest		Long-Term Reserve Interest	
	2022	2021	2022	2021	2022	2021	2022	2021
1 July to 30 September	1.00%	1.75%	3.00%	3.00%	2.22%	0.67%	(1)	3.25%
1 October to 31 December	1.00%	1.75%	3.00%	3.00%	1.45%	0.47%	(1)	2.50%
1 January to 31 March	1.50%	1.75%	3.00%	3.00%	1.78%	0.85%	-7.50% (2)	(1)
1 April to 30 June	1.75%	1.00%	3.00%	3.00%	1.66%	1.31%	-8.00% (2)	2.00%

(1) No Reserve Interest was paid for the quarters ended 31 March 2021, 30 September 2021 and 31 December 2021.

(2) Reserve Interest of -7.50% and -8.00% p.a. was debited to accounts for the quarter ended 31 March 2022 and 30 June 2022, reflecting the sharp fall in investment markets.

The following Trust account deposits are held and all are repayable on demand, subject to the depositor complying with regulations of the Presbyterian Church of Aotearoa New Zealand and the Act concerning the use of funds.

	2022	2021
	\$	\$
Parishes - Property	69,585,316	65,303,801
Parishes - Non-Property	34,599,896	37,923,675
Presbyteries	30,059,153	26,529,676
General Assembly	23,954,725	23,246,247
Other	6,489,898	2,614,429
Church Trusts	20,716,326	22,932,248
	185,405,314	178,550,076
The Trust account deposits in the On-Call and Long-Term accounts are as follows:		
On-Call	141,884,044	140,119,638
Long-Term	43,521,270	38,430,438
	185,405,314	178,550,076

13. Capital commitments and contingent liabilities

There were no capital commitments or contingent liabilities as at 30 June 2022 (30 June 2021: nil).

14. Subsequent events

There were no subsequent events which require adjustment to or disclosure in these financial statements.

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of the Presbyterian Church of Aotearoa New Zealand Presbyterian Investment Fund (the "Fund"), which comprise the statement of financial position of the Fund as at 30 June 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended of the Fund, and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at 30 June 2022 and its financial performance and cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime.

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

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 Fund in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) 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 Fund. Partners and employees of our firm may deal with the Fund on normal terms within the ordinary course of trading activities of the business of the Fund.

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.



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.

Those charged with governance responsibilities for the financial statements

Those charged with governance are responsible, on behalf of the entity, for the preparation and fair presentation of the financial statements in accordance with New Zealand equivalents to International Financial Reporting 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 entity the Fund'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 Fund 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-8/>. This description forms part of our auditor's report.

The Ernst & Young logo is written in a stylized, cursive script. The words 'Ernst' and 'Young' are connected by an ampersand, and the entire logo is rendered in a dark grey color.

Chartered Accountants
Wellington
17 November 2022