

The Presbyterian Church Property Trustees
Operational Accounts

Performance Report

**For the year ended
30 June 2023**

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The Presbyterian Church Property Trustees Operational Accounts

Entity Information

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

For the year ended
30 June 2023

Legal Name of Entity: The Presbyterian Church Property Trustees

Type of Entity and Legal Basis (if any): The Presbyterian Church Property Act 1885

Registration Number: CC 25356

Entity's Purpose or Mission: The Presbyterian Church Property Trustees (Trustees) are constituted under the Presbyterian Church Property Act 1885 (the Act). Under the Act, the Trustees are the legal entity in which the property of congregations situated north of the Waitaki River is vested. Property includes land, buildings, and financial assets, such as cash and investments. Funds under the control of the Trustees are managed in accordance with the requirements of the Act and the Trusts Act 2019.

The Trustees are the Trustee for the Presbyterian Investment Fund (which amalgamates funds on behalf of parishes, Presbyteries and the General Assembly) and a number of trusts with charitable purposes associated with the Presbyterian Church. This includes two farms, a Loan Fund for Ministers, and the Presbyterian Benevolent Fund. The Trustees are the sole shareholder of Presbyterian Beneficiary Fund Trustee Ltd (PBFTL), which acts as trustee and manager of the Presbyterian Church of Aotearoa New Zealand Beneficiary Fund.

The Trustees are the sole shareholder of Presbyterian Investment Fund Lending Limited, which acts as the Trustees' nominee in respect of Presbyterian Investment Fund security and lending arrangements.

The Trustees are also the settlor of the Presbyterian Bureau Services Trust (PBST), created to further the charitable purposes of the Presbyterian Church and manage the insurance needs of the Presbyterian Church.

Entity Structure: The Trustees are managed by a Board of Trustees appointed by the General Assembly. In addition to PBFTL and PBST, the Trustees operate via a number of committees, overseen by an Executive Committee. The Board is supported by three full-time and one part-time staff members. The Trustees also engage a wide variety of external specialist service providers and advisors to assist them in carrying out their duties.

Main Sources of the Entity's Cash and Resources: Administration levies and service charges

Main Methods Used by the Entity to Raise Funds: n/a

Entity's Reliance on Volunteers and Donated Goods or Services: The entity's reliance on volunteers is limited to the time spent by the Trustees in undertaking their role as Trustees, including attendances at meetings and as members of various sub committees.

Additional Information:

Additional Details:

Physical Address: Ground Floor
275 Cuba Street
Wellington 6011

Postal Address: PO Box 9049
Marion Square
Wellington 6141

Phone / Email: 04 381 8289 / trustees@presbyterian.org.nz

The Presbyterian Church Property Trustees Operational Accounts

Statement of Service Performance

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

For the year ended
30 June 2023

Description of the Entity's Outcomes:

During the year ended 30 June 2023 the Trustees have been involved in the following:

- * Processing parish property transactions, including sales, purchases, new projects, renovations, strengthening and leases.
- * Supervision and administration of requests for grants/loans made to trusts under the Trustees supervision, including the Presbyterian Benvolent Fund, Burnett Loan Fund, Elsie Steele Trust, and Te Whaiti-Nui-A-Toi Trust.
- * Receiving bequests and annuities on behalf of the Church and related entities.
- * Supervision and administration of the Presbyterian Investment Fund (PIF), including processing loan applications.
- * Administration of the Presbyterian Beneficiary Fund and support of Presbyterian Beneficiary Fund Trustee Limited.
- * Administration of insurance arrangements and support of Presbyterian Bureau Services Trust and the Presbyterian Church Insurance Collective.
- * Supervision and support of farming operations for the M&S McNutt Trust and Chistina A Clark Estate Trust, including sale and purchase of land.
- * Updated the Property Handbook, which provides guidelines to Parishes and Presbyteries for their property activities.

The Trustees recognise that the accumulated surpluses earned to date provide working capital support and provide for potential financial commitments on behalf of beneficiaries.

During the year ended 30 June 2022 the Trustees have been involved in the following:

- * Processing parish property transactions, including sales, purchases, new projects, renovations, strengthening and leases.
- * Supervision and administration of requests for grants/loans made to trusts under the Trustees supervision, including the Presbyterian Benvolent Fund, Burnett Loan Fund, Elsie Steele Trust, and Te Whaiti-Nui-A-Toi Trust.
- * Receiving bequests and annuities on behalf of the Church and related entities.
- * Supervision and administration of the Presbyterian Investment Fund (PIF).
- * Administration of the Presbyterian Beneficiary Fund and support of Presbyterian Beneficiary Fund Trustee Limited.
- * Administration of insurance arrangements and support of Presbyterian Bureau Services Trust and the Presbyterian Church Insurance Collective.
- * Supervision and support of farming operations for the M&S McNutt Trust and Chistina A Clark Estate Trust.
- * Updated the Property Handbook, which provides guidelines to Parishes and Presbyteries for their property activities.
- * Completing the final distributions and the winding up of the Nellie Inglis Memorial Scholarship and Vera Wyatt Trust.

Description and Quantification (to the extent practicable) of the Entity's Outputs:	This Year		Last Year	
Property Transaction Approvals				
Property Sales - Value	\$	11,700,000	\$	48,157,000
Property Sales - Number		18		19
Property Purchases - Value	\$	1,845,000	\$	1,804,000
Property Purchases - Number		4		5
Developments - Value	\$	14,814,502	\$	31,249,000
Developments - Number		18		19
Strengthening projects - Value	\$	3,059,490	\$	3,321,000
Strengthening projects - Number		10		7
Lottery Grants - Value	\$	456,964	\$	950,000
Lottery Grants - Number		3		2
Leases and Other Property Activity - Value	\$	4,446,550	\$	510,400
Leases and Other Property Activity - Number		25		10
Borrowings- Value	\$	1,015,000	\$	7,701,511
Borrowings - Number		6		10
Total Value of Approved Transactions	\$	37,337,506	\$	93,692,911
Total Number of Approved Transactions	\$	84	\$	72

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

In some cases, the same project is the subject of multiple approvals, e.g. concept approval and approvals for various stages of a project.

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

**The Presbyterian Church Property Trustees
Operational Accounts**

Statement of Financial Performance

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

For the year ended
30 June 2023

	Note	Actual This Year \$	Actual Last Year \$
Revenue	1		
Administration levies		493,593	454,220
Expenses recovered		41,277	28,432
Service charges		59,640	74,808
Interest		20,883	8,327
		615,393	565,787
Expenses	2		
Costs related to providing goods or services		41,277	28,432
Volunteer and employee related costs		399,003	356,028
Other expenses		145,735	132,741
Total Expenses		586,015	517,201
Surplus for the Year		29,378	48,586

**The Presbyterian Church Property Trustees
Operational Accounts**

Statement of Financial Position

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

As at
30 June 2023

	Note	Actual This Year \$	Actual Last Year \$
Assets			
Current Assets			
Cash and Deposits	3	746,838	701,019
Receivables	3	79,735	77,273
Total Current Assets		826,573	778,292
Non-Current Assets			
Property, plant and equipment	5	5,426	4,559
Total Non-Current Assets		5,426	4,559
Total Assets		831,999	782,851
Liabilities			
Current Liabilities			
Creditors and accrued expenses	3	44,768	29,363
Employee costs payable	3	31,578	27,213
Total Current Liabilities		76,346	56,576
Total Liabilities		76,346	56,576
Total Assets less Total Liabilities (Net Assets)		755,653	726,275
Accumulated Funds			
Capital contributed by owners or members		-	-
Accumulated surpluses or (deficits)		755,653	726,275
Reserves		-	-
Total Accumulated Funds		755,653	726,275

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





Trustee

Date

9-11-2023

Trustee

Date

9-11-2023

**The Presbyterian Church Property Trustees
Operational Accounts**

Statement of Changes in Equity

For the year ended
30 June 2023

This Year

Description	Capital Contributed by Owners or Members \$	Accumulated Surpluses or Deficits \$	Reserves \$	Total \$
Opening Balance	-	726,275	-	726,275
Capital contributed by owners or members				-
Surplus		29,378		29,378
Closing Balance		755,653	-	755,653

Last Year

Description	Capital Contributed by Owners or Members \$	Accumulated Surpluses or Deficits \$	Reserves \$	Total \$
Opening Balance	-	677,689	-	677,689
Capital contributed by owners or members				-
Surplus		48,586		48,586
Closing Balance	-	726,275	-	726,275

**The Presbyterian Church Property Trustees
Operational Accounts**

Statement of Cash Flows

"How the entity has received and used cash"

For the year ended
30 June 2023

	Actual This Year \$	Actual Last Year \$
Cash Flows from Operating Activities		
<i>Cash was received from:</i>		
Interest	20,883	8,327
Receipts from providing goods or services	605,254	567,806
<i>Cash was applied to:</i>		
Payments to suppliers and employees	574,301	514,982
Net GST payable	1,389	(2,254)
Net Cash Flows from Operating Activities	50,447	63,405
Cash Flows from Investing & Financing Activities		
<i>Cash was applied to:</i>		
Payment to purchase property, plant and equipment	4,628	6,579
Net Cash Flows from Investing and Financing Activities	(4,628)	(6,579)
Net movement in Cash flows	45,819	56,826
Opening Cash	701,019	644,193
Closing Cash	746,838	701,019
This is represented by:		
Cash and Deposits	746,838	701,019

**The Presbyterian Church Property Trustees
Operational Accounts**

Statement of Accounting Policies

"How did we do our accounting?"

**For the year ended
30 June 2023**

The Presbyterian Church Property Trustees - Operational Accounts has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Accounts Receivable

All receivables are stated at their estimated realisable value.

Fixed assets

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

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

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

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

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

Fixed assets are initially measured at cost and are carried at cost less any accumulated amortisation and accumulated impairment losses.

Depreciation

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

The following rate have been used.

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

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

Leases

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

CPT as a lessee

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

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

**The Presbyterian Church Property Trustees
Operational Accounts**

Statement of Accounting Policies

"How did we do our accounting?" - continued

**For the year ended
30 June 2023**

Goods and Services Tax (GST)

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

Income Tax

The Presbyterian Church Property Trustees - Operational Accounts are wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Annual leave accrual

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

Changes in Accounting Policies

There have been no changes in accounting policies and all policies have been applied consistently to all periods presented in these financial statements.

**The Presbyterian Church Property Trustees
Operational Accounts**

Notes to the Performance Report

For the year ended
30 June 2023

Note 1: Analysis of Revenue

	Actual This Year \$	Actual Last Year \$
Administration Levies		
Presbyterian Investment Fund	279,996	249,996
Beneficiary Fund	69,996	75,000
Presbyterian Benevolent Fund	12,000	9,750
Insurance	39,997	30,000
Burnett Loan Fund	20,004	18,804
Farm Trusts	60,000	60,000
St John's Wellington	1,000	1,100
Other Private Trusts	10,600	9,570
Total	493,593	454,220
Expenses Recovered		
Legal fees	41,277	28,432
Total	41,277	28,432
Service charges		
Property Processing fees	59,640	74,808
Total	59,640	74,808
Interest Income		
Interest income	20,883	8,327
Total	20,883	8,327

**The Presbyterian Church Property Trustees
Operational Accounts**

Notes to the Performance Report

For the year ended
30 June 2023

Note 2 : Analysis of Expenses

	Note	Actual This Year \$	Actual Last Year \$
Costs related to providing goods or services			
Legal fees Recoverable		41,277	28,432
Total		41,277	28,432
Expense Item			
Volunteer and employee related costs		399,003	356,028
Total		399,003	356,028
Other expenses			
Meeting expenses		6,909	1,525
Travel expenses		19,288	11,326
Consultants		3,386	18,549
Legal fees		4,063	11,270
Training		650	721
Memberships		1,470	1,652
Property Database		18,000	18,424
General expenses		1,957	4,276
Rent		21,601	21,601
IT Expenses		29,729	19,902
Telephone		2,041	1,659
Bank fees		183	211
Insurance		22,624	6,674
Depreciation & impairment	4	3,761	5,698
Office Supplies, cleaning & relocation		3,303	3,323
Postage & courier & stationery		46	15
Power		2,603	2,555
Printing		4,121	3,360
Total		145,735	132,741

**The Presbyterian Church Property Trustees
Operational Accounts**

Notes to the Performance Report

For the year ended
30 June 2023

Note 3: Balance Sheet

	Actual This Year \$	Actual Last Year \$
Cash and Deposits		
Cash at bank	38,173	20,082
Presbyterian Investment Fund (On Call Fund)	708,665	680,937
Total	746,838	701,019
Receivables		
Accounts receivable	71,501	70,060
Other receivables	-	-
Prepaid expenses	8,234	7,213
Total	79,735	77,273
Fixed assets		
Furniture & fittings	-	442
Office equipment	-	-
Computer equipment	1,526	4,117
Leasehold Improvements	3,900	-
Total	5,426	4,559
Creditors & accrued expenses		
Accounts payable	29,286	16,529
Accrued expenses	5,897	1,861
GST payable	9,585	10,973
Total	44,768	29,363
Employee costs		
Employee costs payable	31,578	27,213
Total	31,578	27,213

**The Presbyterian Church Property Trustees
Operational Accounts**

Notes to the Performance Report

For the year ended
30 June 2023

Note 4 : Fixed asset Schedule

This Year

Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
	\$	\$	\$	\$	\$
Furniture and fixtures	442	-	-	442	-
Office equipment	-	-	-	-	-
Computers (including software)	4,117	728	-	3,319	1,526
Leasehold Improvements	-	3,900	-	-	3,900
Total	4,559	4,628	-	3,761	5,426

Last year

Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
	\$	\$	\$	\$	\$
Furniture and fixtures	1,134	-	-	692	442
Office equipment	160	-	-	160	-
Computers (including software)	2,383	6,579	-	4,845	4,117
Total	3,677	-	-	5,697	4,559

Note 5 : Related Parties

The Trustees receive income (as detailed in Note 1) for services provided to the follow related entities:

Burnett Loan Fund	Governance and day to day management of the Fund.
Presbyterian Benevolent Fund	Governance and day to day management of the Fund.
Presbyterian Investment Fund	Governance, day to day management of the Fund, loan processing, and co-ordination of external service providers contracted to provide services directly to the Fund (and paid directly by the Fund).
Presbyterian Beneficiary Fund	Day to day management of the Fund and co-ordination of external service providers contracted to provide services directly to the Fund (and paid directly by the Fund).
Insurance (Presbyterian Bureau Services Trust)	Governance and co-ordination of external service providers contracted to provide services directly to the Fund (and paid directly by the Fund)
Farm Trusts (M&S McNutt Trust and Christina A. Clark Estate Trust)	Governance and co-ordination of external service providers contracted to provide services directly to the Fund (and paid directly by the Fund)
Other Private Trusts (Te Whati-Nui-A-Toi, Drummond Trust, Thornton-Blair, Elise Steele Trust)	Governance and day to day management of a number of private Trusts
Property Services	Governance and day to day management of property transactions and approvals

The amounts outstanding as receivables as at 30 June 2023 are as follows:

	Actual This Year	Actual Last Year
	\$	\$
Burnett Loan Fund	-	-
Beneficiary Fund	647	20,833
Benevolent Fund	2,587	-
Estate JD McGruer	466	310
Christina A Clarke Trust	19,488	8,625
The Martha and Samuel McNutt Trust	10,833	-
Total	34,021	29,768

The funds of The Presbyterian Church Property Trustees are deposited with the Presbyterian Investment Fund (PIF), a fund administered by the Trustees pursuant to the Presbyterian Church Property Amendment Act 1974. The day to day administration of the PIF is outsourced and the funds are deposited on the same terms and conditions available to other depositors.

The Presbyterian Church Property Trustees

Operational Accounts

Notes to the Performance Report

For the year ended
30 June 2023

Note 6 : Capital Commitments

The Trustees entered into a lease of commercial offices commencing of 01/02/2014 with a term of four years and two rights of renewal of three year's each. The second right of renewal was exercised as at 01/02/2021 until March 2023. At 30 June no new lease agreement has been signed and the rental arrangement has continued. The Trustees are exploring the possibility of co-locating with the Church National Office. Future minimum rentals payable under non-cancellable operating leases as at 30 June 2023 are, as follows:

	Actual This Year	Actual Last Year
	\$	\$
Within one year	-	14,400
After one year but not more than five years	-	-
Total	-	14,400

The Trustees entered into an operating lease for a photocopier with Sharp Corporation of New Zealand commencing 22/05/2017 for a term of 5 years. During the year a rental agreement was signed, the operating lease was extended by 12 months until July 2024. Future minimum rentals payable under non-cancellable operating leases are, as follows:

	Actual This Year	Actual Last Year
	\$	\$
Within one year	2,849	3,021
After one year but not more than five years	-	252
Total	2,849	3,273

Note 7 : Contingencies

There are no contingencies as at 30 June 2023 (2022:\$Nil).

Note 8 : Subsequent Events

There are no events subsequent to 30 June 2023 that will affect the users of these financial statements (2022:\$Nil).