

The Presbyterian Church Property Trustees
Operational Accounts

Performance Report

For the year ended
30 June 2021

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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 2021

Legal Name of Entity:	The Presbyterian Church Property Trustees
Type of Entity and Legal Basis (if any):	The Presbyterian Church Property Act 1885
Registration Number:	CC 25356
Entity's Purpose or Mission:	<p>The Presbyterian Church Property Trustees (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 Trustee Act 1956.</p> <p>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.</p> <p>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.</p> <p>The Trustees are also the settlor of the Presbyterian Burea Services Trust (PBST), created to further the charitable purposes of the Presbyterian Church and manage the insurance needs of the Presbyterian Church.</p>
Entity Structure:	<p>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 two 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.</p>
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 2021**

Description of the Entity's Outcomes:

During the year ended 30 June 2021 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.
- * Supervisions 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 Trust.

During the year ended 30 June 2020 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.
- * Supervisions and administration of the Presbyterian Investment Fund (PIF) and creation of a new Long Term investment option and lending from the 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 Trust.

Description and Quantification (to the extent practicable) of the Entity's Outputs:	This Year	Last Year
Property Transaction Approvals		
Property Sales - Value	\$ 13,744,850	\$ 21,092,500
Property Sales - Number	9	15
Property Purchases - Value	\$ -	\$ 803,000
Property Purchases - Number	-	1
New Builds - Value	\$ 21,790,705	\$ 3,300,000
New Builds - Number	5	1
Renovations - Value	\$ 5,183,361	\$ 4,757,536
Renovations - Number	19	12
Strengthening projects - Value	\$ 7,837,627	\$ 5,433,444
Strengthening projects - Number	11	13
Lottery Grants - Value	\$ 20,000	\$ 480,680
Lottery Grants - Number	1	3
Leases and Other Property Activity - Value	\$ 593,821	\$ 1,855,243
Leases and Other Property Activity - Number	16	7
Loans (Mortgages) - Value	\$ 650,000	\$ -
Loans (Mortgages) - Number	1	-
Total Value of Approved Transactions	\$ 49,820,364	\$ 37,722,403
Total Number of Approved Transactions	62	52

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

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 2021

	Note	Actual This Year \$	Actual Last Year \$
Revenue	1		
Administration levies		465,238	465,042
Expenses recovered		60,131	84,959
Service charges		85,330	65,214
Interest		8,428	9,107
		619,127	624,322
Expenses	2		
Costs related to providing goods or services		50,911	78,475
Volunteer and employee related costs		286,926	337,535
Other expenses		135,184	123,293
Total Expenses		473,021	539,303
Surplus for the Year		146,106	85,019

**The Presbyterian Church Property Trustees
Operational Accounts**

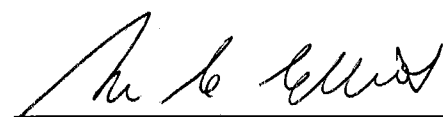
Statement of Financial Position


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

As at
30 June 2021

	Note	Actual This Year \$	Actual Last Year \$
Assets			
Current Assets			
Cash and Deposits	3	644,193	525,151
Receivables	3	79,002	54,327
Total Current Assets		723,195	579,478
Non-Current Assets			
Property, plant and equipment	5	3,677	10,054
Total Non-Current Assets		3,677	10,054
Total Assets		726,872	589,532
Liabilities			
Current Liabilities			
Creditors and accrued expenses	3	26,686	37,941
Employee costs payable	3	22,497	20,008
Total Current Liabilities		49,183	57,949
Total Liabilities		49,183	57,949
Total Assets less Total Liabilities (Net Assets)		677,689	531,583
Accumulated Funds			
Capital contributed by owners or members		-	-
Accumulated surpluses or (deficits)	4	677,689	531,583
Reserves		-	-
Total Accumulated Funds		677,689	531,583

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





Trustee Date 9.11.2001
Trustee Date 9/11/2021

**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 2021

	Actual This Year \$	Actual Last Year \$
<hr/>		
Cash Flows from Operating Activities		
<i>Cash was received from:</i>		
Interest	8,428	9,107
Receipts from providing goods or services	595,947	739,543
 <i>Cash was applied to:</i>		
Payments to suppliers and employees	487,666	520,159
Net GST payable	(2,333)	(1,453)
 Net Cash Flows from Operating Activities	119,042	229,944
<hr/>		
Cash Flows from Investing & Financing Activities		
<i>Cash was applied to:</i>		
Payment to purchase property, plant and equipment	-	10,452
 Net Cash Flows from Investing and Financing Activities	-	(10,452)
<hr/>		
Net movement in Cash flows	119,042	219,492
Opening Cash	525,151	305,659
 Closing Cash	644,193	525,151
 This is represented by:		
Cash and Deposits	644,193	525,151

**The Presbyterian Church Property Trustees
Operational Accounts**

Statement of Accounting Policies

"How did we do our accounting?"

**For the year ended
30 June 2021**

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

Accounts Receivable

All receivables are stated at their estimated realisable value.

Fixed assets

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

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

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

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

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

Fixed assets are initially 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.

Depreciation on other assets is charged at the same rate as allowed by the Income Tax Act 2004. The following rate have been used.

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

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 2021**

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 2021**

Note 1: Analysis of Revenue

	Actual This Year \$	Actual Last Year \$
Administration Levies		
Presbyterian Investment Fund	259,992	259,992
Beneficiary Fund	84,996	84,996
Presbyterian Benevolent Fund	10,250	6,250
Insurance	30,000	30,000
Burnett Loan Fund	17,100	17,604
Farms	60,000	60,000
St John's Wellington	2,900	6,200
Total	465,238	465,042
Expenses Recovered		
Land Information New Zealand	-	-
Legal fees	50,911	77,492
Trust Administration	9,220	7,467
Total	60,131	84,959
Service charges		
Service charges	85,330	65,214
Total	85,330	65,214
Interest Income		
Interest income	8,428	9,107
Total	8,428	9,107

**The Presbyterian Church Property Trustees
Operational Accounts**

Notes to the Performance Report

**For the year ended
30 June 2021**

Note 2 : Analysis of Expenses

	Note	Actual This Year \$	Actual Last Year \$
Costs related to providing goods or services			
Legal fees Recoverable		50,911	78,475
Total		50,911	78,475
Expense Item			
Volunteer and employee related costs		286,926	337,535
Total		286,926	337,535
Other expenses			
Meeting expenses		7,136	6,633
Travel expenses		15,222	13,613
Consultants		4,282	12,484
Legal fees		23,364	14,503
Training		-	478
Memberships		2,423	1,284
Property Database		18,285	14,845
General expenses		4,576	2,296
Rent		21,601	20,071
IT Expenses		13,526	13,462
Telephone		1,702	1,745
Bank fees		115	250
Insurance		5,743	5,676
Depreciation & impairment	5	6,376	6,495
LINZ reports		-	108
Office Supplies, cleaning & relocation		4,832	3,253
Postage & courier & stationery		-	90
Power		2,665	2,416
Printing		3,336	3,591
Total		135,184	123,293

**The Presbyterian Church Property Trustees
Operational Accounts**

Notes to the Performance Report

**For the year ended
30 June 2021**

Note 3: Balance Sheet

	Actual This Year \$	Actual Last Year \$
Cash and Deposits		
Cash at bank	18,415	22,194
Presbyterian Investment Fund (On Call Fund)	625,778	502,957
Total	644,193	525,151
Receivables		
Accounts receivable	66,276	32,055
Other receivables	7,732	17,895
Prepaid expenses	4,994	4,377
Total	79,002	54,327
Fixed assets		
Furniture & fittings	1,134	1,920
Office equipment	160	524
Computer equipment	2,383	7,610
Total	3,677	10,054
Creditors & accrued expenses		
Accounts payable	17,717	31,618
Accrued expenses	250	193
GST payable	8,719	6,130
Total	26,686	37,941
Employee costs		
Employee costs payable	22,497	20,008
Total	22,497	20,008

**The Presbyterian Church Property Trustees
Operational Accounts**

Notes to the Performance Report

For the year ended
30 June 2021

Note 4: Accumulated Funds

This Year

Description	Capital Contributed by Owners or Members \$	Accumulated Surpluses or Deficits \$	Reserves \$	Total \$
Opening Balance	-	531,583	-	531,583
Capital contributed by owners or members				-
Surplus		146,106		146,106
Closing Balance		677,689	-	677,689

Last Year

Description	Capital Contributed by Owners or Members \$	Accumulated Surpluses or Deficits \$	Reserves \$	Total \$
Opening Balance	-	446,564	-	446,564
Capital contributed by owners or members				-
Surplus		85,019		85,019
Closing Balance		531,583	-	531,583

**The Presbyterian Church Property Trustees
Operational Accounts**

Notes to the Performance Report

For the year ended
30 June 2021

Note 5: Fixed asset Schedule

This Year					
Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
	\$	\$	\$	\$	\$
Furniture and fixtures	1,920	-	-	786	1,134
Office equipment	523	-	-	363	160
Computers (including software)	7,610	-	-	5,227	2,383
Total	10,053	-	-	6,376	3,677

Last year					
Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
	\$	\$	\$	\$	\$
Furniture and fixtures	4,820	-	-	2,900	1,920
Office equipment	887	-	-	364	523
Computers (including software)	389	10,452	-	3,231	7,610
Total	6,096	-	-	6,495	10,053

Note 6 : Related Parties

The Trustees receive income (as detailed in Note 1) for the 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, 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)
Farms (M&S McNutt Trust and Christina A. Clark Trust)	Governance and co-ordination of external service providers contracted to provide services directly to the Fund (and paid directly by the Fund)
Trust Administration	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 2021 are as follows:

	Actual This Year	Actual Last Year
	\$	\$
Burnett Loan Fund	-	1,825
Beneficiary Fund	-	41
Benevolent Fund	-	4,312
Total	-	6,178

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 2021

Note 7 : 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. Future minimum rentals payable under non-cancellable operating leases as at 30 June 2021 are, as follows:

	Actual This Year	Actual Last Year
	\$	\$
Within one year	21,601	21,601
After one year but not more than five years	14,400	14,401
Total	36,001	36,002

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. Subsequent to balance date (August 2021) the operating lease was extended by 14 months until July 2023. Future minimum rentals payable under non-cancellable operating leases are, as follows:

	Actual This Year	Actual Last Year
	\$	\$
Within one year	2,964	2,307
After one year but not more than five years	3,272	4,614
Total	6,236	6,921

Note 8 : Contingencies

There are no contingencies as at 30 June 2021 (2020: \$Nil).

Note 9 : Subsequent Events

There are no events subsequent to 30 June 2021 that will affect the users of these financial statements (2020: \$Nil).

Note 10 : Impact of COVID-19

There are no events subsequent to balance date that will effect the users of the financial statements (2020: \$Nil).

The effects of COVID-19 on the Fund

At this time, it is difficult to determine the full on-going effect of COVID-19 and therefore, some uncertainties remain. There could also be other matters that affect the Fund in future, of which we are not yet aware. To the extent possible we have considered the impact of COVID-19 on areas such as investment valuation. To date there hasn't been a significant impact on the Trustees' financial performance or position. Future impacts may include continued uncertainty and investment market volatility.