

St Luke's Anglican Church, Wadestown

Financial Report

for the year ended

31st December 2019

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This financial report has not been audited

Signed:



Peter Milne, Interim Treasurer, St Luke's

St Luke's Anglican Church, Wadestown

Entity Information:

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

For the year ended 31st December 2019

Legal Name of Entity: Anglican Diocese of Wellington, St Luke's Parish - Wadestown

Type of Entity and Legal Basis: Registered Charity, Registration Number: Charities Commission No CC31568



Entity's Mission:

St Luke's has been part of the Wadestown Community for 130 years and in the 21st century we are still a thriving and busy parish. We strive to accommodate a range of different perspectives and needs - from children's (and their parents) to older adults. We acknowledge that people experience God in different ways so we make room for this in our worship and other activities. We are a social group and hold a range of social events both for St Luke's and the wider community throughout the year

Entity Structure:

The Governing Body for St Luke's Wadestown is the Vestry, chaired by the Vicar. Vestry is elected each year at the St Luke's Annual General Meeting. The Vestry has four major functions:

- Promote and facilitate the worship of God
- Foster the spiritual growth of parishioners and encourage them in the church's mission
- Encourage parishioners to grow in their faith
- Ensure the good management of the parish resources.

Vestry is supported by five sub-groups. These groups undertake the more detailed planning and implementation of activities that fall under their area of responsibility. The sub-groups are Administration; Justice and outreach; Education; Community and Worship

The Parish employs a part-time administrator, Audrey Holyoake, who works Tuesday, Wednesday & Thursday and a cleaner who cleans the St Luke's Centre four hours a week for our users. Church cleaning is undertaken by parishioners.

Main Sources of the Entity's Cash and Resources:

Efforts made by the Church to raise cash and resources focus on two major areas: regular payments by our parish members through direct bank payments or by envelope giving. There are also a some one-off annual donations, and cash giving in church services. Secondly, slightly under half of our income this year came from the interest on our funds in the Wellington Diocese "Amalgamated Mortgages and Securities Investment Fund" (from the sale of the Vicarage thirteen years ago), which contributes towards maintaining a Clergy Housing and Facilities Maintenance fund. Around ten percent of our income comes from the rental income from community users of the St Luke's Centre. Missions and outreach contributions are 2% of our income.

Main Methods Used by the Entity to Raise Funds:

Apart from the annual Stewardship appeal directed towards members of the Parish - to commit to an annual level of financial support - the other methods used in the parish are fundraising efforts by parishioners throughout the year. Usually these include a 'stand' at the Wadestown Fair in March. St Luke's may also operate any one-off fundraising activities as far as supported by parishioners. It would be desirable for more fundraising is dedicated to be used for Mission and Outreach support.

Entity's Reliance on Volunteers and Donated Goods or Services:

Many people volunteer both time and talents, as well as physical goods, to ensure the smooth running of our parish and to put into practice Christ's call of service to others. We value this and encourage people to get involved in activities where they have gifts and callings. Some of the volunteer activities include: care of the building and grounds, church cleaning, communications such as the website and prayer chain by email, mission, social outreach and community activities as further described in the statements of service performance, family ministry, financial giving, arranging flowers at part of church worship each week, fundraising, caring for the gardens and grounds, greeting people when they arrive for services, the healing ministries, running alpha courses and public seminars, offering Sunday and Wednesday morning teas, playing in the music group, operating an overhead projector in church, practical pastoral care, prayer ministries, reading scripture during services, membership of the Vestry and its subcommittees, ongoing maintenance and working bees.

The Church is reliant on such ongoing volunteered activities to operate on both a daily and sustainable long-term basis. Note 9 to this report values these voluntary activities at \$187,200

Contact details

Physical and Postal Address: 34 Pitt Street, Wadestown, Wellington, 6012 Phone/Fax: (04) 473 6472
Email to office@slw.org.nz www.slw.org.nz

INTERIM TREASURER'S REPORT TO THE MARCH 2020 AGM

I agreed to be Interim Treasurer from April 2019 until Vestry could make a permanent appointment. However I subsequently agreed to stay on for a year which I will relinquish at this AGM.

I originally envisaged that this would be a 'caretaker' role where I would continue with routine tasks, but it quickly became apparent that some changes were needed which I will describe below.

End of Year Accounts

These have been presented to the same format as last year. I am indebted to Rachel Baskerville, the former Treasurer, for assisting me with the final preparation.

There was a \$3,300 operating surplus last year which was only achieved by organising an Advent appeal, otherwise there would have been an operating loss. The interregnum priests have been working on a 80% and 65% basis. Current Parish income is significantly short of the income required to support a full time Vicar or Priest as the Parish was able to for many decades in the past.

The Parish has \$650,000 invested in the Diocesan's AMSIF managed fund (an internally managed fund tailored to suit Diocesan and Parish needs). The notional 'income' from this fund is used to pay the Priest's housing allowance; and the fund itself can be deployed to purchase a vicarage if needed in the future. The AMSIF fund is ethically invested and as it is a 'balanced' fund its value can fluctuate depending on the mood of financial markets. The fund had a good year in 2019 increasing by \$100,000 in value. There had been a \$55,000 decrease in value during 2018.

The Organ and Junior Choristers funds had not shared the AMSIF gains over the years. To remedy this, a share of the AMSIF return has been applied retrospectively to these funds over the last nine years. Similarly with the Ark fund for 2019.

Audit and Review

The Diocese arranges for Parish accounts to be reviewed using 'Agreed Upon Procedures'. The Diocesan auditors will audit a number of Parish accounts since these are consolidated into the Diocesan Accounts for Charities Act purposes. The reviews will not be completed in time for the various parish AGMs'.

Cheques

The use of cheques is fast becoming untenable necessitating moving to internet banking; with some suppliers charging a fee if payment is by cheque and now Inland Revenue and ACC have stopped accepting cheques. ANZ (the Parish's bank) has given no indication as to when it will no longer accept cheques but this is inevitable at some future time. The Parish was able to arrange this with our bank without incurring charges. Our thanks to Lorraine Fraser for her assistance with arranging this. This has greatly eased the Treasurer's work and avoids the issues that occur from time to time with cheques.

Hall Invoices

The Parish also replaced a stand-alone hall invoicing system (devised by Jim Green when he was treasurer) with XERO's invoicing system. This has made invoicing and payment reconciliation much easier especially as all hall users are paying by internet banking.



Peter Milne
Interim Treasurer
5 March 2020

St Luke's Anglican Church - Wadestown

Income statement

For the 12 months ended 31 December

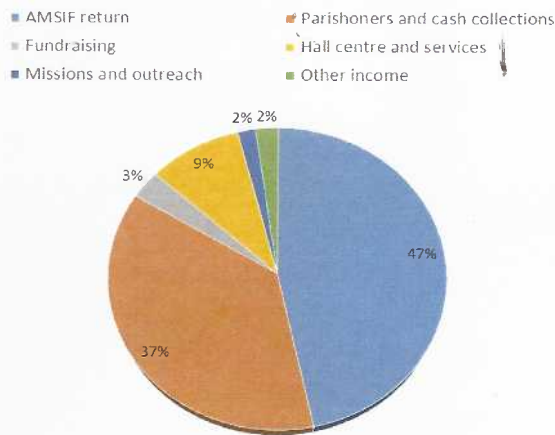
Line 1	2019	2018	
2	Income		
3			
3	Advent Fundraising Appeal	4,836	8,036
4	Parishioner regular donations	81,274	76,631
5	Transfer into operating a/c from CH and FM Fund	24,961	21,327
6	Fundraising (net of expenses)	1,684	2,036
7	Dividend and Interest income	44	61
8	Miscellaneous Revenue	3,894	3,044
9	Service revenues and hall hire		
10	Service Revenues (Weddings, Funerals etc excl GST)	174	859
11	St Luke's Centre Hall Hire Income (excl GST)	19,866	17,437
12	Total Service revenues and hall hire	20,040	18,295
13	Total Income	136,733	129,431
14			
15	Less Operating Expenses		
16	Clergy Stipend, pensions etc	46,773	54,939
17	Clergy Travelling costs	561	1,693
18	Clergy CPD and Synod	669	1,495
19	Visiting clergy costs		200
20		48,003	58,327
21	Diocesan Levies	14,112	12,690
22	Admin and cleaning employee wages	17,366	16,932
23	Auditor/Reviewer/AUP	825	0
24	Clergy Housing allowances	24,961	21,327
25	Internet, telephone and Xero costs	1,934	2,007
26	Miscellaneous Church Expenses	121	
27	Organists' Salaries and payments	4,400	4,645
28	Pastoral	249	644
29	Sabbatical provision	1,000	1,200
30	Office costs, Stationery, computer ink etc	295	380
31	Sunday school and adult learning	65	233
32	Worship. music, fellowship etc	2,518	1,656
33			
34	Maintenance and running costs for Centre and Church		
35	Church, Centre expenses incl. minor maintenance	4,106	776
36	Energy Costs	3,385	3,205
37	Insurance Expense	7,022	6,696
38	Piano and Organ Tuning and Regular Maintenance	1,580	1,556
39	WCC and WDC Rates	1,504	1,479
40	Total Maintenance and running costs for Centre and	17,597	13,712
41	Total Operating Expenses	133,446	133,752
42	Operating surplus (deficit in 2018)	3,286	-4,321
43	Missions and Outreach donations	3,796	5,674
44	Mission and Outreach Outflows	-3,796	-5,672
45	Operating surplus after Missions and Outreach	3,286	-4,319

Income statement cont'd

St Luke's Anglican Church - Wadestown

46	Operating surplus after Missions and Outreach	3,286	-4,319
47			
48	CH and FM fund		
49	Building and Facilities - Major Maintenance	-1,675	-13,960
50	From CH and FM Fund for housing	-24,961	-21,327
51	Losses on Fletcher Building Shares in 2018	0	-5,301
52	Net gain/loss on AMSIF return	100,799	-15,055
53	Organ Expense Over and Above Regular Maintenance	-500	
54	Total CH and FM fund	73,664	-55,643
55			
56	Total CH and FM fund return/deficit	73,664	-55,643
57			
58	Non-operating Expenses		
59	Depreciation	36,518	36,518
60		36,518	36,518
61	Comprehensive result	40,432	-96,481

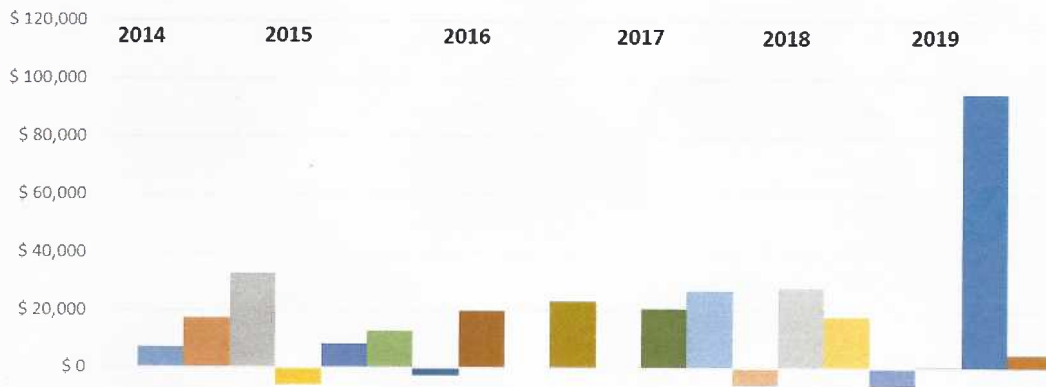
Income streams:



Missions and outreach donations:



Quarterly returns in \$ on AMSIF Investment since 2014:



St Luke's Anglican Church - Wadestown

Balance Sheet

as at

line 1	Assets	refer Note:	31 Dec 2019	31 Dec 2018
2	Bank accounts	1		
3	Current Account		25,635	10,257
4	Online Account		14,134	39,107
5	Total Bank		39,770	49,364
6				
7	Current Assets	1		
8	Accounts Receivable		403	2,064
9	Prepayments		4,419	4,213
10	GST		1,219	1,172
11	Total Current Assets		6,040	7,449
12				
13	Non-Current Assets	2, 4		
14	Land and Buildings		1,313,800	1,347,100
15	Organ		65,000	67,500
16	Other Assets		49,010	49,437
17	Total Non-Current Assets		1,427,810	1,464,037
18	Investments			
19	AMSIF investment		652,201	552,170
20	Shares in Fletcher Building		0	11,722
21	Total Investments		652,201	563,892
22	Total Assets		2,125,821	2,084,743
23	Liabilities			
24	Current Liabilities	3		
25	Accounts Payable		547	899
26	Provision for Clergy Sabbatical Leave		8,025	7,025
27	Total Current Liabilities		8,573	7,924
28	Non-Current Liabilities	3		
29	Ark Trust funds		43,062	39,100
30	Total Non-Current Liabilities		43,062	39,100
31	Total Liabilities		51,635	47,024
32	Net Assets		2,074,187	2,037,718
33				
34	Equity			
35	Church Funds Retained	5	-7,833	-3,513
36	This year's result - line 45 of the Income statement		3,286	-4,319
37			-4,547	-7,833
38				
39	Clergy Housing and Facilities Maintenance Fund	5, 6	565,809	621,452
40	This year's result - line 54 of the Income statement		73,664	-55,643
41			630,342	565,809
42				
43	Property and buildings reserve	5	1,459,514	1,496,032
44	This year's depreciation - line 59 of the Income statement		-36,518	-36,518
45			1,422,995	1,459,513
46				
47	Junior Chorister Development	5	283	226
48	Organ Bequests	5	25,114	20,002
49	Total Equity		2,074,187	2,037,718

St Luke's Church - Wadestown

Cash Flow Statement

For the 12 months ended 31 December		2019	2018
<i>Excluding GST</i>		\$	\$
	Operating cash inflows		
line 1	Parishioner donations	81,274	85,042
2	St Luke's Centre Hall Hire Income	19,516	17,437
3	Mission and Outreach Inflows	3,796	5,674
4	Miscellaneous Revenue	3,894	3,044
5	Fundraising (net)	6,520	2,036
6	Service Revenues (Weddings, Funerals)	174	1,209
7		115,174	114,442
8	Operating cash outflows		
9	All Clergy costs	-72,796	-79,524
10	Diocesan Levies	-14,112	-12,690
11	Energy Costs	-3,385	-3,205
12	General Office Costs	-2,260	-2,360
13	Insurance Expense	-7,189	-6,903
14	Maintenance, organ tuning, cleaning costs	-5,781	-16,292
15	Mission and Outreach Outflows	-3,796	-5,672
16	Net Change in Debtors and A/P	1,382	-1,525
17	Pastoral, Education, Worship, and Music	-4,731	-2,663
18	Staff Salaries and payments	-22,810	-21,599
19	WCC and WRC Rates	-1,504	-1,479
20		-136,982	-153,911
21	Net operating cash outflows	-21,808	-39,470
22	Investment cash inflows		
23	Interest and Dividend Income	44	61
24	Investment cash outflows		
25	Expenditure on Assets	-291	-362
26	Net investing cash outflows	-247	-300
27	Financing fund movements		
28	Fletcher Building share sale (incl \$768.64)	12,490	-2,112
29	Inflow of Ark Trust funds		39,100
30	Net financing cash inflows	12,490	36,988
31	GST Movements		
32	GST Inputs	-6,732	-13,643
33	GST Outputs	6,702	13,280
34	Net GST Movements	-30	-362
35	Summary		
36	Opening Cash Balances 1st Jan 2019	49,364	52,509
37	Less Net Cash Movement this year	-9,595	-3,144
38	Closing Cash Balances at year end 31 Dec 2019	39,770	49,364
39			
40	Reconciliation to Bank balances on B/sheet		
41	Current Account	25,635	10,257
42	Online Account	14,134	39,107
43		39,770	49,364

St Luke's Anglican Church, Wadestown

Statement of Accounting Policies

"How did we do our accounting?"

For the year ended 31st December 2019

i. Basis of Preparation

St Luke's Anglican Church, Wadestown 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.

ii. Goods and Services Tax (GST)

All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST

iii. Income Tax

St Luke's Anglican Church, Wadestown is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

iv. 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.

v. Changes in Accounting Policies

There have been no changes in accounting policies during the financial year (last year - nil)

St Luke's Anglican Church, Wadestown

Notes to the Report

Note 1 : Analysis of Current Assets

		as at Dec 31st	
		2019	2018
		\$	\$
Bank accounts and cash	Current Account	25,635	10,257
	Online Account	14,134	39,107
	Total	<u>39,770</u>	<u>49,364</u>
Debtors and prepayments	Debtors and A/R	403	2,064
	GST	1,219	1,172
	Prepayment for Insurance for next year	4,193	4,026
	Other prepayments	226	186
	Total	<u>6,040</u>	<u>7,449</u>
Other Assets	Shares in Fletcher Building	0	11,722
	Total	<u>0</u>	<u>11,722</u>
Investments	AMSIF investment	652,201	552,170
	Total	<u>652,201</u>	<u>563,892</u>

Note 2 : Analysis of Non current Assets

Non-current assets	Land and Buildings	1,780,000	1,780,000
	Less Accumulated Depreciation on Land and Buildings	-466,200	-432,900
	Organ	100,000	100,000
	Less Accumulated Depreciation on Organ	-35,000	-32,500
	Other Assets	54,756	54,465
	Less Accumulated Depreciation on Other Assets	-5,746	-5,027
	Total	<u>1,427,810</u>	<u>1,464,037</u>

Note 3: Analysis of Liabilities

Creditors and accrued expenses	Accounts payable	547	682
	Provision for Clergy Sabbatical	8,025	7,025
	Wages payable	0	219
	Total	<u>8,572</u>	<u>7,925</u>
Non-Current Liabilities	Ark Trust funds	<u>43,062</u>	<u>39,100</u>

St Luke's Anglican Church, Wadestown

Note 4 to the Financial Report: Asset values

For the year ended 31st December 2019

This Year

Asset Class	Opening Carrying Amount	Purchases	Sales/ Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
Land and Buildings	1,347,100			33,300	1,313,800
Equipment incl. computers	49,437		291	718	49,010
Organ	67,500			2,500	65,000
Total	1,464,037		291	36,518	1,427,810

Total includes land. Buildings alone are valued at \$3.12 mill higher by the Diocese for Insurance purposes

Last Year

Asset Class	Opening Carrying Amount	Purchases	Sales/ Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
Land and Buildings	1,380,400			33,300	1,347,100
Equipment incl. computers	49,794	361		718	49,437
Organ	70,000			2,500	67,500
Total	1,500,194	361		36,518	1,464,037

Significant Donated Assets Recorded - Source and Date of Valuation

nil

Significant Donated Assets - Not Recorded

nil

Fair value estimates	from QV	Anglican Diocesan Trust Board	
		Insurance valuations	Natural disaster cover?
	2018 Valuation		
Land	\$920,000	n/a	no
Buildings	\$930,000		
St Luke's Church		\$3,198,400	no
St Lukes Hall		\$1,353,600	yes
Church and Hall contents and organ		\$872,163	no
Total	\$1,850,000	\$4,552,000	

Asset register

Since 2014 the Vestry has been in the process of compiling an Asset register for the Parish. Until that is completed, the asset register in the accounting system is on hold, and has not been updated to reflect the current items which comprise the "Other assets" owned by the Parish. However, it is well under way and will be reported to to the AGM.

St Luke's Anglican Church, Wadestown

Note 5 to the Financial Report: Equity and the CH and FM Fund

Accumulated Funds

This Year

Description	Capital funds of the Parish at start of period	Clergy Housing and Facilities Maintenance fund	Accumulated Buildings Reserve	Organ Fund	Choir Scholar fund	Total
Opening Balance	-7,833	565,809	1,459,514	20,002	226	2,037,718
Surplus or Deficit for the period	-21,675					-21,675
Maintenance /Depreciation		-1,675	-36,518			-38,193
Interest allocation from AMSIF return		91,668		5,112	57	96,837
Organ Expense Above Regular Maintenance		-500				
Transfer of Clergy Housing allowance	24,961	-24,961				0
Closing Balance	-4,547	630,342	1,422,995	25,114	283	2,074,687

Last Year

Description	Capital funds of the Parish at start of period	Clergy Housing and Facilities Maintenance fund	Accumulated Buildings Reserve	Organ Fund	Choir Scholar fund	Total
Opening Balance	-3,513	621,452	1,496,032	20,002	226	2,134,198
Surplus or Deficit for the period	-25,646					-25,646
Maintenance /Depreciation		-13,960	-36,518			-50,478
Losses from AMSIF & FB		-20,356				-20,356
Transfers of Clergy Housing allowance	21,327	-21,327				0
Closing Balance	-7,833	565,809	1,459,513	20,002	226	2,037,718

Note 6 to the 2019 report: Maintenance of current value of the CH and FM fund:

The CH & FM is the Clergy Housing and Facilities Maintenance Fund, controlled by St Luke's. At the 2014 AGM it was agreed that: The parish maintains the 'real value' of the Clergy Housing and Facilities Maintenance Fund.

(a) The Historic value of this fund as at 31st Dec 2008: \$444,421

(b) In December 2008 the CPI (General) index was 874.4, and December 2019 the index was 1044; a change of 19.3%

(c) 2019 year-end value should therefore be a minimum of \$530,622 using the CPI (general). It stands at \$630,342 as at 31st Dec. 2019.

(d) The 'hit' of more than \$15,000 in 2018 has been more than compensated for by the gains in 2019, but reminds us of the volatility inherent in this investment, a risk for the parish.

St Luke's Anglican Church, Wadestown

For the year ended 31st December 2019

Note 7: Commitments and contingencies

Commitment	Explanation and Timing
1. To undertake an earthquake assessment on all buildings	Assessment completed and discussed at 2019 AGM. Work is not mandatory at this stage and being held over while seeking clarification on Diocesan ruling on 66% NBS by 2024.
2. Electrical work and improved heating	Initial electrical work for Switchboard improvements estimated at \$5,000 - work was not undertaken in 2019 and has been carried over to 2020 (CH & FM Fund)
3. Proposals for extensive organ refurbishment	Final Report from South Island Organ Company received May 2019. Substantial costs associated with off-site refurbishment of organ. (But could be undertaken while Church undergoing earthquake strengthening). Vestry have decided for 2020 to progress essential in-situ maintenance work , estimated at \$10,000.
4. Distribution of Ark trust funds	The Vestry are undertaking ongoing steps to ensure a due process is followed. It is hoped this distribution will be completed within the next 12 months.

Note 8: Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at balance date (Last Year - nil)

Note 9: Goods or Services Provided to the Entity in Kind

<i>Description</i>	<i>Amount</i>
Parishioner volunteer labour	
It was considered at the 2016 AGM that parishioners served the Parish in a voluntary capacity on average totalling 90 hours per week	
This has been valued at \$40 per hour x 90 hours per week	\$187,200

Note 10: Related Party Disclosures:

There were no transactions involving related parties during the financial year. (Last Year - Nil)

Note 11: Events After the Balance Date

Last year there were no events after the balance date that would have a material impact on the Performance Report.

Since the spread of the corona virus we anticipate volatile returns on the AMSIF investment in 2020.

Note 12: Risk Management Plan

The Parish does not yet have a Risk Management Plan