

St Luke's Anglican Church
Wadestown, Wilton and Crofton Downs
Financial Report for the year ended 31 December 2023

Contents	Page
Entity Information	2
Treasurer's Report	3
Financial Statements	4-6
Statement of Accounting Policies	7
Notes to the Accounts	8-10
Other information	11

This financial report has not been audited



Our patron saint, Luke the Evangelist, is symbolized by a winged ox or bull, reflecting the animal as a figure of sacrifice, service and resilience.

Part of the finance ministry in St Luke's is to provide generous, even sacrificial, financial support, to assist all parish functions, and service through outreach, whilst providing taking a long-term view of the financial health of the parish.

Entity information

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

Type of entity:

- Registered Charity
- Registration Number: Charities Commission No CC31568

Contact details

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

Who we are:

St Luke's has been part of the Wadestown Community for over 140 years. Our parish strives to accommodate a range of different perspectives and needs, while acknowledging that people experience God in different ways. We are an outward facing church community that gives generously to the wider community.

Governance:

The governing body for St Luke's is the Vestry, which is chaired by the Vicar. Vestry is elected each two years at the 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 sub-groups, which undertake the more detailed planning and implementation of activities that fall under their responsibility.

In 2023 the parish employed a part-time administrator.

Main sources of the St Luke's resources:

St Luke's three main sources of income were the same in 2023 as for 2022 ie:

- Parish members provide the main source of cash and other resources used to fund church activities
- We hire out the St Luke's Centre to valued community users, and
- We also draw down cash from our Amalgamated Mortgages and Securities Investment Fund (AMSIF) investment account to help fund specified church activities.

Investment returns

St Luke's has a significant sum invested through AMSIF which is managed by J B Were on behalf of the Diocese of Wellington. Investment returns can and do fluctuate with financial markets.

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.

Treasurer's Report:

The 2023 financial year can be characterised by the challenge of maintaining our Christian worship and outreach in the face of rising cost pressures.

Impact of rising costs on the operating result

For 2023 the operating result¹ was a deficit of \$12,575 (2022: deficit of \$4,435).

In terms of income, total parishioner giving exceeded the 2022 level, thanks in part to a very successful 2023 Advent Stewardship Appeal (which raised \$13,500 and increased regular giving as well). Similarly, we increased hire rates and revenue from hiring the St Luke's Centre.

In terms of operational spending, the main increase in costs was for a weekly cleaning service in the Centre which was part of a strategy to improve the attractiveness of the Centre from a user perspective. Many of our larger operating costs increased in 2023 compared with 2022.

Impact of volatile investment returns

Once again our investment returns fluctuated during the course of 2023 but this time we came out on the right side of the ledger. We had net investment *gains* of \$64,432 compared with investment *losses* of \$72,867 in 2022.

Changing shape of the balance sheet

We have a higher than usual amount of cash on hand – and correspondingly higher amount of commitments – than in the recent past. During the year Wadestown Presbyterian Church Council gave St Luke's its \$39,207 share of the Ark Trust money for us to distribute according to the intent of the Trust deed. We also received a grant of \$60,000 from the Lotteries Environment and Heritage Committee in anticipation of completing the seismic strengthening work. We also spent over \$64,000 on project fees that will eventually become part of the cost of the church building.

Overall our net worth is over \$1.89 million, which is slightly lower than it was at the end of 2022, due mainly to the operating deficit mentioned above.

Proposed budget for 2024

Vestry has a very large spending programme in store for 2024 driven mainly by the seismic strengthening work in the church, and a desire to refurbish or repair aspects of our facilities which have reached the end of their functional lives – while continuing to deliver our practical ministry.

The draft cash budget for 2024 is shown on the last page of this report, for information only. It is subject to further discussion within the Parish before it is approved by Vestry.

My thanks

I acknowledge the dedicated services of Rowena Bonne, Peter Milne, Rachael Green and Liz Prins who support the Treasurer function in various ways. I also want to express my appreciation to Barn McDavitt and Rachel Baskerville for sharing their wise counsel and financial expertise.

Kerry Hollingsworth

26 February 2024

¹ Before missions and outreach

Income Statement for the financial year

line	Account	2023	2022
	Operating Income		
1	Advent Fundraising Appeal	13,500	8,655
2	Cash Giving	1,987	1,726
3	Donations in Lieu of Giving	652	528
4	Donations for seismic project	1,000	
5	Fundraising from Fairs etc	4,181	197
6	Govt COVID subsidy		
7	Interest Income	1,254	111
8	Miscellaneous Revenue	80	101
9	Parishioner giving	61,182	62,809
10	Service Revenues (Weddings, Funerals etc with GST)	348	357
11	St Luke's Centre Hall Hire Income (with GST)	22,042	19,480
12	Transfers from CH and FM Fund	28,080	43,152
13	Total Income	134,305	137,117
14			
15	Operating Expenses		
16	Auditor/Reviewer/AUP	507	57
17	Clergy stipend, allowances and pension (excl Housing Allowance)	48,083	49,778
18	Clergy Housing Allowance	28,080	26,520
19	Diocesan Levies	16,951	16,632
20	Organists	6,325	7,000
21	Parish salaries and wages	15,183	20,308
22	Pastoral (incl Travelling costs)	945	221
23	Sabbatical provision	1,000	1,000
24	Sunday School and Adult Learning	77	61
25	Synod costs	221	150
26	Visiting clergy costs	200	100
27	Worship, Fellowship and Music	1,699	1,565
28	Other running costs for Centre and church		
29	<i>Centre expenses incl. maintenance, gardens</i>	2,327	773
30	<i>Cleaning costs, materials</i>	6,441	291
31	<i>Energy Costs</i>	3,037	2,964
32	<i>Insurance Expense</i>	7,450	6,654
33	<i>Internet, Phone, Xero, postage and general office costs</i>	3,528	2,364
34	<i>Piano and Organ Tuning and Regular Maintenance</i>	2,685	1,507
35	<i>Stationery, paper and computer ink</i>	479	2,055
36	<i>WCC and WRC Rates</i>	1,663	1,552
37	Sub-total Other running costs	27,609	18,161
38	Total Operating Expenses	146,881	141,552
39			
40	Operating surplus before missions and outreach	(12,575)	(4,435)
41	Missions and outreach movements		
42	NZ Targeted Mission and Outreach Giving	2,413	240
43	Overseas targeted outreach and mission giving	220	240
44	Less: Mission and outreach outflows	(1,957)	(13)
45	Net missions and outreach undistributed	676	467
46	Operating surplus for the year	(11,899)	(3,968)
47			
48	Movements in Clergy Housing and Facilities Maintenance Fund		
49	Building and Facilities - Major Maintenance	(6,108)	(1,538)
50	From CH and FM Fund to Operating account	(28,080)	(43,152)
51	Net gains(losses) on investments	64,432	(72,868)
52	Total changes in CH & FM Fund	30,244	(117,558)
53			
54	Non-operating Expenses		
55	Contents Depreciation Expense	718	718
56	Organ Depreciation Expense	2,500	2,500
57	Buildings Depreciation Expense this Period	33,300	33,300
58	Total Depreciation	36,518	36,518
59			
60	Comprehensive Surplus (Deficit)	(18,173)	(158,044)

Balance Sheet at the end of the financial year

line		31 Dec 2023	31 Dec 2022
	Assets		
60	Current Assets		
61	Accounts Receivable	1,683	1,337
62	GST	494	259
63	Capital work in progress	64,058	
64	Prepayments	275	272
65	Total Current Assets	66,511	1,868
66	Bank		
67	Current Account	81,990	9,195
68	Total Bank	81,990	9,195
69	Fixed Assets		
70	Land and Buildings	1,180,600	1,213,900
71	Organ	55,000	57,500
72	Other Assets	47,397	48,115
73	Total Fixed Assets	1,282,998	1,319,516
74	Investments		
75	AMSIF investment	580,765	601,333
76	Total Non-current Assets	580,765	601,333
77	Total Assets	2,012,263	1,931,911
78			
79	Liabilities		
80	Current Liabilities		
81	Accounts payable	8,169	9,925
82	Payable to IRD for PAYE	314	245
83	Commitments associated with Grants	60,000	
84	Provision for Clergy Sabbatical, annual leave	12,483	15,447
85	Ark Trust funds	39,207	
86	Total Current Liabilities	120,172	25,616
87	Total Liabilities	120,172	25,616
88			
89	Net Assets (Equity)	1,892,091	1,906,295

Statement of Changes in Equity Components for the financial year

line		Buildings and Property Reserve	Clergy Housing and Facilities Maintenance Fund	Parish General Funds	Organ Bequests	Junior Chorister Development	Total Equity
100	Movements in 2023						
101	Opening balance	1,313,442	548,559	14,675	29,292	330	1,906,297
102	Major maintenance		(6,108)				(6,108)
103	Transfers to operating account		(28,080)	28,080			0
104	Distribution to third parties						0
105	Investment income		64,432				64,432
106	Provision for Depreciation	(36,518)					(36,518)
107	Current year operating surplus (before transfers)			(36,012)			(36,012)
108	Allocation of investment income						0
109	Closing balance	1,276,924	578,803	6,743	29,292	330	1,892,091
110							
111	Movements in 2022						
112	Opening balance	1,349,960	665,033	18,643	30,364	342	2,064,342
113	Major maintenance		(1,538)				(1,538)
114	Transfers to operating account		(43,152)	43,152			0
115	Distribution to third parties						0
116	Investment income		(72,868)				(72,868)
117	Provision for Depreciation	(36,518)					(36,518)
118	Current year operating surplus (before transfers)			(47,120)			(47,120)
119	Allocation of investment income		1,084		(1,072)	(12)	(0)
120	Closing balance	1,313,442	548,559	14,675	29,292	330	1,906,297

Cash Flow Statement for the financial year

Cash Flow Statement			
St Luke's Anglican Church - Wadestown			
line	For the 12 months ended 31 December	2023	2022
130	Operating cash inflows		
131	From Parishioners and bankings incl. Missions	82,052	73,718
132	Hall rentals	24,631	18,053
133	Wadestown Fair	1,405	169
134	Lenten books	20	
135	Service Revenues (Weddings, Funerals)		357
136	Plant stall	1,974	
137	total operating cash inflow	<u>110,082</u>	<u>92,297</u>
138	Operating outflows		
139	Auditor and Xero costs	863	708
140	Cleaning materials and minor maintenance	505	938
141	Diocesan Levies	19,494	16,632
142	Energy Costs	3,465	2,768
143	Diocesan ICCP charge	518	
144	Insurance Expense	8,572	6,654
145	Net Mission and Outreach cash outflows	1,957	-467
146	Organ tuning, and organists' wages	10,873	6,250
147	Phone, internet, Office costs, stationery etc.	2,757	3,486
148	Professional advisors	173	
149	St Lukes Centre (Cleaners, Piano)	7,137	9
150	Synod, Sunday School and adult Learning	317	127
151	TV screen and Konic	1,298	
152	Wages, stipends, allowances for clergy and staff, ACC	93,218	91,531
153	WCC and WRC Rates	1,912	1,552
154	Worship, Pastoral, Fellowship and Music	2,205	3,213
155	Payments out of Ark Trust funds		22,720
156	total operating cash outflow	<u>155,263</u>	<u>156,121</u>
157	Net operating outflows:	<u>(45,181)</u>	<u>(63,824)</u>
158			
159	Investing cash inflows		
160	Interest	1,252	111
161	Investing cash outflows		
162	Seismic project	73,667	
163	Major maintenance	8,821	1,538
164	Net investing outflows:	<u>(81,236)</u>	<u>(1,426)</u>
165	Financing cash inflows		
166	Transfer to 00 a/c	15,000	
167	AMSIF	70,000	50,000
168	Ark Funds	39,207	
169	Lottery Grant for Seismic project	69,000	
170	Net financing inflows:	<u>193,207</u>	<u>50,000</u>
171	GST		
172	GST inflows	13,055	
173	GST outflows	-7,051	
174	Net GST inflows:	<u>6,005</u>	<u>1,966</u>
175			
176	Change in cashflows	72,796	-13,284
177	Plus Opening cash	9,193	<u>22,479</u>
178	Closing Cash	<u>81,989</u>	<u>9,193</u>

Statement of Accounting Policies for the year ended 31 December 2023

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.

St Luke's uses the accrual basis of accounting. The Financial Statements have been 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 has been one change in accounting policy during the financial year (Last year - Nil). The new policy applies for the 2023 year. The new policy is to not allocate a share of investment gains and losses across all the equity components in the table on page 5. Instead all investment income will be allocated to the CH&FM fund. In 2022, -\$1,084 was allocated to other equity components.

Note 1: Asset values

Table 1: Asset values on the Balance Sheet

Asset class	Opening balance	Purchases	Sales, Disposals	Current Year depreciation and impairment	Year end balance
Movements in 2023					
Land and buildings	1,213,900			(33,300)	1,180,600
Contents including computers	48,116			(718)	47,397
Organ	57,500			(2,500)	55,000
Totals	1,319,516	0	0	(36,518)	1,282,998
Movements in 2022					
Land and buildings	1,247,200			(33,300)	1,213,900
Contents including computers	48,834			(718)	48,116
Organ	60,000			(2,500)	57,500
Totals	1,356,034	0	0	(36,518)	1,319,516

St Luke's holds no significant donated assets.

Table 2: Other valuation information

Fair value estimates for 2023	WCC Rating Notice (at 1 September 2021)	Diocesan Board of Trustees Insurance Values				Cover for Natural Disasters
		Replacement values	Current Indemnity Values (note 1)	Previous Indemnity Values (note 2)	Change in Indemnity values	
Asset class						
Land	1,610,000					
Buildings	990,000					
St Luke's Church		2,035,000	474,800	474,800	0	No
St Luke's Centre		1,912,700	500,000	1,489,600	(989,600)	Yes
Contents and organ		872,163	250,000	250,000	0	No
Totals	2,600,000	4,819,863	1,224,800	2,214,400	(989,600)	
Loss of Income or rent		n/a	20,000	20,000		Yes

The Diocesan Insurance Officer has advised that:

1. The Indemnity values for 2024 are currently subject to confirmation by the new Diocesan insurer.
2. The Indemnity values were reduced in mid 2023 in response to a substantial increase in premiums

Asset register

Since 2014 the Vestry has been in the process of compiling an Asset register for the Parish. The current draft register is dated 24 January 2019. This has not yet been formally approved by Vestry.

Note 2: Ark Trust distributions

When the Ark Trust was wound up half the assets were allocated to St Luke’s and half to Wadestwon Presbyterian Church. St Luke’s fully dispersed its share by the end of 2022. In 2023, on its winding up, WPC gave its share of the original proceeds to St Luke’s to distribute in accordance with the agreed criteria (see below). St Luke’s did not make any further distributions during 2023.

The agreed criteria are:

Care and relief of elderly and needy, with priority to be given to use for the benefit of persons in the local communities served by Wadestown Presbyterian Church (WPC) and St. Luke’s.

	Contributions	Allocation of AMSIF income	Distributions			Year end balance
			Wellington City Mission	Wadestown Medical Centre	Otari School	
1 January 2023	Balance carried forward					\$0
25 May 2023	Receipt of Ark Trust money from Wadestown Presbyterian Church	\$39,207				\$39,207
31 December 2023	Closing balance	\$39,207	\$0	\$0	\$0	\$39,207

Note 3: The value of the Clergy Housing and Facilities Maintenance (CH and FM) Fund.

The three main purposes of the CH and FM fund are to:

- Provide for a clergy housing allowance in accordance with Diocesan policy
- Maintain church facilities over time while also seeking to maintain the “real” value of the fund, and
- Enable a contribution toward St Luke’s share of the Diocesan budget (Budget share).

As shown in the Statement of Changes in Equity Components on page 5 the Fund has been used in 2023 to cover the housing allowance, and major maintenance work.

In 2022 for the first time, the “real “ value fell below the level determined by reference to the Consumers’ Price Index. This is mainly due to the combined adverse effects in 2022 of higher than usual inflation and AMSIF investment losses.

According to St Luke’s policy the reference value of the fund at the end of December 2023 should be at least \$640,190 (2021: \$611,714). However, the actual value of the fund at the end of the year was \$578,803 (2021: \$548,559), which is 90% of the reference value.

For the purposes of St Luke’s policy the original value of this fund at the end of December 2008 was \$444,421. And at that time the CPI (General) index was 874. By December 2023 the CPI index was 1259 which represents a change of 44% since 2008. In the last 12 months, the CPI has changed by 4.7% (2022: 10%).

Period	Q4 Dec 2008	Q4 Dec 2022	Q4 Dec 2023
CPI Index	874	1203	1259

Note 4: Commitments and contingencies

Commitment	Explanation and timing
1. To earthquake strengthen the church	<p>Following decisions at the last AGM , Vestry approved two applications in 2022 for outside funding to help strengthen the church building and lift it to 67% of the NBS (from the current 43%). Vestry has committed \$100,000 toward the purpose.</p> <p>One application resulted in the grant of \$132,000 plus GST from the David Luke Bequest administered by Heritage NZ. Under the amended terms of the agreement work must commence by 30 June 2024.</p> <p>A second application to the Lotteries Heritage and Environment Committee resulted in a grant of \$60,000 plus GST.</p> <p>On 3 February 2024, following a tender process, St Luke's signed a contract with Quayle Construction Co Ltd to undertake work in the chancel and nave. The contract value is \$258,239 plus GST.</p> <p>St Luke's has ongoing arrangements for professional services with Dunning Thornton Consulting Ltd (engineers) and Crispin Kay Architects.</p> <p>During 2023 St Luke's secured a loan from the Diocese of up to \$72,000 to help complete the seismic improvements. The loan is for 7 years and the interest rate is fixed at 4.5% per annum. The loan had not been drawn down at balance date.</p>
2. To upgrade electrical circuits and improve heating	<p>During 2023 St Luke's obtained a quote to upgrade the switchboard. The quote was for \$20,000 plus GST. No commitments have been made.</p>
3. To examine proposals for extensive organ refurbishment	<p>In May 2019 St Luke's received a report from South Island Organ Company that set out different options for refurbishing the organ.</p> <p>During 2023 St Luke's obtained a revised quote from the same company for specified improvements to the organ. The quote of \$18,000 plus GST was accepted and the work is scheduled to be done once the seismic work has been completed.</p>

Note 5: Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at balance date (Last year - Nil).

Note 6: Goods or Services provided to the Entity in kind

Parishioner volunteer labour: from a survey at the 2016 AGM it was indicated 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, being around \$187,200.

Note 7: Related Party Disclosures:

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

Note 8: Events after the Balance Date

Last year there were no events after the balance date that would have a material impact on the Financial Statements in this report. The continuing volatility of the financial markets reminds us that the return on the AMSIF funds cannot be assured.

Note 9: Risk Management Plan The Parish does not yet have a Risk Management Plan.

Other information – Draft Budget for 2024

The draft budget is subject to further discussion within the Parish. This draft assumes we will continue with current levels of operating activity, and that we will complete the seismic project and fund other building improvements in 2024.

Budgeted Cash Flows 2024 (excl GST)

St Luke's Anglican Church - Wadestown

		2024 Budget ▲	Actual 2023
	For the 12 months ended 31 December		
line			
130	Operating inflows		
131	Parishioner giving	70,000	62,846
132	St Luke's Centre Hall Hire Income	20,000	21,843
133	Advent Fundraising Appeal	0	13,500
134	Fundraising from events	4,000	4,181
136	Service Revenues (Weddings, Funerals)	500	348
137	Gov't Covid subsidy	0	0
138	Miscellaneous Revenue	100	480
139	Operating inflows	94,600	103,198
140	Operating outflows:		
141	<i>Personnel costs:</i>		
142	Vicar's stipends and allowances	(78,248)	(76,666)
143	Wages for Administrator & Cleaners	(16,474)	(15,183)
144	Cleaning contract	(6,396)	(6,441)
145	Organists' Fees	(6,250)	(6,325)
146	Visiting clergy costs	(200)	(200)
147	<i>Sub-total</i>	(107,567)	(104,815)
148	<i>Other operating outflows:</i>		
149	Diocesan Levies	(9,240)	(16,951)
150	Insurance Expense	(4,800)	(7,450)
151	Energy Costs	(3,100)	(3,037)
152	General Office Costs incl. postage, ink cartridges	(1,000)	(822)
153	Worship, Fellowship and Music	(2,000)	(1,699)
154	WCC and WRC Rates	(1,788)	(1,663)
155	Piano and Organ Tuning and Regular Maintenance	(1,770)	(2,685)
156	Communication and Internet	(6,000)	(2,492)
157	Church Centre expenses incl. minor maintenance	(2,000)	(2,891)
158	Xero Costs	(700)	(694)
159	Adult Education, and Laity Synod expenses	(200)	(298)
160	Pastoral	(1,000)	(442)
161	Auditor/Reviewer/AUP	(500)	(507)
162	Sunday School Learning	(100)	0
163	Net mission and outreach giving	0	676
164	<i>Sub-total</i>	(34,198)	(40,955)
165	Total Operating outflows	(141,765)	(145,770)
166	Net Operating outflows	(47,165)	(42,572)
167			
168	Investing cash flows		
169	Building and Facilities - Major Maintenance	(60,000)	(6,108)
170	Interest Income	500	1,254
171	Loan payments	(9,000)	
172	Transfers from AMSIF account for operating costs	48,000 ▼	15,000
173	Transfers from AMSIF account for major maintenance	60,000	
174	Donations for seismic project	5,000	1,000
175	Transfers from AMSIF account for seismic strengthening	30,000	70,000
176	Grants for seismic strengthening	132,000	60,000
177	Diocesan Loan for seismic strengthening	72,000	0
178	Earthquake strengthening project (capital works)	(300,942)	(64,058)
179	Net Investing outflows	(22,442)	77,088
180			
181	Other cash flows		
182	Ark Trust receipts	0	39,207
183	Ark Trust distributions	(7,000)	0
184	Net changes in GST and Accs Rec/Payables	0	(929)
185		(7,000)	38,278
186			
187	Net Cash Movement for the year	(76,607)	72,794
188			
189	Summary		
190	Opening Balances 1 January	81,989	9,195
191	Less Net Cash Outflows	(76,607)	72,794
192	Closing Balances 31 December	5,382	81,989