

Presbyterian Savings and Development Society of NZ Inc. (PSDS)

Terms of Reference

The Society is the major provider of loan funding for parish projects, and works in close co-operation with the Church. It reports to Assembly, but by virtue of its own legal constitution acts independently and thus its decisions are not the responsibility of the Presbyterian Church. The General Assembly nominates four members to its Board.

Chairman's Report 2005 - 2006

1 Introduction

- 1.1 The Society continues to provide an important role in the development of the Church especially at parish level, as it provides loan funding for capital projects, enabling them to become a reality. The partnership with depositors is equally important, and this continues to develop and strengthen.

2 Directors

- 2.1 Bruce Duske resigned from the Board in 2004, and Hamish Crooks resigned earlier this year. Richard Pidgeon was appointed to the board in November 2004.

3 Depositors

- 3.1 The work of the Society is made possible by those people and organisations who invest their funds with us. The Society appreciates the continuing support of its depositors and the board is very mindful of its obligations to prudently invest depositors' funds. By investing with the Society, depositors are not only receiving a competitive return on their funds, but they are helping to grow the Church by providing funds for ministry and mission. The Society continues to look at new ways of widening its family of depositors.

4 Loans

- 4.1 The Society continues to welcome enquiries and applications for new loans from Presbyterian parishes and the wider church community. The Society offers loans with no application fees, flexible repayment terms and interest rates below the floating bank rate.

5 Links with Parishes / Presbyteries

- 5.1 The Society has continued with its policy of visiting each Presbytery district at least once every seven years, and is now well into the second cycle. The Society is grateful for the opportunities to participate in parish worship services and to speak at presbytery. They are important in building the relationship with depositors and borrowers, and the feedback is always positive.

6 Links with the Presbyterian Church

- 6.1 The Society sees itself as a servant organisation. It is supportive of and works positively, with the Church structure. Good communication is maintained with Wellington.

7 Financial Statements

- 7.1 Attached are summaries of the audited financial statements for the June years of 2004 and 2005. The finance sector has been increasingly competitive over the last two years. This has put pressure on operating margins. However, the Society has produced strong financial results enabling further increases in reserves towards the board's goal of 10% of funds.

8 Staff

- 8.1 General Manager, Robin Guy, retired in November 2005 after 18 years of service. Promotions Officer, Paul Walker, was appointed to the position of Manager. The board acknowledges the excellent work undertaken by their staff. Office Manager, Fleur McLeod, after nine years of service, is now on maternity leave.

9 Conclusion

- 9.1 The Society is proud of its servant record, protective of its depositor trust and steadily marching on with its planned and prudent goals. It values the expertise and commitment of its Board members and is pleased to be near the forefront of the growing, developing, forward thinking edge of the Church.

10 Statement of Financial Performance for the years ended 30 June

	2005	2004	2003
	\$	\$	\$
Investment Income			
Interest Income	2,951,113	2,778,715	2,605,903
Rental Income	465,800	312,732	349,018
Realised Gains on Sale of Investments	22,663	47,844	94,770
Miscellaneous Income & Recoveries	66,228	8,531	17,716
Unrealised Gains (Losses) on Investments	24,000	39,867	335,800
	3,529,804	3,187,689	3,403,207
Less:			
Interest Expense on Depositors' Funds	(2,411,601)	(2,039,384)	(2,018,737)
Net Investment Income	1,118,203	1,148,305	1,384,470
Other Income			
Donations and Bequests	363	9,636	879
Total Income	1,118,566	1,157,941	1,385,349

	2005	2004	2003
	\$	\$	\$
Expenses			
Property Expenses	68,851	66,705	19,989
Depreciation	6,466	17,195	15,530
Administration	258,829	238,787	272,808
Publicity and Promotion	97,056	92,839	81,025
Grants and Donations	27,000	17,000	13,500
Total Expenses	431,202	447,834	402,851
Abnormals			
Forgiveness of Debt due by New Vision	-	-	(47,426)
Surplus (Deficit) for the Year	660,364	693,107	935,071

11 Statement of Financial Position as at 30 June

	2005	2004	2003
	\$	\$	\$
Society Funds	2,559,585	1,899,221	1,206,113
Represented by:			
Investment Assets			
Church Mortgage Loans	10,045,603	10,286,842	9,450,811
Commercial Mortgage Loans	2,007,522	1,909,611	3,246,156
Investment Properties	5,816,000	3,790,000	3,019,000
Term and Call Deposits	4,675,000	5,700,000	6,400,000
Fixed Rate Investments	20,069,700	20,431,550	17,208,134
	42,613,825	42,118,003	39,324,101
Other Current Assets			
Bank Balances	573,301	200,402	190,875
Interest Income Receivable	236,933	270,320	249,372
Debtors	141,152	79,367	72,291
	951,386	550,089	512,537

	2005	2004	2003
	\$	\$	\$
Fixed Assets	-	6,044	14,287
Total Assets	43,565,212	42,674,135	39,850,925
Liabilities			
Depositors' Funds	40,514,415	40,325,178	38,179,231
Accrued Interest on Depositors' Funds	473,897	387,843	405,194
Sundry Creditors and Accruals	13,416	22,198	19,980
Rent Guarantee Deposit	-	37,340	37,340
GST	3,899	2,355	3,067
Total Liabilities	41,005,628	40,774,913	38,644,812
Net Assets	2,559,585	1,899,221	1,206,113

12 Directors for PSDS and Trustees for Presbyterian New Vision Foundation:

12.1 George Wadsworth (Chairman), Tony Caughey, Don Clark, Ian Kendall, the Rev Doug Lendrum, the Rev Samuel McCay, the Rev Simon McLeay, Glenn Mottram, Richard Pidgeon, Margaret Slater.

Paul Walker
Manager

