

Presbyterian Savings and Development Society of NZ Inc

Executive Summary

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.

Report

1 Introduction

The Society encourages Presbyterian parishes and other organisations with links to the Presbyterian Church, such as Presbyterian schools, with their capital projects by providing funding at favourable interest rates. To do this it relies on the continued support of depositors. This support is vital to the success of the Society.

2 Directors

The Rev Samuel McCay resigned from the Board in 2008, the Rev Simon McLeay resigned in 2009, and Margaret Slater resigned in May 2010. The Rev Mark Johnstone was appointed to the Board in June 2010.

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

George Wadsworth (Chairman), Simon Bilton, Tony Caughey, Don Clark, Rev Mark Johnstone, Ian Kendall, Rev Doug Lendrum, Glenn Mottram.

2.2 Manager:

Paul Walker

3 Staff

Barbara Jones, the Promotions and Development Officer, resigned in January 2010. A new appointment to the Promotions and Development position is currently being finalised. Craig Prosser resigned from his position of Accounting Assistant in March 2010. Terry Scoble has been appointed in his place.

4 Depositors

The Society can only exist because of the continued support of the individuals and organisations that carry on investing with it. It is very heartening that the reinvestment rate is very high among depositors despite the uncertain economic times that are being experienced. The Board is very mindful of the trust placed in it by depositors and its investments are discussed and reviewed monthly and from time to time independent assessments of the investments are obtained.

5 Loans

Lending to parishes for capital projects is the core business of the Society. It encourages parishes to seek its help when any project is being planned. The Staff is very happy to assist. Loans offered are on flexible terms and there are no application fees. Interest charged is generally below the comparable bank floating rate.

6 Parish/presbytery links

The visits to presbyteries and parishes throughout the country are still important for the Society and the Board is grateful for the opportunities to participate in services and speak at presbyteries.

7 Financial statements

Attached are summaries of the audited financial statements for the June years of 2008 and 2009. Unfortunately because of the timing of this report we cannot provide the audited figures for the 2010 year. Although the 2009 year shows an unrealised loss, this has been totally recouped in 2010, and the Society's reserves as at the end of June 2010 were more than 12 percent of depositor's funds. The Society's accounts are in a very healthy position. The Board continues to have a cautious, prudent approach to investments.

8 Conclusion

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.

9 Statement of financial performance for the years ended 30 June

	2009 \$	2008 \$	2007 \$
Revenue			
Interest Income	3,261,395	3,395,553	2,945,079
Rental Income	249,420	400,261	536,326
Realised Gains on Sale of Investments	-	223,994	112,600
Miscellaneous Income & Recoveries	2,300	4,129	2,410
Donations and Bequests	15,952	176,930	15,809
Total revenue	3,529,067	4,200,867	3,612,224
Expenses			
Loss on Sale of Investments	135,100	-	-
Interest on Depositors' Funds	2,919,304	2,939,132	2,629,764
Administration	321,900	296,922	291,874
Promotion and Marketing	104,808	105,280	54,019
Depreciation	2,842	2,391	281
Total expenses	3,483,954	3,343,725	2,975,938

Operating Surplus	45,113	857,141	636,286
Unrealised change in value of investments	(1,179,945)	(678,419)	552,335
Profit / (Loss)	(1,134,832)	178,722	1,188,621
Grants to New Vision Foundation	-	243,596	75,809

10 Statement of financial position as at 30 June

	2009	2008	2007
	\$	\$	\$
Society's Equity	3,557,322	4,692,154	4,757,027
Current Liabilities			
Depositors' Funds	36,188,949	37,987,338	36,609,776
Accrued interest on Depositors' Funds	590,750	722,030	492,232
Sundry Creditors and Provisions	48,918	40,011	39,980
	36,828,617	38,749,379	37,141,988
Non-current Liabilities			
Depositors' Funds	3,843,288	1,013,317	1,111,534
Total funds employed	44,229,226	44,454,850	43,010,549
Non-current Assets			
Investments held to maturity	20,051,800	12,869,700	10,189,900
Loans and advances	7,886,766	8,541,180	10,403,452
Property investments	4,169,557	4,632,774	7,462,948
Plant and equipment	13,256	12,292	3,386
	32,121,379	26,055,946	28,059,686
Current Assets			
Cash	183,661	352,552	33,424
Money market and call deposits	9,621,002	6,845,874	9,792,537
Loans and advances	1,383,951	7,809,210	956,826
Investments held to maturity	600,700	2,977,400	3,847,885
Accounts receivable	318,533	413,868	320,191
	12,107,847	18,398,904	14,950,863
Total Assets	44,229,226	44,454,850	43,010,549

George Wadsworth
Chairman

Appendix: Presbyterian New Vision Foundation

1. Chairman's Report 2009 – 2010

- 1.1 The Foundation continues to be the “gifting arm” of the Society. The Trustees have been assessing the continuing viability of the Foundation and have decided to make future grants direct from the Society once the Foundation's funds have been exhausted.
- 1.2 Grants are continuing to be made to parishes under the new intern arrangements for students training for ministry and the Trustees are continuing to work with the National Church to ensure that grant funds are put to the best possible use. Smaller grants to individual parishes have continued.

2. Financial Statements

Statement of Financial Performance for the years ended 30 June

	2009	2008	2007
	\$	\$	\$
Income			
Grant - Presbyterian Savings & Development Society	-	243,597	75,809
Interest	16,385	18,210	8,583
Legacies & Donations	114	109	101
	<u>16,499</u>	<u>261,916</u>	<u>84,493</u>
Expenditure	500	405	484
Surplus (Deficit)	<u>15,999</u>	<u>261,511</u>	<u>84,009</u>
Accumulated Surplus – Opening Balance	230,934	111,173	107,034
Grants Paid Out	137,903	141,750	79,870
Accumulated Surplus – Closing Balance	109,030	230,934	111,173

Statement of Financial Position as at 30 June

Current Assets			
Bank Account	9,030	4,004	9,173
Term Deposits	100,000	226,930	102,000
Net Assets	<u>109,030</u>	<u>230,934</u>	<u>111,173</u>

George Wadsworth
Chairman