



Performance Report

The Presbyterian Development Society of New Zealand
Incorporated
For the year ended 30 June 2016

Prepared by SBA Newmarket



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Entity Information

The Presbyterian Development Society of New Zealand Incorporated For the year ended 30 June 2016

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

Legal Name of Entity

The Presbyterian Development Society of New Zealand Incorporated

Entity Type and Legal Basis

The Presbyterian Development Society of New Zealand Inc. is a society incorporated under the Incorporated Societies Act 1908. It is also registered as a charitable entity with the Charities Services under the Charities Act 2005.

Registration Number

Incorporated Society Number: 223944

Registered Charity Number: CC20941

Entity's Purpose or Mission

The Society's object is to facilitate the mission and ministry of the Presbyterian Church in New Zealand.

Entity Structure

Governance of The Presbyterian Development Society of New Zealand Inc. is undertaken by an executive board.

Board Members for the 2015/2016 year are:

Chairman W.A. (Tony) Caughey ONZM, BCom (Auckland) MBA (Harvard) ACA ACIS CFIInstD

Board Members:

Simon Bilton BPhEd PGDipBus MBA

Dr. Kathryn Jones PhD M ComLaw (Hons) BSc (Hons), First Class

Rev. Mark Johnston BSc (Hons) DipTchg BD

Rev. Doug Lendrum BTh

Glenn R. Mottram QSM, JP CA

Craig Prosser B.Com N Dip Internal Auditing

Main Sources of Entity's Cash and Resources

The Presbyterian Development Society of New Zealand Inc receives funding from donations and income from investment.

Main Methods Used by Entity to Raise Funds

There is no active fundraising.



Entity's Reliance on Volunteers and Donated Goods or Services

All of the executive board positions are voluntary roles and significant time is given by the board members to the Society.

Physical Address

111 Great South Road, Epsom, Auckland, New Zealand, 1051

Postal Address

PO Box 26210, Epsom, Auckland, New Zealand, 1344

Bankers

ANZ Bank

Auditor

RSM Hayes Audit

Accountant

Newmarket Business Services Ltd
T/as Small Business Accounting
371 Manukau Road
Epsom
Auckland 1023



Approval of Performance Report

The Presbyterian Development Society of New Zealand Incorporated For the year ended 30 June 2016

The Board of The Presbyterian Development Society of New Zealand Inc. are pleased to present the approved performance report including the historical financial statements of The Presbyterian Development Society of New Zealand Incorporated for year ended 30 June 2016.

APPROVED

Signed for and on behalf of the board

Tony Caughey

Chairman

Date 16.02.2017

Simon Bilton

Director

Date 16.02.2017



Statement of Service Performance

The Presbyterian Development Society of New Zealand Incorporated For the year ended 30 June 2016

'What did we do?', 'When did we do it?'

Description of Entity's Outcomes

The primary objects of the Society are those charitable objects which are recognised in New Zealand law as being charitable including to:

- Promote the interest of the Presbyterian Church of Aotearoa New Zealand (PCANZ) which shall include activities carried on in association with other churches as in Union Parishes or in other cooperative ventures;
- Provide financial assistance to Parishes, Trust Boards, Associations and other bodies recognised by PCANZ for the purposes of acquiring and developing property and buildings necessary for their worship, recreation and Christian witness;
- Provide financial assistance for the accommodation of ministers and any other workers in or associated with the PCANZ;
- Make regulations to advance the attainment of any of the above objects;
- Do any act or thing incidental or conducive to the attainment of any of the above objects.

Without detracting from the primary charitable objects, the secondary objects of the Society are to promote the interests of religion and Christianity throughout New Zealand by providing financial assistance to other Christian denominations and congregations and organisations as the directors see fit, provided however, that the Society shall only be for the benefit of charitable objects within New Zealand.

2016 2015

Outcomes and measures of quality and objectives in respect to delivery

Distribution of grants to the Presbyterian Churches (\$ Value)	137,077	160,847
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Additional Information

Following the sale of the debt equity and church mortgage section of the organisation, PDS is examining how it will reach its mission in the future and the best use of the equity it has accumulated to date.



Statement of Financial Performance

The Presbyterian Development Society of New Zealand Incorporated

For the year ended 30 June 2016

'How was it funded?' and 'What did it cost?'

	NOTES	2016	2015
Revenue			
Donations, fundraising and other similar revenue	1	5,100	13,477
Revenue from providing goods or services	1	238,619	173,381
Interest, dividends and other investment revenue	1	300,001	878,649
Other revenue	1	15,000	275
Total Revenue		558,720	1,065,781
Expenses			
Volunteer and employee related costs	2	32,363	303,156
Costs related to providing goods or service	2	123,278	767,500
Grants and donations made	2	137,077	160,847
Other expenses	2	40,441	132,042
Total Expenses		333,160	1,363,546
Surplus/(Deficit) for the Year		225,560	(297,764)

This statement should be read in conjunction with the attached notes.



Statement of Financial Position

The Presbyterian Development Society of New Zealand Incorporated

As at 30 June 2016

'What the entity owns?' and 'What the entity owes?'

	NOTES	30 JUN 2016	30 JUN 2015
Assets			
Current Assets			
Bank accounts and cash	3	570,915	450,945
Debtors and prepayments	3	96,249	27,025
Other Current Assets	3	-	75,177
Total Current Assets		667,165	553,147
Non-Current Assets			
Property, Plant and Equipment	5	3,818,486	3,864,121
Investments	3	2,141,000	2,050,000
Total Non-Current Assets		5,959,486	5,914,121
Total Assets		6,626,650	6,467,268
Liabilities			
Current Liabilities			
Creditors and accrued expenses	4	20,402	28,032
Other current liabilities	4	36,625	70,165
Total Current Liabilities		57,027	98,197
Total Liabilities		57,027	98,197
Total Assets less Total Liabilities (Net Assets)		6,569,623	6,369,071
Accumulated Funds			
Accumulated surpluses or (deficits)	6	6,449,702	6,249,150
Reserves	6	119,922	119,922
Total Accumulated Funds		6,569,623	6,369,071

This statement should be read in conjunction with the attached notes.



Statement of Cash Flows

The Presbyterian Development Society of New Zealand Incorporated

For the year ended 30 June 2016

'How the entity has received and used cash'

	2016	2015
Cash Flows from Operating Activities		
Cash was received from:		
Donations, fundraising and other similar receipts	5,100	13,477
Receipts from providing goods or services	178,264	224,512
Interest, dividends and other investment receipts	299,894	1,106,955
Cash receipts from other operating activities	15,000	74,496
Cash was applied to:		
Payments to suppliers and employees	(183,870)	(796,121)
Donations or grants paid	(137,077)	(160,847)
Cash flows from other operating activities	-	(456,803)
Tax Paid	(2,968)	55,413
Total Cash Flows from Operating Activities	174,342	61,082
Cash Flows from Investing and Financing Activities		
Cash was received from:		
Disposal of investments	-	31,414,967
Repayment received on loans made to other parties	75,177	-
Cash was applied to:		
Acquisition of property, plant and equipment	(4,642)	(228,234)
Acquisition of investments	(841,000)	(1,500,000)
Investors Deposits Repaid	(33,907)	(43,028,638)
Capital repaid to owners or members	-	-
Cash Flows from Other Investing and Financing Activities	-	-
Total Cash Flows from Investing and Financing Activities	(804,372)	(13,341,905)
Net Increase/ (Decrease) in Cash	(630,030)	(13,280,823)
Cash Balances		
Cash and cash equivalents at beginning of period	1,200,944	14,481,767
Cash and cash equivalents at end of period	570,915	1,200,944
Net change in cash for period	(630,030)	(13,280,823)

This statement has been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.



Statement of Accounting Policies

The Presbyterian Development Society of New Zealand Incorporated

For the year ended 30 June 2016

'How did we do our accounting?'

Basis of Preparation

The Society 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 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.

Goods and Services Tax (GST)

The entity is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Income Tax

The Presbyterian Development Society of New Zealand Incorporated is 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).

Property, Plant and Equipment

Property, plant and equipment are shown at historical cost, including costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment, at rates that will write off the cost of the assets over their useful lives. The depreciation rates associated with major classes of assets have been estimated as follows:

- Equipment 10% - 30%

- Buildings 2%

Changes in Accounting Policies

For the year ended 30 June 2015 the entity prepared its financial statements in accordance with a General Purpose Financial Report Framework for Not-for-profit entities. These have been restated to the Public Benefit Entity Simple Format Reporting-Accrual (Not-For-Profit) (PBE SFR-A (NFP)) in the comparative figures. The transition to Public Benefit Entity Simple Format Reporting-Accrual (Not-For-Profit) (PBE SFR-A (NFP)) has had no effect on the Statement of Financial Position and / or the Statement of Financial Performance.



Notes to the Performance Report

The Presbyterian Development Society of New Zealand Incorporated

For the year ended 30 June 2016

	2016	2015
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Donations and Bequests	5,100	13,477
Total Donations, fundraising and other similar revenue	5,100	13,477
Revenue from providing goods or services		
Rental Income	238,619	173,592
Total Revenue from providing goods or services	238,619	173,592
Interest, dividends and other investment revenue		
Interest Income	41,226	804,217
Dividends Received	64,822	-
Other Investments	193,953	74,221
Total Interest, dividends and other investment revenue	300,001	878,438
Other revenue		
Bad Debts Recovered	15,000	-
Other Income	-	275
Total Other revenue	15,000	275
	2016	2015

2. Analysis of Expenses

Volunteer and employee related costs		
ACC Levies	846	1,017
Board Expenses	3,270	9,444
Contract Work	5,924	-
Staff Expenses	2,221	-
Wages & Salaries	20,000	289,161
Travel Expenses	104	3,534
Total Volunteer and employee related costs	32,363	303,156
Costs related to providing goods or services		
Administration Cost	14,149	85,355
Advertising	254	11,601
Insurance	20,946	30,077
Interest Expenses	292	602,428
Owned Building Expenses	85,207	35,985
Property Valuation Cost	1,787	2,055
Prior Periods Adjustment	643	-
Total Costs related to providing goods or services	123,278	767,500


Grants and donations made

Grants Paid	137,077	160,847
Total Grants and donations made	137,077	160,847

Other expenses

Accountancy Fees	2,547	-
Audit Fee	12,625	20,805
Bad Debts Written Off	-	69,717
Depreciation	25,269	7,666
Impairment	-	17,195
Legal Fees	-	16,660
Total Other expenses	40,441	132,042

2016 2015

3. Analysis of Assets
Bank accounts and cash

Bank Accounts and Cash	306,503	93,437
Money Market and Call Deposits	264,412	357,507
Total Bank accounts and cash	570,915	450,945

Debtors and prepayments

Accounts Receivable	96,147	27,025
Interest Accrued	103	-
Total Debtors and prepayments	96,249	27,025

Other current assets

Short Term Loans	-	75,177
Total Other current assets	-	75,177

Investments

JB Were - Term Deposits Over 6 Months	841,000	750,000
Shares in BSDS (Non-redeemable)	1,300,000	1,300,000
Total Investments	2,141,000	2,050,000

2016 2015

4. Analysis of Liabilities
Creditors and accrued expenses

Accounts Payable	9,430	15,607
Accruals	9,000	16,780
Goods & Services Tax	1,979	(4,191)
Resident Withholding Tax Payable	(7)	(164)
Total Creditors and accrued expenses	20,402	28,032


Other current liabilities

Investors Deposits	36,625	70,165
Total Other current liabilities	36,625	70,165

2016 2015

5. Property, Plant and Equipment
Land

Land at cost	2,613,725	2,613,725
Total Land	2,613,725	2,613,725

Buildings

Buildings at cost	1,250,396	1,250,396
Accumulated depreciation - buildings	(50,016)	-
Total Buildings	1,200,380	1,250,396

Plant and Equipment

Plant and machinery owned	4,642	-
Accumulated depreciation - plant and machinery owned	(261)	-
Total Plant and Equipment	4,381	-

Total Property, Plant and Equipment	3,818,486	3,864,121
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Significant Donated Assets Recorded

No assets have been donated to the Society.

Significant Donated Assets - Not Recorded

There are no un-recorded donated assets.

2016 2015

6. Accumulated Funds
Accumulated Funds

Opening Balance	6,369,071	6,546,914
Accumulated surpluses or (deficits)	200,552	(297,764)

Reserves

Revaluation Reserves	-	119,922
Total Reserves	-	119,922

Total Accumulated Funds	6,569,623	6,369,071
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7. Commitments

The Society is committed to provide \$75,000 to KCML for the training of minister interns. (Last year - nil).



8. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 30 June 2016 (Last year - nil).

9. Significant Grants and Donations with Conditions not Recorded as a Liability

There are no grants or donations with conditions attached.

10. Goods or Services Provided to the Entity in Kind

No goods or services have been provided to the society in kind.

11. Assets Held on Behalf of Others

No assets are held on behalf of others.

12. Related Parties

In the current year, a payment of \$20,000 was paid to key management personnel.

13. Events After the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report (Last year - nil).

14. Ability to Continue Operating

The entity will continue to operate for the foreseeable future.

15. Adjustments to Comparative Year Financial Statements

(a) In the 2015 annual report the Society recorded the land and buildings at 111 Great South Road as an investment property and revalued it by reducing the value to its market value on balance date. On initial application of PBE Tier 3 reporting, this asset has been restated as Property, Plant and Equipment at its historical cost in the 2015 year.

	2016	2015
Impact on Statement of Financial Performance		
Increase in fair value adjustment on investment property	-	464,121
Net impact on net deficit	-	464,121
	2016	2015
Impact on Net Assets/Equity		
Increase in net deficit	-	464,121
Impact on net assets/equity	-	464,121



2016 2015

Impact on Financial Position

Increase in property, plant and equipment	-	3,864,121
Decrease in investment property	-	(3,400,000)
Total impact on assets	-	464,121

(b) The Society revalued its investments in 2015 by increasing the value of the assets to their fair value and the revaluation gain was recognised in surplus in the statement of comprehensive income. The adjustment has restated the revaluation gain in 2015 from surplus to revaluation reserves. This did not impact net assets in 2015.



Audit Report

The Presbyterian Development Society of New Zealand Incorporated For the year ended 30 June 2016

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