

A Word from Paul

Protecting your investments



2007 proved a challenging year for financial institutions. Interest rates continued to rise. There was the international credit crisis following the sub-prime housing mortgage problems in the United States. And then in New Zealand, a number of finance companies got into difficulties. It was a situation that had not been experienced for many years. In response, the Government introduced new requirements to improve the transparency and

operation of financial institutions. Finance companies tightened up their practices, with many not now allowing depositors to break their term investments.

Faced with these challenges, the PSDS, while not a finance company, but as a prudent and responsible fund manager, also reviewed its practices. We want to ensure that we continue to operate in a way that is fair to individual depositors while at the same time protecting the overall interests of all our depositors.

The PSDS remains in a sound financial position with a good level of reserves. It has maintained a high level of liquidity over recent months, and has continued to enjoy a high level of reinvestment and significant investment of new funds.

PSDS has always tried to have a reasonably flexible approach to the breaking of term deposits, and unlike other financial institutions, has not charged a penalty when deposits are broken. We will generally continue to allow access to funds prior to maturity, without penalty, where the depositor has a specific need for the funds. When the term is broken the interest rate may be adjusted to reflect the time that the withdrawn funds have actually been deposited. If contacting us to request a break in a term deposit, please do not be embarrassed when we ask what the funds are required for and please give us a few days notice to help us accommodate your request.

We appreciate the continued support of you, our investors, through the challenges of the past year, and thank you for this. We look forward to continuing to be of service to you in the year ahead as together we serve the church in its work and ministry.

Our giving back in the last 6 months included:

18 parishes benefited from grants towards the purchase of church equipment and/or establishment of new mission initiatives.

3 ministers received grants towards study leave and continuing ministry formation courses

The Kids Friendly initiative received \$25,000

Investment Notice

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

The Directors of the Society want you to know that the need for you to have the following statement does not arise from any situation or change in PSDS. We continue to deal prudently with your funds as we have since our founding in 1970. The statement arises from a requirement in a change in Government legislation, notably an amendment to the Securities Act 1978. If you have any questions or concerns don't hesitate to contact us.

NOTICE

Prospective investors are advised that PSDS, in making this offer of securities, is not subject to the normal requirements to have a registered prospectus and an investment statement under the Securities Act 1978. This is because the Securities Commission has granted a general exemption from those requirements to all charitable organisations. The Securities Commission has not examined or approved this particular offer. Accordingly, the risks associated with this investment may not be as fully disclosed in this document as they would be in an investment statement and registered prospectus. The Securities Commission granted the general exemption on the basis that prospective investors in charitable organisations are not necessarily seeking a commercial return, but instead wish to support the religious purposes of the charitable organisation. The particular religious purposes of PSDS are discussed in this document. If the return sought is important to you, you should consider seeking investment advice.

What sort of investment is this? The securities offered by PSDS are interest-bearing and zero-interest deposits for fixed terms of 6, 12 or 24 months or such other periods as negotiated with PSDS, or on call.

What returns will I get? Deposits pay fixed interest, or no interest, at the depositor's discretion. Interest rates offered are set from time to time and are available from PSDS. Interest rates offered are subject to change without notice. Interest is paid by PSDS less withholding tax at 31 March and 30 September each year and on maturity, and can be either added to the principal or paid by cheque or direct credit to the depositor's specified bank account. A Statement of Investment is issued at 31 March and 30 September each year, together with a certificate for tax purposes on 31 March. PSDS is legally liable to pay your returns. The returns payable to you will depend on the terms of your deposit.

What are my risks? Along with similar deposits with many other financial institutions and banks, deposits are not secured. The principal risk to depositors is the failure of investments held by PSDS. However, PSDS has always been carefully and conservatively managed by Christian professionals. In the unlikely event of such a failure, depositors will not be required to pay any additional monies to any person. Depositors would rank equally with all other unsecured creditors after certain statutory claims including Inland Revenue for taxes collected but unpaid and certain salary and wages payments. The Presbyterian Church of Aotearoa New Zealand does not guarantee any deposits placed with PSDS.

What is the Religious Purpose for which my deposit will be used? Your deposit will help essential Church work by way of lower-cost loans and grants to parishes associated with the Presbyterian Church of Aotearoa New Zealand.

What are the terms and conditions of the offer? Deposits are made to PSDS at its address either by post, direct bank transfer or in person. The minimum deposit is \$10; there is no maximum. Deposits may be made for 6, 12 or 24 month terms, or left on call at the prevailing interest rates. Terms of other than 6, 12 or 24 months may be available upon negotiation. Deposits may be rolled over on maturity. You will be given the option near the end of the term of your deposit. Deposits may be added to either by automatic bank transfer or by cheque or cash. Additional deposits will pay interest at the interest rate prevailing when the additional deposit is made and for the balance of the term of the original deposit. Deposits can be made on official PSDS deposit slips or coupons. Full or partial withdrawal of a deposit prior to its maturity date is subject to PSDS agreeing to it. If agreed to by PSDS no penalty is imposed but there may be an adjustment to the interest rate to reflect the actual term of the deposit. For queries please contact PSDS at Level 2, 17 Great South Road, Newmarket or P.O. Box 26-210, Epsom or ph. 09 520 4743, fax 09 520 4245.

Are financial statements available? Audited financial statements are published in the "White Book" of the Presbyterian Church of Aotearoa New Zealand. Investors or potential investors may request a copy of the most recently audited financial statements of PSDS at any time. PSDS will send, or cause to be sent, without fee, a copy of their most recently audited financial statements within 5 working days of your request.

PSDS news

Presbyterian Savings & Development Society of NZ Incorporated

Issue Number 45, February 2008

St Pauls Katikati - A Day to Remember

Sunday, September 30th 2007 was a watershed day in the lives of the people of St Paul's Presbyterian Church at Katikati in the Bay of Plenty.

Four and a half years of prayer, preparing a vision for the future, planning, countless fundraising events, working bees, committee and business meetings brought into being a great day of celebrating the goodness of God as a new worship and community centre was opened.

Some two hundred and fifty members and adherents crammed into the old church building where services had been held for one hundred years. There was standing room only with limited seating available. Children and young people sat on the stage with elders gathered in one corner.

Rev Martin Macaulay opened the service recalling the precious memories of many associated with the old building. After the singing of a hymn, a former session clerk and elder lifted the cross off the wall and led a procession out of the church and through the car park to the doors of the new church.

With a large crowd clustered around, the minister knocked on the door of the new church which was then opened by Graeme Wallis, the hard working chairman of the building committee. As people entered, they were prayed for by

name by the elders and then invited to place a flower on a cross in the foyer. To the singing of "Here I am to worship" the cross, the pulpit bible and symbols of the communion table were carried into the new church by two long standing members and a child of a church family. Martin Macaulay led a service of worship and celebration ending with communion.



The new church kitchen proved its worth as a sumptuous lunch was prepared and enjoyed by all

St Pauls extends its grateful thanks to PSDS for providing some of the financial support that enabled this new facility to be opened and celebrated.

The congregation are mindful that the opening of the new church was not an end in itself; it simply provides better resources to get on with the main task of reaching and serving the people of Katikati with the gospel of Jesus Christ.

Contributed by Allan Knight



A Competitive Investment Offer

8.5%

Interest per annum

For a term of 6 months

For additional funds from new or existing depositors.

Earn interest and help the Church at the same time.

Complete the coupon inside and send with your deposit today.

Interest Rates subject to change

Offer available to 15 March 2008

Investing in Ministry and Leadership

Parishes participating in the new Internship scheme for ministry formation and leadership development will receive significant funding support from PSDS in 2008.

More money available for grants

Our policy of careful management of operating costs and prudent investment of funds has resulted in the Society being in a healthy position with increased reserves. This together with gifts and bequests given by our investors has allowed us to increase the amount we give back to the church in the form of grants.

We recognise that it is a quite a challenge financially for a parish to host an Intern for two years and we hope that by providing some financial support during that time we will encourage more parishes to consider participating in the future.

Each year we re-assess our financial situation in regard to the level of funds we are able to provide in grants and it is our intention to support ministry internships as funds allow.

From the Knox Centre for Ministry and Leadership (previously known as the School of Ministry), Principal Graham Redding says the news of PSDS support is very welcome and he is delighted with PSDS commitment to leadership development and ministry formation.

Greyfriars Mt Eden, first parish to benefit

One of the parishes participating in the internship scheme is Greyfriars Mt Eden who are hosting Rev Junghun Choi. Jung, a locally ordained minister, is helping develop a multicultural congregation that is fully integrated within Greyfriars whilst he completes the two year Internship. Jung is married to Eun Young Kim and they have two children, Ginho and Rina.



We at PSDS wish Jung, his family and congregation at Greyfriars every blessing as they seek to serve God in their community.

Our Investors make this possible

PSDS is grateful for the privilege of being able to provide financial support to parishes willing to host Interns. We know it is providing essential funding for the long term growth and development of the church. However, this is only possible because of the faithful people who choose to invest their money with us.

If you do have some funds available why not consider our special offer on the front page.

How about this.....



PSDS is a core funder of Kids Friendly which is an initiative of the Presbyterian Church of New Zealand that aims to encourage, resource and train churches to effectively minister to children and families in their communities.

Jill Kayser, Kids Friendly Coach recently sent us this little gem of information:

"I received three emails this week that made me very excited. All were from people I have met on my Kids Friendly travels - one from Palmerston North, another from Dunedin and the other from the UK (Child Friendly Churches) - all asking me to please assist them with their impending move to Auckland with specific advice on where they should live so they can be in a good school zone and close to a Kids Friendly Church."



"When we piloted Kids Friendly in Auckland during 2005 and 2006, part of our brief was to develop a Kids Friendly "brand" and logo that would differentiate and promote our churches that intentionally invest in and minister to children and families. Our Kids Friendly vision is for the Presbyterian Church to be renowned for the way it ministers to children and families in its community and for the way it values and trains the people who work with children."

"Kids Friendly is about to enter its third year of being a national initiative. There are now 27 "branded" Kids Friendly churches, 35 churches reviewing their practices and working to become Kids Friendly and 88 network members. Feedback I receive about children's ministry leaders feeling valued, supported and better resourced are always encouraging, but requests from families asking where they can find a Kids Friendly Church in their new city (because of personal experience in their existing home) is a dream coming to fruition!"

For more information on Kids Friendly contact kidsfriendlyjill@stheliarschurch.org.nz

Check our website, www.psd.co.nz
Phone (09) 520 4743.
Email to enquiry@psd.co.nz

Presbyterian Savings & Development Society



Need more information?

- On Investing - Call accounts, Regular Savings, Term Deposits, Interest Rates
- On Church Borrowing - Criteria, Interest Rates, Terms, Repayments
- On Church Grants - Criteria, Study Leave, New Ministries and equipment

Did You Know.... That we have a new website, www.psd.co.nz. This will make it easier for you to check our latest interest rates for term deposits, information on church loans, new accounts, grants and much more.

Did You Know.... That we moved premises last July. For those of you that like to pay us a personal visit however it's not far, just next door on the second floor at 17 Great South Rd Newmarket. If you find stairs difficult we have a lift at the back of the building. Just walk down the left hand side of the building; look right and you will see the lift in the back car parking area.

Making deposits easier

If you want to open a new account but don't use a cheque book we are happy for you to make a direct deposit into our bank account. However, please make contact with us first by phone, fax or email so that we can make the necessary arrangements. Thanks very much!

Loans advanced during the past 6 months include:

For alterations, improvements, renovations or further development of premises - St Giles Te Atatu, Massey/Riverhead Presbyterian Church, Knox, St Columba Lower Hutt, PIPC Porirua, and the Christian Community Church Palmerston Nth.

For new accommodation block - Auckland Presbyterian Campsites, Hunua

For retirement housing - Auckland Presbyterian Hospital Trustees, St Andrews Village Meadowbank

Announcing.....

Good News for our Presbyterian Borrowers.

A one off "goodwill grant" is to be paid to Presbyterian churches and related organisations that had loans with us in 2007. This decision has been taken for two reasons:-

- *We recognise that whilst we already offer less than market rates for borrowing, increasing interest rates in the last few years have put pressure on many church finances.*
- *We are mindful of our commitment to give back to our church and those that support us and want to recognise this in a tangible way.*

The total grant will amount to \$50,000 and will be shared across 28 Churches and organisations.

It gives us much joy to be able to give back like this and we would like to acknowledge our depositors without whom gestures like this would not be possible. Please pray that God would continue to give us wisdom as we seek to invest and use our investors money wisely.

Deposit Form For Term Investment

Presbyterian Savings & Development Society (Inc)
P O Box 26 210, Epsom, Auckland 1344

Yes, please, I'd like to help the Church and myself by placing some of my savings with PSDS.

Full Name (Rev/Mr/Mrs/Miss/Ms) _____

Address _____

Parish _____

A/c number (if applicable) _____

Day Phone _____

Email _____

Please invest \$ _____

at **8.5%** p.a. for 6 months (cheque included) or

To make a direct credit to our account please first contact us by phone or email.

I would like my interest to be: Compounded Credited to my bank account

My Bank Account Number: _____

My IRD Number: _____

Tax Rate 19.5%

33%

39%

Signature _____

Date _____

PSDS A great way to save and help our church at the same time!