



**Scripture Union in New Zealand  
Incorporated**

**Financial Statements**

**For year ended 31 March 2009**

Natex/signing version  
28 July 2009



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**SCRIPTURE UNION IN NEW ZEALAND INCORPORATED**

**Statement of Financial Performance**

For the year ended 31 March 2009

	Note	2009 NZD	2008* NZD
<b>INCOME</b>			
<b>SU Direct Trading</b>			
Sales		161,346	160,451
Cost of Goods Sold		(96,048)	(80,541)
Gross Profit from Trading		65,297	79,910
<b>Other Income</b>			
Regional & National Personal Support		717,053	706,315
Donations		504,390	516,206
Camp Fees		165,558	183,444
Other		119,182	86,003
Finance income - Interest	2	76,937	59,726
Legacies		15,191	51,489
Rental Income		29,340	31,716
Gain/(Loss) on Sale of Property		(900)	16,424
Grant Earned		12,895	3,500
<b>Total income</b>		<b>1,704,943</b>	<b>1,734,737</b>
<b>Expenses</b>			
Employee Benefit Expenses	3	988,632	948,325
Other expenses	6	150,179	171,788
Camps - other		165,114	168,659
Car Travel and Other		86,004	84,663
Marketing and Fundraising		101,457	114,020
Depreciation	4	54,188	53,972
Office Administration costs		36,127	41,367
Property costs and utilities		68,687	74,263
Grants made		28,602	21,730
Finance expenses	5	9,958	10,677
Amortisation	13	1,338	3,411
<b>Total expenses</b>		<b>1,690,286</b>	<b>1,692,875</b>
<b>Net Surplus</b>		<b>14,657</b>	<b>41,862</b>

\* 2008 income and expense items have been reclassified from the prior year.

The net surplus however remains unchanged - see Statement of Accounting Policies - Note 1 s



# SCRIPTURE UNION IN NEW ZEALAND INCORPORATED

## Statement of Financial Position

As at 31 March 2009

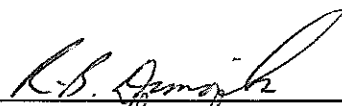

	Note	2009 NZD	2008 NZD
<b>Current assets</b>			
Cash and cash equivalents		618,505	422,599
Inventory - SU Direct	7	22,707	22,000
Trade and other receivables	8	46,961	59,181
<b>Total current assets</b>		<b>688,172</b>	<b>503,780</b>
<b>Current liabilities</b>			
Trade and other payables	9	106,399	113,889
Employee benefits	10	92,519	88,171
Borrowings - Current portion	11	56,000	127,403
<b>Total current liabilities</b>		<b>254,919</b>	<b>329,462</b>
<b>Working capital</b>		<b>433,253</b>	<b>174,319</b>
<b>Non-current assets</b>			
Property, plant and equipment	12	1,399,332	1,439,735
Intangible assets	13	2,753	1,506
Investments	11	483,029	635,000
<b>Total non-current assets</b>		<b>1,885,114</b>	<b>2,076,241</b>
<b>Non-current liabilities</b>			
Employee benefits	10	21,310	18,862
Borrowings - non current portion	11	118,863	58,450
<b>Total non-current liabilities</b>		<b>140,174</b>	<b>77,312</b>
<b>Net assets</b>		<b>2,178,193</b>	<b>2,173,247</b>
<b>Equity</b>	15	<b>2,178,193</b>	<b>2,173,247</b>
<b>Total equity</b>		<b>2,178,193</b>	<b>2,173,247</b>

For and on behalf of Council

Council Member

Council Member

Dated...28 July 2009



<b>SCRIPTURE UNION IN NEW ZEALAND INCORPORATED</b>				
<b>Statement of Changes in Equity</b>				
<b>For the year ended 31 March 2009</b>				
	Note	2009 NZD	2008 NZD	
Balance at beginning of year		2,173,247	1,793,340	
Revaluation increment of property, plant and equipment - for 2008	12		338,047	
Decrease in Team Support carried forward		(9,712)		
Net surplus for the year		14,657	41,862	
<b>Total recognised income/(expense) for the year</b>		<b>4,946</b>	<b>379,909</b>	
<b>Balance at end of year</b>	<b>15</b>	<b>2,178,193</b>	<b>2,173,247</b>	



<b>SCRIPTURE UNION IN NEW ZEALAND INCORPORATED</b>			
<b>Cash Flow Statement</b>			
<b>For the year ended 31 March 2009</b>			
	Note	2009 NZD	2008 NZD
<b>Cash flows from operating activities</b>			
Cash was received from:			
Regional & National Personal Support		707,341	706,779
Donations		504,390	508,891
Receipts from Customers		172,859	149,363
Camp Fees		165,558	181,116
Grants & Legacies		28,086	54,989
Rent		29,340	31,716
Other Income		119,182	95,184
Interest		76,835	52,713
Cash was applied to:			
Payments to employees		(981,835)	(888,243)
Payments to suppliers		(710,901)	(774,838)
Grants		(28,602)	(26,813)
Interest		(2,270)	(2,142)
Net GST		(101)	(3,500)
<b>Net cash flows from operating activities</b>	18	<b>79,881</b>	<b>85,218</b>
<b>Cash flows from investing activities</b>			
Cash was received from:			
Sale of property, plant and equipment		(17,270)	223,107
Cash was applied to:			
Term Investments		151,971	(440,000)
<b>Net cash flows from investing activities</b>		<b>134,701</b>	<b>(216,893)</b>
<b>Cash flows from financing activities</b>			
Cash was received from:			
Cash was applied to:			
Repayment of term loans		(18,678)	(8,649)
<b>Net cash flows from financing activities</b>		<b>(18,678)</b>	<b>(8,649)</b>
<b>Net increase / (decrease) in cash</b>		<b>195,905</b>	<b>(140,324)</b>
Opening cash – 31 March 2008		422,599	562,925
Closing cash – 31 March 2009		618,505	422,599
<b>Net increase / (decrease) in cash</b>		<b>195,905</b>	<b>(140,324)</b>

**SCRIPTURE UNION IN NEW ZEALAND INCORPORATED**  
**Notes to the financial statements**  
**For the year ended 31 March 2009**

**Note 1 Statement of accounting policies**

**Reporting entity**

Scripture Union in New Zealand Incorporated ("Scripture Union NZ") is incorporated and domiciled in New Zealand. It is a charitable organisation, with a National Office in Wellington and Regional Offices in Auckland and Invercargill. It is incorporated under the Incorporated Societies Act 1908 and registered under the Charities Act 2005. It provides services to young people - seeking to shape faith in a young generation by working with students in schools, on adventure based camps and by training leaders.

**National Office:**

Scripture Union in New Zealand Incorporated,  
PO Box 760,  
Wellington

**Reporting entity**

The financial statements include the SU Direct retailing operation as well as the operations of the National and Regional Offices.

**Date of authorisation**

The financial statements are for the year ended 31 March 2009. The financial statements were authorised for issue by the National Executive on 28 July 2009

**Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with New Zealand equivalents to IFRSs (NZ IFRSs) and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The financial statements are presented in New Zealand Dollars (NZD) rounded to the nearest dollar.

The financial statements are prepared on the historical cost basis except that the following assets are stated at their fair value: land and buildings and interest free and low interest borrowings.

**Significant accounting policies**

**a Property, plant and equipment**

**Owned assets**

Land and buildings have been revalued, by class, to fair value. Fair value is determined from market-based evidence by an independent registered valuer. Land and buildings are revalued to fair value with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of the reporting period. Additions between revaluations are recorded at cost.

Except for land and buildings, items of property, plant and equipment are stated at cost, less accumulated depreciation and any impairment losses. The cost of property, plant and equipment is generally the purchase cost, together with any incidental costs of acquisition.

**Depreciation**

Depreciation is calculated so as to write off the cost or revalued amounts of property, plant and equipment, less any assigned residual value, on a straight-line basis over the expected useful economic lives of the assets concerned. Leasehold improvements are depreciated over the period of the lease. Freehold land is not depreciated.

Depreciation is charged at the following rates:

Oxford Terrace - Building	1%
Oxford Terrace - Fit-out costs	10%
Crusader Lodge	Over remaining lease term
Motor Vehicles	16.60%
Furniture & Equipment (including Crusader Lodge)	20%
Marine Fleet	3.6% to 20.0%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

**b Intangible assets**

Computer Software other than operating systems that are part of the computer hardware, are recognised as a fixed life intangible asset and are amortised on a straight line basis over the anticipated useful life of the software - anticipated at 3 to 5 years.

The software is carried at its cost less any accumulated amortisation and any accumulated impairment losses.

**c Term Deposits**

Deposits for a term of up to 90 days are classified as cash and cash equivalents. Deposits for a term longer than 90 days are classified as held to maturity financial assets.

**d Receivables**

Receivables are recognised at the original invoice amount less impairment losses.

**e Inventories**

Inventory held for sale is measured at the lower of cost and net realisable value. Inventory held for distribution at no or nominal consideration is measured at the lower of cost and current replacement cost. If inventories are acquired at no cost, or for nominal consideration, cost is the current replacement cost at the date of acquisition, with a corresponding adjustment to revenue. Cost is determined on a first in, first out basis.

**f Cash and cash equivalents**

Cash and cash equivalents comprise deposits with banks and bank and cash balances, net of bank overdrafts. Deposits are included when they have a maturity of three months or less from the date of acquisition.

**h Impairment of assets**

**Property, plant and equipment and intangibles**

Property, plant and equipment and intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable through use or sale. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses are recognised in the statement of financial performance, unless an asset has previously been re-valued, in which case the impairment loss is recognised as a reversal to the extent of any revaluation reserves, with any excess recognised in the statement of financial performance.

**Receivables**

**Inventories**

When inventories are written down from cost to current replacement cost or net realisable value, the write down is recognised in the statement of financial performance.



## SCRIPTURE UNION IN NEW ZEALAND INCORPORATED

### Notes to the financial statements

For the year ended 31 March 2009

#### i Interest-free and low interest borrowings

Interest free and low interest loans received from others are recorded at fair value on initial recognition. The fair value is estimated as the present value of all future cash payments discounted using the prevailing market rate of interest for similar liabilities at time of initial recognition. Any fair value adjustment is recognised as finance income. They are subsequently measured at amortised cost using the effective interest method.

#### j Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between amounts initially recorded and redemption value being recognised in the statement of financial performance over the period of the borrowings on an effective interest basis.

#### k Employee benefit liabilities

A provision for employee entitlements is recognised for benefits earned by employees but not paid at reporting date. Employee benefits include salaries, wages, annual leave, long-service leave and sick leave.

Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, sick leave and annual leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable after more than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

#### l Payables

Trade and other payables represent liabilities for goods and services provided to Scripture Union NZ and which have not been paid at the end of the financial year. These amounts are usually settled in 30 days. Given their short term nature, the carrying values of trade and other payables are considered a reasonable approximation of their fair values.

#### m Income

##### *Revenue from the sale of goods*

Recognised when the goods are delivered to customers.

##### *Finance income (interest income)*

Interest is recognised in the statement of financial performance as it accrues, using the effective interest method.

##### *Subscriptions*

Subscriber Bible reading income is recognised as income in the year to which it relates.

##### *Revenue from providing other services*

(This includes revenue from Crusader Lodge and Camps.)

Recognised when the service is delivered.

##### *Grants and donations*

Grant and donation income is recognised as income when it becomes receivable unless Scripture Union NZ has a liability to repay the grant if the requirements of the grant or donation are not fulfilled. A liability is recognised to the extent that such conditions are unfulfilled at the end of the reporting period.

##### *Bequests*

Bequests are recognised in the statement of financial performance when probate of the will has been granted, receipt of the bequest is probable and the amount of the bequest can be measured reliably.

##### *Volunteer services*

Volunteer services are not recognised in the financial statements because they cannot be reliably measured.

#### n Lease payments

Payments made under operating leases are recognised in the statement of financial performance on a straight-line basis over the term of the lease.

#### o Finance expenses

Interest payable on borrowings is recognised on the accrual basis and calculated using the effective interest rate method.

#### p Income tax

Scripture Union NZ is wholly exempt from New Zealand income tax and gift duty having fully complied with all statutory conditions for these exemptions.

#### q Goods and services tax

The statement of financial performance has been prepared so that all components are stated exclusive of GST. All items in the statement of financial position are stated net of GST, with the exception of receivables and payables, which are stated inclusive of GST.

#### r Cash Flow Statement

The cash flow statement is prepared exclusive of GST, which is consistent with the method used in the statement of financial performance.

All of the figures in the cashflow statement are gross - there has been no netting off of payments and receipts.

The following are the definitions of the terms used in the cash flow statement:

(a) Operating activities include all transactions and other events that are not investing or financing activities.

(b) Investing activities are those activities relating to the acquisition, holding and disposal of property, plant and equipment and of investments. Investments can include securities not falling within the definition of cash.

(c) Financing activities are those activities that result in changes in the size and composition of the capital structure. This includes both equity and debt not falling within the definition of cash.

(d) For the purposes of the cash flow statement, cash and cash equivalents comprise deposits with banks and bank and cash balances, net of bank overdrafts. Deposits are included when they have a maturity of no more than three months from date of acquisition.

The accounting policies set out above have been applied consistently to all periods presented in these financial statements.

#### s Change in Accounting Policies

A new methodology was used in allocating income items and expense items to each of the income and expense categories in 2008/9. The reason for doing so was to allow a more accurate representation of income and expenses within each income/expense category. The 2007/8 figures have been restated (prepared on the same basis) so as to aid comparability.



**SCRIPTURE UNION IN NEW ZEALAND INCORPORATED**  
**Notes to the financial statements**  
**For the year ended 31 March 2009**

**Note 2 Finance income**

	2009	2008
Interest income	69,260	58,078
Dividend income	-	-
Fair value adjustment on interest free borrowings	7,677	1,649
<b>Finance income</b>	<b>76,937</b>	<b>59,726</b>

**Note 3 Employee benefit expenses**

	2009	2008
Wages and salaries	985,131	941,773
Provision for Long Service Leave	3,501	6,552
<b>Total</b>	<b>988,632</b>	<b>948,325</b>

**Note 4 Depreciation and amortisation expense**

	2009	2008
<b>Depreciation</b>		
Freehold buildings	4,516	5,431
Leasehold improvements	10,844	7,970
Motor vehicles	3,190	6,688
Office equipment & furniture	24,507	23,280
Marine Fleet	11,132	10,603
<b>Total depreciation</b>	<b>54,188</b>	<b>53,972</b>
<b>Amortisation</b>		
Amortisation of intangible asset	1,338	3,411
<b>Total amortisation expense</b>	<b>1,338</b>	<b>3,411</b>
<b>Total depreciation and amortisation expense</b>	<b>55,526</b>	<b>57,383</b>

**Note 5 Finance expenses**

	2009	2008
Increase in interest free loan due to the passage of time	7,688	8,535
Interest on term loans	2,270	2,142
<b>Finance expenses</b>	<b>9,958</b>	<b>10,677</b>

**Note 6 Other expenses**

	2009	2008
Operating expenses include the following:		
Audit fees (for the audit of the financial statements)	16,500	13,500
Fees paid to auditors for other services - IFRS transition support	-	7,000

**Note 7 Inventories**

	2009	2008
SU Direct finished goods	22,707	22,000

**Note 8 Trade and other receivables**

	2009	2008
Trade and other debtors	25,129	27,580
Provision for impaired debtor accounts	(6,692)	(6,693)
GST receivable	6,729	6,100
Interest Accrued	10,366	10,284
Prepayments	7,941	7,390
Other	3,468	14,520
<b>Total</b>	<b>46,961</b>	<b>59,181</b>

**Note 9 Trade and other payables**

	2009	2008
Trade payables	67,591	91,772
Subscriptions in Advance	18,808	22,117
<b>Total</b>	<b>106,399</b>	<b>113,889</b>

**Note 10 Employee benefits**

	2009	2008
<b>Current Liability:-</b>		
Salaries Accrued	28,863	22,927
Annual Leave Accrued	54,679	57,161
Long Service Leave Provision - Current Portion	9,133	8,083
PAYE Tax Accrued	(155)	-
<b>Total</b>	<b>92,519</b>	<b>88,171</b>
<b>Non-Current Liability:-</b>		
Long Service Leave Provision - Non-Current Portion	21,310	18,862



**SCRIPTURE UNION IN NEW ZEALAND INCORPORATED**  
**Notes to the financial statements**  
**For the year ended 31 March 2009**

**Note 11 Financial assets and financial liabilities**

Scripture Union NZ has classified its financial assets and liabilities as follows:

*Loans and receivables*

Trade debtors and other receivables (see note 8)

*Available-for-sale financial assets*

Nil

*Financial liabilities measured at amortised cost*

Borrowings (see below)

<b>Borrowings</b>	<b>Int Rate</b>	<b>2009</b>	<b>2008</b>	
<b>Current</b>				
Deposit Fund - unsecured	0% - 5%	44,000	115,403	
Chaplaincy Foundation Fund - unsecured	0% - 5%	12,000	12,000	
<b>Total current borrowings</b>		<b>56,000</b>	<b>127,403</b>	
<b>Non-current</b>				
Deposit Fund - unsecured	0% - 5%	118,863	58,450	
<b>Total non-current borrowings</b>		<b>118,863</b>	<b>58,450</b>	
Non-current borrowings fall due as follows:				
At face value of loan		2010	2011	2012
		6,000	94,000	30,403
( the difference between the face value of these loans and the carrying value in the Balance Sheet is the IFRS adjustment)				
		2009	2008	
Bank Term Deposits held to maturity	4.0%-7.0%	483,029	635,000	

**Note 12 Property, plant and equipment**

	<b>Cost/Revaluation</b>	<b>Current year depreciation</b>	<b>Accumulated depreciation</b>	<b>Carrying amount</b>
<b>2009</b>				
Freehold land (at valuation)	508,400	-	-	508,400
Freehold buildings (at valuation)	334,180	4,516	4,516	329,664
Leasehold improvements	434,739	10,844	19,489	415,250
Motor vehicles	39,976	3,190	34,830	5,146
Office equipment	262,974	24,507	220,181	42,793
Marine Fleet	130,252	11,132	32,174	98,078
	<b>1,710,521</b>	<b>54,189</b>	<b>311,190</b>	<b>1,399,332</b>
<b>2008</b>				
Freehold land (at valuation)	508,400	-	-	508,400
Freehold buildings (at valuation)	334,180	5,430	-	334,180
Leasehold improvements	434,739	7,970	8,645	426,095
Motor vehicles	48,865	6,688	36,129	12,736
Office equipment	244,790	23,280	195,674	49,116
Marine Fleet	130,252	10,604	21,043	109,210
	<b>1,701,226</b>	<b>53,972</b>	<b>261,490</b>	<b>1,439,735</b>

Land and buildings at Oxford Terrace and Crusader Lodge were valued by an independent valuer as at 31 March 2008. The valuations were conducted by Abbott Kavanagh Rolfe Registered Valuers. (NZIV)  
The final valuation is a simple average of two valuation methodologies - the traditional investment yield approach and discounted cashflow approach.

(a) Investment Yield Approach

A current market rental (net of costs) is assessed for each individual tenancy on an arms length basis and divided by a capitalisation rate to give a capital value for the property.  
The assumed capitalisation rate using prevailing market data is 7.5%

(b) Discounted Cashflow Approach

Similar to the Investment Yield approach but rentals are calculated over a 10 year discounting period and then discounted at a prevailing market rate of 7.5%. Rental levels and operating expenses have been escalated over the 10 year period. A terminal capitalisation rate of 8.5% and selling expenses of 3% have been applied.

**Note 13 Intangible assets**

	<b>2009</b>	<b>2008</b>
Software (at cost)	19,579	16,994
Accumulated amortisation	16,826	15,488
Carrying amount	2,753	1,506
Amortisation for the year	1,338	3,411

