

2025

# ANNUAL REPORT



The Presbyterian Church  
**Property Trustees**

*Building up the Presbyterian Church for God's Mission*

THE PRESBYTERIAN  
CHURCH PROPERTY  
TRUSTEES

## Contents

DIRECTORY .....	2
GLOSSARY .....	3
2024-2025 : BY THE NUMBERS .....	4
CHAIRPERSON'S REPORT .....	5
AUDIT AND RISK COMMITTEE .....	8
FARMS COMMITTEE .....	10
INVESTMENT COMMITTEE.....	16
PRESBYTERIAN BENEFICIARY FUND TRUSTEE LIMITED.....	22
PRESBYTERIAN BUREAU SERVICES TRUST .....	26
PRESBYTERIAN CHURCH INSURANCE COLLECTIVE STATISTICS .....	28
PRIVATE TRUSTS COMMITTEE .....	29
PRIVATE TRUSTS DISTRIBUTIONS AND BEQUESTS.....	32
PROPERTY COMMITTEE .....	34
LIST OF FINANCIAL STATEMENTS .....	39

*Cover picture: Te Awamutu Presbyterian Centre*

# DIRECTORY

## Trustees

Andrew Souness (Chair)

Brian Dangerfield (Deputy Chair)

Roger Gyles

Ron Mills

Margaret Galt

John Harvey

Paul Barber

Alan Jamieson

Winston Timaloa

Helen Carter

Marie Burgess

Lyn Murray

Rose Luxford

## Committees

Executive, Council of Assembly Associate, Property, Farms, Audit & Risk, PBST (Chair)

Executive, Audit & Risk (Convenor), Investment (Convenor), PIFLL

Executive, Investment, PBFTL, Farms (Convenor), PBST, PIFLL

Property (Convenor), Executive, Private Trusts, Audit & Risk

Executive, PBFTL (Chair), Property

Farms

Investment, Private Trusts (Convenor)

Investment, PBFTL

Private Trusts (returned from leave of absence January 2025)

Property, PBST, Private Trusts

Private Trusts, Farms, PBST (until November 2024)

Farms (until November 2024)

(on leave of absence since September 2023)

## Representatives

Colin Marshall

Council of Assembly

Wayne Matheson

Assembly Executive Secretary

Lyn Murray

Synod of Otago and Southland (until November 2024)

John Daniel

Synod of Otago and Southland (from April 2025)

## Specialist Associates

Ruth Rainey

Farms

Doug Crombie

Farms

Robert Ervine

Farms

Jim Spall

Farms

Hao Hoang

Property

Tim Griffith

Property

Warren Potter

Investment, PBFTL (Licensed Independent Trustee), PIFLL

Enosa Auva'a

Private Trusts

## Staff

Russell Garrett

Executive Officer, PBFTL, PIFLL

John White

Property and Administration Manager

Tracy Setters	Office Manager
Robyn Taylor	Accountant

<b>Service Providers and Advisors</b>	<b>Role</b>	<b>Area</b>
Apex Group (formerly Trustees Executors)	Custody and Accounting	Presbyterian Investment Fund
Booster	Administration	Presbyterian Investment Fund
Mercer	Fund Manager and Consultant	Presbyterian Investment Fund Presbyterian Beneficiary Fund
Harbour Asset Management	Fund Manager	Presbyterian Investment Fund
Melville Jessup Weaver	Administration	Presbyterian Beneficiary Fund
Gregg Dell	Advisor	Presbyterian Beneficiary Fund
James Carter	Operations Manager	McNutt Trust (Glen Innis)
Stephanie Carter	Holiday Houses Manager	McNutt Trust (Glen Innis)
Keith and Jo Dennis	Sharemilkers	CA Clark Trust (Flaxburn)
Findex (Michelle Turfrey)	Accountant	McNutt Trust (Glen Innis)
Sidekick Lawson Avery (Brett Wooffindin)	Accountant	CA Clark Trust (Flaxburn)
BakerAg (Ed Harrison)	Adviser	McNutt Trust (Glen Innis)
Aidan Bichan	Adviser	CA Clark Trust (Flaxburn)
Gallagher	Broker	Insurance
Roger Fulford	Advisor	Insurance
Succeed Legal (Lloyd Davies)	Legal Advisor	Farms
DLA Piper	Legal Advisor	General
Ernst & Young	Auditor Reviewer	Presbyterian Investment Fund PCPT Operational Accounts
Crowe	Reviewer	CA Clark Trust (Flaxburn)
BDO	Auditor	McNutt Trust (Glen Innis)

## GLOSSARY

IAG	Insurance Advisory Group
PBFTL	Presbyterian Beneficiary Fund Trustee Limited
PBST	Presbyterian Bureau Services Trust
PCIC	Presbyterian Church Insurance Collective
PCPT	The Presbyterian Church Property Trustees
PIF	Presbyterian Investment Fund
PIFLL	Presbyterian Investment Fund Lending Limited

## 2024-2025 : BY THE NUMBERS

### Trustees

- 11 Trustees, and 8 Specialist Associates
- 49 Trustee and Committee meetings (57 meetings last year)
- 111 Polls (decisions between meetings) (130 polls last year)

### Property

- 859 buildings on 626 properties held on behalf of 234 congregations
- 53 property applications processed totalling \$50,205,477 (66 last year for \$56,145,654)
- 13 major building projects under development totalling \$41,179,910 (7 for \$31,713,720).
- \$403,119 collected for the Mission Enterprise Fund (\$439,411 in 2024)

### Insurance

- 315 parishes covered for assets totalling \$1,610,844,273 (325 parishes \$1,484,168,725)
- 45 claims totalling \$484,191 in the year to 31 July 2025 (44 claims last year for \$407,562)
- \$4,000,397 in property and liability insurance premiums and levies paid (\$4,303,445 last year)

### Presbyterian Investment Fund

- \$203,509,689 of investment assets (\$196,812,072 last year)
- \$8,369,365 paid in interest with capital gains of \$2,203,632 (\$8,550,933 interest paid last year and capital gains of \$2,978,986)
- \$53,403,486 invested in the Long-Term Fund (\$49,422,738)
- congregation/trust loans advanced totalling \$8,975,015 (5 loans totalling \$6,237,837)

### Private Trusts

- 12 Estate distributions totalling \$265,038 (9 for \$138,726 last year)
- 54 Trust distributions totalling \$322,521 (40 for \$286,059)
- 5 new Burnett Loans totalling \$47,554 (5 for \$39,700)

### Presbyterian Beneficiary Fund

- \$49,919,067 held on behalf of 442 Ministers and partners (\$48,811,500 for 467 members)
- Contributions of \$1,067,124 received for 192 members (\$1,035,167 for 185 members)
- \$3,718,972 in benefits withdrawn by members (\$3,756,733 last year)
- A return of +8.2% after tax and fees on the Balanced Fund (+8.9% last year)

### Farms

- \$222,000 paid to the PCANZ from the Christina A. Clark Estate Trust (Flaxburn dairy farm) (\$202,000 last year)
- \$103,000 spent on the Holiday Homes at Glen Innis Station (\$76,895 last year)
- 122 guests staying 747 nights at the Holiday Homes (141 guests for 846 nights)
- \$10,000 given to the children of New Zealand from the McNutt Trust (\$10,000 last year)

# CHAIRPERSON'S REPORT

## Introduction

The Annual Report outlines for the Church the many ways in which the Trustees undertake their mission, "Building up the Presbyterian Church for God's mission." The attached Committee reports give details of each Committee's work.

## What did we achieve over the last year?

One of the privileges of the Chair is the opportunity to read the reports from each Committee before anyone else sees them, so as to compile the Chair's report. In line with our new goal setting process, each Committee has set out what it has achieved this year. It is evident that it has been another busy year. It is only in stepping back did I realise just how much we achieved this year.

I would like to highlight just some of those achievements, including:

- A further evolution of our strategy and goal setting process. This has evolved to better facilitate year end reporting in accordance with the new Not For Profit reporting standards.
- The completion of several stakeholder surveys. The Trustees are continuing to find new ways to build up the church.
- The Fit for Purpose Property report has continued with support and engagement from presbyteries.
- We updated the Earthquake Policy, issued a new version of the Property Handbook, and Implemented a new express approval process for Mission Enterprise Fund.
- Increased loans to congregations (and a trust) from the PIF to \$9.0m.
- The PIF provided good returns to long-term account holders.
- PIF reserves were replenished from 3.6% of balances in 2024 to 4.8% in 2025.
- The McNutt Trust took possession of the Kokomoko property on 1 July 2024. The Trust operates this property in conjunction with Glen Innes station, and the synergies are beginning to show benefits.
- The Christina Clarke Estate Trust (Flaxburn Dairy Farm) renewed its sharemilking agreement with Keith and Jo Dennis for another 3 years. The Trust has enjoyed a successful and lengthy relationship with Keith and Jo. \$222,000 was distributed to the PCANZ from the Trust.
- Use of the Presbyterian Church Property Amendment Act 1996 to bring schemes to General Assembly to vary the terms of two frustrated trusts: the James Drummond Trust and the Thornton Blair International Travelling Scholarship Fund.
- Introducing interest-free ministers' loans via the Olive Burnett Minister's Loan Fund.
- Two trusts from within the Church's ecosystem were brought under the Trustees' administration.
- A reduction in the cost of the Collective's insurance for the year to 31 July 2025 of \$300,000.
- Increased engagement from congregations in the 2025-26 insurance renewal process. This was evident from the number of congregations joining Zoom calls, engaging with the broker and obtaining valuations for their properties.
- The Beneficiary Fund's investment options generated good returns with the Growth Fund returning 8.9% for the year.

## Lowlights of the Year

We need to balance these highlights with the inevitable lowlights to give a complete picture. These include:

- The McNutt Trust (Glen Innis) was affected by adverse weather and low farm commodity prices during the first half of the year. Fortunately, commodity prices improved in the second half of the year with the farm producing a better result over the last 12 months.

- The sudden death of Mr Pere Maitai, longtime chair of the Te Whaiti-Nui-A-Toi Trust Management Committee. Pere's contribution to this role cannot be overstated and he will be sadly missed.
- A review of the trusts within the Church has revealed a number that are either not being used or not being fully used. In some cases, these are frustrated trusts and we have a programme of work to address these. However, there are a number of other trusts where accumulated surpluses are building up unnecessarily. Not only does this do a disservice to the benefactor, but it compromises our ability to engage in mission and ministry, and puts the Church's charitable status at risk.

### What do we want to achieve next year (and beyond)?

Future challenges for the Trustees are set out under each area of our work later in the report. Challenges at an overall Trustee level include:

- Finding people to continue the work of the Trustees, both as Trustees and Specialist Associates. We require people with expertise in a wide range of areas, from farming to investments, from property to trust law and from insurance and superannuation. We need to invest more time and effort to ensure we get the right people to continue a strong governance succession.
- Increasing the use of the Holiday Houses at Glen Innis. To date our efforts have not been successful and the Trustees have decided to review the operations of the Trust to explore options that will improve the outcomes for the beneficiaries.
- We need to assist the church to ensure the right properties are being insured with the right type of cover. We also need to review our risk management practices to reduce claims and the cost of property insurance.
- Addressing the impact of declining Beneficiary Fund membership. The Fund is viable provided the costs of operating a small scheme do not outweigh the benefits such a scheme offers.
- Identifying frustrated trusts that could benefit from schemes to allow them to be used for the purposes for which the funds were given. To identify other trusts that are not being used to their fullest potential and encouraging those who administer them to honour the wishes of benefactor and use the funds accordingly.

### Trustee Movements

After a relatively stable period, there were a few changes around the Board and Committee tables over the year. Longstanding Trustees, Marie Burgess, Lyn Murray, and Hao Hoang retired in November 2024. Our thanks to them for their service and valuable contributions to the various Committees on which they served and the Trustees as a whole.

Offsetting these departures, we welcomed back Winston Timaloa from his leave of absence (as he trained for ordained ministry). Congratulations to Winston for his ordination and induction into the Auckland Central - Newton Pacific Islanders Presbyterian Church.

We were delighted that Hao Hoang has agreed to continue to serve as a Specialist Associate to the Property Committee. In December 2024 we also welcomed Jim Spall as a Specialist Associate to the Farms Committee and Tim Griffith as a Specialist Associate to the Property Committee.

There will be more change in the next 12 months. Three Trustees intend to retire at the end of 2025, and one has taken a 12-month leave of absence. We will also farewell a longstanding Specialist Associate on the Farms Committee.

Fortunately, we expect to welcome Rose Luxford back to the Trustees after her time as Moderator. We also expect the Nominating Committee to present four names to GA2025 as new Trustees. This will see us with a good complement, and a useful mix of experience and new ideas.

We also continue to look for suitable people to act as Specialist Associates (subject matter experts) for our various Committees. We are pleased to report we expect to appoint at least two more Specialist Associates in the coming year.

## Executive

The work of the Trustees between meetings continues to be undertaken by the committees, PBST and PBFTL, whose reports you have, ably assisted by the CPT Office and under the oversight of the Trustees' Executive.

The Executive for the 2024/2025 year has been: Andrew Souness (Convenor, PBST), Paul Barber (Private Trusts), Brian Dangerfield (Audit & Risk, Investment) Margaret Galt (PBFTL), and Ron Mills (Property), Roger Gyles (Farms).

## CPT Office

Our staffing situation in the CPT Office has been stable for the last year. We are grateful to our Executive Officer, Russell Garrett, our Property and Administration Manager, John White, our Office Manager, Tracy Setters, and Robyn Taylor, our Accountant, for the workload they have shouldered in this past year.

Their dedication and willingness to serve is reflected in the achievements of the Trustees narrated in this Annual Report. Thank you for your service to the Trustees and the Church.

## Support Services

The Trustees are also grateful for the advice and contribution made by our advisers and support staff who manage aspects of the Trustees' varied work. In this era of increased regulation and compliance, we depend upon them for their specialist skills without which the task of the Trustees would be significantly more onerous.

On behalf of the Trustees, I sincerely thank Tom Barnes of DLA Piper, head of our legal advisory team; the team at Booster Financial Services, who administer the Presbyterian Investment Fund; Steve Grant of Melville Jessup Weaver, Beneficiary Fund Administrator; Gregg Dell, Consultant to PBFTL; Rodger Fulford, Insurance Consultant; Mercer NZ, Fund Manager for the Beneficiary Fund and PIF Long-Term Fund; Harbour Asset Management, Fund Manager for the PIF On-Call Fund; Apex Group, Custodian for the PIF; Steve Walsham of Gallagher, insurance broker for the Presbyterian Collective; Aidan Bichan and Ed Harrison, Farms' Advisers; James & Stephanie Carter, Operations and Holiday Houses Managers at Glen Innis; Keith & Jo Dennis, Sharemilkers at Flaxburn; Michelle Turfrey and Brett Wooffindin, Farm Accountants; Lloyd Davies of Succeed Legal, Farms' legal adviser; Stuart Mutch and Dave Borrie, Audit Partners, and Casey Webster, Associate Director, from Ernst & Young; Paul Walker from Crowe, reviewer of the Clark Estate Trust; and Glenn Fan-Robertson from BDO, auditor of the McNutt Trust.

## Conclusion

As chairperson of the Trustees, I look at what we have achieved, and I thank the Trustees, Specialists Associates and directors for your commitment. Your contribution and support during this past year have been appreciated. I am particularly thankful for the work of the Executive group and our Deputy Chair, Brian Dangerfield.

We have encountered many challenging work streams as we move towards our goal of building up the Church for its mission.

Thank you to the Rev. Wayne Matheson, Assembly Executive Secretary, and to the Rev. Dr Colin Marshall, Council of Assembly representative, for your knowledge and participation. The Trustees have also appreciated our representation on Council of Assembly and the Resource Subcommittee.

Ngā mihi

**Andrew Souness**

***Chairperson***

# AUDIT AND RISK COMMITTEE

## Membership

Members: Brian Dangerfield (Trustee, Convenor), Rev Dr Ron Mills (Trustee), Andrew Souness (Trustee)

Associates: Russell Garrett (Executive Officer), Tracy Setters (Office Manager), Robyn Taylor (Accountant) and John White (Property & Administration Manager, PCPT).

It is my pleasure to report on behalf of the Audit & Risk Committee for the financial year 2025 (year ended 30 June 2025).

## Responsibilities

The Trustees' Audit and Risk Committee is responsible for providing oversight of the key risks and the financial reporting process of the accounts of multiple entities and trusts under management of PCPT, including the audit process, the systems and internal controls, and compliance with laws and regulations.

The table below details the financial statements under the auspices of the Committee. It shows who prepares each set, the applicable standard, and whether the statements are audited or reviewed (or neither) in accordance with the governing regulations.

**Table 1: Financial Statements prepared**

Entity	Prepared by	Standard and Audit Status	By
Presbyterian Investment Fund	Apex Group	Tier 2 - Audited	EY
Presbyterian Beneficiary Fund	MJW	FMCA* - Audited	EY
McNutt Trust	Findex	Tier 3 NFP – Audited	BDO
Church Property Trustees Operational Accounts	PCPT	Tier 3 NFP – Reviewed	EY
Clark Estate Trust	Sidekick Lawson Avery	Tier 3 NFP – Reviewed	Crowe
Presbyterian Benevolent Fund			
Olive Burnett Loan Fund			
PBST			
Elsie Steele Trust	PCPT	Tier 3 NFP – no audit or review required	Not applicable
Te Whaiti-Nui-A-Toi Trust			
James Drummond Trust			
Thornton Blair Scholarship			

\* Financial Markets Conduct Act and NZ equivalents to International Financial Reporting Standards

Although a number of these accounts are not subject to audit or review, we note that the activities of these entities are consolidated as part of the financial statements of the Presbyterian Church of Aotearoa New Zealand, which are subject to audit by EY.

## Risk Framework

The Committee is also responsible for monitoring the manner in which the Trustees are assessing, managing and monitoring risks as set out in the Trustees' Risk Framework and Register and use good governance skills to gain assurance that the risks have been identified and where possible have been mitigated.

### **New Tier 3 Not for Profit Standards**

A number of the financial statements under the responsibility of the Trustees have been prepared in accordance with new Tier 3 Not for Profit Standards for Performance Reports. Key changes include:

1. A subtle change to the content of the Statement of Service Performance. This now includes a description of medium to long term objectives and a description of key activities for the year.
2. Asset revaluation policies requiring assets to be valued at fair value. This includes re-valuing land and buildings (the latest rateable valuation is acceptable).
3. Classifying reserves in accordance with the standard.

### **Risk Management Assessment**

As part of the overall risk management assessment, EY carries out an assessment of general entity controls at a high level to ensure they are well managed and controlled. Any components of the risk framework that are linked to financial risk is commented on in the financial statements.

### **Unqualified Reports**

The Committee received the reports from the auditors/reviewers following the completion of their audit and review work of the financial year 2025 financial statements.

No material issues were raised during the close out meeting with the auditors/reviewers, reflecting ongoing strong internal controls and processes, together with the provision of thorough supporting financial information.

It is pleasing to report that EY has provided unqualified audit reports for both the PIF and the Beneficiary Fund, and a clean audit review report for the Trustees' Operations. Likewise, a clean audit report was also received from BDO for the McNutt Trust, and a clean audit review report received from Crowe for the Clark Estate Trust.

The Committee recommends that the Trustees approve all the financial statements reviewed by the Committee, whether audited, reviewed, or otherwise.

### **Thanks**

We acknowledge the efficiency and professionalism evident by all our accounting and audit providers.

I would like to pass on our appreciation and thanks to Russell Garrett, Robyn Taylor and the CPT Office, along with the various external accounting personnel, for their care and meticulousness with preparing the financial statements and supporting information. Thank you to our auditors and reviewers. I would also like to thank fellow Audit & Risk Committee team members Ron Mills and Andrew Souness for their ongoing support, practical discussions and efficient decision-making during the audit and risk process.

The financial year 2025 operational financial statements will be available for viewing on the Church's website post the Trustees' Annual Meeting on 20 November 2025. Brian Dangerfield

**Brian Dangerfield**

**Convenor**



*From left: Hope Presbyterian, Rolleston; Te Awamutu Presbyterian Church Centre*

# FARMS COMMITTEE

## Membership

Members: Roger Gyles (Trustee, Convenor), Andrew Souness (Deputy Convenor), John Harvey (Trustee), Marie Burgess (Trustee, until November 2024), Lyn Murray (Trustee, until November 2024), Doug Crombie (Specialist Associate), Ruth Rainey (Specialist Associate), Jim Spall (Specialist Associate from December 2024), Robert Ervine (Specialist Associate, CA Clark Estate Trust)

Associates: Russell Garrett (Executive Officer), John White (Property and Administration Manager), Tracy Setters (Office Manager), Robyn Taylor (Accountant)

## Purpose

The Farms Committee is responsible for the governance of two farming trusts: the Martha and Samuel McNutt Trust (Glen Innis) and the CA Clark Estate Trust (Flaxburn). Both farms, one a sheep and beef farm (Glen Innis), and the other a dairy farm (Flaxburn), are located in the lower North Island.

The Committee typically meets four times each year for each trust. One of these includes on-site farm inspection visits with an overnight stay at Glen Innis followed the next day by a visit to Flaxburn (CA Clark Estate Trust). Two meetings are held virtually, with the other meeting held in-person at Masterton. Decisions are made between meeting via digital polls.

## Staff

In addition to the work of the Trustees Office, the Farms Committee relies on the exceptionally good work of Glen Innis staff: James Carter (Operations Manager), Stephanie Carter (Holiday Houses Manager), Hamish Wills, Russell Sherman, and Lucy Buchnan.

## External Providers

The Farms Committee also relies on the good work of providers to assist with the purposes of the trusts.

McNutt Trust (Glen Innis): Ed Harrison (Farm Consultant – Baker Ag), Michelle Turfrey (Accountant - Findex)

Clark Estate Trust (Flaxburn): Keith and Jo Dennis (Sharemilkers), Aidan Bichan (Farm Consultant), Brett Wooffindin (Accountant – Sidekick Lawson Avery)

## THE MARTHA AND SAMUEL MCNUTT TRUST TRADING AS GLEN INNIS

The Trustees have a beneficial interest in “Glen Innis”, a sheep and beef farm consisting of two farming blocks situated near Waipukurau, Hawkes Bay: the 617ha Glen Innis station and 554ha Kokomoko station. The farm was left to the Trustees under the Will of the late James McNutt, dated 18 November 1953. The primary purpose of the Trust is to provide a place of rest and recreation for Ministers of the Church (via two holiday houses located on the farm), with a secondary purpose being the support of the children of Aotearoa New Zealand.

The Trustees are pleased to report full compliance with all regulatory, environmental and resource requirements. A comprehensive health and safety plan is regularly monitored and no major health and safety issues have occurred.

## What did we achieve over the last year?

### 1. Improved farm result

The farming operation returned a surplus for the year to 30 June 2025 after a tough few years (including drought, Cyclone Gabrielle, and some farm sales/purchases). After poor spring weather meant we got off to a difficult start, conditions improved somewhat. Rising stock prices were instrumental to delivering a good outcome.

Even so, we need to take on further debt to fund stock purchases and provide more flexibility as to when we sell stock. We finished the year with 10,026 stock units, electing to hold on to some stock to take advantage of rising prices.

## 2. Integration of Glen Innis and Kokomoko farming operations

The Trust took full possession of Kokomoko station on 1 July 2024, with most of the property subject to a lease prior to this. This enabled us to build up stock numbers again after the destocking that occurred following the sale of the hill country Woodhill block a year prior. As a result, the last year has focused on getting used to Kokomoko and the benefits of having two farms (within close proximity). This included the construction of new cattle yards at Kokomoko and some additional fencing.

It will take a few years to achieve the operational potential as the staff become familiar with and develop the new farm, and work out how to best utilise the different locations (which offer different soil types and climatic conditions).

## 4. Holiday House stays

The Committee has a goal of lifting the use of the holiday houses from the current relatively low level of 30%. Efforts to achieve this, by allowing the use by Local Ordained Ministers and Amorangi at a nominal cost, proved unsuccessful. This is disappointing, because the feedback received from guest surveys continues to be largely very positive.

## 4. Holiday House development

The Trust spend \$103,000 on the Holiday Houses operation during the year. This included painting the bedrooms and replacing the curtains in the McNutt House bedrooms.

## 5. Carbon strategy

The Committee agreed a carbon strategy to release some of the value held in carbon units back to the farm. We continue to plant hillsides that are difficult to farm in pine, alongside a commitment to plant native trees around waterways.

## 6. Distributions/ Beneficiaries

The Committee recommended to the Trustees the payment of a \$10,000 distribution to the second beneficiary, being the Children of New Zealand (granted to PCANZ Youth and Children & Family Ministries). Distributions are made from the surplus of the Beneficiary Account after meeting the costs of the Holiday Houses (and any reserving for future expenditure).

### Holiday Houses

Nationally ordained ministers are able to holiday in two houses located on the farm at no cost, with a travel subsidy available for ministers located in the South Island. Local Ordained Ministers, Amorangi and Local Shared Ministry team members are able to stay at the Maud Hooper House for a small fee. Holiday House activity over the last two years is shown in Table 1 below:

**Table 1: McNutt Trust Holiday Houses**

	2024	2025
<b>Stays and Guests</b>		
Total holiday house bookings	30	30
Total guests on holiday house bookings	141	122
<b>Financial Results</b>		
Farm distribution to Beneficiary Account	\$102,750	\$102,750
Spend on the Holiday Houses	(\$76,895)	(\$102,967)
Grants to Children in New Zealand	(\$10,000)	(\$10,000)
Surplus in the Beneficiary Account (after Distribution)	\$50,858	\$42,655

## Farming Operation

Table 2 below provides a summary of the farm performance and the position of the Trust for periods to 30 June.

**Table 2: McNutt Trust Farming Operation**

	2024	2025
<b>Production results</b>		
Carcass weigh production per hectare (kg CW/ha)	247kg	211kg
Cost of production per kg (\$)	\$5.66	\$4.35
Closing stock units	8,820	10,026
<b>Farm Financial results</b>		
Farm Income	\$999,961	\$2,189,708
Farm Expenses	(\$1,595,444)	\$2,047,418
Farm Net Operating Surplus/(Deficit)	(\$595,483)	\$142,290
<b>Trust Financial position</b>		
Total Assets*	\$10,713,100	\$17,588,639
Total Liabilities	\$6,506,977	\$7,207,330
Accumulated Funds	\$4,206,123	\$10,381,308

\* Land and buildings were revalued during the year using the latest rateable valuation. Prior to this they were valued at cost.

## What do we want to achieve next year (and beyond)?

### 1. Farming goals

To finish 10,000 lambs and 300 cattle; generate carcass weight production of 230kg per hectare; and achieve this with a cost of production of no more than \$4.37/kg.

### 2. Financial goals

To generate a farm surplus before depreciation, distributions and capital expenditure of \$415,000; commence repayment of Kokomoko debt; review our bank debt arrangements; and make a distribution of \$10,000 for the Children in New Zealand.

### 3. Holiday Houses goals

To lift use of the houses to 35%; continue to upgrade the houses, including replacing the McNutt House deck and improving drainage around the McNutt House.

### 4. Development goals

To continue planting to stabilize hillsides and protect one area of native planting on both Glen Innis and Kokomoko; and to complete a strategic review of the Trust's arrangements.

Beyond next year, we expect further improvements in the farming operation as we take full advantage of both sites. By the end of this year, we should be close to fully stocked, with around 11,000 stock units. Our Operations Manager and our Farm Advisor see a long-term pathway for considerable development of the total operation to achieve good sustainable returns. These improved returns are expected to facilitate increased distributions to the beneficiaries.

Once we have both sites operating efficiently, we would like to enter the Balance Environmental awards, and participate in the Hawkes Bay Farmer of the Year awards.

We are also targeting lifting use of the Holiday Houses to 50% over the next few years, ambitious as this sounds.

## CHRISTINA A. CLARK ESTATE TRUST TRADING AS FLAXBURN

The Trustees own a dairy farm, “Flaxburn”, near Featherston in South Wairarapa, bequeathed to the Trustees under the Will of the late Christina A Clark, dated 19 July 1957. At 30 June 2025, Flaxburn itself comprised 305ha, with an additional 149ha leased as support land. Apart from some small annuities, the proceeds from the farming operation benefit the Church’s global mission (75%) and home mission (25%).

The farm is operated under a 50/50 sharemilking agreement with sharemilkers Keith and Jo Dennis, with farming advice provided by Aidan Bichan Consulting Ltd. The sharemilking arrangement reduces risk associated with owning livestock and operational equipment, and with staff management. Sidekick Lawson Avery provides accounting services to the Trust.

The Trustees are pleased to report full compliance with all regulatory, environmental and resource requirements. A comprehensive health and safety plan is regularly monitored and no major health and safety issues have occurred.

### What did we achieve over the last year?

#### 1. Improved farm result

Production increased for the year to 30 June 2025 to nearly 255,000 kg, although fell a little short of target (263,000) as weather conditions constrained pasture growth. Along with increased production, a significant rise in the milk price helped the farm generate a strong revenue number, up 25% for the year.

#### 2. Distribution to the Presbyterian Church of Aotearoa New Zealand

Surplus income from the farm is to be distributed 75% to Global Mission and 25% to Home Mission. The Trust pays a monthly dividend to both during the year totalling \$162,000. The good results this year also enabled the Trust to pay a final distribution of \$60,000.

#### 3. Renewed Sharemilking Agreement

The Trustees were delighted to renew our sharemilking agreement with Keith and Jo Dennis for a further three years. The Trust has benefited from our longstanding relationship with Keith and Jo, and we look forward to more success together.

#### 4. Farm development

We installed an underpass under South Featherston Road during the year. The road runs between the original Flaxburn farm and the former Farrier farm that the Trust purchased two years ago. The underpass improves the health of the cows, staff safety, and community relationships.

We also removed some trees and commenced earthworks in preparation for the installation of a new irrigation system on the former Farrier block. At the same time, we fenced off an existing stand of native trees in preparation for further planting.

#### 5. Land purchase

The Trust completed the purchase of a 32ha block of support land previously leased. The purchase was debt funded on the condition that the proceeds from the planned sale of some houses would pay down this debt. We had hoped to have these houses ready for sale, but are awaiting the titles to be issued.

### Distributions

Table 1 below details distributions over the last three year, while Table 2 provides details of the farming operation.

**Table 1: Christina A Clark Estate Trust Distributions for the year**

	Annuities*	Global Mission	National Mission	Total
30 June 2023	\$300	\$187,500	\$62,500	\$250,300
30 June 2024	\$200	\$151,500	\$50,500	\$202,200
30 June 2025	\$200	\$166,500	\$55,500	\$222,200

\* The original will provided for annuities of \$200 to Featherston Presbyterian Church; \$100 to the Minister's wife (if any); and \$100 to Presbyterian Women's Missionary Union. The latter two now fail, leaving only the first in remaining.

**Table 2: Flaxburn Farming Operation**

	2024	2025
<b>Production</b>		
Milk solids production (kgs)	241,536	254,775
Average Milk Solids price per kg	\$7.90	\$10.30
<b>Financial Results</b>		
Income	\$1,272,606	\$1,613,805
Expenses	\$875,086	\$1,263,784
Net Operating Surplus/(Deficit)	\$397,520	\$350,021
<b>Financial Position</b>		
Total Assets	\$17,039,725	\$19,233,144
Total Liabilities	\$2,762,409	\$4,333,487
Accumulated Funds	\$14,277,316	\$14,899,657

### What do we want to achieve next year (and beyond)?

#### 1. Farming goals

To produce 263,000 kg of milk solids.

#### 2. Financial goals

To generate a farm surplus before depreciation, distributions and capital expenditure of \$447,000; to sell two houses on the former Farrier block, with the proceeds being used to pay down debt; and make a distribution of at least \$202,000 to the PCANZ.

#### 3. Farm management goals

To commence the process of finding a new farm adviser (sadly, Aidan Bichan has indicated he expects to finish in this role within the next 2-3 years); and consider the renewal of some support land leased by the Trust the expires during the year.

#### 4. Development goals

To install the new pivot irrigation system on the former Farrier block; refurbish the remaining house on the former Farrier block for use by staff; and plant 1,000 – 1,500 native trees on the property.

Beyond next year, we expect to replace the irrigation systems on the Flaxburn block. This will take a few years to achieve at some cost. As indicated above, we also expect to appoint a new Farm Adviser and possibly a new sharemilker (when the current agreement expires).

We also expect to produce a climate change policy for the farm within the next few years, and benchmark our operations against others (as data becomes available to facilitate this).

### Thanks

The Committee has a governance role for the ongoing successful operation of the two farms gifted to the Church in the 1950's. Each of the original farms has with some ups and downs over the years been successful through quality farm management practices and wise capital investment in delivering returns for the benefit of the beneficiaries of each trust. The expansion of each farm operation over the last five years through the purchase of additional land has ensured the ongoing economic viability of the two farms thereby ensuring, with proper asset management, sustainable returns for the benefit of the beneficiaries.

The key cornerstone to successful farm operations is the caliber of the people involved.

We are extremely fortunate to have James Carter as Operations Manager and his staff managing Glen Innis. Stephanie Carter as Holiday Homes Manager has and is providing an exceptional service running the holiday homes. James and Steph have cheerfully worked through some highs and lows and the Committee is very grateful for their unrelenting professional service. The Committee is equally grateful for the excellent way our farm advisor, Ed Harrison (Baker Ag), works with James and Steph. Thank you all.

As reported above we reviewed the Flaxburn farm Sharemilking arrangement and subsequently renewed the agreement with our Sharemilkers, Keith and Jo Denis (Essentially Rural Ltd) for a further three years. We thank them for their continuing professional, enthusiastic and caring operation of the enlarged farm system. Aidan Bichan as the Committee's farm adviser continues to provide excellent advice and support to the sharemilker and the Committee.

Over the last five years or so our financial services advisors have had to cope with not only the expansion of each of the two farms but also significant regulatory changes to reporting standards. Also, the two trusts are now required to be reviewed or audited adding further to the workload and farm overhead costs. We thank Brett Wooffindin (Sidekick Lawson Avery) and Michelle Turfrey (Findex) for their continued professional help and guidance.

During the year Lyn Murray and Marie Burgess left the committee. We thank them both for their valuable contributions over the years and particularly Marie for her work during her tenure of the role as Convenor.

We thank Jim Spall, who has a strong farming background, for joining the Committee as Specialist Associate.

Finally, this is my last annual report as Convenor of the Farms Committee.

I wish to sincerely thank all the members of the Committee, past and present, for their considerable and valuable contributions to the committee's work. Each member has brought their skills and experience to the table in a collegial manner and our decisions have been the better for it.

Thanks go to Russell particularly and his team for the organisation and work required to enable the Committee to fulfill its mandate. Russell has had to rapidly develop an understanding of the farming operations over a few busy years.

Looking back over the last nine years or so it is people who have enabled the significant achievements made by the two farms with the benefits that flow through to the beneficiaries.

I wish all involved in the work of the farms and the future committee all the best in their work for the Church and the beneficiaries as they face the ever-changing challenges that those in the rural sector have thrown at them.

***Roger Gyles***

***Convenor***



*Flaxburn Farm - Underpass installation*

# INVESTMENT COMMITTEE

## Membership & Responsibilities

Members: Brian Dangerfield (Trustee, Convenor), Roger Gyles (Trustee), Paul Barber (Trustee), Alan Jamieson (Trustee), and Warren Potter (Specialist Associate)

Associates: Russell Garrett (Executive Officer), Tracy Setters (Office Manager)

## Purpose

The Investment Committee is responsible for the management of the Presbyterian Investment Fund (PIF) and the investment of various Trusts governed by the Trustees.

The Committee typically meets four times a year (once in person and three times virtually) and makes decisions between meetings via digital polls.

## External Providers

In addition to the work of the Trustees Office, the Investment Committee relies on the good work of providers to assist with the management of the PIF: Harbour Asset Management and Mercer – investment management; Apex Group (formerly Trustees Executors) – custody and investment accounting; Booster – administration; Succeed Legal and DLA Piper – legal advice.

## Who makes up the PIF?

The Presbyterian Investment Fund (PIF) holds funds on behalf of congregations, Presbyteries, the General Assembly, The Presbyterian Church Property Trustees, and other entities associated with the Presbyterian Church of Aotearoa New Zealand. Property funds held on behalf of congregations are primarily held for property-related use, but are also available for new mission projects.

The PIF offers account-holders a choice of two investment options: an On Call Fund and Long Term Fund. Reserves are maintained in order to enhance security and to allow ‘smoothing’ of returns to depositors over time. Interest payable is calculated on the daily balance of each account and is credited at the end of each calendar quarter.

## What did we achieve over the last year?

### 1. Returns

The PIF delivered the following investment returns over the year:

- Good returns for Long Term Fund accountholders. Strong global sharemarkets delivered excess returns resulting in Long Term accounts being credited with an extra 1.5% in reserve interest. Total Long Term Fund interest for the year generated +7.2% made up of regular interest of 3%, inflation interest of 2.65%, and reserve interest of 1.5%. The total effective return was 7.5%.
- The PIF On-Call Fund delivered a reasonably stable return of 4.8% for the year.
- The PIF provided \$8.4m interest and \$2.2m in capital gains to accountholders over the year to 30 June 2025.

### 2. Loans

The PIF is supporting property development with \$9.0m in loans to five congregations and one trust at year-end. These loans also provide solid returns to PIF account holders.

### 3. Reserves

After utilising reserves during a period of very low interest rates in 2021 and 2022, these have been rebuilt back to within the target range (between 4% and 5% of account balances).

#### 4. User audit

In preparation for the introduction of multi-factor authentication, we commenced an audit of PIF users to confirm all authorised users. This process has been very useful as there were a number of users who are no longer associated with the account.

#### 5. Impact Investment Policy

We augmented the PIF Statement of Investment Policy and Objectives with an Impact Investment Policy, which sets out how we expect to invest in assets that support mission and ministry. We will first do this through our loan portfolio, and support of Christian Savings, along with encouraging our fund managers to invest for impact.

##### Account Breakdown

Total account balances in the PIF have increased from \$189.9m (30 June 2024) to \$194.2m (30 June 2025) during the period under review. Reserves as at 30 June 2025 stand at \$9.3m (\$6.9 30 June 2024). Table 1 below shows that balances and reserves have fluctuated over time.

**Table 1: PIF Balances over time**

	\$ 2023	\$ 2024	\$ 2025
On-Call Fund	134,857,002	140,514,107	140,838,077
Long-Term Fund	44,714,462	49,422,738	53,403,486
<b>Total Accounts Balances</b>	<b>179,571,464</b>	<b>189,936,845</b>	<b>194,241,563</b>
Reserves	5,524,464	6,875,227	9,349,126
<b>Total Net Assets</b>	<b>185,095,859</b>	<b>196,947,846</b>	<b>203,590,689</b>
<b>Reserves / Account Balances</b>	<b>3.1%</b>	<b>3.6%</b>	<b>4.8%</b>

**Chart 1: PIF Account Breakdown as at 30 June 2025**

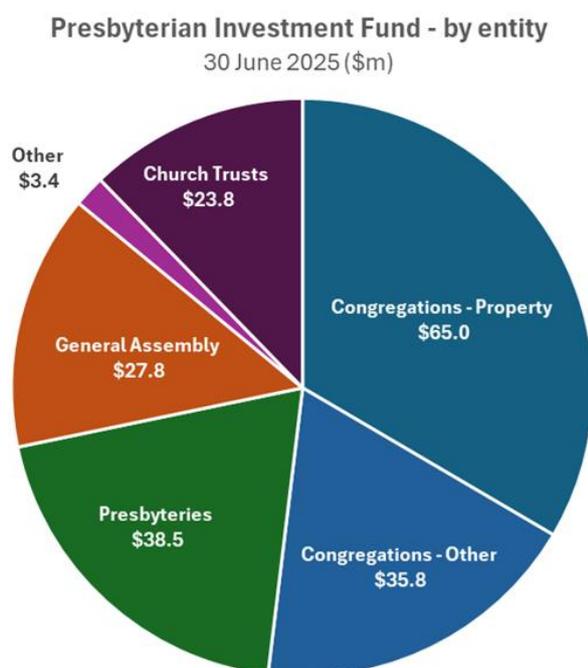


Chart 1 and Table 2 provide a breakdown of balances held. They show that the largest component in the PIF remains Congregations Property Capital (generated from the sales of properties) at \$65m (down by around \$4m over a year earlier).

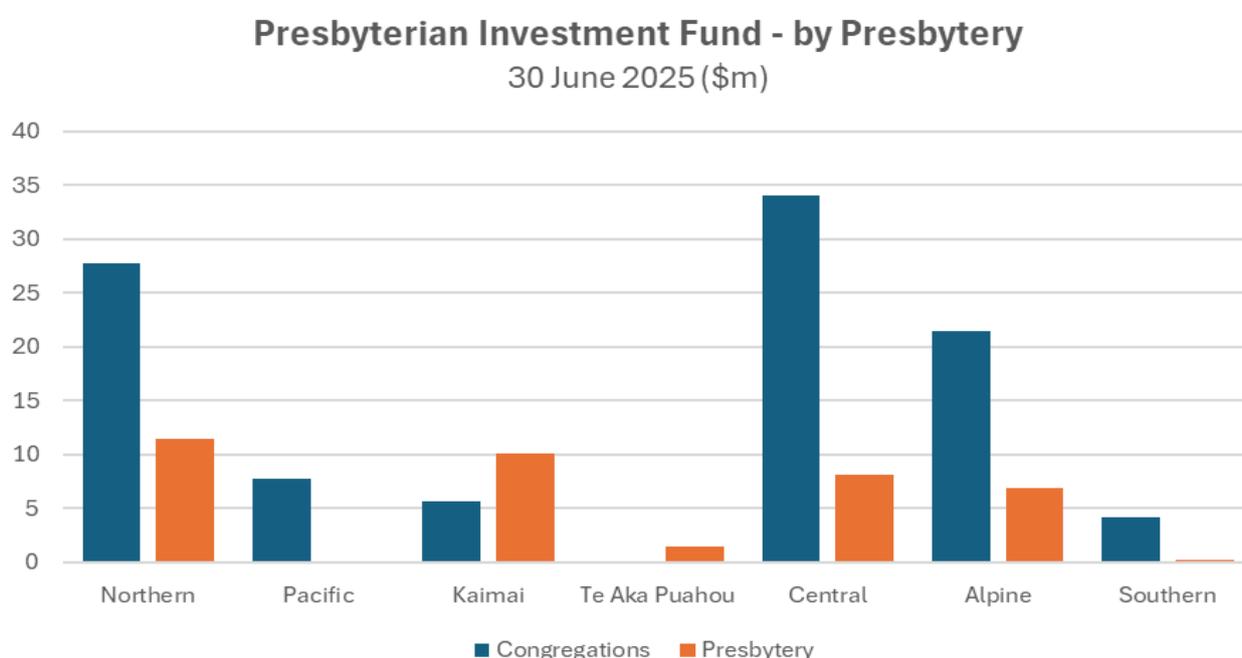
Congregations hold a further \$35.8m in the PIF, Presbyteries hold \$38.5m, (up by around \$6m in the last year and nearly \$10m in the last two years) and the General Assembly \$27.8m (up \$1.5m from last year).

The Trustees hold \$23.8m (up \$0.7m) on behalf of the various trusts they administer, with a further \$3.4m held for other Church-related entities.

**Table 2: Account Balances Breakdown as at 30 June 2025**

Accounts	On Call Fund \$	Long Term Fund \$	Total \$
Congregations Property	46,932,849	18,105,045	65,037,894
Congregations Other	34,015,623	1,777,203	35,792,825
Presbyteries	33,248,268	5,224,373	38,472,642
General Assembly	17,289,136	10,502,319	27,791,456
Other	3,384,742	0	3,384,742
Trusts held by the Trustees	5,967,458	17,794,546	23,762,004
<b>Total Account Balances</b>	<b>140,838,076</b>	<b>53,403,486</b>	<b>194,241,563</b>

Chart 2 below provides a breakdown of account balances by presbytery, showing parish and presbytery balances.

**Chart 2: PIF Presbytery Breakdown as at 30 June 2025**

The PIF offers two options to account-holders: an On-Call Fund and a Long Term Fund.

### PIF ON CALL FUND

The PIF On-Call Fund provides an on-call facility that is invested in high quality, short-duration securities, predominantly managed by Harbour Asset Management. PIF loans to parishes make up the rest of the On Call Fund assets.

As a short-duration fund, the interest rate earned by the PIF's assets, and passed on to account-holders, is strongly linked to the Official Cash Rate (OCR). The PIF On Call rate commenced the 2025 financial year at 5.5% p.a. and followed the OCR down, to finish at 3.5% p.a. as at 30 June 2025.

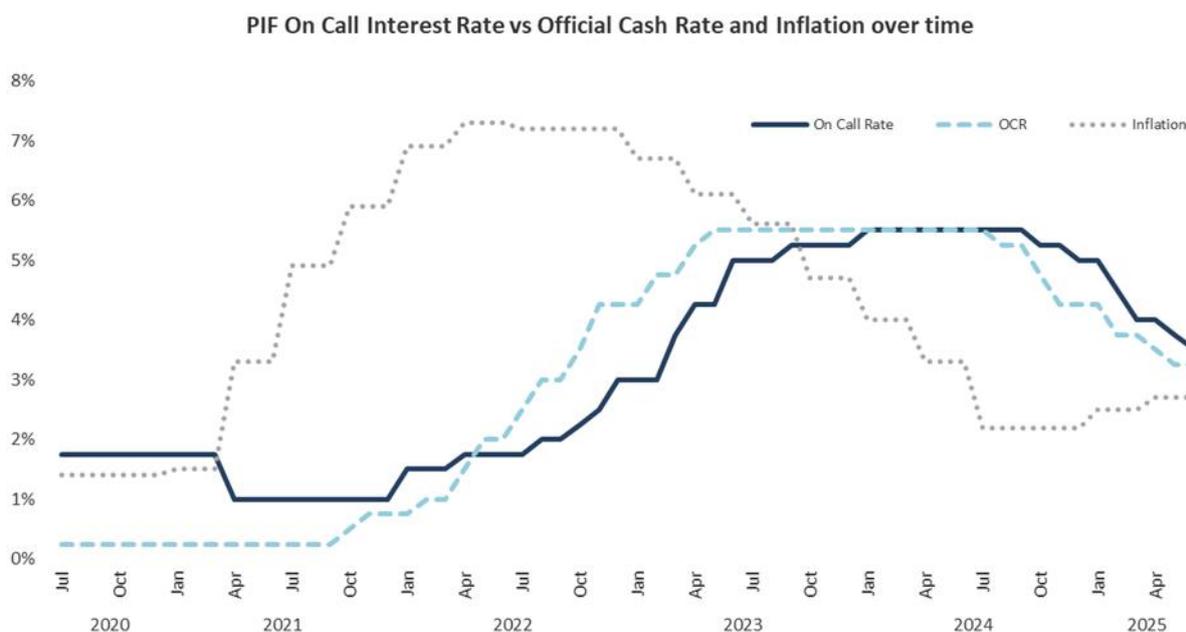
**Table 3: On Call Fund Performance Summary:**

	2023	2024	2025
Closing Interest Rate	5.00%	5.50%	3.50%
Average Interest rate	3.10%	5.44%	4.81%
Interest credited to accounts	\$4,259,831	\$7,155,653	\$6,860,252
Transferred to / (from) Reserves	\$1,673,433	\$1,359,832	\$2,473,899

The OCR is expected to fall further through the course of 2025-2026 as the Reserve Bank of New Zealand looks to support the ailing economy and prevent inflation falling below its target range. At this point, commentators expect the OCR to fall to around 2.5%, possibly before the end of 2025. The Trustees are hoping to hold the PIF On Call rate for as long as possible, but may have to drop the rate if we experience a protracted period of low interest rates.

Chart 3 below illustrates how the On Call Fund interest rate is now back above the Official Cash Rate and inflation. Now that reserves are back at the target level, the Trustees hope to hold the rate at a meaningful level above the OCR. That said, it is also important to monitor the rate versus inflation. This shows the 'real' return (after inflation) to congregations. As shown, the PIF On Call rate did not keep up with inflation for most of 2022 and 2023.

**Chart 3: PIF On Call Fund Interest vs the Official Cash Rate and Inflation up to 30 June 2025**



### PIF Lending

A lending facility was introduced within the PIF On Call Fund during the year ending 30 June 2020. This facility enables eligible PIF investors to also borrow from the PIF. The aim is to enhance returns to the PIF, while at the same time reducing the cost of borrowing for congregations and other church entities. Floating interest rates are set on a case-by-case basis. Loans must be secured by the first mortgage or a presbytery guarantee and fall within prudential limits set by the Trustees.

Table 4 provides a summary of loan activity over the last two years. As at 30 June 2025 there were 6 loans outstanding to five congregations and one loan to the Clark Estate Trust, totalling \$9.0m (excluding interest).

**Table 4: PIF Lending Summary**

PIF Lending	2024	2025
<b>Number of loans</b>		
New loans	2	2
Loans at close	5	6
<b>Value of loans</b>	<b>\$6,237,837</b>	<b>\$8,975,015</b>
New loans (principal)	\$2,050,000	\$3,659,621
Loans (principal) repaid	\$2,514,768	\$922,443
Loans at close (incl. interest)	\$6,350,893	\$9,090,376
<b>Loan interest rate</b>	<b>%</b>	<b>%</b>
Close	7.27	5.22

## LONG-TERM FUND

The Long Term Fund's objective is to provide a higher rate of return, whilst also providing growth to maintain the real inflation-adjusted value of the invested capital. The Fund is designed for those congregations and other investors who possess capital that they expect to hold for a lengthy period (at least five years).

As at 30 June 2025, 18 congregations have invested in the Long Term Fund alongside the Trustees (on behalf of a number of trusts), the General Assembly (via a number of accounts), and two Presbyteries.

The investments generate a volatile return (principally as share prices rise and fall). The Fund pays interest broken down into three components: Regular; Inflation; and Reserve. The Inflation component allows accountholders to inflation-proof their capital. The Regular interest component provides accountholders with a stable stream of income available for spending. The Reserve component fluctuates as investment market returns fluctuate. When market returns exceed Regular plus Inflation interest, Reserve interest will be positive. When market returns are not sufficient to match Regular plus Inflation Interest, Reserve interest will be negative.

### Investment Market Performance

The Long Term fund invests in the Mercer Socially Responsible Investment Balanced Fund. This Fund has a target exposure to growth assets (shares, property and infrastructure) of 60%, with the remaining 40% in bonds and cash. The Fund incorporates exclusions to those sectors considered unethical by the Church. In addition, it seeks to invest in companies with a positive impact on society and the environment – and actively engages with directors and management to drive good outcomes. Mercer has committed to making its investment portfolios net zero carbon emissions by 2050 with material reductions in emissions by 2030.

Inflation continued to moderate over the year to 30 June 2025, up 2.65%, which is good news for Long Term investors. At the same time, global shares prices continued to push higher. This was somewhat surprising given the economic and geopolitical uncertainty created by the introduction of hefty US tariffs. Once again, it was large US-based technology companies that saw their share prices rise the most. These companies are benefiting from huge investments in AI (artificial intelligence) capabilities and investors think this will continue to generate more and more profits into the future. Time will tell if this is right.

The good investment performance (coupled with falling inflation) enabled the Long Term Fund to pay an extra 1.5% in reserve interest, giving an effective total for the year of 7.5%. The effective rate reflects compounding impact of returns and the fact that inflation interest is calculated on the original capital balance.

**Table 5: Long Term Fund Performance Summary:**

	2023	2024	2025
Closing Interest Rate	3.00%	3.00%	3.00%
Average Interest rate	3.03%	3.03%	3.03%
Long Term Fund Interest	\$1,303,715	\$1,359,280	\$1,509,113
Inflation Interest Rate	6.08%	3.33%	2.65%
Long Term Fund Inflation Interest	\$2,936,226	\$1,755,750	\$1,468,718
Reserve Interest Rate	-5.00%	2.24%	1.46%
Long Term Fund Reserve Interest	(\$2,224,691)	\$1,223,236	\$734,914
Total Effective Long Term Interest Rate	4.3%	9.3%	7.5%

### Future returns

We are cautious about the prospects for the year to 30 June 2026. Uncertainty remains the watchword for most market commentators. While inflation appears to be coming down, few central banks would profess

that inflation is under control. At the same time, economies are cooling (although the New Zealand economy could best be described as cold). As a result, central banks are under pressure to lower interest rates to stimulate economic growth. But they don't want to cut too far if inflation is not really under control.

Add to this continued uncertainty as to the impact of US tariffs, ongoing geopolitical unrest, and the high prices of the leading technology stocks, and it's hard to see a clear path forward. Despite this, markets are priced in such a way that implies investors are not expecting any problems. This seems a little optimistic given the number of question marks hanging over us at the moment.

As always, there are lots of ifs and buts, and it's impossible to predict market returns. Which is why we encourage Long Term Fund account-holders to focus on the long term, confident that the 3% they can spend each year will keep pace, more or less, with inflation.

### **What do we want to achieve next year (and beyond)?**

1. Introducing multi-factor authentication for users
2. Investing with Christian Savings to support larger loans beyond our reach
3. Reviewing our loan arrangements to see if there are other aspects of church mission we can support
4. Reviewing the investment risk profiles the PIF offers

### **Thanks**

The Trustees would like to pass on their thanks and appreciation to all the account holders and our service providers for their ongoing support during the financial year for the Presbyterian Investment Fund.

***Brian Dangerfield***

***Convenor***



*St John's Mt Roskill Presbyterian Church – new build*

# PRESBYTERIAN BENEFICIARY FUND TRUSTEE LIMITED

## Directors

Margaret Galt (Trustee, Chair), Roger Gyles (Trustee), Alan Jamieson (Trustee), Russell Garrett (Executive Officer), Warren Potter (Licensed Independent Trustee), Rev Sharon Ross-Ensor, and Graeme Thomlinson

## Purpose

Presbyterian Beneficiary Fund Trustee Limited (PBFTL) is the corporate trustee company responsible for the operation of the Presbyterian Church of Aotearoa New Zealand Beneficiary Fund (Beneficiary Fund). The Presbyterian Church Property Trustees appoints the Board of directors and is the company's sole shareholder.

The Beneficiary Fund provides retirement benefits to National Ordained Ministers of the Presbyterian Church of Aotearoa (active and retired). The Beneficiary Fund and Board are supervised by the Financial Markets Authority, which performs this role for all restricted workplace savings schemes.

The Board typically meets five times a year (once in person and four times virtually) and makes decisions between meetings via digital polls.

## External Providers

In addition to the work of the Trustees Office, the Board relies on the good work of providers to assist with the management of the Beneficiary Fund: Mercer – investment management; MJW – member administration and accounting; Gregg Dell – superannuation consulting; DLA Piper – legal advice.

## What did we achieve over the last year?

### 1. Good returns for members

Achieving good investment returns are the most important goal for the Board. We assess these in two ways: the percentage return that we receive and the extent to which our returns outperformed the market after allowing for the risk profile of each option.

The years' performance has been very satisfactory, especially given the high level of uncertainty created by President Trump's policies and the rising tensions in world politics. Over the 12 months to 30 June 2025 (and after fees and expenses) the Growth Fund returned 8.9%, the Balanced Fund 8.2%, the Moderate Fund 7.0%, the Conservative Fund 5.9%, and the Cash Fund 4.6%.

Exceeding the market return is best judged over a 5-year period. Currently three of our funds are outperforming; the Balanced Fund (by 0.2% p.a.), the Conservative Fund (0.4%), and the Cash Fund (0.2%). The Growth fund is under 0.2% p.a., and we cannot yet assess the moderate fund as it only began in 2023.

### 2. A Survey of our Members

For the first time, the Board surveyed members on what they thought of the Fund's performance.

We had responses from 226 members, and the overall our members were satisfied with both the investment performance and the administration of the Fund. The survey identified where we could improve our performance (which we will address over the next year) and that we need to explain better why we sometimes we have to be "over the top" with our administrative procedures. The July 2025 newsletter began to do this, with a focus on how members can minimize these issues.

The member survey was so useful that we plan to repeat it periodically to check that our performance is improving.

### 3. Review of the performance of our key providers

One of the main things the Board does is assessing the performance of everyone who helps run the fund. We meet with Mercer and MJW every three months, and which often results in small improvements in the service we receive. On top of those regular meetings, we also have a three-yearly cycle of more detailed reviews. Last year we took a closer look at MJW (administration manager) and DLA Piper (legal adviser). This year, we took a closer look at Greg Dell, who provides superannuation advice to the Board. The Board was very satisfied with Gregg's performance and the benefit this provides to members. Next year we will review Mercer, our fund manager.

### 4. Review of the Board's performance

In addition to assessing our providers, the Board also takes time to assess its own performance against the expectations of the regulator (the Financial Markets Authority) and our own criteria. This year we conducted our Culture and Conduct review. This considers whether we work well together as a Board and whether our actions align with our principles and the best interests of members.

#### What do we want to achieve next year (and beyond)?

The goals for next year focus on ensuring the fund continues to improve both its investment and administration performance over the longer term. In addition to our normal cycle of provider and Board reviews, our goals include:

1. Addressing the issues identified by the member survey
2. Reviewing the monitoring of liquidity within the fund
3. Addressing cyber governance
4. A strategic review of the future of the fund over the next decade or so

#### Beneficiary Fund Membership

The Beneficiary Fund was established by the Presbyterian Church of Aotearoa New Zealand with the charitable purpose of providing protection and life-long support to its ministers, primarily through a superannuation scheme. Membership is compulsory under the standard terms of call for all nationally ordained ministers, with a few exceptions.

Membership is divided into two categories: contributing members, being those members in receipt of a stipend who must contribute to the Fund, and non-contributing members, being retired ministers or those currently not in receipt of a stipend. In line with declining numbers of ministers, the number of contributing members is also declining, as is the total number of members (with deaths and withdrawals outnumbering new members).

#### Membership Changes

We note that membership in the Fund continues to decline, as shown in Table 1 below.

**Table 1: Changes to membership for the year to 30 June 2025**

	<i>Contributing members</i>	<i>Non- Contributing members</i>	<i>Total</i>
Membership at 1 July 2024	185	282	467
New members	5	-	5
Member switches	(4)	4	-
Member exits	(2)	(28)	(30)
<b>Membership at 30 June 2025</b>	<b>184</b>	<b>258</b>	<b>442</b>

## Account Balances

The Fund consists of two sections with slightly different rules. The New Benefits section includes those balances that Ministers chose to roll over to the Fund from the previous Defined Benefit scheme (which was wound up in 2017), along with some current contributions. The Complying Section is aligned with Kiwisaver regulations, so those under the age of 65 can receive the Government's contribution (but is also locked-in). Table 2 below shows the breakdown of member balances across these two sections.

**Table 2: Members' balances at the start and end of the year ending 30 June 2025**

Members' Balances	30 June 2024	30 June 2025
New Benefits section	\$43,093,156	\$43,359,377
Complying Fund section	\$5,718,906	\$6,560,553
<b>Total Balances</b>	<b>\$48,812,062</b>	<b>\$49,919,930</b>

Table 3 shows contributions received, and benefits paid during the year.

**Table 3: Contributions and withdrawals for the year ending 30 June 2025**

Movements	30 June 2024	30 June 2025
Contributions	\$1,035,167	\$1,067,124
Withdrawals	\$3,756,733	\$3,718,972

## Investment returns

The Fund offers members a choice of five investment options across a range of risk / return profiles: Cash, Conservative, Moderate, Balanced and Growth - and the ability to save in either a Kiwisaver lookalike section (Complying Section) and / or another slightly more flexible section (New Benefits Section). The funds are invested in the Mercer Socially Responsible Investment Funds.

It has been another good year for investment returns, largely driven once again by a strong performance from global shares. This good performance was somewhat surprising given the economic and geopolitical uncertainty created by the introduction of hefty US tariffs. And once again, it was large US-based technology companies that saw their share prices rise the most. These companies are benefiting from huge investments in AI (artificial intelligence) capabilities and investors think this will continue to generate more and more profits into the future. Time will tell if this is right.

At the other end of the investment spectrum, the Cash Fund also generated a reasonable return, although this started to fall away towards the end of the year as the Reserve Bank of New Zealand lowered interest rates as inflation fell back into its target range.

The Cash Fund returned +5.5% for the year to 30 June 2025 (after all fees and costs) (last year +4.0%), the Conservative Fund +6.2% (last year 3.2%), the Balanced Fund +8.9% (last year 6.7%), and the Growth Fund +10.5% (last year 9.1%). Table 4 below shows the returns received by each of the investment options.

**Table 4: Investment Option returns (after tax and fees) for the year ending 30 June 2025 and 2023**

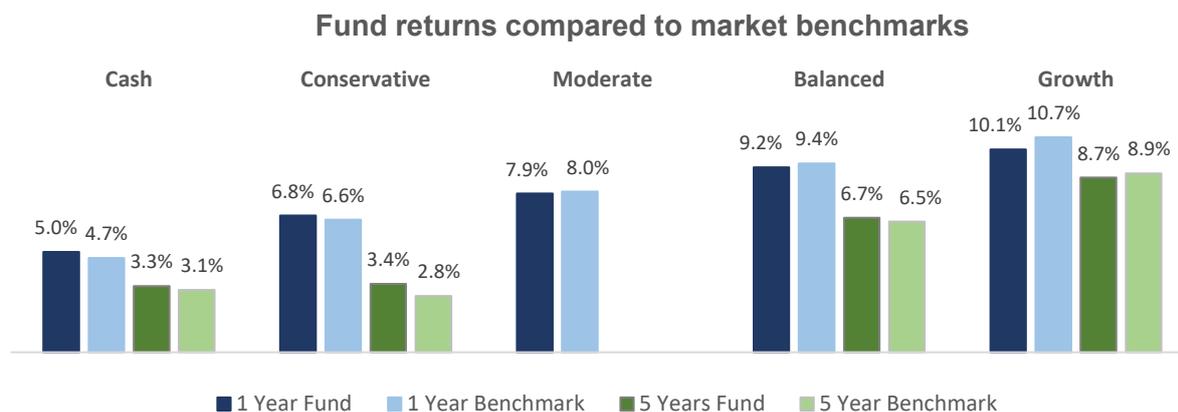
Investment	Cash	Conservative	Moderate	Balanced	Growth
2025	4.6%	5.9%	7.0%	8.2%	8.9%
2024	5.5%	6.2%	-	8.9%	10.5%

## Comparing returns

The Board compares the Fund's investment returns against a number of metrics. Chart 1 below compares the performance of each investment option (before fees) against each broader market (benchmark) over the last year and the last five years. The chart shows whether our fund manager, Mercer, is doing better than the markets in which it invests for the most part, although the Growth option lagged the market over both periods.

Part of the difference between the Fund’s returns and those of the market can be explained by the Fund’s responsible approach. The Fund’s investment policy excludes investment in a number of sectors, including companies involved in fossil fuels. In addition, the investments favour those companies that generate a positive impact on communities and the environment. This approach is not expected to compromise returns over the long term, but might result in variations from broader market returns over shorter periods. This has certainly been the case over the last year or so, where the market has the very large technology companies. As a result, most fund managers that adopt a sustainable or impact focus have struggled to beat the market.

**Chart 1: Fund versus benchmark returns for periods ending 30 June 2025**



We also compare the Fund’s returns against KiwiSaver returns. We observe that, in general, the Beneficiary Fund returns are not as good. However, while the nominal returns are not the highest in their peer groups, when we account for the risk taken by each Fund, our returns compare quite favourably. The Board likes the fact that the Beneficiary Fund’s returns are less volatile than many others as we think our members value this relative stability.

We also are very aware that this money will be supporting people in their retirement, so we also monitor how the fund is performing against inflation, with a target of achieving inflation plus at least 1% (over 3 years) for the Conservative Option, 3% (over 7 years) for the Balanced Option, and 4% (over 8 years) for the Growth Option. The Fund was ahead of these targets until the recent burst of high inflation. We hope that as inflation moderates, the investment returns will catch up again.

**Future returns**

Investment markets are always difficult to predict, but the environment at the moment feels more uncertain than ever. While this is on the minds of the Board, it is important for members to focus on the long term. For most of our members, including those who are retired, the investment horizon is many years away, and it is the returns over this longer horizon that matters rather than the variability in the short run.

**Thanks**

It is very clear from this report that the Fund is highly dependent on its providers. We are fortunate that they serve us with professionalism and with a clear willingness to support the fund to the best of their abilities. As the Chair, I would also like to thank the CPT office staff for their hard work and for the Board for the professionalism and enthusiasm they bring to our work.

**Margaret Galt**  
**Chair**

# PRESBYTERIAN BUREAU SERVICES TRUST

## Presbyterian Bureau Services Trust Membership

Andrew Souness (Trustee, Convenor), Roger Gyles (Trustee), Helen Carter (Trustee)

Associates: Russell Garrett (Executive officer), Robyn Taylor (Accountant), Tracy Setters (Office Manager)

## Purpose

The Presbyterian Bureau Services Trust (PBST) is a registered charitable trust, whose trustees are appointed by the Presbyterian Church Property Trustees (PCPT). PBST is responsible for the provision of insurance cover to members of Presbyterian Church Insurance Collective (Collective). The Collective is made up of the PCANZ, the Synod of Otago and Southland, and PCPT. Representatives from these entities form the Presbyterian Insurance Advisory Group (Advisory Group), which advises PBST on the insurance cover required by the Collective.

## Presbyterian Insurance Advisory Group Membership

Naomi Lane (Chair, from January 2025), Martin Stewart (Chair, up to December 2024), Cunny Atchison (PCANZ); Fergus Syme (Synod of Otago and Southland); Andrew Souness (PCPT) and Helen Carter (PCPT)

Associates: Roger Gyles (PCPT), Wayne Matheson (PCANZ)

PBST and the Advisory Group typically meet four times a year (once in person and three times virtually) and make decisions between meeting via digital polls. We were delighted to invite Roslyn Boyes and Sharon van Turnhout (Otago Foundation Trust Board) to join our meetings.

## External Providers

In addition to the work of the Trustees Office, PBST relies on the good work of providers to assist with the management of the Collective: Rodger Fullford – insurance consultant; Gallagher – insurance broker; Sedgwick – insurance assessor.

## Insurance Cover and Claims

The Collective requires two main types of cover, property insurance and liability insurance, alongside travel, motor vehicle, and cyber/crime cover. This cover is placed by Gallagher (formerly Crombie Lockwood), the insurance broker appointed by PBST. In addition to arranging the insurance cover, Gallagher also handles claims on behalf of members of the Collective and provides a free online valuation tool for use by parishes in setting insurance valuations. Property insurance is underwritten by a syndicate of NZ-based insurers, with a self-insurance pool in place for the first \$500,000 in claims.

An independent loss adjuster, Sedgwick, has been appointed by PBST to work with Gallagher on claims.

The insurance year runs from 1 August to 31 July. This report covers the 12 months to 31 July 2025.

## What did we achieve over the last year?

### 1. Insurance cover

Property and liability insurance was placed on behalf of 315 participants for the year to 31 July 2025 at a total cost of \$4m. This was down from \$4.3m the previous year, despite increasing the self insurance fund collection by \$200,000. Property cover was moved from Concordia (through a syndicate of global insurers) to a syndicate of NZ-based insurers led by AIG.

Property cover increased from \$1,484m to \$1,610m (perils) as some congregations responded to our requests to secure up to date valuations. Where no valuations were forthcoming, we increased property values by 5% in an effort to keep up with the construction cost inflation.

## 2. Claims

The Collective has paid or is in the process of paying 45 claims for a total of \$484k (\$417k last year). This included one claim in excess of \$100,000 and a further 7 claims in excess of \$20,000. 16 claims were caused by water damage, with a further 13 caused by theft/burglary.

All claims were met from the self-insurance pool, i.e. directly funded by the Collective, not the insurer. In the year to 31 July 2025 the Collective received \$450k from participants, funding the extra \$34k from reserves.

In the last two years, the Collective's insurance cover and claims were as follows:

**Table 1: Insurance cover and claims for the year to 31 July 2024 and 2025**

In the year to:	Participants	Perils value insured (\$m)	Natural disaster value insured (\$m)	Number of Claims	Premium paid (4m)	\$ Claims
31 July 2024	325	\$1,484	\$1,050	44	\$4.3	\$417,715
31 July 2025	315	\$1,610	\$1,155	45	\$4.0	\$484,190

## 3. Renewal for year beginning 1 August 2025

The 2025 annual renewal commenced in March. Following concerns from a number congregations about the 2024 renewal, we have invested more time in supporting the broker for this renewal as follows:

- The first step in the process was a contact audit. We wanted to make sure the right people in each congregation were receiving insurance information. This resulted in a number of changes to our contact list.
- We followed this up in May by confirming current insurance valuations and asking congregations to update valuations where appropriate.
- In June, participants were provided with renewal forms and a pricing spreadsheet. We accompanied this with four Zoom calls for participants to ask questions about the process. We were delighted with the engagement, with 85 people attending these calls.
- Details of the renewal will be available in the next Annual Report, but we are hopeful of achieving another good result against the background of a further easing in the Insurance market.

### What do we want to achieve next year (and beyond)?

1. To incorporate Fit for Purpose property principles into the insurance process. We want to ensure we are insuring the right buildings for the right amount, not necessarily all buildings.
2. To promote the benefits of reducing claims to all members of the Collective. Reducing claims is the single biggest thing we can do to reduce the cost of insurance.
3. To review our broker arrangements.
4. To conduct a satisfaction survey with those who have lodged claims during the 2025 year and compare results with previous surveys.

### Thanks

Thanks to the staff of the Trustees office, members and associates of the Insurance Advisory Committee and the PBST, and Rodger Fulford for their input to our insurance program. We also thank the team from Gallaghers and Sedgewick's for their support.

**Andrew Souness**  
**Chair**

# PRESBYTERIAN CHURCH INSURANCE COLLECTIVE STATISTICS

**Table 1: Presbyterian Church Insurance Collective Statistics 2023-2025**

	2023/24	2024/25
<b>Cover</b>		
No. participants	325	315
Peril sum insured	\$1,484,168,725	\$1,610,844,273
Natural Disaster sum insured (net of EQC)	\$1,050,126,351	\$1,155,669,808
<b>Premiums</b>		
Total Premium/Levies (Property)	\$3,788,686	\$3,191,512
Self-retention fund* collected	\$200,000	\$450,000
Total Premium/Levies (Liability)	\$159,759	\$158,885
PBST levy/fee	\$155,000	\$200,000
<b>Total</b>	<b>\$4,303,445</b>	<b>\$4,000,397</b>
<b>Policy</b>		
Any major changes to cover	<b>Property</b> Property cover was provided under two policies, with large value sites under a separate policy (with lower aggregate loss limits). A new flood-loss excess applied.	<b>Property</b> Property cover was moved from Concordia (global syndicate) to a syndicate of NZ insurers led by AIG. Limit for any one event increased from \$50m to \$150m.
<b>Claims</b>		
No. claims	44	45
No. claims > \$20k	7	7
No. claims > \$100k (incl. above)	1	1
Major claims summary	There was only one major (over \$100,000) claim arising from fire damage to a rental unit.	There was only one major (over \$100,000) claim arising from water damage from a burst pipe.
Claim summary commentary	Over a third of claims (by number) related to vandalism or burglary. By value, claims arising from water damage cost the most over the period.	A third of claims (by number) related to water damage (excluding storm damage), with another third relating to theft/ burglary/ vandalism.
Amount claimed	\$417,143	\$484,191

\* The 1<sup>st</sup> \$500,000 of claims was met by the Self Insurance Fund. Where this exceeded the amount collected from participants, the shortfall was funded by the Collective's reserves.

# PRIVATE TRUSTS COMMITTEE

## Membership

Members: Paul Barber (Trustee, Convenor), Ron Mills (Trustee), Helen Carter (Trustee), Winston Timaloa (Trustee, from January 2025), and Enosa Auva'a (Specialist Associate)

Associates: Russell Garrett (Executive Officer), John White (Property and Administration Manager), Tracy Setters (Office Manager), Robyn Taylor (Accountant).

We were pleased to welcome back Winston Timaloa from a leave of absence as he completed his theological studies and congratulate him on his ordination and induction.

## Purpose

This Private Trusts Committee is responsible for:

1. Overseeing the formulation of Trusts' Policy and Strategy in line with recommendations to, and decisions of, the full Church Property Trustees.
2. Receiving and processing applications for grants or loans from the various trusts and funds under the Trustees' supervision (as delegated to the Committee) and ensuring that the terms and conditions for grants/loans accurately reflect the intent of the will of the donor, or trust deed.

The Committee typically meets four times during the year (virtually) and makes decisions between meetings via digital polls. Its work combines an ongoing cycle of regular grants and support for people in need and other purposes as dictated by the range of trusts administered by the Trustees. Alongside this is the more strategic work to ensure the private trusts associated with the Presbyterian Church continue to be well managed and available to serve the purposes for which they have been given.

## What did we achieve over the last year?

### 1. Frustrated Trusts

Good progress was made over the course of the year to prepare two proposals to the 2025 General Assembly to renew the trust deeds for two funds: the James Drummond Trust and the Thornton-Blair International Travelling Scholarship Fund. This work follows quite specific legislative provisions available to the Trustees, including the involvement of a Commission of Assembly and the Attorney General.

We look forward to GA2025 giving the final approval the new terms that will release several hundred thousand dollars to support students at St Andrew's College, Christchurch (James Drummond Trust) and people who are studying for their professional development in youth and social services-related disciplines (Thornton-Blair Fund). We expect to continue similar work with other 'frustrated trusts' that have been identified over the coming years.

### 2. Transition of Burnett Loan fund to an interest-free model

The Burnett Loan scheme has been running for many years, supporting people in ministry with low-interest loans of up to \$12,000. After reviewing the scheme, the Trustees have decided to transition to a no-interest loans approach in order to make the scheme more effective at supporting ministry and reducing the administration and compliance requirements and costs. We will be monitoring the effect on these changes over the coming year and look forward to a wider range of people accessing the Fund to support their ministry.

### 3. Submission on the Inland Revenue taxation and the not-for-profit sector issues paper

Thanks to the hard work of members of the Committee and the CPT staff, the Trustees provided comment to the Inland Revenue Department on its consultation on the taxation of the not-for-profit sector. The Trustees submission emphasised the importance of the charitable sector and questioned the rationale for change. Special thanks to Ron Mills for his leadership in this work.

#### 4. Te Whaiti-Nui-A-Toi Trust

A continuing highlight of the Private Trusts Committee's work is Te Whaiti-Nui-a-Toi Trust, that funds scholarships for Māori students at Lindisfarne College. These scholarships continue to contribute to a decades long legacy of achievement arising from the students who have received grants over the years. The Trustees were saddened to hear of the sudden death of Mr Pere Maitai, one of the original Te Whaiti scholars and longtime Chair of the Management Committee (that interviews and recommends candidates for scholarships). Pere's contribution to the work of the Trust cannot be overstated. One of the last projects Pere was working on was introducing scholarships for Māori students at Iona College. The Trustees hope this will take effect from 2026.

#### 5. New Trusts

As part of our Frustrated Trusts work, the Trustees identified two trusts within the Church eco-system that were not using the funds available to them. It was agreed that the Trustees would assume the administration of the James Wigston Shannon Assistance Fund and the Stewart, Mackay, Sanderson Scholarship. The former offers financial assistance to the spouse or partner of a deceased minister, while the latter offers tertiary education scholarships for those with any of the names Stewart or Mackay or Sanderson. We have prepared guidelines for the operation of both trusts and started to promote their purposes to potential beneficiaries.

#### 6. User surveys

As with a number of areas across the Trustees work, the Private Trusts Committee completed satisfaction surveys for users of the Presbyterian Benevolent Fund and Burnett Ministers Loan Fund. The results suggest the users of these Funds are satisfied with the way they operate, although they have given the Committee one or two areas to work on.

#### Trusts

The specific trusts/funds, some of which are registered as charitable trusts, for which the Committee has delegated responsibility are shown in the table below:

**Table 1: Trusts administered by the Trustees (with purpose and fund size)**

Trust	Purpose	Net Assets as at 30 June 2025 (\$)
Presbyterian Benevolent Fund	To provide financial assistance by way of grants to ministers and other qualifying persons	14,553,871
Olive May Burnett Ministers' Loan Fund	To provide financial assistance by way of loans to Ministers	1,372,032
Te Whaiti-Nui-A-Toi Scholarship	To provide funds and support to further the education of young Māori	1,352,096
Elsie Mary Steele Trust	For the residence and use of infirm, old or needy people (in Auckland)	2,563,512
Social Services Fund	For Presbyterian Support throughout New Zealand	413,659
James McKay Drummond Trust	For deserving St Andrew's College pupils	60,449
Thornton-Blair International Travelling Scholarship	Grants to assist graduate students overseas in the fields of Christian education and social science	168,993
Robert Malcolm Estate Trust	50% welfare of children; 20% Home Missions; 20% Global Missions; 10% St Paul's Trinity Pacific	263,470
Lucy Duncan Hewitt Fund	To encourage, foster and promote the playing advancement and enjoyment of organ music within the Presbyterian Church	33,253

Stewart, Mackay, Sanderson Scholarship	Grants to support tertiary studies for applicants with the name 'Stewart', 'Mackay', or 'Sanderson'	92,127
James Wigston Shannon Fund	To benefit the spouses or partners of deceased ministers of the Presbyterian Church of New Zealand	201,277

Details of the grants and loans made, and bequests received, over the last two years can be found in tables 2-4 below.

## What do we want to achieve next year (and beyond)?

### 1. Frustrated Trusts

We look forward to GA2025 addressing the proposals to amend the terms of the James Drummond and Thornton-Blair Trusts. If successful, they will provide a template for other frustrated trusts. We will be working our way through the legislative process to bring more proposals to GA2027.

### 2. Addressing accumulated surpluses

In addition to releasing funds from frustrated trusts, the Trustees are keen to ensure the Church is spending all the income available to it from trusts and bequests. We suspect that there are some trusts that have built up accumulated surpluses over time. Spending these funds is important because it: 1) is faithful to the wishes of the benefactor; 2) releases funds for mission and ministry today, rather than hoarding it for tomorrow; and 3) reduces the risk that the church will lose its charitable status.

We will be starting with trusts administered by the Assembly Office, before looking at trusts administered by Presbyteries and then congregations.

### 3. New funding

We look forward to releasing the first funds from the Wigston Shannon Trust, expanding grants from the Stewart, Mackay, Sanderson Fund, and providing Te Whaiti-Nui-A-Toi scholarships to Māori girls for the first time in several years. We also expect to renew grants from the amended James Drummond and Thornton Blair trusts.

### 4. Governance

We think it timely to review the investment profile for the trusts we administer. That is, to ensure we are taking appropriate investment risk in the expectation that we will earn a higher return, while at the same time ensuring we have sufficient liquidity on hand to meet distributions.

We will also be reviewing the operations of the Burnett Loan Fund to see if there have been any adverse impacts from the introduction of interest-free loans.

## Thanks

First, our thanks to the members of the committees that support the work of two specific trusts. Thanks to the Elsie Steele Trust Board which, under the auspices of Northern Presbytery, receives applications and makes recommendations to the Trustees for grants. And thanks to Te Whaiti-Nui-A-Toi Trust Management Committee, which interviews candidates and makes recommendations to the Trustees for scholarships. This 'on-the-ground' work is critical to the successful operation of these trusts.

Thanks also to the Private Trust Committee members, whose combined wisdom and experience helps shape good decision making. None of the Committee's work, however, would be possible without the small but highly skilled and dedicated team in the Trustees office team. Russell Garretts's eye for opportunity and strategic guidance has been ably supported by Tracy Setters thorough and persistent work identifying and analysing trust funds, as well as John White's eye for detail across a range of trust administration and Robyn's efforts to generate financial reporting for all our trusts.

**Paul Barber**

**Convenor**

## PRIVATE TRUSTS DISTRIBUTIONS AND BEQUESTS

### Funds Distribution

The tables below details the number and value of grants/loans approved over the last two years.

**Table 2: Trust /Fund Grants for the year ended 30 June 2024 and 2025**

Trust/Fund	Purpose	YE 2024		YE 2025	
		No.	Value (\$)	No.	Value (\$)
Presbyterian Benevolent Fund*	To provide financial assistance by way of grants to ministers and other qualifying persons	8	188,980	12	214,473
Te Whaiti-Nui-A-Toi Scholarship	To provide funds and support to further the education of young Māori	19	30,750	19	29,000
Elsie May Steele	For the residence and use of infirm, old or needy people (in Auckland)	6	57,814	5	27,000
Social Services Fund	For Presbyterian Support throughout New Zealand	7	8,515	7	12,675
James McKay Drummond	For deserving St Andrew's College pupils	0	0	0	0
Thornton Blair International Travelling Fund	Grants to assist graduate students overseas in the fields of Christian education and social science	0	0	0	0
Robert Malcom Estate Trust	50% welfare of children; 20% Home Missions; 20% Global Missions; 10% St Paul's Trinity Pacific	8	72,135	8	35,285
Lucy Duncan Hewiit Fund	To encourage, foster and promote the playing advancement and enjoyment of organ music within the Presbyterian Church	2	1,000	2	2,100
Stewart, Mackay, Sanderson Trust	Grants to support university studies for applicants with the name 'Stewart', 'Mackay', or 'Sanderson'	0	0	1	1,988
<b>Total Grants</b>		<b>50</b>	<b>359,194</b>	<b>54</b>	<b>322,521</b>

\* The Benevolent Fund grants includes \$150,000 paid to the Beneficiary Fund as a member fee subsidy.

**Table 3: New loans or advances for the year ended 30 June 2024 and 2025**

Trust/Fund	Purpose	YE 2024		YE 2025	
		No.	Value (\$)	No.	Value (\$)
Olive May Burnett	To provide financial assistance by way of loans to Ministers	7	58,700	6	47,554

**Table 4: Bequest Schedule for the year ended 30 June 2025**

Estate Name	Amount (\$)	Beneficiary	Purpose
H K Wilkinson	9,400	PCANZ	Youth Ministry
M J Garrity Estate	37,671	PCPT	Global Mission
P Middlemass Estate	1,385	PCANZ	General Purposes
B Stuart Estate	28,398	Te Aka Puahou	Mission & Welfare work
George Winder	100	Presbyterian Support Central	Welfare of Young People
William E Boyd	60,898	PCANZ	50% Youth Ministry/50% Children & Family
A Weaver	2,000	Te Aka Puahou	Education of students for ministry
B A Small Estate	20,000	PCANZ	General Purposes
EMJ Small Estate	33,795	St Andrews Gore	General Purposes
South Canterbury Legacy Fund	5,000	St Andrews Fairlie	General Purposes
W H Wallace	46,404	St Andrews Hamilton	General Purposes
J D McGruer Estate	19,987	Presbyterian Support Services	Welfare of young people Ross Home
<b>\$265,038</b>			



*Clockwise from top right: Christchurch Korean Presbyterian Church Youth Hall; St John's Papatoetoe foyer; St John's Papatoetoe entrance*

# PROPERTY COMMITTEE

## Membership

Ron Mills, (Trustee, Convenor), Margaret Galt (Trustee), Helen Carter (Trustee), Andrew Souness (Trustee), Hao Hoang (Trustee to 31 December 2024 and Specialist Associate from 1 January 2025), and Tim Griffith (Specialist Associate, from 1 January 2025)

Associates: Russell Garrett (Executive officer), John White (Property & Administration Manager), Tracy Setters (Office Manager)

## Purpose

This Property Committee is responsible for:

1. Considering applications from congregations and presbyteries for property-related matters, including sale and purchase, new builds, renovations, leasing, borrowing, and lottery funding, as well as applications to use property capital for other purposes.
2. Providing guidance to the Church on property-related matters, such as seismic strengthening, primarily through the maintenance of the Property Handbook.

The Committee typically meets ten times during the year (mostly virtually) and makes decisions between meetings via digital polls.

## What did we achieve over the last year?

### 1. Property Applications

The following table gives an overview of the transactions approved by the Trustees through the committee over the last year to 30 June 2025.

**Table 1: Property Applications for the year ended 30 June 2025 (and 2024)**

Type	2024		2025	
	Number	\$ Value	Number	\$ Value
Sales^	20	\$24,721,560	9	\$15,155,000
Purchases	4	\$3,510,000	2	\$2,125,000
New Builds	8	\$14,327,000	6	\$15,915,500
Renovations	11	\$4,528,672	10	\$11,287,992
Strengthening	8	\$1,989,200	5	\$4,053,385
Lotteries	1	\$137,000	3	\$75,000
Borrowing	3	\$4,700,000	3	\$1,400,000
Leases	3	\$28,470	5	\$72,600
Mission	1	\$305,000	0	-
Gifting	0	-	0	-
Insurance (exemptions)	0	-	1	-
Earthquake Policy (exemptions)	0	\$0	0	\$0
Other	7	\$1,898,752	9	\$121,000
<b>Total</b>	<b>66</b>	<b>\$56,145,654</b>	<b>53</b>	<b>\$50,205,477</b>

MEF Contribution	6	\$439,411	6	\$403,119
MEF Contributions Declined	5^^	223,209	3	253,483
MEF Contributions TBC	3^^	130,830	2	75,573

The table may include more than one application for the same project, for example, where there have been both concept and final applications, or revisions to earlier applications. Dollar values are those approved by the Trustees. Realised or actual values may differ.

^ The Trustees continue to remind those entities that have received a relevant approval to sell of the Special Assembly 2022 decision that, “Those bodies responsible for the sale of Church-owned land and/or buildings are to offer these assets to relevant Māori entities before the asset goes on to the open market.” The Trustees have cautioned the Council of Assembly that the decision did not address the different roles and responsibilities of those involved in property transactions sufficiently to be effective. This was rectified at the 2023 General Assembly with a new Supplementary Provision to chapter 16.7, clause 4.5A. The Trustees have subsequently worked with the Book of Order Advisory Committee on Guidelines to give effect to this decision, and these have now been issued by the Council.

^^ Includes some prior transactions that were pending at the point the Trustees Report was completed,

The Property Committee processed 36 polls requiring decisions on property matters, met via Zoom 10 times as a committee for regular business and met with presbyteries twice via Zoom to discuss matters of interest to Presbytery property teams.

These brief statistics do not fully reflect either the value or size of some of the property transactions we have approved or the complexity of some of the property transactions on which the advice of the Trustees is sought. For example, there are currently major property works under way at Avondale Union, St John’s Mt Roskill, and St Stephen’s Ponsonby with further work in respect of other congregations at concept approval stage. We are also assisting with clarifying issues involving property schedules and Cooperative Ventures.

## 2. Fit for Purpose Deployment

The Fit for Purpose framework for buildings takes into account a building’s condition, its current use, its location and its future potential. There is scope for some variation in how presbyteries deploy the framework so long as there is a clear focus on making good strategic decisions in respect of buildings, including decisions under s. 39 of the 1885 Act.

To facilitate Fit for Purpose deployment at presbytery level, we provided presbyteries with an FFP checklist to assist them in decision making. This was shared with presbyteries at the Presbytery Property Zoom call on 29 October 2024, which was well-attended. We noted the generally favourable feedback from the Presbytery Property Zoom call.

We considered the timeline for our Fit for Purpose follow-up report to GA 2025 in November 2024.

We have incorporated fit for purpose considerations into the section of the new Property Handbook on dealing with the property of dissolved congregations under section 39 of the Presbyterian Church Property Act 1885.

When the Property Committee met (virtually) in June 2025, among other things we:

- Reviewed the Fit for Purpose reports received from 3 presbyteries, noting distinctly different approaches (we have since received a further presbytery report), and
- Considered how to incorporate Fit for Purpose considerations into property applications (this work is ongoing).

We also resolved that we would not be including any recommendations in our Fit for Purpose report to the General Assembly but would continue to advance this stream of work as we engage with presbyteries and congregations in the course of our regular work.

What have we achieved?

We have succeeded in raising the mission profile for property decisions involving buildings, and we have provided a checklist for improving decision-making entailing spending money on buildings. We have placed the Church on notice that it needs to encourage congregations and presbyteries to focus their energies on developing fit for purpose buildings to facilitate mission.

### **3. Writing and Implementing New Earthquake Policy**

After the General Assembly in 2023, both the Council of Assembly and the Trustees obtained legal advice on where responsibilities lay under the Building (Earthquake-prone Buildings) Amendment Act 2016. This shaped the Church's revised Earthquake Policy in response to the decision of the 2023 General Assembly.

We processed a revised Earthquake-prone Buildings policy in August 2024 with a view to placing it before the Full Trustees for approval later.

In September 2024, we approved recommendation of the revised Earthquake-prone Buildings policy (with minor amendments) to the Trustees for final approval. The Trustees approved the revised Earthquake-prone Building policy in September 2024.

We discussed the revised policy with presbyteries during the Presbytery Property Zoom call on 29 October.

### **4. Production of New Edition of Property Handbook**

The Property Handbook is intended to remind congregations and presbyteries of provisions that must be complied with and to provide helpful information to smooth the way ahead in property transactions. A new edition is produced from time to time to take into account changes in regulations or practice or provide new information in the property sphere.

In August 2024 we began considering some major changes to sections of the 4th edition of the Property Handbook. These included rewriting the advice on GST on property transactions in light of the advice of IRD that, since the Trustees were 'bare trustees' for GST purposes, the relevant congregation or presbytery should account for GST as beneficial owner. We approved a proposed GST transition date to congregations and presbyteries of 1 November 2024.

In September 2024 we noted a small number of additional suggested changes to the Property Handbook, as well as the need to take into account the new earthquake policy.

In October 2024 we considered an email concerning the prospect of gifting the property of a dissolved congregation to mana whenua. It was noted that, while the Trustees have a longstanding position against gifting, the reasons for this stance should be explained more fully in the Property Handbook. In November 2024, we discussed two further inquiries regarding the gifting of church property. These three inquiries provided the impetus to expand the section on gifting in the 4th edition of the Property Handbook in the current rewrite.

In February 2025 we considered in draft form the proposed changes to the Property Handbook, including some major changes to sections covering decision-making, property issues arising on the dissolution of congregations, gifting outside the Church, and earthquake-prone buildings.

In March 2025 we approved a revised edition of the Property Handbook containing several major amendments considered over a number of months for recommendation to the Trustees via poll.

The Trustees approved the 5th edition of the Property Handbook via poll in April 2025.

The new 5th edition of the Property Handbook contains major revisions to the 4th edition, including the following key changes:

- Sales: inclusion of right of first refusal,
- Sales: inclusion of revised MEF approval provisions,
- Use of Capital: sharpens treatment of use of property capital,
- Sales and Purchases: revised process for accounting for GST and new responsibilities on congregations and presbyteries,

- Gifting: highlighting the challenges in trust law to any attempt to gift property outside the Presbyterian Church,
- Insurance: new options open to congregations in selecting level of insurance for their buildings,
- Earthquake-prone Buildings: changes reflect the new Earthquake-prone Buildings policy, under which Church and Presbytery Councils are responsible for compliance with strengthening legislation.
- Duties and responsibilities of decision makers: provided an enlarged discussion.
- Property of Dissolved Congregations: more attention to CVs, alignment with newly released BOAC Guidelines on congregational reviews under s. 5.10 of the Book of Order, incorporation of fit for purpose considerations, and more detail on options open to presbyteries.

This edition is now available on the Presbyterian Church's website.

We publicised the new edition in the Trustees' April 2025 newsletter and discussed the new edition of the Property handbook with presbyteries during the Zoom call on 26 June 2025.

### **5. Implementation of Advice on the Mission Enterprise Fund**

In August 2024, we dealt with MEF contributions, where it was decided that the Trustees would use their discretion (where applicable) not to make transfers to the MEF and would hold any parish/presbytery contributions in suspense, pending the Council of Assembly directing a resumption in granting.

In September 2024, we agreed to transfer funds held in suspense to the Mission Enterprise Fund account and resume use of our discretion regarding transfers, following the Council of Assembly's decision to instruct the PressGo Board to resume granting. Since then, we have processed MEF matters in accordance with the revised Supplementary Provision.

In April 2025, we approved draft advice and comments regarding the possible wind-up of the Mission Enterprise Fund for release. We had been consulted on this matter by the convenor of the Council of Assembly task group appointed to review the MEF. We anticipate some more work post GA2025.

### **6. Stakeholder Survey - congregations**

We are acutely aware of the need for us to retain good relationships with our stakeholders, particularly the congregations and presbyteries who come to us in connection with property matters. In March 2025, we considered how to approach stakeholder relationships in the property area, electing to start with a survey of congregations that had made property applications in the last 12 months. After a trial run of the survey questionnaire in April 2025, we sent out the survey forms to 37 respondents in May 2025, receiving 18 responses in return. These responses are now being processed. It is planned to run a stakeholder survey of presbyteries in the year beginning 1 July 2025.

### **7. Providing advice**

We are sometimes consulted by Church task groups or work groups and asked for our advice or views, which we try and provide. In addition to the MEF Task Group (see above) and the Book of Order Advisory Committee, we have also been approached by the PCANZ Emissions Reduction Group who shared a copy of their report with us. We were happy to commend the Group for their Report and encouraged the Group to share the Report with CARGs and Presbytery Property teams. We also recommended some changes to the Council of Assembly regarding property-related dollar thresholds found in the Book of Order.

### **What do we want to achieve next year (and beyond)?**

#### **1. Reinforcing Fit for Purpose Property Management**

We will work to ensure Fit for Purpose principles are embedded in our decision-making and encourage this across the Church's eco-system. We expect to make some minor changes to property application forms to facilitate this.

## **2. Creating New Property Database**

The Committee's work over the last 2-3 years has demonstrated the need for a property database that allows the Committee to record property applications and data that the current database was not designed to hold. Moreover, the current database uses software that is now obsolete. We are taking the opportunity to upgrade the database via an easy-to-use online system.

## **3. Stakeholder survey - Presbyteries**

We plan to survey presbyteries about the property policies and processes.

## **2. Clarifying Decision-Making Framework**

We know that the current approvals process and list of decision-makers can be confusing, so we have begun a stream of work to clarify and codify the decision-making processes under the 1885 Act and subordinate regulations. This will build on the work we have started with the current edition of the Property Handbook.

## **3. Aligning Chapter 16 of the Book of Order and Supplementary Provisions with 1885 Act**

Given recent experience with the Mission Enterprise Fund, we believe it is timely to check that chapter 16 of the Book of Order and the associated Supplementary Provisions are in alignment with the Presbyterian Church Property Act 1885. We have set a time frame so that any required amendments to the Book of Order or the Supplementary Provisions can be processed in the proper manner and brought to the General Assembly in 2027.

## **Thanks**

In closing, we thank our staff in the Trustees' office, Russell, John and Tracy, for their hard work and their contribution during another busy year.

We have had some committee changes in the last year. Hao has resigned as a trustee but joins Tim Griffith as a Specialist Associate. We are pleased that Tim has joined us in this role and that Hao is willing to continue to serve in this way.

I would like to thank Helen, Margaret, Hao, Tim and Andrew for their dedication to, and work on, this committee.

Finally, I would like to acknowledge the service Alasdair McBeth, Tom Barnes, and others at DLA Piper have provided the committee in the last year.

***Ron Mills***

***Convenor***



*John Knox Presbyterian, Rangiora*

# LIST OF FINANCIAL STATEMENTS

## Audited

- Presbyterian Church of Aotearoa New Zealand Beneficiary Fund
- Presbyterian Investment Fund
- Martha and Samuel McNutt Trust (Glen Innis)

## Reviewed

- Christina A Clark Estate Trust (Flaxburn)
- Presbyterian Church Property Trustees Operational Accounts

## Other

- Elsie Mary Steele Trust
- James Mackay Drummond Trust
- Olive May Burnett Trust
- Presbyterian Benevolent Fund
- Presbyterian Bureau Services Trust Board
- Te Whaiti-Nui-A-Toi Trust
- Thornton-Blair International Travelling Scholarship

The Presbyterian Investment Fund, Beneficiary Fund, and Trustees' Operational financial statements are available online at [www.presbyterian.org.nz](http://www.presbyterian.org.nz)

Other financial statements are available on request from the Trustees' office: email [trustees@presbyterian.org.nz](mailto:trustees@presbyterian.org.nz).



*Trustees, Moderator, and CPT staff at the Strategy Day 2025 - Wellington*