

2024

ANNUAL REPORT



The Presbyterian Church
Property Trustees

Building up the Presbyterian Church for God's Mission

**THE PRESBYTERIAN
CHURCH PROPERTY
TRUSTEES**

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Cover picture: St Margaret's Bishopdale, Christchurch

DIRECTORY

Trustees

Andrew Souness (Chair)

Roger Gyles (Deputy Chair)

Ron Mills

Margaret Galt

John Harvey

Marie Burgess

Paul Barber

Alan Jamieson

Hao Hoang

Brian Dangerfield

Winston Timaloa

Lyn Murray

Helen Carter

Rose Luxford

Committees

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

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

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

Executive, PBFTL (Chair), Property

Farms

Farms, PBST, Private Trusts

Investment, Private Trusts (Convenor)

Investment, PBFTL

Property

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

(leave of absence from January 2023)

Farms, Synod of Otago and Southland Representative

Property, PBST, Private Trusts

(leave of absence from September 2023)

Representatives

Colin Marshall

Wayne Matheson

Council of Assembly

Assembly Executive Secretary

Specialist Associates

Ruth Rainey

Doug Crombie

Robert Ervine

Warren Potter

Enosa Auva'a

Farms

Farms

Farms

Investment, PBFTL (Licensed Independent Trustee), PIFLL

Private Trusts

Staff

Russell Garrett

John White

Tracy Setters

Robyn Taylor

Executive Officer, PBFTL, PIFLL

Property and Administration Manager

Office Manager

Accountant

Service Providers and Advisors	Role	Area
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	Accommodation Manager	McNutt Trust (Glen Innis)
Keith and Jo Dennis	Sharemilkers	CA Clark Trust (Flaxburn)
Findex (Michelle Turfrey)	Accountant	McNutt Trust (Glen Innis)
Lawson Avery (Brett Wooffindin)	Accountant	CA Clark Trust (Flaxburn)
BakerAg (Ed Harrison)	Advisor	McNutt Trust (Glen Innis)
Aidan Bichan	Advisor	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	Samuel & Martha 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

2023 - 2024 : BY THE NUMBERS

Trustees

- 14 Trustees, and 5 Specialist Associates
- 57 Trustee and Committee meetings (54 meetings last year)
- 130 Polls (decisions between meetings) (139 polls last year)

Property

- 929 buildings on 629 properties held on behalf of 237 congregations
- 66 property applications processed totalling \$56,145,654 (84 last year for \$37,336,506)
- 7 major building projects under development totalling \$41,213,720 (4 for \$21,061,000)
- \$439,411 collected for the Mission Enterprise Fund (\$1,361,256 in 2023)

Insurance

- 332 parishes covered for assets totalling \$1,506,600,876 (333 parishes \$1,400,949,575)
- 37 claims totalling \$407,562 in the year to 31 July 2024 (70 claims last year for \$3,977,008)
- \$3,660,102 in property premiums and levies paid (\$2,710,646 last year)

Presbyterian Investment Fund

- \$196,812,072 of investment assets (\$185,095,859 last year)
- \$8,550,933 paid in interest with capital gains of \$2,978,986 (\$5,563,546 interest paid last year and capital gains of \$711,535)
- \$49,422,738 invested in the Long-Term Fund (\$44,714,462)
- 5 parish/trust loans advanced totalling \$6,237,837 (5 loans totalling \$6,702,605)

Private Trusts

- 9 Estate distributions totalling \$138,726 (14 for \$306,892 last year)
- 40 Trust distributions totalling \$286,059 (43 for \$284,368)
- 5 new Burnett Loans totalling \$39,700 (5 for \$43,806)

Presbyterian Beneficiary Fund

- \$48,811,500 held on behalf of 467 Ministers and partners (\$47,591,849 for 478 members)
- Contributions of \$1,035,167 received for 185 members (\$969,730 for 201 members)
- \$4,085,135 in benefits withdrawn by members (\$4,085,135 last year)
- A return of +8.9% after tax and fees on the Balanced Fund (+6.7% last year)

Farms

- \$202,000 paid to the PCANZ from the Christina A. Clark Estate Trust (Flaxburn dairy farm) (\$250,000 last year)
- \$76,895 spent on the Holiday Homes at Glen Innis Station (\$98,060 last year)
- 141 guests staying 846 nights at the Holiday Homes (134 guests for 832 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.

Highlights of the Year

As usual, the year has had its share of highlights, including:

- Moving to a new office with the Assembly Office team in May 2024
- A successful strategy meeting hosted by Te Aka Puahou at the Ohope marae.
- Introducing a Trustee Tenure policy, which allows trustees to identify the term they wish to serve. This will assist succession planning in the future.
- Working with Presbyteries to align decision making on buildings across the Church. A property day meeting with presbyteries and a series of zoom meetings on Insurance have been a real highlight. We have been delighted with the extent to which presbyteries have engaged with us and we are planning future meetings.
- The continuing development of Trustee and Committee dashboards which have helped maintain focus on governance and have improved communication within the Trustees and externally, including with the Council of Assembly.
- \$56,145,654 of property transactions approved vs \$37,336,506 in 2023.
- The completion and opening of major property projects, at Mahurangi (Auckland), Rolleston (Christchurch), Bishopdale (Christchurch) and Whakatu (Nelson).
- A Review of the Trustees' decision-making framework that has led to a workstream to better align the Trustees' role and responsibilities with the authority for those roles and responsibilities.
- Positive feedback from our PIF user survey and a survey of those congregations that have made insurance claims. This is not to say that we don't have work to do in each area.
- Presbyterian Investment Fund (PIF) provided \$11.5m interest to account holders for the year.
- Presbyterian Investment Fund property development support for parishes with the loan portfolio growing to \$6.7m at year end. These loans also provide good returns to PIF account holders.
- The establishment of a workstream to identify trusts that might be frustrated and develop possible remedies to make the funds available to the Church.
- The Beneficiary Fund added a fourth diversified investment option for members. The Moderate fund fits between the Conservative and Balanced Funds.

Lowlights of the Year

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

- Another year where the farms were challenged by weather events, particularly at Glen Innis, which continues to feel the aftermath of Cyclone Gabrielle.
- Insurance premiums increased by some 20% (despite the Collective underwriting \$300,000 of the self-insurance fund), which resulted in hardship for many congregations.

- In addition to highlighting a number of frustrated trusts, we also identified a number of funds and accumulated surpluses across the Church eco-system that are available for use, but remain unspent. Some of these have not been touched for a number of years.

Future Challenges

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 the right people to continue the work of the Trustees, both as Trustees and Specialist Associates. The Trustees work requires governors with expertise in a wide variety of areas, from farming to investments, from property to trust law, from insurance to superannuation. We need to invest more time and energy in securing strong governance succession.
- To continue our stakeholder review project across all areas of the Trustees' activities. The aim is to help the Trustees ensure our activities are effective and identify areas where we might be able to make improvements. The review will include user surveys, conversations with key stakeholders, and external reviews as appropriate.
- To work with the Church to investigate ways to use our combined resources more effectively. The Church, as a collective, has substantial resources. While some of this is held in such a way that restricts its use, we believe the Church needs to be more creative and courageous in spending and leveraging the resources that we have been blessed with.
- To continue, "Building up the Presbyterian Church for God's mission," by being relevant and appropriate in an ever changing social and legal landscape. Key to this will be continuing to work with and support Presbyteries, which we believe play a vital role in the Church network.
- To encourage the Church to share with the Trustees their thoughts and aspirations on matters involving the Trustees. Recently the Trustees have spent considerable time finding solutions to decisions made by other parties. This work may have been avoided if there had been some earlier dialogue.

Strategy Day 2024

The Trustees held their strategy day on 1st March, at the marae at Ohope. We were hosted by Te Aka Puahou, who shared their story with us.

We also spent time during our Strategy Day on:

1. Reviewing committee goals and aligning them with the Trustees' goals
2. Discussing the role of the Trustees in the life of the church
3. Discussing the Trustees' Skills Matrix
4. Identifying our compliance with the 'Good-Governance-Code (Waehere-Whakahaere-Tika)
5. A walk around the marae site and a discussion with representatives of Te Aka Puahou on our future relationship, especially on property matters.

Trustee Movements

Our Trustee numbers have been stable over the year. We welcomed Enosa Auva'a as a Specialist Associate for the Private Trusts Committee in November 2023 and Robert Ervine as a Specialist Associate for the Farms Committee (CA Clark Estate Trust) in February 2024.

We have two Trustees on leave: Winston Timaloa until January 2025, to allow him to focus on his ministry internship; and the Rev. Rose Luxford, until the end of October 2025, as she serves as Moderator of the General Assembly.

Two of our current Trustees intend to retire at the end of 2024, so the search for new Trustees is underway. We are also seeking people with the right skills and qualities to serve on our committees as Specialist Associates.

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 2023/2024 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. They have completed the challenge of moving office and reinstating our IT platform with minimum disruption, while attending to our business as usual.

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 Alasdair McBeth 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; Trustees Executors, Custodian for the PIF; Steve Walsham of Gallaghers, insurance broker for the Presbyterian Collective; Aidan Bichan and Ed Harrison, Farms' Advisers; James & Stephanie Carter, Operations and Accommodation 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 this year with much pride.

We have encountered difficult farming environments, a complex insurance market and many other challenging work streams as we move towards our goal of building up the Church for its mission.

Thanks to the Trustees, Specialist Associates and Directors for your commitment, your contribution and your support during this past year. It has been a change to be able to plan and hold face-to-face meetings. I am grateful to the Trustees' Executive, our Deputy Chair, Roger Gyles, and Russell Garrett, our Executive Officer, for your encouragement and support during the year. Thank you also to the Rev. Wayne Matheson, Assembly Executive Secretary, and to the Rev. Dr Colin Marshall, Council of Assembly representative, for your support during the year. We have also appreciated our representation on the Council of Assembly and the Resource Subcommittee.

Ngā mihi

Andrew Souness

Chair

AUDIT AND RISK COMMITTEE

Membership

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

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

It is my pleasure to report on behalf of the Audit & Risk Committee for FY24 (year ended 30 June 2024).

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. A small number of entities are formally audited annually with others subject to review.

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.

Service Partners

Ernst & Young (EY) was reappointed by the Trustees to undertake the audit of the Presbyterian Investment Fund (PIF) financial statements for the period under review. These financial statements were prepared by Trustees Executors, in accordance with Tier 2 standards, in their capacity as custodian and accountant for the PIF.

EY was also appointed to carry out a review of the Trustees' Operational Financial Statements (under Tier 3 standards) for the year to 30 June 2024. This is the first year these statements are subject to review as expenses now exceed the threshold for review.

EY was also retained by Presbyterian Beneficiary Fund Trustee Limited to undertake the audit of the Presbyterian Church of Aotearoa New Zealand Beneficiary Fund (Beneficiary Fund) financial statements. These financial statements were prepared by Melville Jessup Weaver, in accordance with applicable standards, in their capacity as scheme administrator and accountant.

BDO retained its engagement as auditor of the McNutt Trust (Glenn Innis farm) financial statements for the year ended 30 June 2024. The McNutt Trust financial statements were prepared by Findex in its capacity as farm accountant.

Crowe was retained to undertake the review of the CA Clark Estate Trust (Flaxburn farm) financial statements for the year ended 30 June 2024. These financial statements were prepared by Lawson Avery in its capacity as farm accountant.

Both sets of farm trust accounts were prepared in accordance with Tier 3 standards.

New Tier 3 (Not for Profit) Standards from 2025

The Trustees will be adopting the new Tier 3 (Not for Profit) Standard for Performance Reports for the year ending 30 June 2025 as required by the new standard. To assist in the preparation of next year's statements under the new standard, the Audit and Risk Committee has requested Committee/Entities, following guidance and timelines from the Office, to clarify:

1. Objectives, activities and achievements
2. Asset revaluation policies

3. Reserving policies

The Trustees intend to develop draft 2024 shadow performance reports in accordance with the new Tier 3 (NFP) Standard for those entities for which they are responsible.

Financial Statements

The Committee also reviewed the financial statements for the various registered charitable trusts governed by the Trustees that are not subject to audit or review. These financial statements are prepared by the Trustees' office in accordance with Tier 3 standards. Although 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 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 2024 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 2024 operational financial statements will be available for viewing on the Church's website post the Trustees' Annual Meeting on 21 November 2024.

Brian Dangerfield
Convenor

FARMS COMMITTEE

Membership

Members: Roger Gyles (Convenor), Andrew Souness (Deputy Convenor), Doug Crombie, Marie Burgess, John Harvey, Lyn Murray, Ruth Rainey, Robert Ervine (CA Clark only, from February 2024)

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

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

McNutt Trust (Glen Innis): James Carter (Farm Operations Manager), Stephanie Carter (Accommodation Manager), Ed Harrison (Farm Consultant – Baker Ag), Michelle Turfrey (Accountant - Findex)

Responsibilities

The Farms Committee has responsibility on behalf of the Trustees, for the governance oversight of two farming trusts. Both farms, one a dairy farm and the other a sheep and beef farm, are in the lower North Island.

Four meetings were held during the year. On-site farm inspection visits and meetings were held in February 2024 with an overnight stay at Glen Innis (for the McNutt Trust) followed the next day by a visit at Flaxburn (for the Clark Estate Trust). Three other meetings were held, two via Zoom in December 2023 and May 2024, and the other in person at Masterton in September 2023.

Summary

It is pleasing for all involved with the farms, that despite the difficult year for both farms, distributions have continued for the beneficiaries.

Climatic conditions effected both farms again during the year. Insufficient rainfall over the summer lead to lower milk production on the dairy farm at Flaxburn. The Glen Innis sheep and beef farm operation, having downsized following the sale of the Woodhill farm, had two factors affecting the return: namely the remediation of the farm property following cyclone Gabrielle the previous year, and a softening of red meat prices. All in all, it was another challenging year.

THE MARTHA AND SAMUEL MCNUTT TRUST TRADING AS GLEN INNIS

Located near Waipukurau, Glen Innis is a 617ha sheep and beef farm left to the Trustees by the late James McNutt in 1953. The primary beneficiaries of the Trust are the ministers of the church, as Glen Innis provides accommodation in two well equipped holiday homes for a free one-week holiday once a year for ministers and their families. The second beneficiary, when funds allow, is the children of New Zealand.

As reported last year, the Trust sold the Woodhill Block and purchased another more impressive farm, Kokomoko (554 hectares), with both transactions settling 30 June 2023. The new farm was purchased with an operating lease in place due to expire 30 June 2024. As a result, the farming operation was downsized prior to 30 June 2023. It was perhaps fortunate that the downsizing allowed the farmer to concentrate this year on remediation of Glen Innis station following Cyclone Gabrielle, despite continued adverse climatic conditions. The dry autumn helped the property continue to recover from the cyclone, but did mean we were unable to purchase as much stock as planned. Together with low prices, income from the farming operation was even less than budgeted (noting that we had budgeted for less income due to the downsizing).

As it happens, we were able to take possession of the majority of Kokomoko some four months earlier than expected. This coincided with the completion of work on the Kokomoko farmhouse, which allowed the block manager and his family to move onsite as we restocked and commenced to operate as a dual-

site operation. It was also fortunate that Kokomoko was less affected by the cyclone, in part due to a different soil profile. The Trust has, however, decided to invest in a new set of cattle yards at Kokomoko.

We are hopeful that sheep and beef prices will recover so the Trust can maximise the opportunity presented by the dual-site operation.

Holiday Houses Use

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. In an effort to encourage increased occupancy of the Maud Hooper House, the Trustees approved extending usage to Local Ordained Ministers, Amorangi and Local Shared Ministry team members for a small fee.

We have re-introduced a survey of those who use the Holiday Houses. This provides a valuable way of ensuring we can continue to maintain the houses to an appropriate standard and add new features over time.

Use of the holiday homes over the last two years is shown in Table 1 below:

Table 1: McNutt Trust Holiday House Use

In the year to:	Guests	Nights
30 June 2023	134	832
30 June 2024	141	846

Distributions

Distributions are budgeted for in farm accounts and paid to a separate beneficiary account. The Holiday Homes manager draws on this for the operation of the accommodation and facilities for ministers. Any surplus goes to the second beneficiary. The Trust has paid or provided for distributions of \$10,000 for the welfare of the children of New Zealand in each of the last two years.

Financial Highlights

Table 2 below provides a summary of the financial performance of the trust for periods to 30 June.

Table 2: McNutt Trust Financial Highlights

	2023	2024
Distribution to Beneficiary Account	\$102,750	\$102,750
Spend on the Holiday Homes	(\$98,060)	(\$76,895)
Distribution to Children of New Zealand	(\$10,000)	(\$10,000)
Surplus in the Beneficiary Account (after Distribution)	\$34,247	\$50,858
Income	\$2,246,150	\$999,960
Expenses	(\$2,772,858)	(\$1,682,339)
Net Operating Surplus/(Deficit)	(\$526,708)	(\$682,379)
Cash Balance - 30 June	\$806,782	(\$241,857)
Loans – 30 June	(\$5,552,647)	(\$6,031,553)

Future Challenges

The farming focus for the next year or so will be establishing the dual-site operation. This will unfold as we get more and more familiar with the Kokomoko site and how it can complement Glen Innis. We will also need to complete ongoing remediation work at Glen Innis.

We will also look to develop our tree-planting programme at both sites. This will help stabilise the land, offset carbon emissions, and provide revenue opportunities by way of the emission trading scheme.

On the Holiday Houses front, we have an ongoing programme of work to keep the houses well-maintained. We will also be working to improve usage of the Holiday Houses. They are a great asset that are at present, under-utilised.

CHRISTINA A. CLARK ESTATE TRUST TRADING AS FLAXBURN

Flaxburn is a dairy farm near Featherston, of which 146 hectares was originally left to the Trustees by the late Christina Clark in 1957. Over the years, other land has been added, including last year when a neighbouring farm (84 hectares) was purchased, funded by a combination of land sales and debt. The purchased land had been leased by the Trust for several years. A further parcel of land (32 hectares), which had been also leased from the same neighbour was purchased at the end of June 2024, fully funded (when the purchase settled in July) by a further loan from the Presbyterian Investment Fund. The Trust also entered into a new lease for a support block of 38 hectares.

As we start the new financial year, the Trust owns some 305 hectares and leases a further 150 hectares.

Following the construction of the new homestead last year, the project was completed in early 2024 with the removal of the old homestead.

Challenging Farming Conditions

The farm had to contend with the third year in a row of challenging weather conditions in the 12 months to 30 June 2024, which adversely affected milk production. Nor was Flaxburn immune from significant increases in production costs or the fluctuations in the global milk price. As a result, the Trust experienced decreased production and higher costs, generating a lower financial return from operations this year. Fortunately, this was offset by a capital distribution and a higher dividend from Fonterra, so the Trust's net income for the year was slightly up on last year.

Any dairy operation must comply with numerous compliance regimes, particularly environmental and milk production areas. For this last year, with significant input from our Sharemilker and Farm Adviser, the Flaxburn operation has met all its compliance obligations.

Distributions

The 50:50 share milking arrangement at the Flaxburn dairy farm continues to work well for the Trust and the share milkers. As a result, the Committee has again been able to maintain its practice of making regular monthly interim distributions to the national church for the work of global and local mission as set down in the terms of the late Christina Clark's will. In addition, and allowing for the payment of a small number of fixed bequests, the Committee was also in a position to make a final distribution for the welfare of the children of New Zealand.

Table 1: Christina A Clark Estate Trust Distributions (excluding annuities) for the year

	Global Mission	National Mission
30 June 2022	\$150,000	\$50,000
30 June 2023	\$187,500	\$62,500
30 June 2024	\$151,500	\$50,500

Future Challenges

Having experienced the third year in a row of challenging weather conditions, investigations are under way to improve the farm through more efficient irrigation and provision of wind breaks, and an underpass under a main road. The Committee is also looking ahead to future sharemilking arrangements once the current contract ends.

While the Trust does not expect to enter into any more major land purchases in the near future, it is anticipated part of the neighbouring farm block, which has two houses on it, will be sold in the next couple of years, with the proceeds used to reduce debt. Following this, the Trust will look to balance distributions with repaying debt and undertaking required capital expenditure.

Table 2: Christina A Clark Trust Financial Highlights

	2023	2024
Interim distribution to beneficiaries	\$200,300	\$162,200
Final distribution	\$50,000	\$40,000
Milk solids production (kgs)	249,547	241,536
Average Milk Solids price per kg	\$8.19	\$7.90
<hr/>		
Income	\$1,049,850	\$1,272,606
Expenses	\$782,803	\$875,086
Net Income	\$339,271	\$397,520
<hr/>		
Bank and Cash balance - 30 June	\$162,083	\$532,362
Loans – 30 June	\$2,500,000	\$2,500,000

THANKS

The beneficiaries of the trusts owning the farm operations have again benefited from the work and commitment of our, unchanged, share milkers, managers, consultants and accountants, along with the dedicated CPT staff.

We record with appreciation: CA Clark Estate Trust - Keith and Jo Denis, Aidan Bichan, and Brett Wooffindin (Lawson Avery); McNutt Trust - James and Stephanie Carter and staff, Ed Harrison (BakerAg), and Michelle Turfrey (Findex); and CPT office staff - Russell Garrett, Tracy Setters, John White, and Robyn Taylor. Thanks must also go to members of the Farms Committee for their continued faithful service and in particular, Marie Burgess for her convenorship of the committee over the last two eventful years up until December 2023. Thanks is due to Robert Ervine for agreeing to join the Committee. The Committee has already benefited from his dairy farming background.

Roger Gyles

Convenor

INVESTMENT COMMITTEE

Membership & Responsibilities

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

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

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

Who makes up the PIF?

The Presbyterian Investment Fund (PIF) holds funds on behalf of parishes, 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 parishes 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.

Highlights during the current financial year include:

- Good returns for Long Term Fund accountholders. Strong global sharemarkets delivered excess returns resulting in Long Term accounts being credited with an extra 2.25% in reserve interest. Total Long Term Fund interest for the year generated +8.6% made up of regular interest of 3%, inflation interest of 3.3%, and reserve interest of 2.25%.
- The PIF On-Call Fund delivered strong returns of 5.5% during the second half of FY24.
- The PIF provided \$8.6m interest and \$3.0m in capital gains to accountholders over the year to 30 June 2024.
- The PIF is supporting property development with \$6.7m in loans to four congregations and one trust at year-end. These loans also provide solid returns to PIF account holders.
- Good returns allowed the Trustees to rebuild the Fund's reserves, after these were used to support returns over 2021 and 2022.
- A survey of users showed that 90% are happy with the facility, most are happy with returns, but not everyone finds it easy to use. Nearly 100% believe that responsible and sustainable investing is important.

Lowlights over the last year include:

- There has been little additional investment in the Long Term Fund, which still only represent around 25% of total PIF Funds. Given how enduring PIF balances appear, we suspect that more funds should be invested for the higher returns offered by the Long Term Fund.
- The PIF user survey revealed that nearly half do not receive the Trustees' communications.

Account Breakdown

Total account balances in the PIF have increased from \$179.6m (30 June 2023) to \$189.9m (30 June 2024) during the period under review. Reserves as at 30 June 2024 stand at \$6.9m (\$5.5 30 June 2023). Table 1 below shows that balances and reserves have fluctuated over time. Table 2 provides an account breakdown.

Table 1: PIF Balances over time

	\$ 2022	\$ 2023	\$ 2024
On-Call Fund	141,884,044	134,857,002	140,514,107
Long-Term Fund	43,521,270	44,714,462	49,422,738
Total Accounts Balances	185,405,314	179,571,464	189,936,845
Reserves	3,851,031	5,524,464	6,875,227
Total Net Assets	189,256,345	185,095,859	196,947,846
Reserves / Account Balances	2.0%	3.1%	3.6%

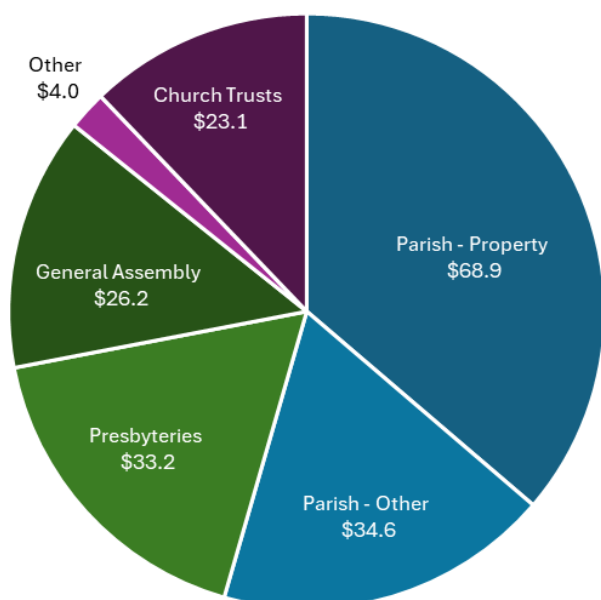
Chart 1: PIF Account Breakdown as at 30 June 2024**Presbyterian Investment Fund - by Entity**
30 June 2024 (\$m)

Chart 1 and Table 2 show that the largest component in the PIF remains Parish Property Capital (generated from the sales of properties) at \$68.9m (up by around \$3m over a year earlier).

Parishes hold a further \$34.6m in the PIF, Presbyteries hold \$33.2m, (up by around \$4m) and the General Assembly \$26.2m.

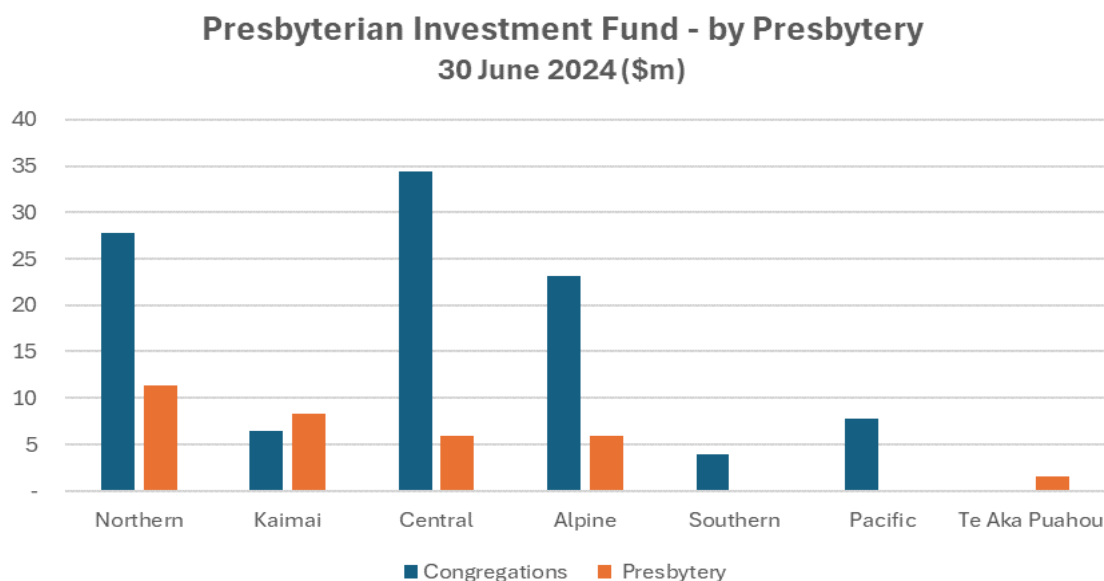
The Trustees hold \$23.1m (up \$2m) on behalf of the various trusts they administer, with a further \$4.0m held for other Church-related entities.

Table 2: Account Balances Breakdown as at 30 June 2024

Accounts	On Call Fund \$	Long Term Fund \$	Total \$
Parish Property	51,865,203	17,031,032	68,896,235
Parish Other	32,996,784	1,563,000	34,559,784
Presbyteries	29,567,405	3,669,358	33,236,762
General Assembly	16,048,466	10,126,961	26,175,427
Other	3,996,634	-	3,996,634
Trusts held by the Trustees	6,039,615	17,032,387	23,072,002
Total Account Balances	140,514,107	49,422,738	189,936,845

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 2024



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 2024 financial year at 5.0% p.a. and followed the OCR up, to finish at 5.5% p.a. as at 30 June 2024.

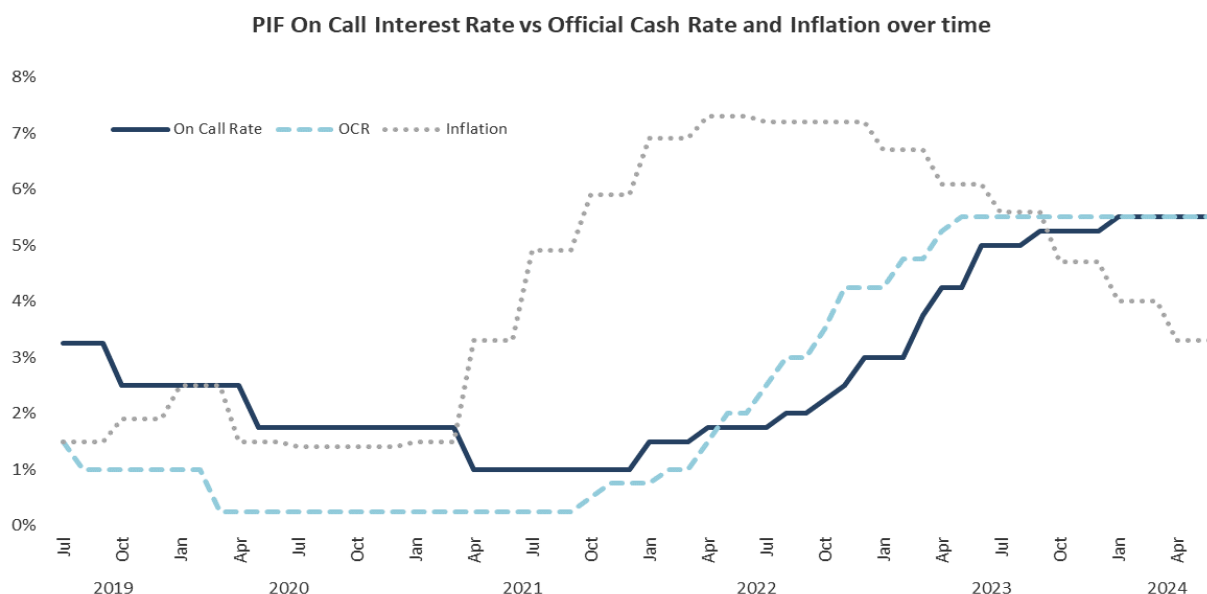
Table 3: On Call Fund Performance Summary:

	2022	2023	2024
Closing Interest Rate	1.75%	5.00%	5.50%
Average Interest rate	1.30%	3.10%	5.44%
Interest credited to accounts	\$1,825,445	\$4,259,831	\$7,155,653
Transferred to / (from) Reserves	(\$4,779,926)	\$1,673,433	\$1,359,832

With the OCR expected to decline steadily as inflation is curbed back to the targeted rate, the Trustees expect the PIF On-Call rate to reduce during the next financial year in line with declining returns.

Chart 3 below illustrates how the On Call Fund interest rate did not fall as far as the Official Cash Rate in 2019. However, the PIF rate also lagged the OCR as it rose again, before catching up early in 2024. The chart illustrates how for most of 2022 and 2023, the PIF On Call rate did not keep up with inflation.

Chart 3: PIF On Call Fund Interest vs the Official Cash Rate and Inflation up to 30 June 2024



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 parishes 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 2023 there were 5 loans outstanding to four congregations and one loan to the Clark Estate Trust, totalling \$6.7m (excluding interest).

Table 4: PIF Lending Summary

PIF Lending	2023	2024
Number of loans		
New loans	3	2
Loans at close	5	5
Value of loans	\$6,702,605	\$6,237,837
New loans (principal)	\$4,215,000	\$2,050,000
Loans (principal) repaid	\$16,406	\$2,514,768
Loans at close (incl. interest)	\$6,769,534	\$6,350,893
Loan interest rate	%	%
Close	6.89	7.27

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 2024, 19 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 one Presbytery.

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.

Markets have generally been more stable during FY24, and inflation has continued to moderate. The ideal combination for Long Term fund account-holders is high market returns and low inflation. In this scenario, after accounting for inflation there is still plenty left to provide for regular interest at 3% p.a. plus extra return by way of reserve interest. In the last quarter of 2023 investment markets bounced back to generate strong returns, and with inflation a more modest 0.48%, we were able to credit accounts with reserve interest of +5.0% (effectively reversing the losses in the prior quarter). Markets continued to perform well in the first quarter of 2024, with inflation of +0.635%. While returns were slightly ahead of regular interest plus inflation for the quarter, the Trustees elected not to process any reserve interest (in part because markets recorded a loss in April). However, with markets holding steady in the June 2024 quarter and inflation coming in at only 0.395%, the Trustees were delighted to approve reserve interest for the quarter of +2.5%.

Table 5: Long Term Fund Performance Summary:

	2022	2023	2024
Closing Interest Rate	3.00%	3.00%	3.03%
Average Interest rate	3.03%	3.03%	3.03%
Long Term Fund Interest	\$1,348,568	\$1,303,715	\$1,359,280
Inflation Interest Rate	7.30%	6.08%	3.33%
Long Term Fund Inflation Interest	\$3,036,515	\$2,936,226	\$1,755,750
Reserve Interest Rate	-14.90%	-5.00%	2.24%
Long Term Fund Reserve Interest	(\$7,399,075)	(\$2,224,691)	\$1,223,236
Total Long Term Interest Rate	-4.57%	4.11%	8.60%

Despite the tough return environment, the Long Term Fund has helped account-holders inflation-proof their capital holdings by 18% over the last three years, while still providing income available for spending.

Service Providers

The Trustees have outsourced the provision of various PIF services to a range of specialist organisations. Harbour Asset Management (HAM) continues to manage the PIF's On Call Fund investment assets and the Long-Term Fund assets continue to be managed by Mercer. Trustees Executors Limited acts as custodian for the PIF, holding the investment assets in safekeeping, and providing accounting services. Booster provides account administration and online access for parishes and other account holders from the Presbyterian family. Ernst and Young are the Fund's auditors and DLA Piper provides legal advice as and when required.

The Trustees' Office also carries out day to day administration of the Fund and oversees the loan portfolio. Table 6 below shows that costs rose slightly in 2024, but have remained relatively constant over time.

Table 6: Fund Performance Summary:

	2022	2023	2024
Administration Expenses	\$688,026	\$717,862	\$748,236
Admin Expenses / Total Average Assets	0.37%	0.39%	0.38%

Annual Newsletter

The Annual PIF Newsletter is available on the PCANZ website and from the Trustees' office.

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

PRESBYTERIAN BENEFICIARY FUND TRUSTEE LIMITED

Membership & Responsibilities

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. The Presbyterian Church Property Trustees appoints the directors and is the company's sole shareholder. The Beneficiary Fund is supervised by the Financial Markets Authority, which performs this role for all restricted workplace savings schemes.

As at 30 June 2024, the directors were: Margaret Galt (Chair), Roger Gyles, Alan Jamieson, Russell Garrett, Warren Potter, Graeme Thomlinson (appointed February 2024) and Rev Sharon Ross-Ensor.

During the year, Rose Luxford retired from the Board to focus on her time as Moderator. We welcomed Graeme Thomlinson. Graeme began his 40+ year career as an audit and tax accountant in Tauranga before taking up a number of accounting roles in London. For the last 20 years, Graeme has been a member of the ANZ Investments team, largely working with Boards of all shapes and sizes, including superannuation scheme boards, charitable trusts, local councils, and iwi authorities. He is now keen to develop his own governance experience and use his skills and experience to 'give back', and we are grateful to have his long experience in the financial sector.

Advisers and Service Providers

The Board is assisted, particularly with its compliance obligations under the Financial Markets Conduct Act, by Gregg Dell (Dell Consulting). DLA Piper provides legal advice as and when required. Melville Jessup Weaver (MJW) provides member administration services, including preparation of the annual report and accounts. Members receive regular statements and a quarterly newsletter, which keeps them up to date with the Fund's performance. Mercer (NZ) Limited is our investment consultant and fund manager, and EY the Fund's auditor.

This year we undertook the biennial review of our service providers and the Board's own performance. As always, the discussions highlighted some areas of improvement, but overall, the Board is satisfied with performance.

Highlights over the year include:

- The Board added a fourth diversified investment option to the mix available to members (in addition to a Cash option). The Moderate Fund sits between the Conservative and Balanced Funds.
- The Trustees of the Presbyterian Benevolent Fund elected to grant a fee subsidy to the Beneficiary Fund of \$150,000 per year for 5 years.
- The Fund's investment returns over the last year were very pleasing, ranging from 5.5% for the Cash Fund to 10.5% for the Growth Fund (after fees).
- The Board reviewed its suppliers and confirmed their appointments.

Lowlights over the last year include:

- The Fund's returns lagged the broader market, but compare more favourably when considered on a risk-adjusted basis (the Fund's returns are less volatile than peers). That said, most funds with a sustainable focus have struggled over the last few years. We will continue to adopt this approach in the belief that it will not cost members over the longer term, and is, of course, consistent with the Church's values.

Future challenges include:

- Addressing the impact of declining membership. The Fund is viable provided the costs associated with operating a small scheme do not outweigh the benefit that arises from the special tax nature of the Fund. The new fee subsidy from the Presbyterian Benevolent Fund is critical in this regard.

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 2024

	Contributing members	Non- Contributing members	Total
Membership at 1 July 2023	180	298	478
New members	8	-	8
Member switches	(2)	2	-
Member exits	(1)	(18)	(19)
Membership at 30 June 2024	185	282	467

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 2024

Members' Balances	30 June 2023	30 June 2024
New Benefits section	\$42,699,865	\$48,812,062
Complying Fund section	\$4,891,984	\$5,718,906
Total Balances	\$47,591,849	\$48,812,062

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

Table 3: Contributions and withdrawals for the year ending 30 June 2024

Movements	30 June 2023	30 June 2024
Contributions	\$969,730	\$1,035,167
Withdrawals	\$4,085,135	\$3,756,733

Investments

During the year, the Trustees added an additional option to the choices for members. This is a Moderate fund, which is positioned between the Conservative and Balanced funds. It mainly invests in defensive assets such as fixed interest and cash, but has about 40% invested in growth assets such as shares and real assets. This means 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.

Despite inflation persisting well into 2024, returns for the year to 30 June 2024 were very pleasing. Global shares acted as the engine-room for returns, rising by 20% over 12 months. As is always the case, however, some companies performed better than others. Technology stocks, particularly those most involved in artificial intelligence, such as Nvidia, were the standout performers over the year. In contrast, NZ shares provided no return over the year, illustrating the benefit of diversification. At the other end of the investment spectrum, Cash Funds also generated reasonable nominal returns as central banks held interest rates at historically high levels in an effort to combat inflation.

The Cash Fund returned +5.5% for the year to 30 June 2024 (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 2024 and 2023

Investment	Cash	Conservative	Balanced	Growth
2024	5.5%	6.2%	8.9%	10.5%
2023	4.0%	3.2%	6.7%	9.1%

The Fund continues to invest in a responsible and sustainable fashion. The Fund's investment policy excludes investment in a number of sectors, including companies involved in fossil fuels. These are updated as new issues arise, such as currently excluding investments in Russia. As well as a tilt to 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 favoured oil and energy companies (which the Fund does not invest in) and has not favoured many of the positive impact companies the Fund invests in. During the year we have discussed with Mercers their performance on achieving our ethical goals and they have responded by strengthening their reporting to us on this aspect. For instance, as at 30 June 2023 the shares held by our funds are invested in companies with about two-thirds of the Weighted Average Carbon Intensity of the average across the whole share-market (105 compared to 152) and the score is steadily improving over time.

Chart 1: Fund versus benchmark returns for periods ending 30 June 2024

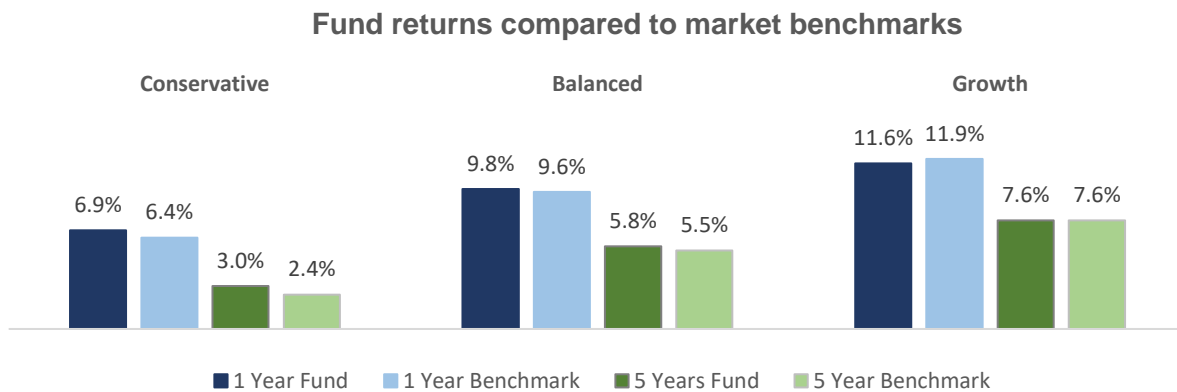


Chart 1 above compares the performance of each investment option (before fees) against each options market benchmark over the last year and the last five years. The chart shows whether our fund manager, Mercer, is doing better than the markets in which it invests. For the most part, it is, although the Growth option lagged the market over the last year.

We also compare the Fund's returns against KiwiSaver returns. We observe that, in general, the Beneficiary Fund returns are not as good. However, we note that the Fund's returns compare more favourable with other funds that adopt a strong focus on responsible and sustainable investing. We also note that our investment option returns are typically less volatile (less risky) than the broader market, which is a good thing.

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.

Thanks

I wish to formally thank my fellow Directors, all our professional advisors and service providers, and the Fund's Secretariat for the continued, very considerable, work that has allowed us to meet our responsibilities in these challenging times. The Board is grateful to the staff and management of our providers, and our own office, for their efforts to ensure that our Fund continues to perform well.

Margaret Galt
Chair

PRESBYTERIAN BUREAU SERVICES TRUST

Membership

Andrew Souness (Convenor), Roger Gyles, Marie Burgess, Helen Carter.

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

Adviser

Thank you to Roger Fulford, our independent insurance consultant, for his contribution and advice during the year. Roger has provided invaluable advice during a challenging time for insurance markets.

Responsibilities

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, which advises PBST on the insurance cover required by the Collective.

Presbyterian Insurance Advisory Group

As at 30 June 2024, the members of the Presbyterian Insurance Advisory Group were:

Martin Stewart (Chair), Cunny Atchison, and Naomi Lane (PCANZ), Fergus Syme (Synod of Otago and Southland), Andrew Souness and Marie Burgess (PCPT).

Associates: Roger Gyles and Helen Carter (PCPT), Wayne Matheson (PCANZ).

Insurance Cover

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 global insurers, with a self-insurance pool in place for the first \$500,000 in claims. Liability insurance is provided by local insurers.

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

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 2023 and 2024

In the year to:	Participants	Perils value insured (\$m)	Natural disaster value insured (\$m)	Number of Claims	\$ Claims
31 July 2023	333	\$1,401	\$978	65	\$3,977,273
31 July 2024	332	\$1,532	\$1,073	33	\$407,562

Highlights over the last year include:

- As from 1 August 2023 congregations were no longer required to insure buildings on full replacement value. The four options now available for cover are full replacement, indemnity, functional replacement, and demolition only. It was pleasing to see a number on congregations

made the decision to choose a different basis for cover if it was appropriate for their circumstances.

- The Collective received claims for just over \$400,000, compared with nearly \$4 million in 2023.
- A number of presentations to Presbyteries and parishes identifying and explaining the different cover options have been held in preparation for the 2024 renewal. A reset in the Insurance industry appears to have resulted in a reduced increase in premium rates for the 2024 renewal period.
- A survey of congregations who have made a recent insurance claim showed that most found it very easy or easy to make a claim and that nearly all were very satisfied with their experience with our broker, Gallagher, and the time it took to settle the claim.

Lowlights include:

- Insurance premiums for the year commencing 1 August 2023 were sharply up on the previous year, reflecting higher insurance rates as insurers re-calculated the cost of risk following the Auckland floods, Cyclone Gabrielle, and ongoing earthquakes. Higher premiums were offset by the Collective underwriting \$300,000 of the self-insurance fund.
- We continue to see a number of congregations insuring buildings based on out-dated valuations. We know that construction cost inflation has been very high over the last few years. The end result is that we are likely under-insuring our buildings. Experience tells us that, in the event of a claim, this creates major problems for claimants.

Annual Renewal 2024 - 25

As at 30 June 2024, the 2024 annual renewal is underway against the background of a welcome easing in the Insurance market. This and our lower claims over the last year, should result in a reset of property premiums, and once again highlights the benefit of the Collective, which obtains cover for all parishes regardless of their geographic location. We have been able to provide congregations with indicative pricing ahead of the renewal to help members make a more-informed choice of property cover.

Looking forward

The Collective continues to explore ways to assist its members in ensuring they have the information that allows them to make good decisions regarding the insurance of their buildings. It may take a little while to get the right type of cover for the right buildings as we move from a uniform policy of full replacement to discretionary cover. We know we cannot afford full replacement cover on all our buildings. The good news is that we don't need to do so. The challenge is to ensure we spend our insurance budget on the right buildings, not just the ones we can afford to cover.

The concern remains that some congregations are selecting cover based on what they can afford, or not updating building valuations to keep costs down. Up to date valuations are critical to an effective and efficient insurance programme.

Thanks

Thanks to members and associates of the Insurance Advisory Committee and the PBST, and Roger Fulford, for their input to our insurance program. We also thank the teams from Gallagher and Sedgewick's.

Andrew Souness

Chair

PRESBYTERIAN CHURCH INSURANCE COLLECTIVE STATISTICS

Table 1: Presbyterian Church Insurance Collective Statistics 2022-2024

	2022/23	2023/24
Cover		
No. participants	333	332
Peril sum insured	\$1,400,949,575	\$1,532,375,333
Natural Disaster sum insured (net of EQC)	\$977,842,980	\$1,073,605,610
Premiums		
Total Premium/Levies (Property)	\$2,710,646	\$3,802,166
Self-retention fund	\$400,000	\$200,000
Total Premium/Levies (Liability)	\$158,305	\$159,759
PBST levy/fee	\$255,000	\$155,000
Policy		
Any major changes to cover	Property The maximum natural disaster deductible for Wellington increased, with a new deductible for water-related damage.	Property 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.
Claims		
No. claims (excl. withdrawn)	65	33
No. claims > \$20k	18	7
No. claims > \$100k (incl. above)	7	1
Major claims summary	The majority of the major claims followed the early 2023 flooding and Cyclone Gabrielle, plus one major fire and one claim for earthquake damage in Waikato.	There was only one major (over \$100,000) claim arising from a kitchen fire in a rental unit.
Claim summary commentary	Storm or flood damage continued to be a claim theme, although there were a notable number of claims arising from burglaries/wilful damage.	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.
Amount claimed	\$3,977,273	\$407,562

PRIVATE TRUSTS COMMITTEE

Membership

Members: Marie Burgess (Convenor until November 2023), Paul Barber (Convenor from November 2023), Ron Mills, Helen Carter and Enosa Auva'a (from March 2024).

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

In late 2023 Marie Burgess stepped down as Convenor and we are grateful for her work in chairing the committee the past two years. We were also pleased to welcome new Specialist Associate, Rev Enosa Auva'a, who brings extensive expertise in board and trust leadership to the committee.

Purpose and Tasks of the Private Trusts Committee

This 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.

Trusts and Funds

The specific trusts/funds, all of which are registered as charitable trusts, for which the Committee has delegated responsibility are:

- Presbyterian Benevolent Fund
- Olive May Burnett Ministers' Loan Fund
- Te Whaiti-Nui-A-Toi Scholarship
- Elsie Mary Steele Trust
- Social Services Fund
- James McKay Drummond Trust
- Thornton-Blair International Travelling Scholarship
- Robert Malcolm Estate Trust

Distributions

Distributions for this year were higher than last year due to the annual Benevolent Fund grant of \$150,000 being made to the Beneficiary Fund as a member fee subsidy (which will last for five years).

Bequests

The Church received just over \$115,000 in bequests (Table 2) compared to nearly \$307,000 last year. The Committee is considering ways of encouraging parishioners to remember the Church in their wills.

Meetings

The Committee made considerable progress in achieving its short and long term goals in the four two-hour meetings held this year. All meetings were conducted remotely via zoom. Where decisions were required between meetings, good use was made of online discussions and polls through the online Boardable system.

Burnett Loan and Benevolent Fund

Applications for Benevolent Fund grants and Burnett Fund loans to ministers have been dealt with regularly via Boardable polls throughout the year.

The Private Trusts committee considers applications for grants from the Benevolent Fund for ministers and eligible whanau members in need of special assistance with health and other needs. During the year eight grants were paid totaling just under \$38,000 (in addition to the grant to the Beneficiary Fund).

Alongside this, the Burnett Fund provides low interest loans to ministers in service of the church to assist with financing of necessities such as vehicles, home repairs and travel to visit relatives, providing a total of 5 loans totaling \$39,700 in the year to June 2024. The Committee is also reviewing compliance obligations in respect of this Trust given changes to the legislative environment.

Te Whaiti-Nui-A-Toi Trust

A highlight of the past year was Te Whaiti-Nui-A-Toi Trust 50th celebrations at Lindisfarne College, Hastings on Sunday 17 September 2023. Ron Mills and Russell Garrett attended as representatives of the Church Property Trustees. Celebrations included a breakfast and worship service. A number of former scholars spoke at the breakfast, including the Hon. Justice Sir Joe Williams (Supreme Court Judge). He shared just how significant the scholarship from the Trust was for him and it was also clear from the celebrations how significant the scholarship is for the College itself.

The Committee is continuing to look for ways that the scholarship can be extended to young women.

Elsie Steel Trust

The Committee, on behalf of the Trustees, was pleased to approve six grants this year from the Elsie Steele Trust for a total close to \$58,000. These grants are for the benefit of aged, infirm or needy people in the Auckland area and are one example of how the church supports those in need. We are thankful for the Management Committee, appointed by the Northern Presbytery, which assesses applications and makes recommendations to the Trustees.

Robert Malcolm Estate Trust

During the period under review, the Committee took on the responsibility to distribute income from the Robert Malcolm Estate Trust. Income from the Trust is distributed to St Paul's Trinity Pacific, for the welfare of the children of NZ, and Home and Global Mission of the Presbyterian Church. Just over \$72,000 was distributed during the year, which included accumulated income from prior periods.

Frustrated Trusts

A long-term challenge for the Trustees is to work on ways to access and apply funds held in so-called 'frustrated' trusts. This is where money has been gifted for the work of the Church, but the terms of the trust deeds or Will instructions have not stood the test of time, or the funds remaining are too small to generate income to distribute. The Trustees are able to use their own bespoke legislation (which mirrors the normal process available to all trusts) to effect the change to the terms of trust or dispose of trust funds.

The James Drummond Trust associated with St Andrews College in Christchurch is an example of one small trust fund that has now in the process of seeking confirmation from General Assembly 2025 for a revised scheme to distribute the remaining funds to provide student scholarships in the coming years. Other Trusts have been identified and we expect work to continue on this project for some time to come.

Finally, the Committee is also conscious that in addition to ensuring frustrated trusts are attended to, the Trustees have a role in ensuring the Church spends the income available to it from bequests and trusts. As such, we are also working on monitoring accumulated surpluses within the Church eco-system, and will be encouraging the relevant parts of the Church not to 'bury the talents' given to us, but to spend them!

Thanks

My thanks goes out to all the committee members who have served this year.

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 1: Trust /Fund Grants for the year ended 30 June 2024 and 2023

Trust/Fund	Purpose	2022/23		2023/24	
		No.	Value (\$)	No.	Value (\$)
Elsie May Steele	For the residence and use of infirm, old or needy people (as near as applicable)	8	70,100	6	57,814
James McKay Drummond	For deserving St Andrew's College pupils	0	0	0	0
Presbyterian Benevolent Fund	To provide financial assistance by way of grants to ministers and other qualifying persons	14	81,277	8	188,980
Social Services Fund	For Presbyterian Support throughout New Zealand	7	9,766	7	8,515
Te Whaiti-Nui-A-Toi Scholarship	To provide funds and support to further the education of young Māori	13	29,500	15	30,750
Thornton Blair International Travelling Fund	Grants to assist graduate students overseas in the fields of Christian education and social science	0	0	0	0
Mary D Stewart	Support for Home Missioners	1	93,725		NA
Robert Malcom Estate Trust*	50% welfare of children; 20% Home Missions; 20% Global Missions; 10% St Paul's Trinity Pacific			8	\$72,135
Total Grants		43	284,368	44	358,194

* The Robert Malcolm Estate Trust has been moved from bequests to Trust Funds

Table 2: New loans or advances for the year ended 30 June 2024 and 2023

Trust/Fund	Purpose	2022/23		2023/24	
		No.	Value (\$)	No.	Value (\$)
Olive May Burnett	To provide financial assistance by way of loans to Ministers	5	43,806	7	58,700

Table 3: Bequest Schedule for the year ended 30 June 2024

Estate Name	Amount	Beneficiary	Purpose
H K Wilkinson	12,500.00	PCANZ	Youth Ministry
A N Weaver	2,650.00	PCPT	Education of students for ministry (preference for those who work with Māori)
George Winder	100.00	Presbyterian Support Central	Welfare of young people
McGruer Estate	20,400.00	Presbyterian Support Services	Welfare of young people Ross Home
Donald Ross	36,120.95	PCANZ	General Purposes
W E Boyd	445.11	St Paul's Trinity Pacific	Solely for the purpose of maintenance of the church building
T Tutty	20.00	PCANZ	General Purposes
M Dwerryhouse Estate	\$30,352.44	PCANZ	50% Friends of Jargdhiri 50% General Purposes
Allan Trust	12,500.00	PCANZ	General Purposes
	\$115,088.50		

PROPERTY COMMITTEE

Membership

Ron Mills, (convenor), Margaret Galt, Hao Hoang, Helen Carter, Andrew Souness.

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

Personnel – Administration

We thank Russell, John and Tracy for their hard work and their contribution during a busy year.

Focus of Report

This report focuses on the activities of the committee for the year ended 30 June 2024.

Property Applications

Processing property applications is the bread and butter of the committee’s ongoing regular work. As shown in Table 1 below, the committee received and processed 66 property applications with a total value of \$56,145,654 during the year to 30 June 2024. These included sales, purchases, new builds, renovations and strengthening, borrowing and leases. The table shows a significant increase in the value of approved property sales, but also a significant increase in the value of new builds approved. Not surprisingly, there were no applications in the year just gone for an exemption from earthquake-prone building strengthening given the Trustees’ review of the earthquake-prone building policy.

Table 1: Property Applications for the year ended 30 June 2024 (and 2023)

Type	2023		2024	
	Number	\$ Value	Number	\$ Value
Sales [^]	18	\$11,700,000	20	\$24,721,560
Purchases	4	\$1,845,000	4	\$3,510,000
New Builds	3	\$4,623,000	8	\$14,327,000
Renovations	15	\$10,191,502	11	\$4,528,672
Strengthening	10	\$3,059,490	8	\$1,989,200
Lotteries	3	\$456,964	1	\$137,000
Borrowing	6	\$1,015,000	3	\$4,700,000
Leases	6	\$143,350	3	\$28,470
Mission	2	\$205,200	1	\$305,000
Gifting	2	\$469,000	0	-
Insurance (exemptions)	1	\$0	0	-
Earthquake Policy (exemptions)	10	\$0	0	\$0
Other	5	\$3,629,000	7	\$1,898,752
Total	85	\$37,336,506	66	\$56,145,654
MEF Contribution	10	\$1,361,256	6	\$439,411*

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.

* MEF Contributions for the year to 30 June 2024 were transferred to the Trustees’ MEF Suspense account pending confirmation from the Council of Assembly regarding the future operation of the MEF. As at 30 June 2024, the Trustees held \$739,109 in its MEF Suspense account.

Exciting Church Opening

The committee was pleased to record the commissioning and opening of four major new church complexes at Mahurangi, Rolleston, Bishopton, and Nelson during the year.

Congratulations also to the congregation of Westmere Presbyterian Memorial Church for its Te Kāhui Whaihanga NZ Institute of Architects 2024 Local Architecture Aware for Public Architecture for its redevelopment project.

Strategy and Goals

One of the Trustees’ key strategies is to support presbyteries and congregations with their property developments in order to achieve their mission.

The committee is the primary vehicle through which the strategy is executed. The committee’s strategy incorporates attending to the Trustees’ responsibilities under the 1885 Act and the Book of Order for property transactions, including maintaining the Property Handbook, overseeing the systems and processes for approvals, and giving approvals in line with the delegation from the Trustees.

This strategy undergirds the ongoing regular work of the committee reported on below, but it also gives rise to some specific targeted goals aimed at enhancing this ongoing regular work. We report on these goals also.

Progress on Goals

1. *Align decision-making on buildings across the Church*

The concept of ‘Fit for Purpose’ buildings is at the heart of this goal of aligning decision-making on buildings across the Church.

In their report to the 2021 General Assembly, the Trustees drew the Assembly’s attention to several concerning property-related trends. These included the increasing cost of insurance and that many of our buildings were no longer fit for purpose. As a counter to this, the Trustees also offered a vision of growing a national network of buildings supporting mission and ministry in the 21st century. In response, the 2022 Special Assembly invited the presbyteries, the Trustees and the Synod of Otago and Southland to work together on a plan to turn this vision into reality and for the Trustees to report to the 2023 General Assembly.

The Trustees Fit for Purpose report to the 2023 General Assembly (E11.2: Presbyterian Church Property Trustees Fit for Purpose Property) is a significant first step in this direction. It is the first cross-Presbytery attempt to define ‘fit for purpose’ and use this definition to understand the ‘fit for purpose’ state of our buildings using both a bottom-up survey and a top-down assessment. The key categories in the fit for purpose framework utilised in this survey were: location, condition, current use and future potential. We note that Northern Presbytery made its own survey of the state of its buildings. It is possible to argue over the finer points of the Trustees’ survey, but, in the committee’s view, it would be short-sighted to argue that the Trustees’ ‘fit for purpose framework’ or a similar framework does not provide a useful tool for grappling with the seismic and insurance challenges the Church is facing, not to mention the challenge of unleashing resources to reach out in mission into poorly resourced but growing areas of our urban and rural landscape.

In response to this report, the Assembly

- a. Encouraged presbyteries to engage with congregations using the Trustees' fit for purpose framework or similar, including as a tool for making insurance and seismic decisions,
- b. Invited presbyteries to develop a 10-year fit for purpose plan aligning building needs with mission plans on a regional or area basis, and
- c. Invited presbyteries and the Council of Assembly to explore potential benefits of presbyteries assuming responsibility for some aspects of property management including insurance.

The magnitude of what is being asked, and the changes in approach required, to achieve these things shouldn't be underestimated. The committee has concentrated on pursuing three related objectives in the aftermath of the 2023 Assembly.

The first is developing how the committee will use the fit for purpose work in its decision-making. The committee is seeking to integrate fit for purpose considerations into its processing of property applications, e.g., in evaluating whether money proposed to be spent on additions or alterations to buildings represents mission value for the congregation and the Church.

The second objective is agreeing a course of action with presbyteries on how fit for purpose work will be used going forward. When the committee gathered with presbytery representatives in Wellington on Friday, 21 June 2024 to discuss property matters, it was apparent that there are probably as many approaches to a fit for purpose framework and how this might be used as there are presbyteries. There was agreement that we need some kind of framework deployed flexibly across the presbyteries, but there was no unanimity on how this might be achieved. This will be a work in progress for the year beginning 1 July 2024.

The third objective is developing an insurance approach that aligns with the fit for purpose work. In the last two insurance rounds, the Trustees have moved away from the position that adequate insurance means replacement insurance. The committee accepts that we can no longer afford to insure all our buildings on this basis – the cost of insurance premiums, particularly for natural disaster cover, has risen significantly. The details of what the new insurance regime might look like are still being worked out in the insurance space, but the committee anticipates providing revised guidance on insurance matters in an update to the *Property Handbook* to be released late in 2024. The committee is also watching closely the work currently being undertaken by the Church's Insurance Advisory Group.

2. Use the Property Database more effectively in committee decisions

The committee has been increasingly using seismic data recorded in the Property Database. This data facilitated the detailed seismic reporting to the 2023 General Assembly, as requested by the 2022 Special Assembly. The next step is being able to add property application data to the database but work on this is currently on hold due to the pressure of other priorities, particularly the need to connect the Fit for Purpose work with the work on insuring the Church's buildings

3. Address compliance with the Earthquake Policy

In the period July-early September 2023, the committee focused on building support for, and increasing compliance with, the Church's standalone Earthquake Prone Buildings Policy (updated 24 November 2022). The committee established a seismic assessment monitoring report utilising the data in the Trustees' Property Database and began work on establishing a policy of actions and timelines for non-compliance with the policy to minimise the risk to church councils, congregations, presbyteries and the Church. The Trustees' report to the 2023 General Assembly (E11.3: Earthquake Prone Buildings Policy Seismic Status and Compliance) built on this focus.

It recommended that the Assembly urge compliance from congregations and presbyteries north of the Waitaki River with the Earthquake Prone Buildings Policy, as follows.

That the Assembly urge compliance from congregations and presbyteries north of the Waitaki River with the Earthquake Prone Buildings Policy and:

- a. *Urge congregations and presbyteries north of the Waitaki River which do not know the seismic status of the buildings they are responsible for to urgently secure a seismic assessment and forward a copy to the Church Property Trustees; and*
- b. *Request those congregations and presbyteries north of the Waitaki River that do not yet comply with the strengthening requirements of the Earthquake Prone Buildings Policy to advise the Church Property Trustees of their plans.*

In its wisdom, the Assembly elected neither to urge compliance with the existing Earthquake Prone Buildings Policy nor to request congregations that did not know the seismic status of their buildings to secure a seismic assessment. Instead, the Assembly carried a motion from Northern Presbytery requesting the Trustees “to review and update the requirements of the [Policy] and align their policy requirements pertaining to Earthquake Strengthening with those of the Building (Earthquake-prone Buildings Amendment Act 2016) (*sic*) and the relevant local authority.”

Inevitably, since the 2023 Assembly, the focus of the committee has shifted from promoting the Church’s existing Earthquake Prone Buildings Policy to clarifying the responsibility and potential liability of the Trustees if the Trustees accede to the request of the Assembly. In particular, the committee sought legal advice on determining who is the ‘owner’ under the Building Act 2004 (BA) for the purpose of the obligations placed on the owner under the Building (Earthquake-prone Buildings) Amendment Act 2016, given that potentially both church councils and the Trustees come within the definition of ‘owner’ in section 7 of the BA. The answer received is that the ‘owner’ is the relevant church council or congregation.

However, in our opinion the context, being the Presbyterian Church hierarchy, and the relationship between the relevant Acts, the Book of Order, and the Handbook and between the various church entities in relation to the properties, requires that the ‘owner’ is the one who has the greatest interest. In this case, given the Church Councils or relevant congregations attain use, occupation and economic rights and interests, we are of the view that for the purpose of the BA, the context requires that ‘the owner of a building’ is the Church Councils or relevant congregations.

This means that the church council is responsible for ensuring compliance with the strengthening requirements of the 2016 Amendment Act.

The Trustees have now resolved to review and update the existing Earthquake Prone Buildings Policy as requested by the Assembly. The committee has this task on its work plan for the year beginning 1 July 2024. It has noted, in doing so, that the legal advice received by the Council of Assembly and by the Trustees indicates that compliance only with the bare minimum of the 2016 Amendment Act might not be appropriate for the Church in all circumstances and further that responsibilities under the Health and Safety at Work Act 2015 cannot be fully separated from those under the 2016 Amendment Act.

4. *Respond to General Assembly Decisions*

a. *Mission Enterprise Fund*

The committee noted in its 2023 report that the Trustees were seeking advice on the legality of deductions for the Mission Enterprise Fund (MEF) under clause 4.5 of the Supplementary Provisions to chapter 16 of the Book of Order.

The committee received preliminary advice from the Trustees’ solicitors DLA Piper on the legality of these deductions in September 2023. The committee subsequently engaged with DLA Piper to clarify certain matters, and, in November 2023, the committee received DLA Piper’s completed advice. This affirmed that, where there is a conflict between them, the Presbyterian Church Property Act 1885 takes precedence over decisions of the General Assembly, including those recorded in the Book of Order and the Supplementary Provisions. If necessary, these decisions must be ‘read down’ to eliminate the conflict and preserve the rights of congregations and presbyteries under the 1885 Act.

The committee undertook two streams of work to implement the legal advice received by the Trustees. First, it reviewed all historic deductions for the MEF to ascertain whether these could be saved under the

rubric of ‘implied approval.’ The committee concluded that, with one exception, they could be saved, and, in the case of the exception, the matter had already been rectified. Second, the committee proposed a revised Supplementary Provision to replace the then current clause 4.5 that avoided conflict with section 39 and clauses 6 and 6A of Schedule 2 of the 1885 Act by requiring express approval to the deduction in most cases.

The Trustees formally received the legal advice from DLA Piper at a special meeting in February 2024, accepted the committee’s conclusions on the validity of historic deductions and approved sending the proposed revised Supplementary Provision to the Book of Order Advisory Committee. The Trustees communicated these decisions to the Council of Assembly in February 2024 and subsequently to presbyteries and congregations. In April 2024, the Trustees’ Office held a Zoom call with Presbytery EOs and Property Convenors to update them on the new MEF regime in the light of the received legal advice.

The Council of Assembly has now issued a revised Supplementary Provision that accords with the new regime for MEF contributions. As at 30 June 2024, the Trustees are awaiting a decision from the Council of Assembly to remove the suspension on making grants from the MEF before releasing the funds held in suspense to the MEF and implementing the new regime.

b. Review of Decision-Making Powers

The question mark over the legality of deductions for the MEF and the decision of the Special Assembly on a ‘first right of refusal’ has prompted the committee to begin work on clarifying the Trustees’ role and responsibility in respect of General Assembly decisions concerning property matters.

It has become clear from an initial review of the 1885 Act, the Book of Order and Supplementary Provisions, and the *Property Handbook* with the aim of producing a property decision framework, that there is a lack of alignment across these source documents. For example, in one instance a decision-making power given to the General Assembly under the 1885 Act has been improperly delegated to the Council of Assembly in the Book of Order, while in another instance the power to contract debt conferred by section 16.8 of the Book of Order fails to give sufficient weight to the Trustees’ power to borrow on security of property in clause 8 of Schedule 2 of the 1885 Act.

This work is ongoing on 30 June 2024. It will continue in the current year with a view to amending the Book of Order and Supplementary Provisions at the 2025 General Assembly. This task will be advanced in consultation with presbyteries and the Book of Order Advisory Committee.

Thanks

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

Ron Mills

Convenor

LIST OF FINANCIAL STATEMENTS

Audited

- Presbyterian Church of Aotearoa New Zealand Beneficiary Fund
- Presbyterian Investment Fund
- Marth 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

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