TRUST + MANAGEMENT

Standing with you for Good

Annual Finance & Investment Update

Diocese of Waikato & Taranaki

Prepared for:

Waikato Taranaki Anglicans

September 2025

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Diocese of Waikato & Taranaki Consolidated Accounts

Highlights

Consolidated Accounts

Net Equity

Net equity of $23m Dec 2024 compared to $23.5m in 2023, a decrease of $0.5m.

Deficit

Deficit for the year before revaluation of investments and land and building transactions was $257,000 (2023 Deficit $655,000).

Revaluation of Investments

Revaluation of investments (mainly in WDTB) $0.2 m gain (2023 loss $0.2m).

Net equity

$23m

Deficit

$0.3m

Revaluation of investments

$0.2m

As at 31/12/2024

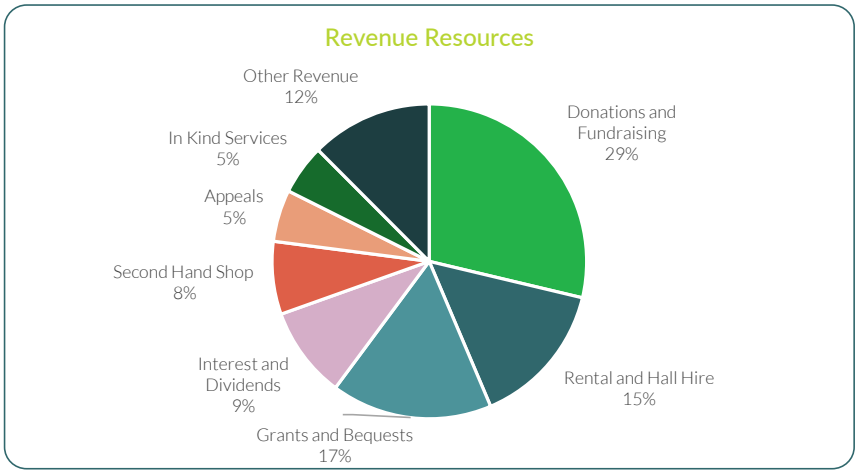
Revenue

Consolidated Accounts

Summary

2024 Operating Revenue $7.2m, $693,000 up compared to 2023.

- In Kind Services up $186,000.
- Rental and Hall Hire up $186,000.
- Appeals up $169,000.



Revenue Resources

Item	2024 ($NZD)	2023 ($NZD)	Variance	% Variance
Donations and Fundraising	2,077,000	1,943,000	-134,000	7%
Rental and Hall Hire	1,077,000	891,000	186,000	21%
Grants and Bequests	1,195,000	1,223,000	-28,000	-2%
Interest and Dividends	679,000	654,000	25,000	4%
Second Hand Shop	542,000	539,000	3,1000	1%
Appeals	384,000	215,000	169,000	79%
In Kind Services	373,000	187,000	186,000	99%
Other Revenue	902,000	884,000	18,000	2%
Total Revenue	**7,229,000**	**6,536,000**	**693,000**	**11%**

Expenses

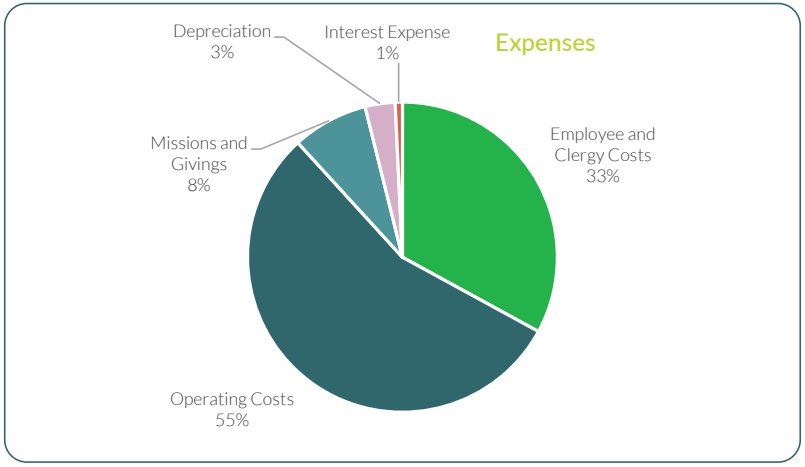
Consolidated Accounts

Summary

2024 Operating Expenses $7.4m (2023 $7.1m).

- Operating Costs above $840,000.
- Employee and Clergy Costs above $330,000.
- Mission and Givings down $854,000.

Building transactions (sale and purchase) showed as Gifting from and to WDTB and TATB. Detailed in Note 7C of the accounts.



Expenses

Item	2024 (NZD)	2023 (NZD)	Variance	Variance %
Employee and Clergy Costs	2,444,000	2,114,000	330,000	16%
Operating Costs	4,095,000	3,255,000	840,000	26%
Missions and Givings	588,000	1,442,000	-854,000	-59%
Depreciation	230,000	241,000	-11,000	-5%
Interest Expense	57,000	14,000	43,000	307%
Total Expenses	**7,414,000**	**7,066,000**	**348,000**	**5%**

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Waikato Diocesan Trust Board

Highlights

Waikato Diocesan Trust Board

Operating surplus

Operating surplus of $457,000 (2023: $441,000).

Distributions

- Distribution to unit holders $457,000 (2023: $441,000).
- Excluding the transactions related to the properties held on behalf.
- Other transactions not included in the distribution to unitholders:
  - Depreciation in respect of properties held on behalf $667,000.
  - Revaluation of properties $4,769,000 (2023: $3,435,000).

Returns

- Average Income Return to Unit holders: 3.7% (2023: 3.1%).
- Average Capital Return to Unit holders: 5.0% including revaluations of unitholders' investments and properties (2023: 4.5%).
- Total average return based on 31/12/24 unit price: 8.7% (2023: 7.7%).

Operating Surplus	Distributions	Average Return
$457k	$457k	8.7%
As at 31/12/2024		

Investor Returns (5 years)

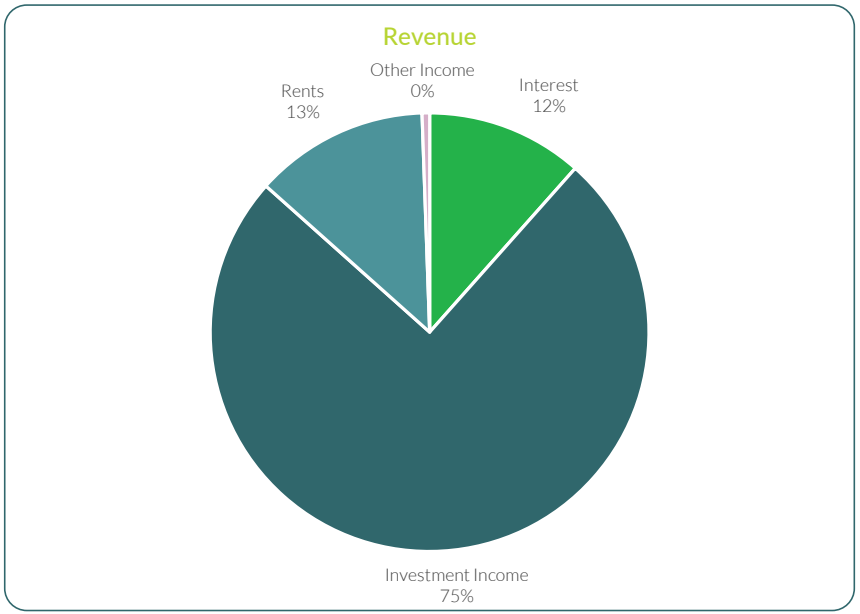
	2024 ($000)	2023 ($000)	2022 ($000)	2021 ($000)	2020 ($000)
Investor Funds	11,616	12,938	15,086	13,692	11,689
Income Return	3.7%	3.1%	2.4%	3.0%	3.6%
Capital Return	5.0%	4.5%	-9.6%	5.0%	4.9%
Total Return	**8.7%**	**7.7%**	**-7.2%**	**8.0%**	**8.5%**

Revenue

Waikato Diocesan Trust Board

Summary

Total Distributable Revenue $544,000 (2023 $524,000).



Revenue Resources

Item	2024 ($NZD)	2023 ($NZD)	Variance	Variance %
Interest	63,000	127,000	-64,000	-50%
Investment Income	408,000	304,000	104,000	34%
Rents	70,000	88,000	-18,000	-20%
Other Income	3,000	5,000	-2,000	-40%
Total Revenue	**544,000**	**524,000**	**20,000**	**4%**

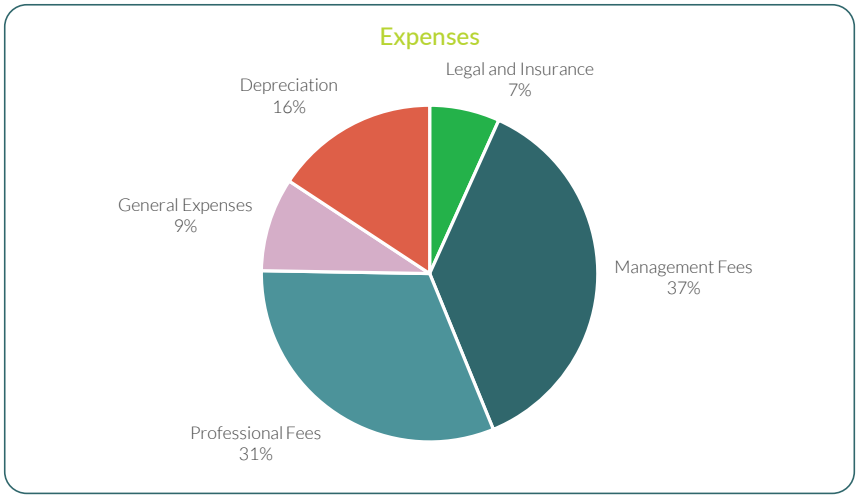
Expenses

Waikato Diocesan Trust Board

Summary

Total Expenses attributable to the Unitholders $87,000 (2023: $83,000).

Depreciation relates to Trust Board properties included Charlotte Brown House and Tikituterangi House.



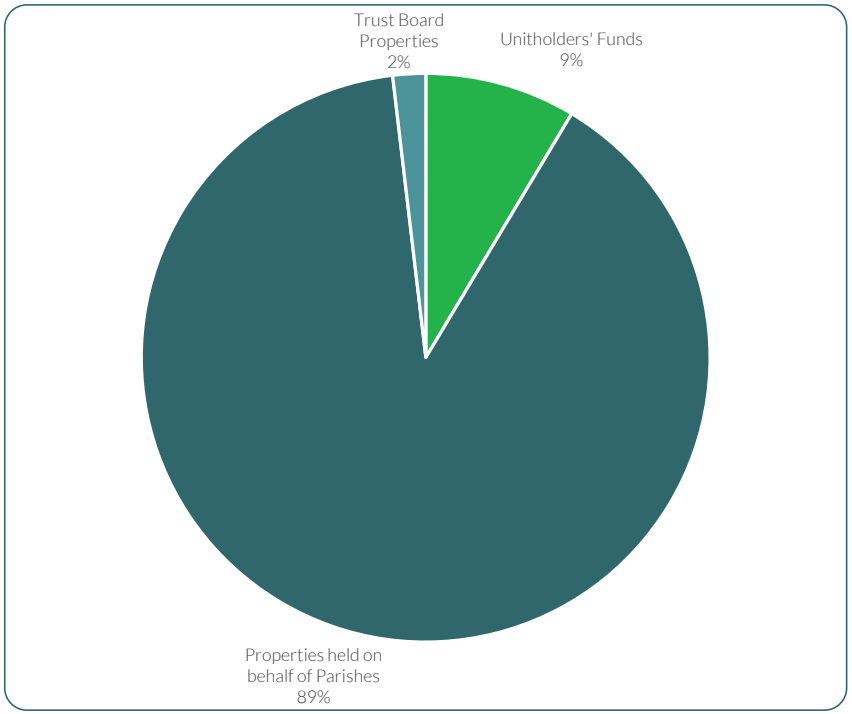
Expenses

Item	2024 ($NZD)	2023 ($NZD)	Variance	Variance %
Legal and Insurance	6,000	5,000	1,000	20%
Management Fees	32,000	30,000	2,000	7%
Professional Fees	27,000	30,000	-3,000	-10%
General Expenses	8,000	4,000	4,000	100%
Depreciation	14,000	14,000	-	0%
Total Expenses	**87,000**	**83,000**	**4,000**	**5%**

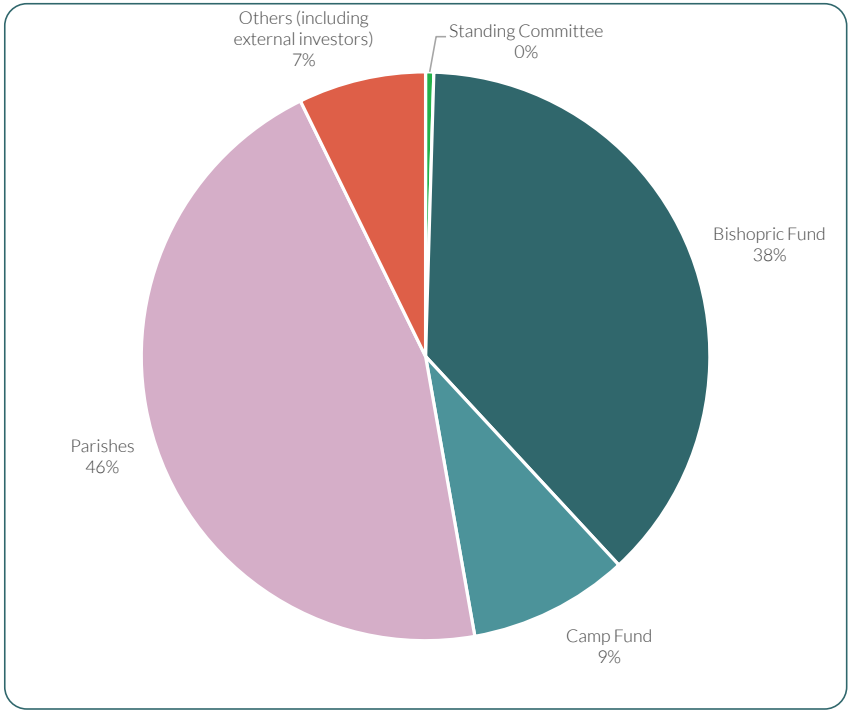
Allocation of Equity

Waikato Diocesan Trust Board

Breakdown of Equity



Breakdown of Unitholders Funds



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Taranaki Anglican Trust Board

Highlights

Taranaki Anglican Trust Board

Net Equity

- Net equity was $50.5m at Dec 2024, up from $50.0m in 2023 – an increase of $536k, mainly driven by property capital gains.

Deficit

- Deficit for the year before the revaluation of investments and properties was $211k (2023 $631k surplus).
- Results include the Cathedral Remediation donations, grants and expenses.

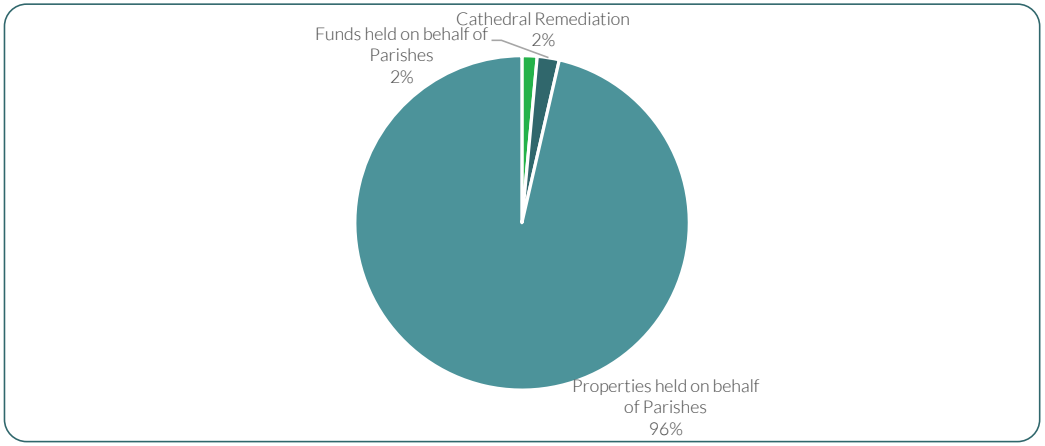
Capital Gain

- Revaluation of investments gain $22,000 (2023 $39,000).
- Revaluation of properties gain $747k (2023 $467k).

Net equity	Deficit	Revaluation of investments	Revaluation of properties
$50.5m	$221k	$22k	$747k

As of December 2024

Breakdown of Equity



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Standing Committee

2024 Results

Standing Committee

Surplus

Operating surplus of $8,000 before depreciation compared to budget loss of $18,000.

Revenue

- $17,000 above budget mainly due to $12,000 higher than budgeted from interest bank and investment income.
- The main income contributors are Assessments ($575,000), Rental Income ($80,000) and WDTB investment Income ($23,000).

Expenses

- Overall $9,000 down on budget.
- Three largest savings:
  - ✓ Staff and Associated Costs: $28,000 below budget
  - ✓ Repairs & Maintenance: $23,000 below budget
  - ✓ Travel & Accommodation: $8,000 below budget
- Offsetting higher expenses:
  - ✓ Unbudgeted Bad Debts Write-off: $50,000
  - ✓ Legal and Professional Fees: $13,000 above budget
  - ✓ Insurance and Insurance-Finance Charges: $8,000 above budget

Operating Surplus

$8k

Revenue

$752k

Expenses

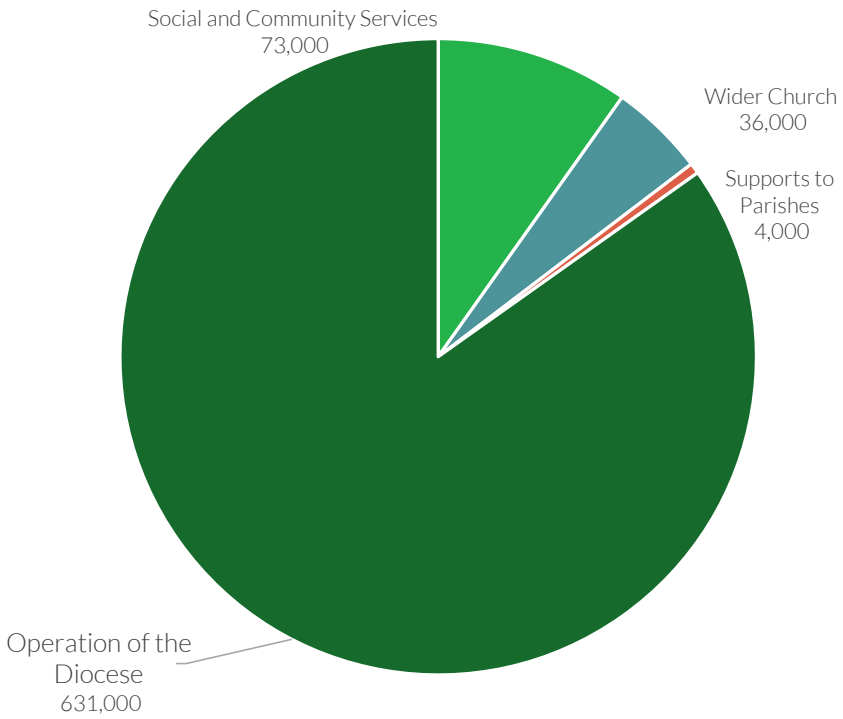
$744k

As at 31/12/2024

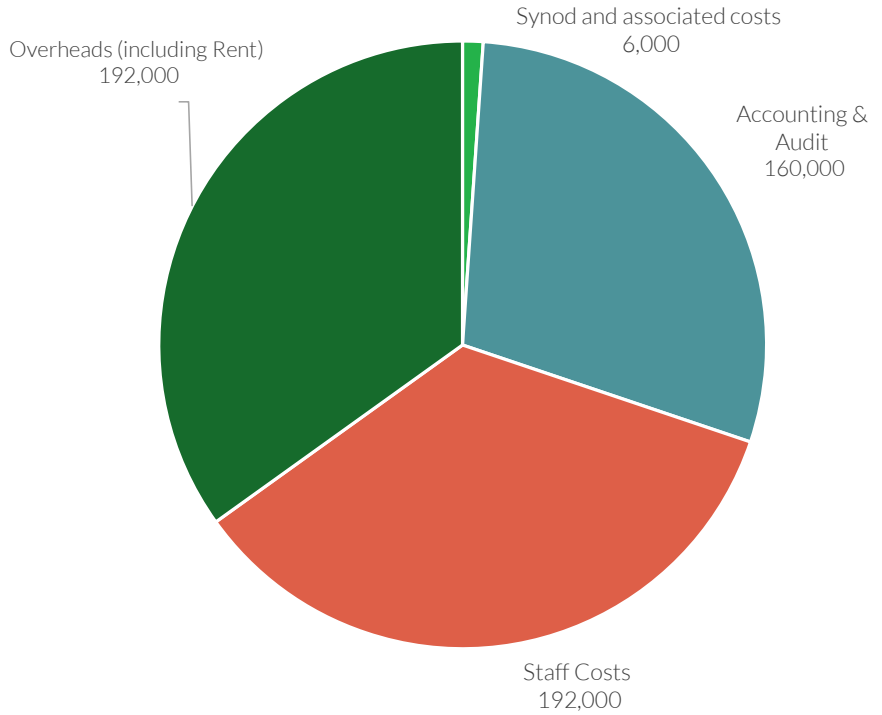
Allocation of Assessments

Standing Committee

Distribution of Assessments



Breakdown of Allocation To Operation of The Diocese



2025 Results

Standing Committee

31 July results to date $39,000 surplus compared to budget deficit of $3,000.

Income is $23,000 higher than budgeted and Expenditure is $19,000 lower than budget.

2025 forecast at 31 December $26,000 surplus.

Operating Surplus	Budget	Forecast
$39k	-$3k	$26k

As at 31/07/2025

	2025 ACTUAL (YTD)	2025 BUDGET(YTD)	VARRIANCE	2025 BUDGET (FY)	2025 FORECAST
Revenue	432,000	409,000	23,000	706,000	746,000
Allocation to Social & Community Services	-44,000	-44,000	-	-76,000	-75,000
Allocation to Support to Parishes	-	-9,000	9,000	-15,000	-15,000
Allocation to Wider Church	-22,000	-22,000	-	-37,000	-37,000
Allocation to the Operation of the Diocese	-327,000	-337,000	10,000	-577,000	-593,000
Total Allocations	-393,000	-412,000	19,000	-705,000	-720,000
Operating Surplus / (Deficit)	**39,000**	**-3,000**	**42,000**	**1,000**	**26,000**

2026 Budget

Standing Committee

Summary

- Assumptions made for the budget
- Budget has been striped down to essentials

Revenue

- Rental for Church House and Hillcrest House $83,000 .Office rental at Charlotte Brown House may not renew in 2026.
- TPCCG service contract will end January 2026.
- Other Income includes the Waikato Diocesan Trust Board investment distribution $20,000.

Expenses

- A modest 2.5% inflation increase for most costs.
- Allocations to Social and Community Services and Staff Costs have increased by 1.7%.
- Trust Management fee has been held at a CPI increase of 2%.

2026 Budget

Standing Committee

Summary

A breakeven budget.

Revenue

- Gross budgeted income $729,000, this compares to 2024 $752,000 and 2025 forecast of $746,000.
- Assessment Income $621,000 represents 15% of the total annual income of all parishes averaged for the past three years.
- Rental for Church House and Hillcrest House $83,000.
- Other Income includes the Waikato Diocesan Trust Board investment distribution $20,000.

Expenses

- Total budgeted expenses $728,000 (2024: $744,000, forecast 2025 $720,000)
- A modest 2.5% inflation increase for most costs.
- Allocations to Social and Community Services and Staff Costs have increased by 1.7%.(2024 3.9%).
- Trust Management fee has been held at a CPI increase of 2%.

Operating Surplus	Revenue	Expenses
$0.7k	$729k	-$728k

As at 31/12/2026

2026 Assessments

Standing Committee

Summary

The budgeted 2026 assessment represents 8% of the total 2024 consolidated income of the Diocese of Waikato and Taranaki.

Methodology

The assessment is based on the assessable income received by that Parish in the preceding financial year expressed as a percentage of the total income of all the Parishes in the Diocese.

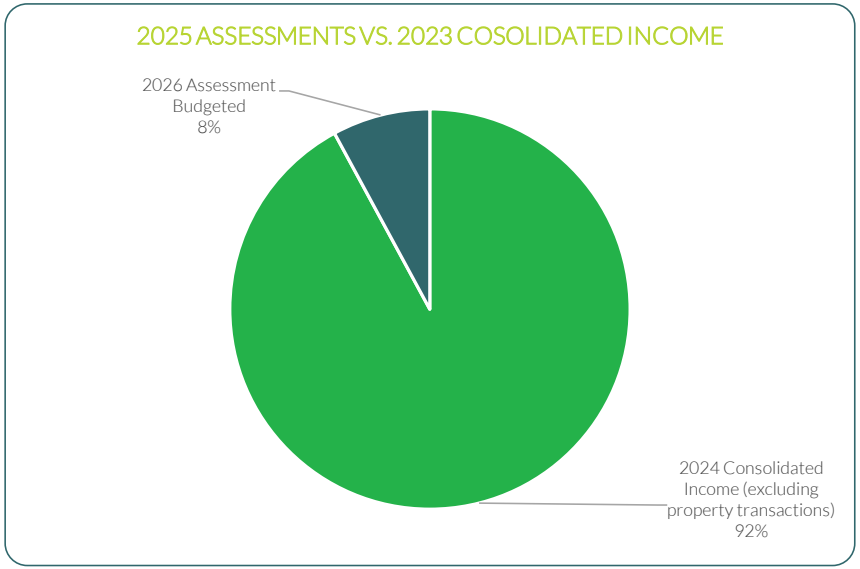
Assessable income include all money received by a Parish or money the payment of which benefits that Parish either directly or indirectly, and shall include bequests to be used for general Parish operations and the net income from trading ventures.

Exemptions.

Cooperating parishes under Anglican partner – assessment restricted to 8.5% of gross income.

Assessable Income

	2024	2023	2022
All Parishes	3,993000	4,618,000	3,811000



05

Parish Accounting Review

Parish Team Update

Parish Accounting Review

What's been happening?

- Accounts tidy up, working through year end and audit
- A new, consistent, chart of accounts
- The ADA Xero transition (working through the bugs)

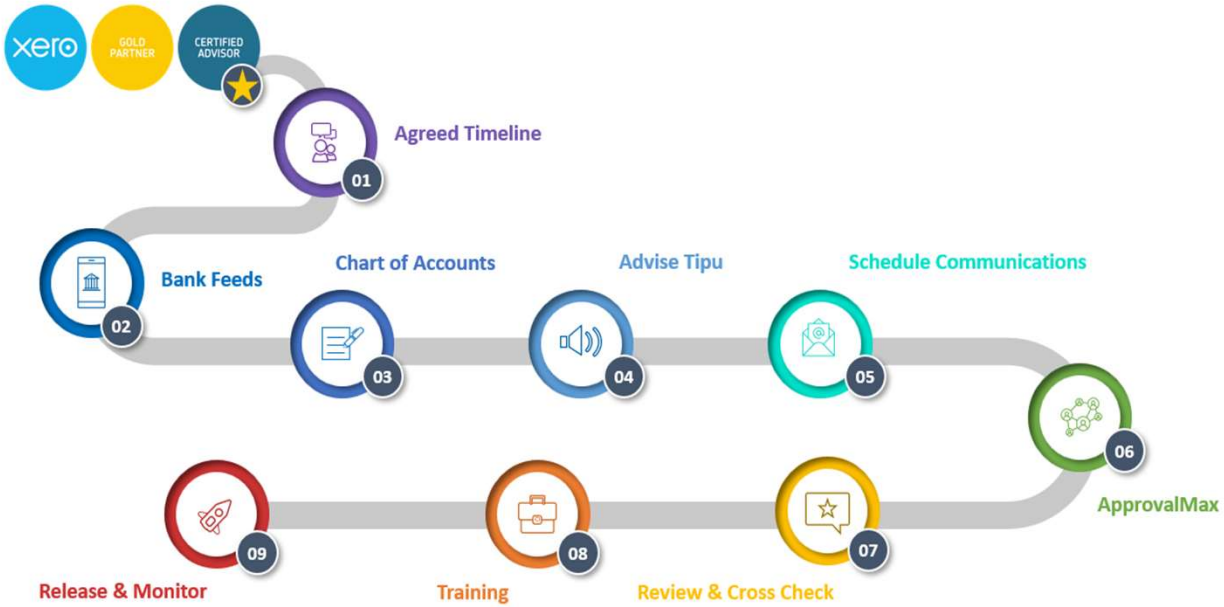
Structure of the team

- First point of contact – Parish Accountant
- Next level – Ankita Thaper (Team Lead – Parish Accounting)
- Then – Marie Nickalls (Head of Finance – Parish Accounting)

Looking ahead

- Deciding on your Branches / Departments
- Transition to Xero
- Diving into ApprovalMax – great opportunity

The Xero Journey



06

Investment Review

TRUST INVESTMENTS

Who are we?

We purposefully manage funds that deliver sustainable financial returns and create a ripple effect for good. It is our entire focus, and always has been.

With deep respect for people, the land, and cultural heritage; investing with integrity and purpose has shaped our investment approach since day one.

We leverage our expertise alongside a select group of specialist investment firms to manage a thoughtfully curated selection of funds. Our goal is to deliver investment performance, while supporting environmental, social and governance objectives.

We partner with renowned global asset managers and local specialists aligned with our values, adhering to our ethical investment principles of Caring for the Environment (Kaitiakitanga), Caring for Equality (Kotahitanga) and Caring for Community (Manaakitanga).

Everything underpinned by our specialist skills and the deep expertise that helps individuals and organisations do more good. Integrity, focus, for purpose.

Built for performance. Powered by purpose.

TRUST INVESTMENTS

Markets and Portfolio Update

Financial markets have shown continued strength, despite trade policy uncertainty and geopolitical unrest.

- **Volatility persisted** in early 2025 amid global trade tensions and geopolitical unrest.
- **Equities** gave back some 2024 gains before rebounding to new highs, led by the **US and Japan** in August.
- **Bonds** delivered positive returns as falling yields reflected expectations of further rate cuts.
- **Commercial property** valuations are recovering, supported by declining interest rates.
- **Central banks**, including the RBNZ, signal potential easing in response to soft economic data and moderating inflation.
- **Diversification remains key**. We continue to advocate for high-quality, balanced portfolios focused on sustainable income and long-term growth.

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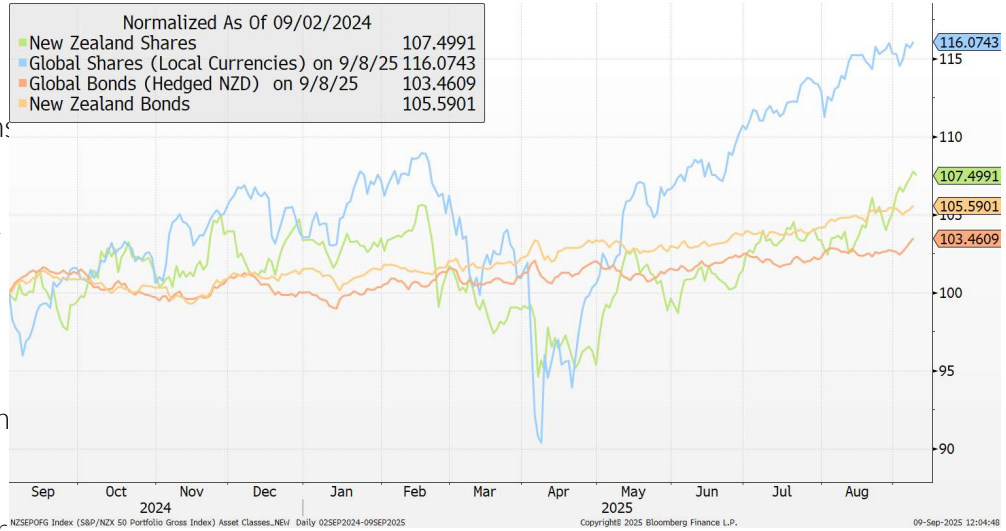
Financial Market Performance

Shares

Global equities reached a record high in August. Equity markets rebounded strongly after the Trump tariff selloff as trade tensions eased and investors welcomed a pause in new tariffs. Supportive central bank signals and resilient corporate earnings further boosted confidence and drove the recovery. Domestic shares have lagged overseas markets, but still delivered solid gains.

Bonds

Bond markets delivered solid returns over the past year, recovering from prior weakness. New Zealand bonds returned +5.6%, supported by falling yields and expectations of further OCR cuts, while global bonds benefited from easing monetary conditions and improved investor sentiment. In NZ, markets are pricing in at least two further OCR cuts by calendar year-end.



Property

Directly held NZ commercial property delivered solid income returns over the year, supported by stable leasing activity and falling interest rates. However, capital values remained under pressure in some sectors, reflecting cautious investor sentiment and valuation adjustments.

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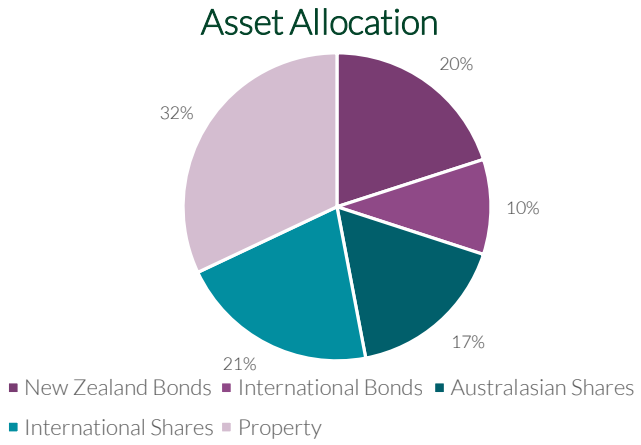
ESG Balanced Fund Update

Fund Characteristics

- The ESG Balanced Fund offers a diversified mix of bonds, shares and direct commerical property assets, designed to produce a regular income as well as capital growth to manage the impact of inflation on portfolio value.

Update

- **Performance** – the year has seen strong gains with the portfolio gaining +7.1% (Gross fees, to August 2025). 10 year annualized returns for the fund are +7.3% pa.
- **Global Bonds -** Effective 1 July, global bond assets are now managed by US investment leader ***Nuveen***, leveraging their bottom-up, sector-driven research approach to enhance portfolio value.
- **New Zealand Bonds -** From 1 September, Nikko Asset Management has rebranded to ***Amova Asset Management***. The same experienced fixed income team continues to manage NZ bond exposures, having navigated recent interest rate shifts effectively.
- **Commercial Property -** The Fund's commercial property segment has delivered strong income returns amid stabilizing capital values. The current gross contract yield is 6.2%, with expectations of capital growth as discount rates ease.



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What's on the horizon?

- **Deposit rates** are expected to continue moving lower as the RBNZ maintains its easing bias, with further OCR cuts likely into 2026. Term deposits may struggle to meet income and capital growth objectives, especially as inflation remains above pre-pandemic levels.
- **Bond markets** have performed well, supported by monetary policy easing and declining yields, offering portfolio stability and attractive income.
- The outlook for **NZ listed property** and **direct commercial assets** remains positive, with stabilising valuations, improving transaction activity, and yields outperforming fixed income alternatives.
- **Global equities** continue to reach new highs, driven by solid economic data, company earnings, and enthusiasm for AI stocks, but volatility and uncertainty persist. **NZ shares** have likely hit their low point of the earnings cycle.
- **Diversification and a well-balanced portfolio** are key, with a focus on sustainable income and growth to navigate ongoing market volatility and economic uncertainty.

TRUST INVESTMENTS

If you want to discuss further

Closing

Supporting the Anglican community with integrity and intent.

We work with churches, charities, foundations and IWI who want more than just returns. We are here to help deliver investment solutions that combine performance with purpose.

Scan the QR code to book a 15-minute conversation.

Access and eligibility

- PIE-compliant funds, designed for NZ-based investors
- Available to wholesale and eligible retail investors
- Supported by selected custodial platforms and direct access options

Start the conversation

Book a call with our team to explore how our funds align with your needs — income, ethics, diversification, or portfolio resilience.

Access detailed materials

We can provide factsheets, due diligence summaries, impact reports, and onboarding guidance to support your decision-making.

Choose your path to invest

Our funds are available via direct application or through selected custodians and platforms.

07

About Us

OUR STORY

For over 20 years, we've built genuine relationships with 180+ for-purpose organisations, helping them to do the most good by providing specialised services in property strategy, property management and financial accounting.

As a registered charity ourselves, we will closely align with you, understanding that strong commercial foundations help charities achieve their purpose and build stronger communities.

As a charity ourselves, we're committed to heping others deliver on their purpose.

Finance Team

About Us

Grace Sun
Head of Trust Accounting

Marie Nickalls
Head of Parish Accounting

Anitta George

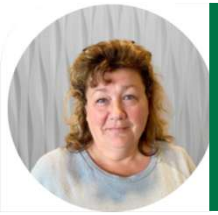
Iana Iunkerova

Anshul Kumar

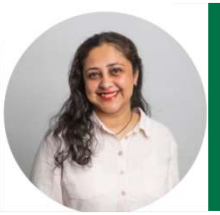
Raj Serasinghe

Johanna Snyman

Sawanya Khuprasertsin



Ngaire Potter



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TRUST + MANAGEMENT

Standing with you for Good

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