



Methodist Trust Association

ANNUAL REPORT AND ACCOUNTS

Annual Report

48th Annual Report and Accounts

30 June 2026

Chairman's Letter

Dear Depositor,

I am pleased to present the Annual Report for the New Zealand Methodist Trust Association for the year ended 30 June 2026.

Financial Performance

The 2026 financial year was another year of significant movement in investment markets. Markets experienced a volatile start, driven largely by higher energy prices and geopolitical uncertainty arising from the conflict involving Iran. Sentiment improved considerably as the year progressed, with commodity prices easing, geopolitical concerns moderating, and renewed investor confidence in the artificial intelligence and technology sectors.

Despite the challenges experienced during the year, both of our investment funds delivered strong results.

Income Fund

The Income Fund achieved a total return of 5.39% for the year. The annualised income distribution rate was 4.74%, exceeding our forecast of 4.60%. This result reflects active portfolio management, including improvements in the overall credit quality of the portfolio and the selective purchase of longer-dated bonds. Looking ahead, we are forecasting an income distribution rate of between 4.80% and 4.90% for the 2027 financial year.

Growth and Income Fund

The Growth and Income Fund delivered a total return of 11.38%, building on the strong performance achieved in the previous year. Income returns averaged 2.53%, with the balance of the return generated through capital growth. Equity markets performed strongly during the year and property investments also contributed positively through valuation gains. Over the ten years to 30 June 2026, the fund has delivered an average annual return of 7.9%, despite experiencing negative returns in both 2022 and 2024.

Further details on asset allocations and performance drivers are included in the attached report.

Governance

I am pleased to report that the Board of the Methodist Trust Association maintained its full membership throughout the year. The Board will be recommending its existing composition to Conference for the 2027 financial year, together with the appointment of an additional Trustee who has been nominated by the Board.

This continuity has provided stable, experienced and well-balanced leadership, and has enabled the Board to maintain a strong focus on the long-term stewardship of the Methodist Trust Association. I am very proud of what we have achieved together during the year.

I extend my sincere thanks to my fellow Trustees for their commitment, wisdom and willingness to give their time in service to both the Methodist Trust Association and the wider Methodist Church of New Zealand. Their contribution continues to be greatly valued.

Responsible Investment

Responsible investment remains central to our mission and interpretation of our accepted practices has been tested this year, given the conflicts that currently exist throughout the world and the interaction of these with business. We endeavour to capture the mood of Conference in our decision making on responsible investing decisions and this year has seen robust debate in this respect.

Recognition

On behalf of the Board, I would like to sincerely thank Stephen Walker, our Executive Officer, and Hugo McLennan, our Investment Analyst, for their commitment and contribution throughout the year.

Both Stephen and Hugo bring enthusiasm, professionalism and dedication to their roles and have been a pleasure to work alongside. They are valued members of our team and make an important contribution to the ongoing success of the Methodist Trust Association.

Kind regards,

A handwritten signature in black ink that reads "Dave Johnston". The script is cursive and fluid, with the first letters of "Dave" and "Johnston" being capitalized and prominent.

Dave Johnston

Chairman

Board of the New Zealand Methodist Trust Association

New Zealand Methodist Trust Association

48th Annual Report to Depositors 2026

The New Zealand Methodist Trust Association (MTA) was established by Conference in 1978 for the cooperative accumulation and commercial investment of the funds of the Methodist Church of New Zealand.

Investment with MTA is restricted to groups, organisations and bodies responsible wholly, or in part, to the Conference of the Methodist Church of New Zealand. MTA does not accept any 'outside' investors. MTA is a fund of the Conference of the Methodist Church of New Zealand.

All investments are held for the benefit of depositors with MTA. All income received by MTA, after the payment of expenses, is distributed to depositors through quarterly income distributions.

Each year we revalue the equity and property assets of each fund, with the resultant change in value spread amongst the depositors in the respective funds. These changes in value are distributed as capital distributions in the June quarter.

The June 2026 financial year was a strong year for the MTA's depositors, with pleasing returns achieved for both the Income Fund, and the Growth & Income Fund.

As always, MTA received excellent support from the Connexion during the year.

Financial Results

MTA's purpose is to support the mission of the Methodist Church of New Zealand, by generating strong investment returns for our depositors. All income is distributed to our depositors, so they are better able to meet the mission of the Church.

An investment with MTA is an investment into one of two portfolios of assets, a low-risk portfolio for the Income Fund, and a moderate risk portfolio for the Growth and Income Fund. Depositors are not making a deposit (loan) into MTA, as they would be in a bank deposit, they are investors in the portfolios.

Approximately 80% of MTA's portfolio investments are liquid and could be cashed up within three working days. The remainder is mostly property, which could be sold in an orderly fashion.

During the 2024 financial year we changed the presentation of our accounts. Depositor's Funds is now shown as a liability in the Fund's Balance Sheet, whereas it was previously shown as "Net Amounts Due to Depositors" in what is typically the "Equity" section of the Balance Sheet.

The Board believes that this presentation better depicts the reality that all Depositors Funds are owned by the depositors, who can access their money at any time. MTA itself has minimal equity.

For the Income Fund we generated total returns of 5.39% for the year, with the annual income

distribution rate of 4.74% comfortably ahead of our initial forecast of 4.60% in the June 2025 report. This was achieved by continuing to improve the credit quality of the portfolio as well as purchasing longer-term bonds, thereby locking in higher long-term returns to aid future years' distributions.

For the Growth and Income Fund we generated an income return of 2.53%, and recorded capital accretions to both the equity portfolio and the Fund's property exposures, totalling +8.85%, increasing the total return to 11.38%.

Total deposits with MTA increased by \$35.5m during the year to a total of \$373.2m on 30 June 2026. Over the past decade total deposits with MTA have grown by \$92.0m.

During the 2026 financial year, deposits in the Income Fund increased by \$18.4m to \$167.9m and deposits in the Growth and Income Fund increased by \$17.1m to \$205.2m.

Income distributions to depositors for the year rose \$0.4m to \$12.2m. Total distributions, including capital adjustments, were \$29.8m.

MTA strives to be an efficient manager of the Church's funds, endeavouring to minimise the costs of administration and maintain the distributions at attractive rates. For the year the Fund's expenses, both management commissions and out-of-pocket expenses, totalled \$1.89m, an expense ratio on closing assets under management of 0.532%.

Expense Ratios	Income Fund	Growth & Income Fund	MTA Total
2015	0.424%	0.432%	0.428%
2016	0.412%	0.449%	0.427%
2017	0.373%	0.447%	0.413%
2018	0.399%	0.504%	0.449%
2019	0.356%	0.496%	0.424%
2020	0.333%	0.576%	0.450%
2021	0.278%	0.598%	0.445%
2022	0.298%	0.723%	0.526%
2023	0.345%	0.668%	0.513%
2024	0.314%	0.726%	0.534%
2025	0.330%	0.741%	0.556%
2026	0.338%	0.689%	0.532%

The fee structure for the Income Fund is based on the amount of income the fund receives.

The Growth and Income Fund has a higher cost structure, as it incurs higher costs for investment systems, custodial services, and brokerage expenses. During 2026, the management fee paid to the Board of Administration increased, with other expenses also increasing modestly, primarily due to higher information system and custodian costs.

The Board and management of MTA continue to be extremely conscious of both the significant confidence and trust placed in them by the Church and the importance of MTA continuing to provide appropriate levels of return, commensurate with the level of risk accepted by the Church and consistent with the Church's Responsible Investment Policy.

MTA is also careful to ensure that it has ample liquidity in the funds to meet demands for reduction or repayment of deposits.

For the Growth & Income Fund only, the following withdrawal policy applies:

When a depositor wishes to withdraw their total Growth & Income Fund deposit during the financial year, 10% of that deposit will be retained until the financial year-end on 30 June. This ensures that the depositor will share in the capital allocation at the end of the year, whether it is a capital accretion or a capital decrease. After the capital distribution has been completed at year-end, the depositor can close their deposit and receive the balance of their account.

Markets

For the 2026 financial year global financial markets delivered robust returns, driven by strong corporate earnings, massive capital expenditures in AI infrastructure, and resilient economic growth. Despite tariffs and the energy shock following the outbreak of the Iranian conflict, global equities recorded very strong returns.

Annual returns for the major world markets are shown in the table below.

World Market Returns

Year to 30 June 2026 · total return, local currency

Market	Index	Annual Return
World	MSCI World TR (Net)	+21.3%
US	S&P 500 TR	+22.3%
Europe	STOXX Europe 600	+18.5%
UK	FTSE 100	+19.8%
Japan	TOPIX (Tokyo)	+40.0%
Australia	S&P/ASX 200 TR	+6.1%
New Zealand	S&P/NZX 50 Gross	+8.1%

The GDP growth outlook is solid, with 3% growth projected for 2026, rising to 3.4% in 2027, supported by robust private-sector investment in North America and Asia-Pacific.

Global inflation remains a problem, hovering near 4.7%, driven by elevated energy, shipping, and raw material input costs. Central Banks have begun raising rates to address this, while core inflation continues a gradual descent toward target bands. The risk factors to watch that may raise inflation, leading to more restrictive policy moves are AI infrastructure expenditures, energy and geopolitical volatility and high fiscal deficits in the major economies, including our own.

Economic Forecasts

Calendar years 2026 and 2027 · percent

	Real GDP Growth		Inflation		Unemployment
	2026F	2027F	2026F	2027F	Latest
Global	3.0	3.4	4.7	3.9	—
New Zealand	1.4	2.3	3.4	2.4	5.4
Australia	1.9	1.7	4.0	2.5	4.4
United States	2.3	2.2	3.6	2.4	4.2
Euro Area	0.9	1.2	2.9	2.3	6.3
United Kingdom	1.0	1.3	3.7	2.4	4.9
Japan	0.6	0.7	2.3	2.5	2.5
China	4.6	4.1	1.8	2.0	5.0

Sources: IMF World Economic Outlook Update (July 2026); OECD Economic Outlook (June 2026); RBNZ Monetary Policy Statement (May 2026); national statistics agencies. Unemployment is the latest reported rate (June 2026). Australia 2026 inflation reflects the OECD's "above 4%" estimate; China inflation is shown at the midpoint of the OECD's 1½–2% range.

The above forecasts are for the 2026 and 2027 calendar years, sourced from the IMF and OECD outlooks published in June and July 2026.

In the US market, where most of our equity investments are located, a robust earnings season underpinned the equity rally, with profit margins expanding as corporate earnings grew strongly. The US Federal Reserve Fed Funds Rate is currently at 3.50% – 3.75%, with further raises expected to address persistent headline inflation.

Investment Funds

Income Distributions

The income distributions for both the Income Fund and the Growth and Income Fund (excludes capital distributions) were again very pleasing. The Income Fund's income distributions remain significantly higher than bank Term Deposit rates.

The income distribution rates for the 2026 financial year were:

	Jun 2026	Mar 2026	Dec 2025	Sep 2025	12 Month Avg.
Income Fund	4.78%	4.85%	4.67%	4.65%	4.74%
Growth & Income Fund	2.75%	2.52%	2.48%	2.38%	2.53%



The above chart shows the value of a \$1,000 investment in either Fund on 30 June 2001, with all distributions reinvested into the Fund.

Over the 25 years from June 2001 to June 2026 MTA has provided a compound return (including capital distributions) of 5.58% for the Income Fund and 7.48% for the Growth & Income Fund. The returns from both funds have significantly outperformed inflation during this period.

Over the last five years the respective compound returns were 4.02% for the Income Fund and 4.16% for the Growth and Income Fund.

Over the 48-year life of MTA, negative total returns have been experienced by the Growth and Income Fund in 1992, 2009, 2022 and 2024. The Growth and Income Fund will occasionally experience negative returns in the future.

Past returns provide no indication of likely future returns.

Income Fund

Income Fund — Portfolio Performance

	Income	Capital Growth	Capital & Income	CPI	Real Return
1 Year	+4.74%	+0.65%	+5.39%	+3.37%	+2.02%
2 Years (p.a.)	+4.64%	+0.39%	+5.03%	+2.89%	+2.14%
3 Years (p.a.)	+4.54%	+0.27%	+4.82%	+3.42%	+1.40%
4 Years (p.a.)	+4.39%	+0.02%	+4.41%	+4.29%	+0.12%
5 Years (p.a.)	+4.01%	+0.02%	+4.02%	+4.71%	-0.68%
10 Years (p.a.)	+4.57%	+0.01%	+4.58%	+3.19%	+1.39%
15 Years (p.a.)	+4.94%	+0.01%	+4.94%	+2.49%	+2.45%
20 Years (p.a.)	+5.40%	+0.00%	+5.41%	+2.62%	+2.79%

The returns in the above table reflect compounded returns.

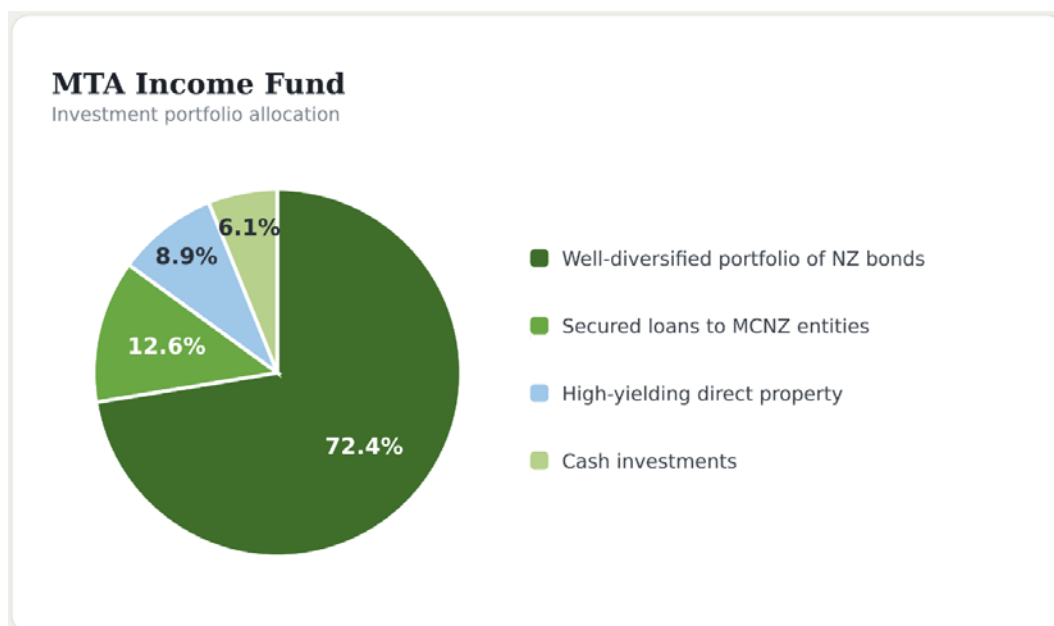
The Income Fund's objective is to provide income returns that are superior to those available in the general market, while maintaining low risk levels, as well as sufficient liquidity to allow Depositors to access their funds at any time, with no penalty.

In the table above we have also shown the Income Fund's real (inflation-adjusted) returns. The real return is important, as this is the return that would be available for depositors to spend, if they retained and reinvested enough to maintain the real value (spending power) of their deposit.

The rise in inflation driven by the Covid pandemic did result in negative real returns for the Income Fund for 2022-24.

In total the NZ bond portfolio currently has exposures to 12 different entities such as the NZ Government, local government, airports, electricity generators, large corporates, State Owned Enterprises and leading Australasian banks, providing a high level of diversification.

The credit grade of the Income portfolio is now very strong, being 92.3% invested in A- grade or better securities on 30 June.



The Income Fund reporting separates the income return from the capital return. Only the income component can be forecast in advance.

The Income Fund's annual income distribution rate for 2026 was 4.74%. The capital return component for 2026 was positive \$1,024,190, being the Fund's share of the revaluation of its property investments. This increased the total return for the year to 5.39%.

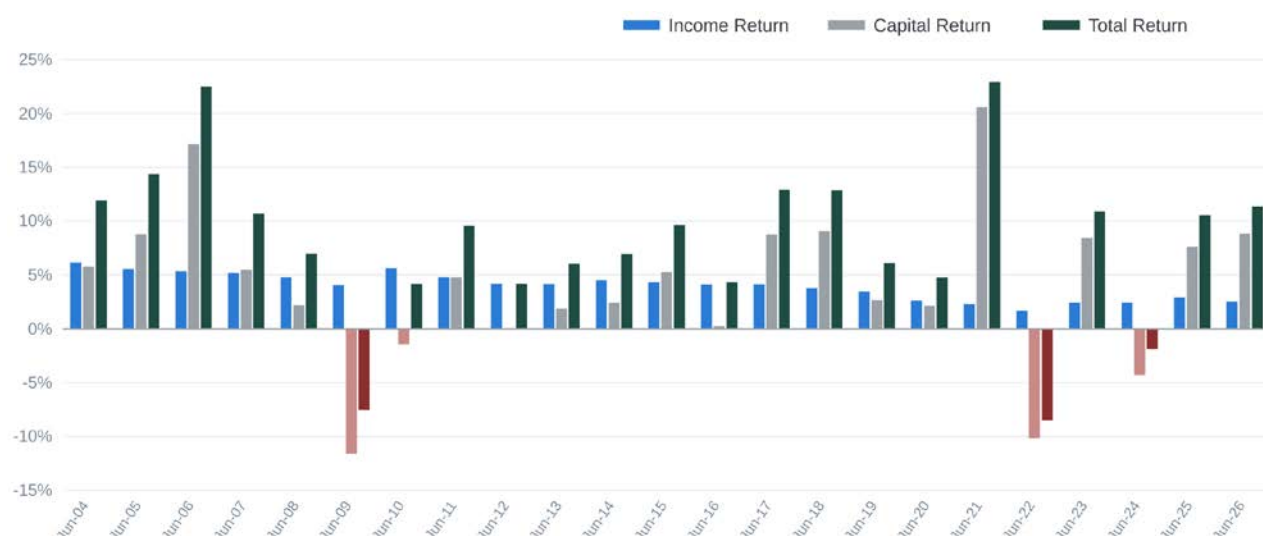
For the Income Fund, the annual income distribution rate for the June 2027 financial year is forecast to be in the range of 4.80% to 4.90%. We expect the rate for each quarter to be within this range.

In determining the Income Fund's investment mix, MTA is aware that returns on your Income Fund investments must not only enable the Church to continue its operations in the short-term but also allow the Church to enhance its resources in the longer term.

Your investment with MTA also enables us to provide loans for a variety of mission-related projects throughout the Connexion, when sufficient funds and liquidity permit.

Over the past year the Income Fund bought some high quality, long-dated bonds, locking in attractive rates for over ten years in most cases. This should enable the Income Fund to provide very attractive income returns over several years ahead.

Growth and Income Fund



Growth & Income Fund — Portfolio Performance

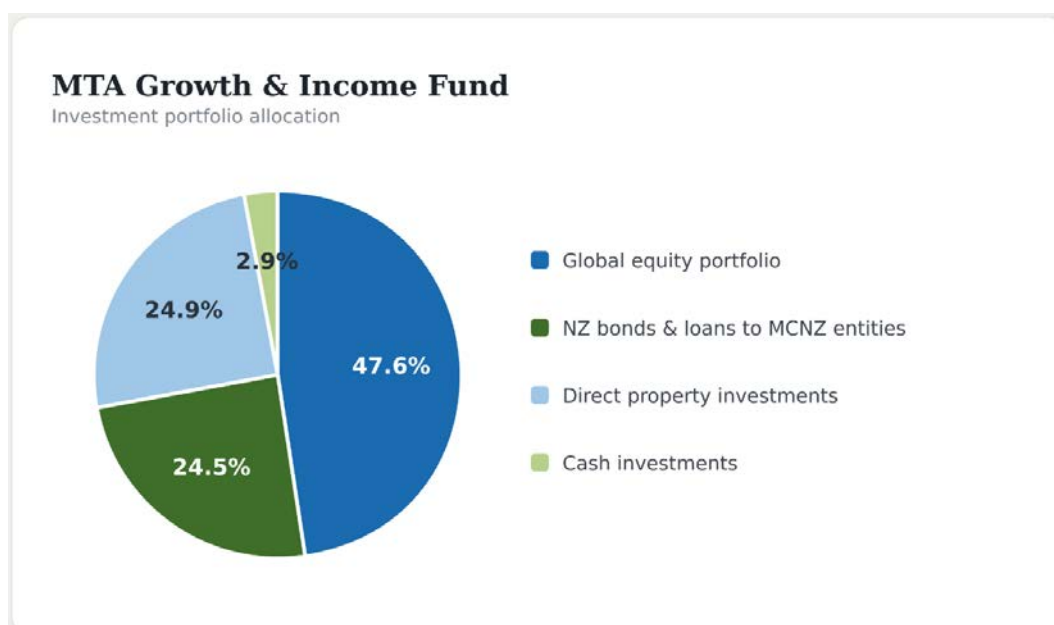
	Income	Capital Growth	Capital & Income	CPI	Real Return
1 Year	+2.53%	+8.85%	+11.38%	+3.37%	+8.02%
2 Years (p.a.)	+2.73%	+8.23%	+10.96%	+2.89%	+8.07%
3 Years (p.a.)	+2.63%	+3.88%	+6.51%	+3.42%	+3.09%
4 Years (p.a.)	+2.58%	+5.01%	+7.59%	+4.29%	+3.30%
5 Years (p.a.)	+2.40%	+1.76%	+4.16%	+4.71%	-0.54%
10 Years (p.a.)	+2.83%	+5.05%	+7.88%	+3.19%	+4.69%
15 Years (p.a.)	+3.31%	+4.02%	+7.32%	+2.49%	+4.83%
20 Years (p.a.)	+3.70%	+2.92%	+6.63%	+2.62%	+4.01%

The Growth & Income Fund's annual total return for the 2026 financial year was 11.38%, after a \$16.56m (8.85%) capital accretion, \$15.54m from strong returns in the equity portfolio as well as a revaluation gain of \$1.02m from the fund's property investments.

In the table above we have also shown the Growth and Income Fund's real (inflation adjusted) returns.

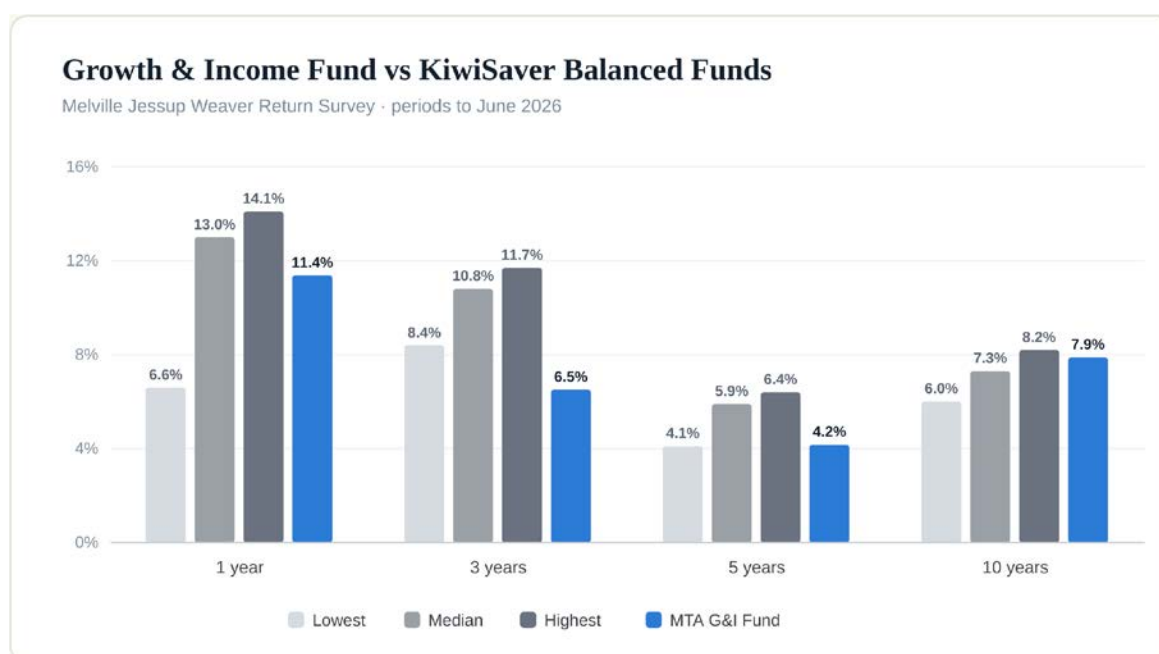
The returns of the Growth and Income Fund are more volatile than the Income Fund's in the short-term. However, despite more volatile markets over recent years due to Covid, inflation, lower growth and geopolitical concerns, the Growth and Income Fund has outperformed the Income Fund over all periods in the table above.

Over longer periods the real returns generated by the Growth and Income Fund are significantly higher than the Income Fund's returns, enabling depositors to grow the real value of their deposits.



The Fund's longer-term returns remain strong and compare favourably against those for similar investment funds, even though our responsible investment restrictions have significantly reduced our returns in recent years.

MTA benchmarks its returns against other comparable investment funds and in particular looks to compare itself to the Balanced KiwiSaver funds, which have a similar asset allocation to the Growth and Income Fund.



The above chart, using returns from the Melville Jessup Weaver Return Survey, shows the Growth and Income Fund's one-year return was below the median balanced fund return for the year. Returns for the three and five-year periods also lagged comparable funds, reflecting very strong returns from the largest companies over the past few years, nearly all of which do not meet our Responsible Investment Policy. Over the ten-year period the Fund's returns remain above the median fund's returns.

Climate Impact Assessment - Decade of Climate Justice vision (“Rekindle the Vā of Papatūānuku”)

The equity portfolio’s greenhouse gas emission exposure on 30 June 2026 was 870.39 tonnes for scope 1 & 2 emissions, only 44.6% of the MSCI benchmark’s level. For Scope 1,2 & 3 emissions the exposure was 21,732.87 tonnes, 76.0% of the benchmark’s level.

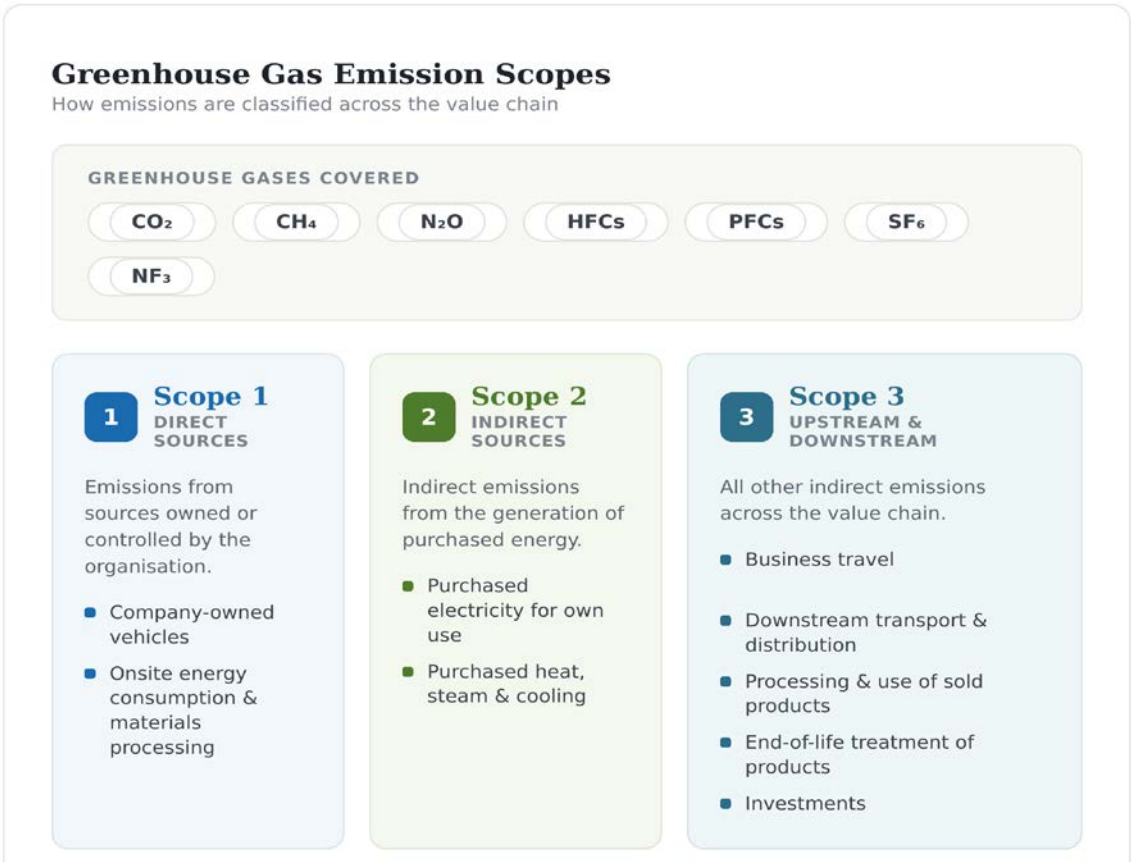
We are committed to achieving the “Net Zero by 2050” carbon dioxide (CO₂) emissions scenario, when the amount of CO₂ being emitted into the atmosphere by human activity is perfectly balanced by the amount being permanently removed.

Net Zero by 2050 CO₂ is the International Energy Agency’s (IEA) most ambitious “normative” pathway, which targets limiting global warming targeting to 1.5°C.

ISS primarily reports against the IEA Sustainable Development Scenario (SDS). The SDS scenario is a normative "outcome-oriented" pathway, which is slightly less ambitious, having a primary goal of well below 2°C (1.65-1.8°C) and to achieve Net Zero GHGs by 2070.

At 30 June 2026 ISS reports that the portfolio, in its current state, is already aligned with the SDS scenario by 2050.

Overview of greenhouse Gas scopes and emissions



Source: Oliver Wyman Forum

The seven main greenhouse gases are: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and Nitrogen Trifluoride(NF₃).

We remain very focused on the environment more broadly, with particular focus on reducing pollution and waste through recycling, resource use and the circular economy. Improving effectiveness in these areas would contribute significantly to reducing greenhouse emissions.

We believe the equity portfolio is very well positioned regarding recycling, resource use and the circular economy.

We continue to carefully manage emissions from our operations and to improve our service to depositors by:

1. 50% of Board meetings are held digitally on-line, reducing travel costs and emissions.
2. Board papers are digital copies.
3. MTA's quarterly newsletter and statements are emailed to depositors.

Responsible Investment

MTA's goal is to produce risk-adjusted returns that align with the values and principles of the Methodist Church, as well as our investors' return objectives. Putting our investors' interests first requires us to recognise and manage a wide range of global market risks and opportunities, including environmental, social and governance (ESG) factors and the impact that these factors may have on long-term investment returns.

Our Responsible Investment Policy is implemented using:

- Norm-Based assessment - covers human rights, labour rights, environment, corruption and military involvement.
- Church Values assessment - covers alcohol, tobacco, gambling, adult entertainment, private prisons, nuclear bases, controversial weapons, coal, oil and gas involvement.
- Climate Impact Assessment - portfolio greenhouse gas emission exposures.

At 30 June ISS research flags only one of our holdings, Porsche, with an amber (moderate) warning for past failures. The amber signal relates to illegal engine software that resulted in non-compliant diesel emissions in 2015, when Porsche was part of the Volkswagen Group. The fund had no exposure to any companies of continuing concern related to Norm-based issues. In addition, no companies were flagged as having issues in their supply chains.

At 30 June, the Fund had no exposure to any companies of continuing concern related to Church values issues, and no companies were flagged as having prohibited military involvement.

We also apply a best-in-class investment strategy, directing capital to industry leaders in ESG performance rather than merely avoiding poor performers.

During 2026 we also increased our capital allocation to several biotechnology companies, which are developing treatments for chronic and rare diseases, many of which currently have high unmet medical needs.

ESG Integration

We include Environmental, Social and Governance risks and opportunities into our investment analysis and investment decisions.

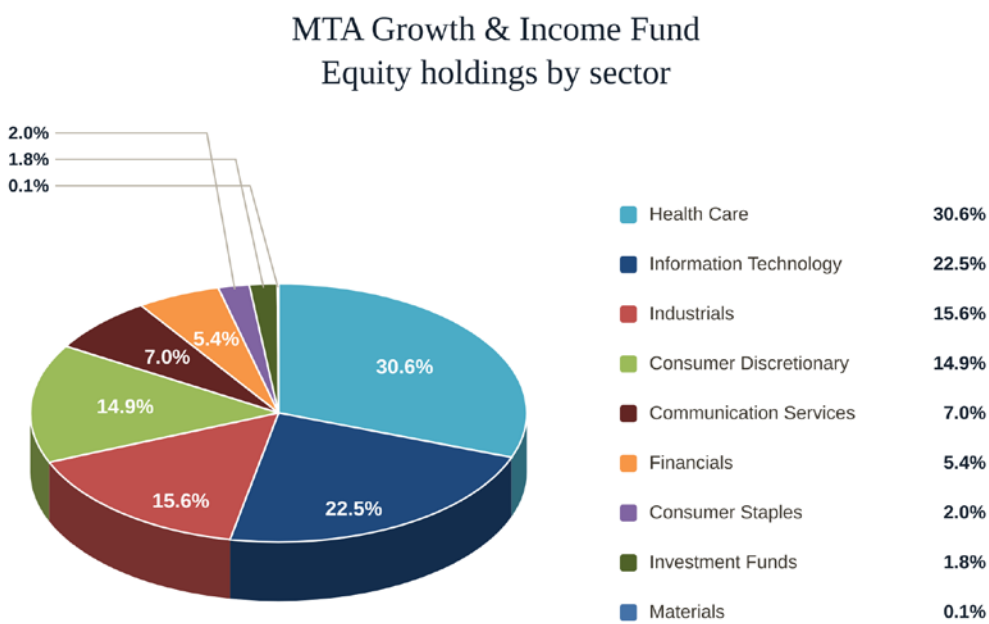
ESG risks and opportunities are assessed across a company’s value chain.

ESG Assessments include:

- Upstream risks related to a company’s supply chain and natural resource usage.
- Operational risks related to a company’s production and operational processes.
- Downstream impacts, positive and negative, from products and services sold.

The portfolio ESG assessment will give a more complete picture in time, as more companies are assessed and disclosures improve. Where data is available most of our holdings are rated highly by MSCI and mostly rate much higher than their industry peers.

The Growth & Income Fund’s equity investments are listed in Appendix A, with the following pie-chart showing the Fund’s sector breakdown on 30 June 2026.



MTA is confident that all its holdings comply with the Church’s Responsible Investment Policy and expectations.

Board Membership

There were no changes to the Board during the 2026 financial year.

Appreciation

MTA thanks the Church for its continued support during 2026.

MTA also acknowledges the work of the staff of the Connexional Office seconded to the work of MTA.



David Johnston

Chair

Methodist Trust Association



Stephen Walker

Executive Officer

Methodist Trust Association

Appendix A:

Growth & Income Fund Equity Holdings at 30-Jun-26

	Sector	Industry	Holding	Market Value	Weight
New Zealand					
ArborGen Holdings	Materials	Materials	1,330,000	90,440	0.09%
Comvita Limited	Consumer Staples	Household & Personal Products	2,712,374	2,007,157	2.02%
Fisher & Paykel Healthcare Corp Ltd	Health Care	Health Care Equipment & Services	19,350	754,844	0.76%
Ryman Healthcare Limited	Health Care	Health Care Equipment & Services	594,610	1,343,819	1.35%
Total New Zealand				4,196,259	4.22%
Australia					
Brambles	Industrials	Commercial & Professional Services	62,600	1,485,139	1.49%
Total Australia				1,485,139	1.49%
Europe					
Husqvarna AB Series B	Industrials	Capital Goods	450,644	3,090,757	3.11%
Porsche AG Vz	Consumer Discretionary	Automobiles & Components	40,766	3,564,925	3.59%
Tomra Systems Ord	Industrials	Capital Goods	194,370	3,282,968	3.30%
UBS Group AG	Financials	Financial Services	14,440	1,260,550	1.27%
Wise plc	Financials	Financial Services	196,502	4,145,523	4.17%
Total Europe				15,344,723	15.44%
Americas					
Alnylam Pharmaceuticals Inc	Health Care	Pharmaceuticals, Biotechnology	13,410	7,098,940	7.14%
Badger Meter Inc	Information Technology	Technology Hardware & Equipment	3,510	915,878	0.92%
BionTech SE	Health Care	Pharmaceuticals, Biotechnology	4,750	777,258	0.78%
Builders FirstSource Inc	Industrials	Capital Goods	23,460	3,691,552	3.72%
Champion Homes Inc	Consumer Discretionary	Consumer Durables & Apparel	25,460	3,945,371	3.97%
Corning Inc	Information Technology	Technology Hardware & Equipment	9,310	4,181,928	4.21%
Garmin Ltd	Consumer Discretionary	Consumer Durables & Apparel	2,760	1,152,924	1.16%
General Motors Co	Consumer Discretionary	Automobiles & Components	30,280	4,104,427	4.13%
IQVIA Holdings Inc	Health Care	Pharmaceuticals, Biotechnology	10,210	3,469,227	3.49%
Kymera Therapeutics Inc	Health Care	Pharmaceuticals, Biotechnology	41,160	8,300,039	8.35%
Manhattan Associates Inc	Information Technology	Software & Services	19,010	4,617,359	4.65%
Moderna Ord	Health Care	Pharmaceuticals, Biotechnology	12,610	1,552,938	1.56%
MongoDB Inc	Information Technology	Software & Services	10,410	6,149,159	6.19%
New York Times Cl A	Communication Services	Media & Entertainment	29,191	3,592,344	3.62%
NICE Ltd (USD)	Information Technology	Software & Services	28,870	4,612,397	4.64%
Owens Corning Ord	Industrials	Capital Goods	14,230	3,977,844	4.00%
Protagonist Therapeutics Inc	Health Care	Pharmaceuticals, Biotechnology	32,950	7,102,807	7.15%
Sabre Corporation	Consumer Discretionary	Consumer Services	866,562	1,988,681	2.00%
Shopify - Class A	Information Technology	Software & Services	9,530	1,913,542	1.93%
Ziprecruiter CL A Ord	Communication Services	Media & Entertainment	514,174	3,390,754	3.41%
Total Americas				76,535,367	77.03%
Listed Equities				97,561,489	98.19%
Private Equity & Unlisted (New Zealand)					
Kode Biotech Ltd	Investment Funds	Investment Funds	111,500	390,250	0.39%
Pioneer Capital Partners II	Investment Funds	Investment Funds	1,872,577	380,695	0.38%
Pioneer Capital Partners III	Investment Funds	Investment Funds	1,000,000	1,021,100	1.03%
Pioneer Capital Partners IV	Investment Funds	Investment Funds	3,583	2,383	0.00%
Private Equity Funds				1,794,428	1.81%
Total Equities				99,355,917	100.00%

Sector Summary	Weight
Energy	—
Materials	0.1%
Industrials	15.6%
Consumer Discretionary	14.9%
Consumer Staples	2.0%
Health Care	30.6%
Financials	5.4%
Information Technology	22.5%
Communication Services	7.0%
Utilities	—
Real Estate	—
Investment Funds	1.8%
Total	100.0%
Largest Sector	Health Care

Industry Summary	Weight
Pharmaceuticals, Biotechnology	28.5%
Software & Services	17.4%
Capital Goods	14.1%
Automobiles & Components	7.7%
Media & Entertainment	7.0%
Financial Services	5.4%
Consumer Durables & Apparel	5.1%
Technology Hardware & Equipment	5.1%
Health Care Equipment & Services	2.1%
Household & Personal Products	2.0%
Consumer Services	2.0%
Investment Funds	1.8%
Commercial & Professional Services	1.5%
Materials	0.1%
Total	100.0%



PERFORMANCE REPORT

New Zealand Methodist Trust Association

for the year ended
30 June 2026

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Directory

BOARD OF TRUSTEES:

David Johnston (Chairperson)	David Bush
Tara Tautari	David Taumoepeau
Jennifer Moreton	Julie Adamson
Meleane Nacagilevu	

REGISTERED OFFICE:

50 Langdons Road
Papanui
Christchurch 8053

NATURE OF BUSINESS:

The MTA is authorised to receive funds by way of deposits from groups under the general direction of the Conference of the Methodist Church of Aotearoa New Zealand, and to invest these funds in selected commercial investments for the benefit of its depositors. (*Section 10: 14.3.1 of the Laws and Regulation of the Methodist Church of New Zealand Te Hāhi Weteriana O Aotearoa*). The MTA's business is to support the mission of the Methodist Church of New Zealand and therefore all of its income is distributed to its depositors, so they are better able to meet the mission of the Church.

REGISTRATION NUMBERS:

Charities Services Registration Number:	CC22846
Charitable Trust Registration Number:	212136

INDEPENDENT AUDITOR:

PKF Goldsmith Fox Audit Limited
Chartered Accountants
100 Moorhouse Ave
Christchurch

Statement of Service Performance

General

The New Zealand Methodist Trust Association was formally incorporated under the Charitable Trusts Act 1957 on the 23rd of August 1977. It is also known as the Methodist Trust Association or simply, the MTA.

History

Prevailing inflationary pressures in 1976 meant that the investments of many of the smaller Church Trusts were reducing in real value. A report from the Investment Board was presented to the Methodist Church of New Zealand Conference in 1976 that set out the investing arrangements within the Church at that time.

Conference recognised that there was a need to amalgamate the funds held by smaller trusts of the Church, to enable larger amounts of capital to be invested for better returns. The intention was to pool the resources of the Church and help the Church continue with its Mission within New Zealand.

The report recommended that the MTA be established, with the main objective being “to make secure and rewarding investments consistent with Christian ethics”. Conference accepted this recommendation, and the Methodist Trust Association was registered in 1977.

There are a number of documents that the MTA uses to ensure that the objectives set out within its constitution, the Laws and Regulations of the Methodist Church of New Zealand and the Decisions of the Conference of the Methodist Church are adhered to.

The guiding documents include the Trust’s:

- Constitution
- Statement of Investment Policies and Objectives (SIPO)
- Responsible Investment Policy
- Strategic Plan

Why Does the Methodist Trust Association Exist?

The primary objective of the Methodist Trust Association is to amalgamate available funds into a Common Fund and to invest those funds so that it provides an investment service to the Methodist Church of New Zealand. These funds, along with the net income earned on those invested funds are returned to depositors. The only equity that the MTA has is the reserve for building maintenance and a small amount of general reserves which represent undistributed income.

The MTA exists to receive monies which are ultimately the property of the Conference of the Methodist Church of New Zealand (the Church) and to collaboratively invest those funds for the benefit of the Church. The MTA does not receive deposits that are not ultimately the property of the Conference of the Methodist Church of New Zealand.

The MTA is by its nature and constitutional arrangements an internal investment fund for the Methodist Church of New Zealand. It is not therefore required to produce investment statements or prospectuses for intending depositors, as the MTA and the depositors are jointly and severally owned by the Conference of the Methodist Church of New Zealand.

The operation of the MTA is also governed by the Laws and Regulations of the Methodist Church of New Zealand and, where not inconsistent with New Zealand secular law, the MTA is required to follow these Laws and Regulations and relevant Conference decisions.

In addition, the MTA provides investment advice and guidance on responsible investment within the Methodist Church. The Board see this as an important role as the Methodist Church seeks to deal with many of the social issues affecting New Zealand and the world in which we live.

The MTA is a registered charitable trust under the provisions of the Charitable Trusts Act 1957 and is also a registered charity under the Charities Act 2005. The MTA functions at all times to maintain and protect its charitable nature and status.

What did the Methodist Trust Association do during the Year?

Depositor and Returns to Depositor Information

The following tables outline key information not found elsewhere within the Performance Report. This information provides context regarding who the MTA supports, and how that support is measured.

Key Measures	2026	2025
Total Number of Depositors	219	216
Total Number of Depositors Accounts *	607	595
Total Amount of Depositors' Funds	\$373.2 million	\$337.6 million
Increase (Decrease) to Depositors' Funds (in dollars) from previous year	\$35.5 million	\$16.0 million
Returns on the Income Fund (Income) – simple average	4.74%	4.55%
Returns on the Income Fund (Capital)	0.65%	0.13%
Returns on the Growth and Income Fund (Income)	2.53%	2.94%
Returns on the Growth and Income Fund (Capital)	8.85%	7.61%
Income Distributions to Depositors	\$12.2 million	\$11.8 million
Capital Distributions to Depositors	\$17.6 million	\$13.4 million
All investments comply with the criteria detailed in the SIPO **	Yes	Yes

*Total Number of Depositors Accounts of 607 as at 30 June 2026 make-up of following depositor type:

	Parish & Churches	Synods, Congregations and Fellowships	Connexional or Admin	Mission/Trust/ Education	Other church related
Depositor Type	242	77	26	121	141

**SIPO compliance is assessed on the ongoing basis through the responsible Investment screening process (see Responsible Investment section below), including negative values/ethical screens and ISS norm-based research applied all MTA holdings. No exceptions were identified during the year requiring remediation.

Key Service Performance Measures.

MTA 5-year Trend for the following Performance measures:

Performance - Number of Depositors

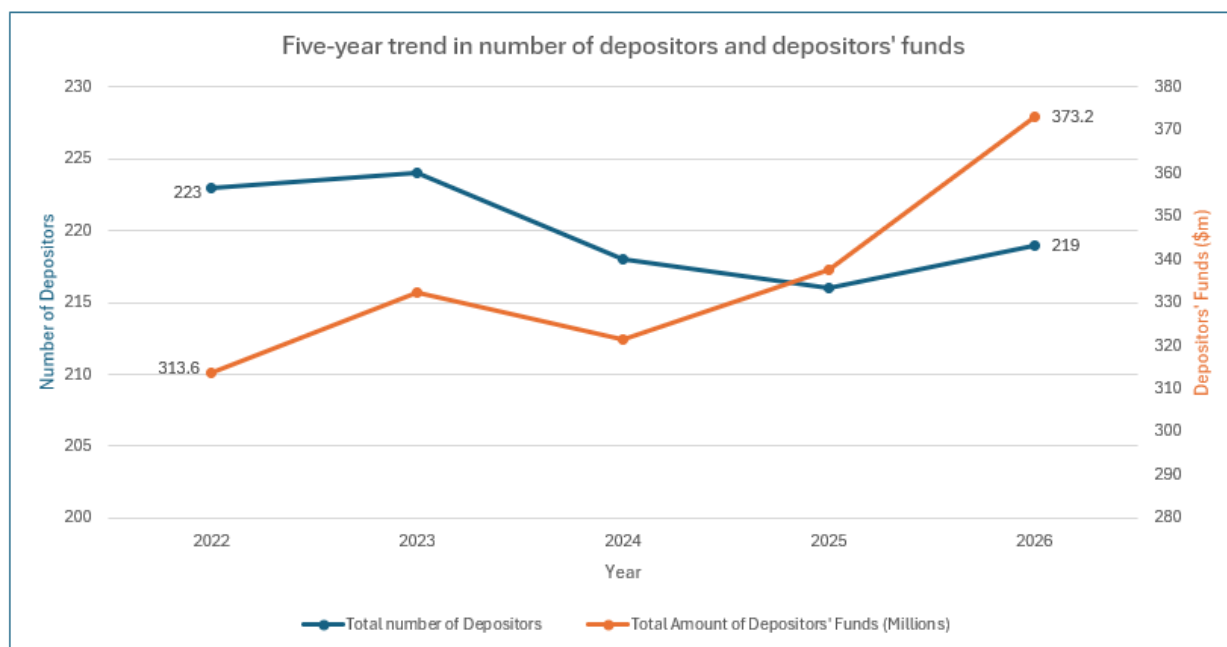
The number of depositors remained relatively stable over the five-year period, ranging between 216 and 224 depositors. At 30 June 2026, the Trust had 219 depositors, an increase of three depositors from the previous year. The consistent level of participation demonstrates the continuing demand for the Trust's investment services and its ongoing relevance to participating Church entities.

Performance – Depositors' Funds (\$M)

Depositors' funds increased from \$313.6 million in 2022 to \$373.2 million in 2026, representing growth of \$59.6 million (19%) over the five-year period.

Depositor funds increased by \$35.5 million during the current year, reflecting growth in investments held on behalf of participating entities and continued confidence in the Trust's investment management framework.

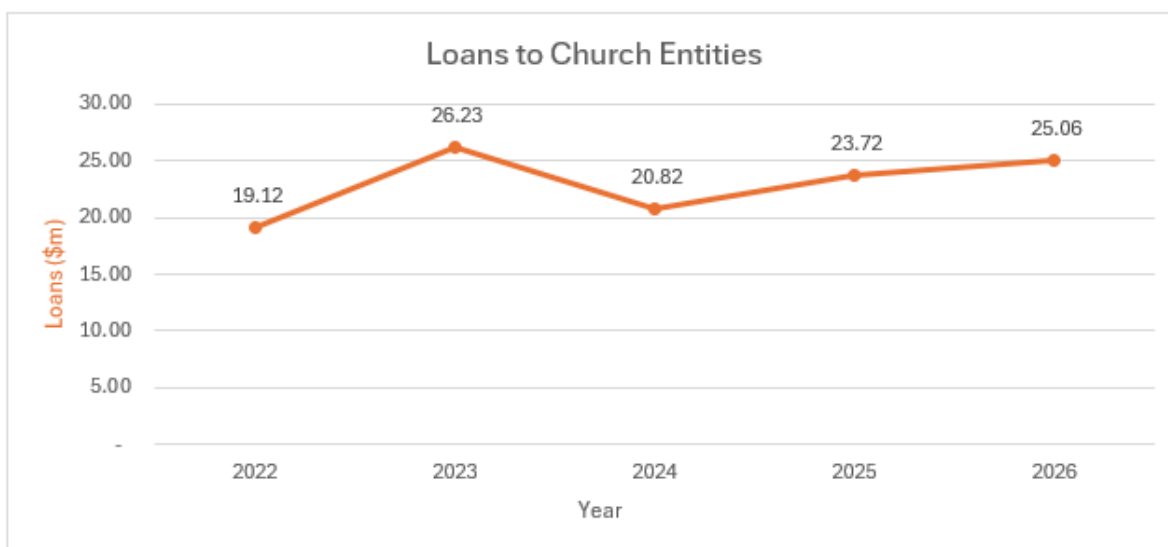
5-years trend represented by graph below:



Provision of Concessionary Loans to Church Entities

MTA continues to fulfil its mission by providing concessionary loans to Methodist Church entities. These loans enable church organisations to undertake projects that support ministry, community outreach, housing initiatives, and other mission-related activities that may not otherwise attract commercial financing.

Loan Advances to Church Entities (\$M) – 5-year trend



During 2026, MTA had \$25.06 million invested in concessionary loans to Church entities, including the Board of Administration, Everil Orr Village, Wesley Wellington Mission, and the Mangere Tongan Housing Project. This represents an increase of \$1.34 million (5.6%) from the previous year.

Over the five-year period, lending levels have remained significant, ranging from \$19.12 million to \$26.23 million, demonstrating MTA's ongoing commitment to deploying pooled depositors' funds in a manner that advances the mission and strategic objectives of the Methodist Church of New Zealand. While annual balances fluctuate depending on project funding requirements and loan repayments, the overall trend shows sustained support for church ministries and community-focused initiatives.

Investment Management Cost of service delivery.

MTA's investment management function aims to safeguard and prudently manage Depositors' Funds while maintaining an efficient and cost-effective operating structure. Key performance measures include total investment management costs, comprising portfolio management fees and investment-related administration expenses, together with the ratio of investment management costs to average Depositors' Funds.

5-Year Trend Analysis:

Measure	2022	2023	2024	2025	2026
Average Depositors' Funds(\$M)	315.74	322.90	326.89	329.64	355.42
Total Investment Management Cost(\$M)	1.6202	1.612	1.704	1.795	1.844
Ratio of Investment Management related costs to average Depositors' Funds	0.424%	0.443%	0.467%	0.545%	0.519%

Over the five-year period, Average depositors increased from \$315.7 million in 2022 to \$355.4 million in 2026, an increase of approximately 12.6%. This reflects the continued confidence of depositors and an overall increase in funds under management.

Total investment management costs increased from \$1.620 million in 2022 to \$1.844 million in 2026, an increase of approximately 13.8%. The increase in costs is broadly consistent with the growth in funds under management.

Despite rising costs, the ratio of investment management costs to average Depositors' Funds remained consistently below 0.55% throughout the five-year period. The cost ratio ranged from 0.424% in 2022 to a peak of 0.545% in 2025, before reducing to 0.519% in 2026.

Overall, the five-year trend shows that depositors' funds have grown steadily while investment management costs have remained at a low level relative to assets under management. This suggests that MTA has achieved its objective of delivering investment management services efficiently and preserving depositor value through sound stewardship of resources.

Responsible Investment

The Methodist Trust Association's goal is to produce strong risk-adjusted returns that also align with the values and principles of the Church. Putting depositors' interests first requires the MTA to recognise and manage a wide range of global market risks and opportunities, including environmental, social and governance (ESG) factors and the impact that these factors may have on long-term investment returns.

To achieve this:

- ESG factors are integrated into the investment decision-making process, both as a source of risk mitigation and an opportunity for enhanced returns.
- Norm-Based Research is integrated into the investment decision-making process as an input to active ownership strategies.
- MTA employs values/ethical screens, to avoid certain companies and industries that do not align with the Church's values and standards.

The Methodist Church of New Zealand contracted with Institutional Shareholder Services (ISS) in April 2022. ISS is a leading provider of market intelligence, corporate governance and responsible investment solutions for institutional investors and corporations globally. ISS empowers investors and companies to build for long-term and sustainable growth by providing high-quality data, analytics and insight.

The Church's Responsible Investment Policy is implemented by using values/ethical negative screens, and through the integration of Norm-Based research and ESG factors into our investment decision making processes.

Where negative screens are used, the main materiality thresholds are set at 5% of revenues.

None of the companies that MTA owns appear on ISS's values, ethical or energy and extractives (coal, oil & gas) screens. ISS's norm-based research also doesn't flag any issues which concern MTA, for the companies MTA owns. The MTA Board is confident that all its holdings comply with the Church's Responsible Investment Policy and expectations.

Methodist Church of New Zealand
Te Hāhi Weteriana O Aotearoa
NEW ZEALAND METHODIST TRUST ASSOCIATION

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE
For the Year Ended 30 June 2026

	<u>NOTES</u>	<u>2026</u>	<u>2025</u>
REVENUE			
Dividends Received		610,188	754,185
Company Debenture Interest		7,871,351	6,626,666
Other Interest Received		1,456,933	1,668,459
Interest Received - Bank Deposits		79,814	99,433
Money Market Interest		137,174	196,843
Gross Rental Income		4,432,810	4,538,721
Realised Gains from Trading Activities	7	10,281,921	22,573,402
Unrealised Gains from Trading Activities	7	10,836,949	1,365,745
Other Revenue		50,822	357,402
TOTAL REVENUE		35,757,962	38,180,856
EXPENSES			
Management Fee Expense	5, 17	1,627,731	1,588,030
Rental Property Expenses		360,863	455,894
Realised Losses from Trading Activities	8	2,663,040	1,482,993
Unrealised Losses from Trading Activities	8	1,046,395	9,139,260
Other Expenses	6	262,744	245,143
TOTAL EXPENSES		5,960,773	12,911,320
SURPLUS ATTRIBUTABLE TO DEPOSITORS FOR THE PERIOD		29,797,189	25,269,536
LESS AMOUNTS DISTRIBUTED TO DEPOSITORS			
Capital Accretion Distributed	13,16	17,586,251	13,441,940
Income Distributed	13,16	12,205,417	11,806,700
TOTAL AMOUNTS DISTRIBUTED TO DEPOSITORS		29,791,668	25,248,640
TRANSFERRED TO (FROM) DEPOSITORS FUNDS		5,521	20,896



Methodist Church of New Zealand
Te Hāhi Weteriana O Aotearoa
NEW ZEALAND METHODIST TRUST ASSOCIATION

STATEMENT OF CHANGES IN TRUST FUNDS
For the Year Ended 30 June 2026

	NOTES	2026	2025
Building Maintenance Reserve	14		
Opening Balance 1 July		1,819,389	1,727,890
Increase (Decrease) in Building Maintenance Reserve		<u>94,507</u>	<u>91,499</u>
Closing Balance 30 June		1,913,896	1,819,389
Accumulated Comprehensive Revenue and Expenses	14		
Opening Balance 1 July		7,243	(13,653)
Increase (Decrease) in Accumulated Comprehensive Revenue and Expense		<u>5,521</u>	<u>20,896</u>
Closing Balance 30 June		12,764	7,243
Total of Trust Funds		<u>1,926,660</u>	<u>1,826,632</u>

Methodist Church of New Zealand
Te Hāhi Weteriana O Aotearoa
NEW ZEALAND METHODIST TRUST ASSOCIATION

STATEMENT OF FINANCIAL POSITION
As at 30 June 2026

	NOTES	2026	2025
ASSETS			
Current Assets			
Cash and Cash Equivalents	9	16,113,687	9,792,879
Receivables		284,511	237,507
Current Portion of Loans	17,20	13,000,000	-
Current Portion of Company Debentures		5,555,000	9,552,039
Accrued Dividends and Interest		1,313,564	1,141,178
Other Financial Assets	12	-	103,197
Total Current Assets		36,266,762	20,826,800
Non-current Assets			
Shares		97,561,488	84,714,580
Company Debentures		160,880,480	143,313,659
Private Equity		2,788,000	3,364,250
Loans	17,20	12,055,056	23,719,454
Investment Property	10	67,300,000	65,250,000
Total Non-current Assets		340,585,024	320,361,943
TOTAL ASSETS		376,851,786	341,188,743
LIABILITIES			
Current Liabilities			
Creditors	11	715,636	1,613,353
Income Received in Advance		88,272	86,594
Other Financial Liabilities	12	943,199	-
Total Current Liabilities		1,747,107	1,699,947
Non Current Liabilities			
Amounts Due to Depositors (Depositors' Funds)	13	373,178,018	337,662,164
Total Non Current Liabilities		373,178,018	337,662,164
TOTAL LIABILITIES		374,925,125	339,362,111
TOTAL NET ASSETS		1,926,661	1,826,632
TRUST EQUITY AND RESERVES			
Reserves	14	1,913,896	1,819,389
Accumulated Comprehensive Revenue and Expense		12,765	7,243
TOTAL TRUST EQUITY AND RESERVES		1,926,661	1,826,632

Chairperson

Signed by:

David Johnston

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Date: 22 Oct. 2026

Trustee

Signed by:

Julie Adamson

198299CAB00849B...

Date: 22 Oct. 2026



Methodist Church of New Zealand
Te Hāhi Weteriana O Aotearoa
NEW ZEALAND METHODIST TRUST ASSOCIATION

CASH FLOW STATEMENT
For the Year Ended 30 June 2026

	2026	2025
Cash flows from Operating Activities		
Receipts from Exchange Transactions		
Dividends Received	609,237	754,650
Company Debenture Interest	7,698,965	5,809,916
Other Interest Received	1,456,933	1,668,459
Interest Received - Bank Deposits	79,814	99,433
Money Market Interest	137,174	196,843
Gross Rental Income	4,434,488	4,544,350
Other Revenue	50,822	357,402
	<u>14,467,433</u>	<u>13,431,053</u>
Payments		
Management Fee Expense	1,617,806	1,572,761
Rental Property Expenses	233,535	364,395
Other Expenses	260,004	234,013
	<u>2,111,345</u>	<u>2,171,169</u>
Net Cash flows from Operating Activities	<u>12,356,088</u>	<u>11,259,884</u>
Cash Flows from Investing Activities		
Receipts from Investing Activities		
Shares	39,383,370	48,535,371
Company Debentures	30,653,980	39,242,494
Private Equity	543,458	141,248
Loans	664,398	1,947,968
	<u>71,245,206</u>	<u>89,867,081</u>
Payments		
Shares	34,136,261	38,936,519
Company Debentures	44,223,762	45,184,947
Private Equity	68,416	98,459
Loans	2,000,000	4,845,168
Forward Contracts	-	1,289,939
Bank Deposits	46,054	-
	<u>80,474,493</u>	<u>90,355,032</u>
Net Cash flows from Investing Activities	<u>(9,229,287)</u>	<u>(487,951)</u>
Cash Flows from Financing Activities		
Receipts		
From Depositors	77,521,443	46,404,959
	<u>77,521,443</u>	<u>46,404,959</u>
Payments		
Income and Capital Distributions to Depositors	2,649,805	-
Repayments to Depositors	71,797,256	55,602,073
	<u>74,447,061</u>	<u>55,602,073</u>
Net Cash flows from Financing Activities	<u>3,074,382</u>	<u>(9,197,114)</u>
Net Increase / (Decrease) in Cash	6,201,183	1,574,819
Exchange Rate Movements in Bank Accounts and Cash	119,625	6,432
Opening Cash	9,792,879	8,211,628
Closing Cash	16,113,687	9,792,879
This is represented by:		
Cash and Cash Equivalents	<u>16,113,687</u>	<u>9,792,879</u>



Notes to the Financial Statements

1. Reporting Entity

The reporting entity is New Zealand Methodist Trust Association (the “MTA” or “Association”). The MTA is domiciled in New Zealand and is a charitable organisation registered under the Charitable Trusts Act 1957 and the Charities Act 2005.

The financial statements comprising the MTA are presented for the year ended 30 June 2026.

These financial statements and the accompanying notes summarise the financial results of activities carried out by the MTA. The MTA is authorised to receive funds by way of deposits from groups under the general direction of the Conference of the Methodist Church of Aotearoa New Zealand, and to invest these funds in selected commercial investments for the benefit of its depositors. Deposits from groups that are not under the general direction of the Conference will not be accepted.

These financial statements have been approved and were authorised for issue by the Board of Trustees on 22 October 2026.

2. Statement of Compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (“NZ GAAP”). They comply with Public Benefit Entity International Public Sector Accounting Standards (“PBE IPSAS”) and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. For the purposes of complying with NZ GAAP, MTA is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability, and it is not defined as large.

The Board has elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime (“RDR”) disclosure concessions.

3. Changes in Accounting Policy

No changes to the accounting policies have been applied in the preparation of the financial statements.

4. Summary of Accounting Policies

The significant accounting policies used in the preparation of these financial statements as set out below have been applied consistently to these financial statements.

4.1 Basis of Measurement

These financial statements have been prepared on the basis of historical cost, as modified by the fair value measurement of investment properties, financial instruments and certain financial instruments measured at amortised cost.

4.2 Functional and Presentational Currency

The financial statements are presented in New Zealand dollars (\$), which is the MTA's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest dollar.

Offshore balances in bank accounts are revalued into New Zealand dollars on balance date using exchange rates on balance date.

Purchases and sales of offshore investments are valued into New Zealand dollars on the day the transaction occurred. Investment balances are then revalued again on balance date.

4.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the MTA and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

Revenue from non-exchange transactions

The MTA does not derive any revenue from non-exchange transactions.

Revenue from exchange transactions

Interest and dividend revenue

Interest and dividend revenue is recognised as it accrues, using the effective interest method through the Statement of Comprehensive Revenue and Expense.

Rental Revenue

Rental revenue is recognised on a straight-line basis in the Statement of Comprehensive Revenue and Expense.

4.4 Financial Instruments

Financial assets and financial liabilities are recognised when the MTA becomes a party to the contractual provisions of the financial instrument.

The MTA derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or the MTA has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

- the MTA has transferred substantially all the risks and rewards of the asset; or
- the MTA has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

(a) Financial assets

Financial assets within the scope of *PBE IPSAS 41 Financial Instruments: Recognition and Measurement* are classified as financial assets at fair value through surplus or deficit, or amortised cost financial assets. The classifications of the financial assets are determined at initial recognition.

The category determines subsequent measurement and whether any resulting income and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses. The MTA's financial assets are classified as financial assets at fair value through surplus or deficit, or amortised cost financial assets.

The MTA's financial assets include cash and cash equivalents, loans and receivables, held-to-maturity investments, or held for trading financial assets.

All financial assets except for those at fair value through surplus or deficit are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

(b) Financial assets at fair value through the Statement of Comprehensive Revenue and Expense

Financial assets at fair value through the Statement of Comprehensive Revenue and Expense (also known as through "surplus or deficit") include items that are either classified as held for trading or that meet certain conditions and are designated at fair value through the Statement of Comprehensive Revenue and Expense upon initial recognition. All derivative financial instruments fall into this category, except for those designated as hedging instruments or a derivative that is a financial guarantee contract. The MTA's investments in equities fall into the category of held for trading financial assets through the Statement of Comprehensive Revenue and Expense.

All financial assets including shares and overseas bank accounts held in foreign currencies are revalued on an annual basis at balance date. It is the MTA's policy to distribute such revaluations or devaluations to the accounts of the Income Fund and Growth and Income Fund depositors. In the event of a deposit being withdrawn, in total, net accretion distributions are reversed to deferred capital distributions and redistributed from realised capital profits as available. Realised capital profits are distributed as credits to Depositors and previous accretion revaluations thus realised are reversed from deferred capital distribution.

As it is the MTA's policy that at least 10% of maturing deposits be retained when depositors have funds in a Growth and Income deposit, it is therefore highly unlikely that any depositors' accounts in Growth and Income would become overdrawn in the event of a capital decretion.

In respect to revaluations in the Income Fund, the policy of MTA is to take either in part or in full the revaluations or devaluations directly to the Statement of Comprehensive Revenue and Expense and distribute these to depositors. In the event of a deposit being withdrawn, in total, net accretion or decretion are added or deducted from other deposits held by the depositor.

The basis for determining Fair Value is as follows:

Shares/Venture Capital and Infrastructure

Fair values are established at balance date using prices quoted at balance date using active market prices.

These financial assets are held for trading.

Investment Properties

Fair values are established at balance date by independent valuation by a registered valuer.

Other Financial Assets and Liabilities

Other Financial Assets and Liabilities relate to the MTA's hedging policies. Hedges in place as at balance date are recorded at fair value using exchange rates that would have applied if the hedges in place at balance date had been closed out.

(c) Company Debentures (Bonds)/Transferable Certificates/Government and Local Body Stock

Fixed income securities are carried at amortised cost. The business management model for these assets is to hold them to maturity.

(d) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. The MTA's cash and cash equivalents and receivables from exchange transactions fall into this category of financial instruments.

(e) Expected Credit Loss (ECL) allowance.

An expected credit loss (ECL) model is used to recognise and calculate impairment losses for all financial assets not classified as Fair Value through Surplus or Deficit (the Statement of Comprehensive Revenue and Expense). The following financial assets that are measured at amortised cost are subject to the impairment provisions of PBE IPSAS 41 Financial Instruments:

- Cash and cash equivalents;
- Trade and other receivables;
- Listed and Unlisted fixed income securities carried at amortised cost, and
- Loans issued by MTA.

The impairment loss for cash and cash equivalents is considered immaterial.

The simplified approach to providing for ECL is applied to trade and other receivables and lease receivables. The simplified approach involves making a provision at an amount equal to lifetime expected credit losses. The allowance is assessed on a portfolio basis based on the number of days overdue and taking into account the historical loss experience and incorporating any external and future information.

The general model prescribed is adopted for individual financial assets or groups of financial assets held at amortised cost or FVOCRE. Applying the general model involves:

- Assessing whether there has been a significant increase in credit risk since initial recognition.
- Measuring 12-month ECL for assets not significantly deteriorated and lifetime ECL for assets that have significantly deteriorated or for which lifetime ECL is applicable.

The MTA's investments in listed and unlisted fixed income securities and loans receivable meet the criteria for being classified as financial assets at amortised cost and are therefore subject to the general ECL model.

The MTA assesses these financial assets at each reporting date for any significant increase in the credit risk since initial recognition.

An asset is considered to have experienced significant credit deterioration if there has been a significant increase in credit risk since initial recognition, based on qualitative and quantitative factors, such as changes in credit ratings, financial condition of the borrower, and payment status.

The MTA's investments in listed and unlisted fixed income securities and loans receivables are considered to have low credit risk and/or the credit risk has not increased significantly since initial recognition.

As a result, the impairment loss recognised is limited to 12-month expected credit losses. The MTA considers these financial assets to have low credit risk because there is a low risk of default, and the issuers have a strong capacity to meet their contractual cash flow obligations in the near term.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date or a shorter period if the expected life of the financial asset is less than 12 months.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the MTA has no reasonable expectations of recovering a financial asset.

(f) Financial liabilities

The MTA's financial liabilities include trade and other creditors and Depositors' Funds.

All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through the Statement of Comprehensive Revenue and Expense) and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through the Statement of Comprehensive Revenue and Expense.

Trade and Other Creditors are unsecured and usually paid within 30 days of recognition.

4.5 Cash and Cash Equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4.6 Short Term Investments

Short term investments comprise term deposits, company debentures (bonds) and loans which have a term of greater than three months and less than 12 months and therefore do not fall into the category of cash and cash equivalents.

4.7 Nature and Purpose of Reserves

The MTA creates and maintains reserves in terms of specific and general requirements.

Building Maintenance Reserve

A provision for maintenance has been calculated at 1% per annum on the original purchase cost of the buildings.

Undistributed Realised Capital Reserve

The MTA Board makes decisions from time to time to not fully distribute all of its realised capital reserves and hold them back for the following financial year. The Board makes decisions on the distribution of any realised capital reserves held at each quarterly distribution.

Undistributed Comprehensive Revenue and Expense for the Period

When the full amount of comprehensive revenue and expenses is not fully distributed to depositors in the current financial year, they are then made available in the following financial year for distribution.

4.8 Investment Properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, for supply of goods or services or for administrative purposes. Investment properties are measured initially at cost, including transaction costs. Investment properties acquired through non-exchange transactions are measured at fair value at the date of acquisition.

Subsequent to initial recognition, investment properties are measured at fair value as determined by an independent registered valuer. Fair value is determined without any deductions for transaction costs that may be incurred on sale or other disposal. Any gain or losses arising from a change in the fair value of the investment property are recognised as a surplus or deficit in the period that it is incurred through the Statement of Comprehensive Revenue and Expense.

4.9 Significant Judgments and Estimates

In preparing the financial statements, the Board is required to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. The uncertainty from these assumptions and estimates could result in outcomes that may result in a material adjustment to the carrying amount of the asset or liability.

The MTA has based its assumptions and estimates on parameters available when the financial statements are prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the MTA. Such changes are reflected in the assumptions when they occur.

The key significant judgements and estimates used in the preparation of these financial statements relate to the fair values estimated for investment properties (Note 10).

4.10 Income Tax

Due to its charitable status, the MTA is exempt from Income tax.

4.11 New standards, amendments and interpretations

The MTA has reviewed the impact of any new standards or amending standards issued by the External Reporting Board. At this time the MTA cannot see any changes that require additional disclosures within the Performance Report.

5. Management Fee Expense

The Board of Administration administers the investments and provides other secretarial services to the MTA by the direction of Conference. The Board of Administration is paid a management fee for this work. The MTA deems the Board of Administration to be a related party, and further disclosures are made under Note

17. As at 30 June 2026 an amount of \$406,933 was payable to the Board of Administration (also see notes 11 and 17).

6. Other Expenses

Corporate costs are shared between the funds using the amounts of the Depositors' Funds held at balance date. Shared corporate costs include:

	2026	2025
Investment Information Systems	57,374	53,388
Brokerage	85,669	92,813
Custody Security Services	69,905	61,202
Governance Expenses	9,000	9,000
Audit fee	22,000	20,000
Travel Costs	4,496	2,583
Subscriptions	2,967	721
Printing and Stationery Costs	3,283	1,575
Other Expenses	8,050	3,861
Totals	262,744	245,143

PKF Goldsmith Fox Audit Limited provides audit services to the MTA. PKF Goldsmith Fox Audit Limited does not provide any non-audit services to the MTA (2025: Nil). Also see note 15.

7. Realised and Unrealised Gains

Realised gains of \$10,281,921 (2025: \$22,573,402) consist of gains made in the trading of equities. Unrealised gains in 2026 of \$10,836,949 consist of Investment property revaluations, equities, and exchange rate gains while in 2025 unrealised gains of \$1,365,745 consisted of gains in investment property revaluation, exchange rates and hedging.

8. Realised and Unrealised Losses

Realised losses of \$2,663,040 in 2026 consist of losses on bonds and hedging (2025: \$1,482,993). Unrealised losses in 2026 of \$1,046,395 on hedging while in 2025 unrealised losses of \$9,139,260 on equities.

9. Cash and Cash Equivalents

Part of cash and cash equivalents (2026: \$558, 2025: \$2,577) includes the MTA's share of the common bank account held in the name of the Methodist Church of New Zealand – Board of Administration. This account is held with the Bank of New Zealand and is used for the operating transactions of the funds administered by the Connexional Office of the Board of Administration of the Methodist Church of New Zealand. The arrangement gives the Bank of New Zealand the right of offset over any balance.

The bank interest received by MTA through the banking arrangement is included in Other Interest Received in the Statement of Comprehensive Revenue and Expense for the year.

The MTA use an external custodian to hold most of its financial assets. The external custodian has cash accounts in the name of the MTA, and these are also included in cash and cash equivalents as the accounts are liquid and able to be drawn down within 30 days.

Included within Cash and Cash Equivalents are a number of overseas bank accounts. As at balance date unrealised exchange gains of \$119,625 were recognised (2025: \$6,432 – gains).

10. Investment Properties

	2026	2025
Great North and Newton Road, Auckland	\$37,000,000	\$37,000,000
Izone Drive, 30 Link Drive Rolleston, Christchurch	\$30,300,000	\$28,250,000
	<u>\$67,300,000</u>	<u>\$65,250,000</u>

Reconciliation between the carrying amounts of investment property at the beginning and end of the period:

Great North and Newton Road, Auckland

	2026	2025
Beginning Carrying Value	\$37,000,000	\$36,500,000
Net gains or (losses) from fair value adjustments	\$0.00	\$500,000
End of the Period Carrying Value	<u>\$37,000,000</u>	<u>\$37,000,000</u>

Izone Drive, 30 Link Drive Rolleston, Christchurch

	2026	2025
Beginning Carrying Value (MTA Share)	\$28,250,000	\$27,650,000
Net gains or (losses) from fair value adjustments	\$2,050,000	\$600,000
End of the Period Carrying Value (MTA Share)	<u>\$30,300,000</u>	<u>\$28,250,000</u>

Valuations have been provided by:

Great North and Newton Road, Auckland

The valuation of this investment property as at 30 June 2026 was performed by Mr. S Keenan and Mr. G Tee of Savills New Zealand independent registered valuers from Savills New Zealand. Savills New Zealand are experienced valuers with extensive market knowledge in the types and location of investment property owned by the Trust.

The fair value of investment property has been determined using the capitalisation of net revenue and discounted cash flow methods. These methods are based on market evidence and use assumptions including future rental revenue, anticipated maintenance costs, and appropriate capitalisation or discount rates. The major assumptions made in the valuation report are:

Capitalisation of net revenue

- Net revenue, which takes into account future rental revenue and anticipated maintenance costs, ranges from \$230 to \$550 per square metre (2025: \$230 to \$550 per square metre) with the valuation adopting an estimated annual net market rent of \$2,067,800 (2025: \$2,067,800). An increase (decrease) in net revenue would increase (decrease) the fair value of investment property.
- Capitalisation rates range from 5.00% to 8.00% (2025: 4.00% to 8.50%) with the valuation adopting a capitalisation rate of 5.50% (2025: 5.5%). An increase (decrease) in the capitalisation rate would decrease (increase) the fair value of investment property.

Discounted Cashflows

- Discount rates range from 7.10% to 8.66%. (2025: 6.18% to 10.36%) with the valuation adopting a discount rate of 7.50% (2025: 7.75%). An increase (decrease) in the discount rate would decrease (increase) the fair value of investment property.
- Annual net market rent of \$2,067,800 projected to grow by 2.68% for the 10 years projected cashflows (2025: 2.68%).
- A total capital expenditure over the 10 years period of \$734,680 (\$113 per square metre) (2025: \$738,694), whilst the total expenditure over the entire cashflow period (including the investment property's terminal value) was \$772,992 (\$119 per square metre) (2025: \$776,637 (\$119 per square metre))
- An estimated terminal yield of 5.63% (2025: 5.63%) to capitalise the terminal value of the investment property (being the estimated annual net market rent at end of year 10 of projected cashflows divided by the terminal yield).
- It is assumed that the investment property is sold at the beginning of year 11 at the terminal value calculated above. (2025: same assumption)
- Assuming 50% likelihood that existing tenants are retained, and a 12-month period for finding a new tenant if this does not happen, equating to loss of six months of rent in projected cashflows. (2025: same assumptions)
- Letting and agent fees are assumed to be 15% of the first year of lease gross income for new tenancy with 0% incentives offered to new tenants. (2025: same assumptions)

This investment property is tenanted by Auckland Auto Collection Limited trading as John Andrew Ford.

The last rent review was 1 March 2022 and then every five years on 1 March. The next review date is 01 March 2027.

Izone Drive, 30 Link Drive Rolleston, Christchurch

The valuation of this investment property as at 30 June 2026 was performed by Mr. Carl Graham (Registered Valuer) of CBRE Limited (2025 was Colliers), CBRE Limited are experienced valuers with extensive market knowledge in the types and location of investment property owned by the Trust.

The fair value of investment property has been determined using the capitalisation of net revenue and discounted cash flow methods. These methods are based on market evidence and use assumptions including

future rental revenue, anticipated maintenance costs, and appropriate capitalisation or discount rates. The major assumptions made in the valuation report are:

Capitalisation of net revenue

- Net revenue, which takes into account future rental revenue and anticipated maintenance costs, ranges from \$140 to \$160 per square metre for office and amenities (2025: \$170 to \$200) and \$92.50 to \$120 per square metre of warehouse accommodation (2025: \$125 to \$140 per square metre) with the valuation adopting an estimated annual net market rent of \$4,646,534 (2025: \$4,654,632). An increase (decrease) in net revenue would increase (decrease) the fair value of investment property.
- The market capitalisation ranges from 5.00% to 6.00% (2025: 5.55% to 6.00%), however this range did not include local sales of similar scale and lease contractual arrangements with the valuation adopting a capitalisation rate of 7.00% (2025: 7.875%) to reflect the property specific characteristics in the valuation. An increase (decrease) in the capitalisation rate would decrease (increase) the fair value of investment property.
- This investment property annual rent was market reviewed in March 2024 to the market rent applied in the valuation. The next rent review in March 2027.

Discounted Cashflows

- Discount rates range is 8.75%. (2025: 5.32% to 8.37%) however this range did not include local sales of similar scale and lease contractual arrangements with the valuation adopting a capitalisation rate of with the valuation adopting a discount rate of 8.75% (2025: 9.00%) to reflect the property specific characteristics in the valuation. An increase (decrease) in the discount rate would decrease (increase) the fair value of investment property.
- Annual net market rent of \$5,875,773 projected to grow by 2.37% for the 10 years projected cashflows.
- A total capital expenditure over the 10 years period of \$762,150 (2025: \$770,009) undiscounted.
- An estimated terminal yield of 7.25% (2025: 8.375%) to capitalise the terminal value of the investment property (being the estimated annual net market rent at end of year 10 of projected cashflows divided by the terminal yield).
- It is assumed that the investment property is sold at the beginning of year 11 at the terminal value calculated above. (2025: same assumption)
- Assuming 50% likelihood that existing tenants are retained, and a 12-month period for finding a new tenant (2025: 60%).

The MTA has a 50% holding in the property. The other 50% share is held by TIM Nominees Limited which is not related to the MTA or the Methodist Church.

This investment property is tenanted by The Warehouse South Island Distribution Centre. The Warehouse Limited has leased the property for a term of 10 years commencing 20 March 2017. The last rent review was in 2024. The next rent review will occur in 2027. Rents will increase based upon the lesser of Consumers Price Index or market rent. Modified ratchet provisions prevail also.

11. Creditors

An amount of \$406,933 in Creditors represents Management Fees payable to the Board of Administration (2025 - \$397,708). Also see Note 17.

As at balance date, there were no outstanding unsettled investment purchases (2025: \$956,436).

The balance in Creditors relate to other expenses accrued by the MTA that are made in the ordinary course of business.

12. Other Financial Assets/Liabilities

Currency profits and losses are accrued over each accounting year and recognised as part of the annual capital accretion/decretion calculation.

MTA hedges its foreign exchange exposures in respect of its offshore equity and bond investments. The hedging benchmark level for offshore equity is 50%, with hedging allowed within a range of 0-100% hedged.

Foreign currency exposures are quantified by the best assessment of the actual exposure. For equities this will generally be each investment's functional reporting currency, *"the currency of the primary economic environment in which the entity operates"*.

The MTA uses forward exchange contracts to manage its foreign currency exposure. Changes in the fair value of the contracts are recorded in the surplus or deficit of the period (See the Statement of Comprehensive Revenue and Expense).

As at 30 June 2026 the MTA had a forward exchange contract with a fair value loss of \$(943,199) (2025 – \$103,197 - gain). The hedging contracts in place at balance date are as follows:

Fair Value of Hedging Contracts 30 June 2026

Purchase Date	Purchase Amount	Currency	Maturity Date	Gain (Loss)
12 June 2026	Buy \$NZ4,005,173.10 at 0.5026	EUR	23 October 2026	(44,869)
12 June 2026	Buy \$NZ1,770,236.18 at 0.4361	GBP	23 October 2026	(24,373)
12 June 2026	Buy \$NZ1,653,940.77 at 5.4875	SEK	23 October 2026	939
12 June 2026	Buy \$NZ36,082,791.65 at 0.5846	USD	23 October 2026	(874,896)
Total				<u>(943,199)</u>

Fair Value of Hedging Contracts 30 June 2025

Purchase Date	Purchase Amount	Currency	Maturity Date	Gain (Loss)
12 June 2025	Buy \$NZ311,020.23 AT 0.9292	AUD	30 September 2025	(420)
12 June 2025	Buy \$NZ10,701,989.29 at 0.5228	EUR	30 September 2025	(100,895)
12 June 2025	Buy \$NZ1,944,071.59 at 0.447	GBP	30 September 2025	(8,737)
12 June 2025	Buy \$NZ3,144,201.45 at 5.7385	SEK	30 September 2025	10,290
12 June 2025	Buy \$NZ55,368,994.55 at 0.6057	USD	30 September 2025	202,959
Total				<u>103,197</u>

Realised losses on hedging contracts for the 12 months ended 30 June 2026 amounted to \$2,037,494 (2025 – \$1,289,939 losses). Also Note 8.

13. Amounts Due to Depositors – Depositors’ Funds

Depositors in the MTA pool their funds so that the MTA is able to make investments. The balances in the Statement of Financial Position represent the amounts that the MTA would need to repay to depositors in the normal course of business as at balance date.

The movement during the year is accounted for as follows:

	2026	2025
Opening Balance	\$337,662,164	\$321,610,638
Add Income Distributions During the Year	\$12,205,416	\$11,806,700
Add/Minus Capital Distributions During the Year	\$17,586,252	\$13,441,940
Add Increased deposits by Depositors	\$77,521,443	\$46,404,959
Less withdraws by Depositors	(\$71,797,257)	(\$55,602,073)
Closing Balance	\$373,178,018	\$337,662,164

14. Equity Reserves

Building Maintenance Reserve

	2026	2025
Opening Balance-Building Maintenance Reserve	\$1,819,389	\$1,727,890
Add Current Year’s Provision	\$127,328	\$127,328
Less Building Maintenance Costs	(\$32,820)	(\$35,829)
Closing Balance-Building Maintenance Reserve	\$1,913,896	\$1,819,389

The building maintenance reserve has been calculated at 1% per annum on the original purchase cost of the buildings. The amount added to the reserve for 30 June 2026 was \$127,328 (2025: \$127,328). There was \$32,819 of actual work costs undertaken on the John Andrew Ford building during the year (2025: \$35,829).

Accumulated Comprehensive Revenue and Expenses

This account represents the amount of undistributed accumulated comprehensive revenue and expense that is carried forward at the end of the financial year and available for distribution to depositors in future periods. It is not held by the MTA for its own purposes.

15. Auditor’s Remuneration

PKF Goldsmith Fox Audit Limited provides audit services to the MTA and is paid to provide those services.

Total amount recognised for as an audit expense is \$22,000 (2025: \$20,000). No non-audit services were provided by PKF Goldsmith Fox Audit Limited for the period ending 30 June 2026 (2025: Nil). Also see Note 6.

16. Distributions to Depositors

Distributions have been calculated on the basis of revenue derived from investments and revaluations of investments made by the Income Fund and the Growth and Income Fund less corporate expenses which are allocated pro-rata over both the Income Fund and the Growth and Income Fund. Corporate Expenses are allocated equally over the participants in Income Fund and also the Growth and Income Fund by using the amounts of the depositor's funds held at balance date.

17. Related Party Transactions

Conference of the Methodist Church of New Zealand

The MTA was constituted by resolution of the Conference of the Methodist Church of New Zealand to accept deposits from groups and organisations within the Methodist Church of New Zealand and to invest these funds in appropriate commercial investments. The MTA operates equitably on behalf of all depositors with substantially all annual net revenue paid to depositors by quarterly distribution.

Unless otherwise stated, all the entities recorded here as related parties report to the Conference of the Methodist Church of New Zealand. The New Zealand Methodist Trust Association also reports to the Conference of the Methodist Church, and this link establishes a related party transaction.

PACT 2086 Trust

The MTA has commonality of control with the PACT 2086 Trust, due to shared Board Members. PACT 2086 Trust is a depositor of the MTA. The amount of those deposits at balance date was \$106,400 (2025:74,915). Its depositors are treated no differently to any other deposit.

Te Taha Maori Property Trust (TTMPT)

The MTA has commonality of control with the Te Taha Maori Property Trust, due to shared Board Members. Te Taha Maori Property Trust is a depositor of the MTA. The amount of those deposits at balance date was \$40,774,053 and Interest received \$3,996,321 (2025: \$39,983,055 and interest received \$3,524,761). Its depositors are treated no differently to any other deposit.

Board of Administration, Methodist Church of New Zealand

Both the Board of Administration and the MTA were constituted by Conference. The MTA therefore believes that transactions that are material and significant to the MTA should be disclosed to the users of the financial statements.

Management Fee Expense

The calculation of the management fee paid to the Board of Administration was agreed by the MTA in July 2022 as a fixed amount. The agreed amount for the 12 months ending 30 June 2026 was \$1,627,731 (2025 - \$1,588,030). The management fee is to be adjusted from 1 July by the Consumer Price Index issued by StatsNZ for the 12 months ending 31 March. The management fee expense on the Income Funds is charged at 6.00% (2025 6.00%) of rental and other investment income with the balance of the annual management fee expense charged to the Growth and Income Fund. This Management Fee is paid to the Board of Administration, Methodist Church of New Zealand (also see Note 5 and 11).

Loan

In September 2016 a loan facility was put in place between MTA and the Board of Administration to help fund the development of the Board of Administration's Connexional Office and Archives Building in Papanui,

Christchurch. This was rolled over by the MTA in 2025 until 2028. The total amount that may be advanced to the Board of Administration is \$2,200,000 plus interest. To secure the loan, the MTA has a registered mortgage over the land and buildings at 50 and 54 Langdons Road, Papanui, Christchurch. As at balance date, the amount outstanding on the loan was \$1,988,216 (2025: \$2,052,933).

Other Methodist Church Entities - Loans

All the investment loans that the MTA have on their balance sheet relate to entities that report to or are under the control of the Conference of the Methodist Church of New Zealand. While these entities do not meet the formal definition of a related party under *PBE IPSAS 20 - Related Party Disclosures*, the MTA has disclosed its commitments for loans under Note 20.

Leonard Knight Limited

As at balance date, David Johnston is the Chairperson of the MTA. He is also the Managing Director of Leonard Knight Limited; a chartered accountancy firm located in Auckland. MTA made payments of \$9,000 to Leonard Knight Limited (2025: \$9,000). Leonard Knight Limited have not provided any accounting or audit services to the MTA.

No other trustee of MTA is paid a remuneration.

18. Key Management Personnel

The key management personnel are classified as:

- Members of the governing body (Board of Trustees);
- Senior Management Group, responsible for reporting to the governing body.

David Johnston is the current Chairperson (also see Note 17 regarding payments made to Leonard Knight Limited).

No close members of the family of any of the key management personnel have received payments or remuneration.

No individual member of key management personnel or close family members of the key management personnel have been advanced a loan or have a loan outstanding either during the reporting period or at year end.

The Board does receive key management personnel services from the Board of Administration Methodist Church of New Zealand. The MTA have assessed the Board of Administration as a related party and have disclosed in Note 17. The management fee expense disclosed in Note 17 includes key management personnel services but not as a separate identifiable amount and therefore the aggregate remuneration cannot be calculated.

The aggregate remuneration paid and the number of persons (measured in full-time-equivalents (FTE's) for Senior Management Group) receiving remuneration is as follows:

	2026	2025
Number of Individuals (FTEs)	1.0	1.0

19. Financial Assets – Credit, Liquidity, Interest Rate Risks

Credit Risk:

Financial assets which potentially subject the MTA to credit risk principally consist of bank balances, investments and other receivables.

Liquidity Risk:

Liquidity risk is the risk that the MTA may encounter difficulty in raising funds to meet its financial commitments as they fall due. The MTA has internal procedures in place to manage such risk.

Interest Rate Risk:

Interest rates have a material effect on the performance of the MTA as its main objective is to earn revenue from investments. The MTA is subject to fluctuations in interest rates on term deposits and company debentures and uses short term and long-term investment strategies to minimise the impact to the MTA.

At balance date, the MTA's financial instruments are subject to the following interest rate fluctuations:

	Interest Rate Yield		Interest Rate Review Period
	2026	2025	
Deposits on Call	1.73%	3.83%	Simple annual average floating daily rate
Debentures/Bonds	2.55% to 6.22%	0.94% to 6.22%	Fixed to maturity (Yields)
Liabilities (Depositors' Funds)	2026	2025	
Income Fund	4.65% to 4.85% (4.53% to 4.59%) quarterly		
Growth and Income Fund	2.38% to 2.75% (2.52% to 3.38%) quarterly		

The liabilities to depositors exclude the capital accretion distributions made to depositors in the June distributions and only reflects income distributions made.

Fair Values

The carrying amounts of financial assets are considered to be fair value for all the MTA's financial assets.

20. Loans to Church Entities and Funding Commitments

All the entities named within this note report to and are responsible to the Conference of the Methodist Church of New Zealand.

As at 30 June 2026, MTA had approved loan facilities totalling \$36.7 million (2025: \$28.7 million). Of which \$25.1 million had been drawn and remained outstanding at balance date (2025: \$23.7 million). The undrawn portion of approved facilities, representing future funding commitments available to borrowers, amounting to \$11.6 million as at 30 June 2026 (2025: \$7.0 million).

Below is the table showing outstanding loans as at 30.6.2026 and last year at 30.6.2025.

Borrower	Purpose / Security	Loan Approved	Balance as at 30 June 2026	Balance as at 30 June 2025	Term / Expiry
Board of Administration	Connexional Office & Archives Building, Papanui (2nd mortgage)	\$2,200,000	\$1,988,216	\$2,052,933	Rolled over to 2028
Everil Orr Village Holdings Ltd	Mortgage over NA 48C/1002	\$13,000,000	\$13,000,000	\$13,000,000	3 years from 16th Dec 2023 drawdown - Expiry date: 16th Dec.2026
Wesley Wellington Mission Inc. Loan 1	Rata Street, Naenae (1st mortgage)	\$5,700,000	\$2,519,725	\$2,773,636	25 years from 1st drawdown 15 Apr 2019 per loan statement. Expiry date : 28 March 2046.
Wesley Wellington Mission Inc. Loan 2	Rata Street, Naenae (mortgage)	\$2,700,000	\$964,002	\$1,063,940	5 years from 1st drawdown 6th June 2023. Expiry date: 6th June 2028
Wesley Wellington Mission Inc. "Kowhai Courts"	Rata St / Constable St / Mungavin Ave (mortgages)	\$2,500,000	\$2,154,168	\$2,250,000	First drawdown 10th Dec 2024. Expiry date:10th Dec. 2029
Wesley Wellington Mission Inc. "Pohuturawa - Strand Project"	Wesley Rata Village land title + guarantee	\$2,000,000	\$2,000,000	-	First drawdown 28th Nov 2025. Expiry Date: 28 Nov 2030
Lotofale'ia Mangere Tongan Parish	Title 637640, 98 Hall Ave, Mangere	\$2,600,000	\$2,428,945	\$2,578,945	5 years from 1st drawdown 19 Aug 2024. Expiry Date: 19 Aug 2029
Grafton Downs Limited	Title NA847/276, 173 Sim Road, Paerate, Aucland, 1st Mortgage.	\$6,000,000	-	-	Term loan approved on 26 August 2025. Expiry date 01 April 2028
Total		\$36,700,000	\$25,055,056	\$23,719,454	

21. Contingent Assets and Liabilities

There are no contingent assets or liabilities at the reporting date. (2025: \$Nil).

22. Events after the Reporting Date

There were no events subsequent to balance date that require disclosure in these financial statements.

23. Description of Funds

Income Fund

This fund primarily holds investments where the focus is on investment yield however it does hold an investment in a property held for long term income purposes.

Growth and Income Fund

This fund holds a mixture of investments whose primary focus is on growth but with some income.

24. Going Concern

These financial statements have been prepared on a going concern basis. The MTA currently enjoys the support of and is reliant on its depositors and the Conference of the Methodist Church of New Zealand in order to carry out its charitable work within the Methodist Church of New Zealand. The Board of the MTA have conducted an appraisal of ability to continue into the foreseeable future, and the Board believes that the MTA will be able to meet its financial and regulatory obligations for the foreseeable future and that the going concern assumption adopted in the preparation of these financial statements is appropriate.

25. Other Information

As the MTA is a Fund of the depositors the net assets of MTA belong to the depositors. The MTA financial statements, as presented, do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the MTA be unable to continue as a going concern and meets its debts as and when they fall due as the Board believes that this is highly unlikely as an outcome.

There are no other matters or circumstances since the end of the reporting period, not otherwise dealt with in these financial statements that have significantly or may significantly affect the operations of the MTA.

INDEPENDENT AUDITOR'S REPORT

To the Trustees of New Zealand Methodist Trust Association (Inc)

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of New Zealand Methodist Trust Association (Inc) (the 'Trust'), which comprise the financial statements on pages 7 to 27 and the service performance information on pages 2 to 6. The complete set of financial statements comprise the statement of financial position as at 30 June 2026 and the statement of comprehensive revenue and expense, the statement of changes in trust funds and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial report presents fairly, in all material respects:

- The financial position of the Trust as at 30 June 2026, and its financial performance and its cash flows for the year then ended; and
- The service performance information for the year ended 30 June 2026 in that the service performance information is appropriate and meaningful and prepared in accordance with the Trust's measurement bases or evaluation methods

in accordance with Public Benefit Standards Reduced Disclosure Regime ('PBE Standards RDR') issued by the New Zealand Accounting Standards Board.

This report is made solely to the Trustees, as a body. Our audit work has been undertaken so that we might state to the Trustees those matters which we are required to state to them in the auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustees, as a body, for our audit procedures, for this report, or for the opinion we have formed.

Basis for Opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the service performance information in accordance with the ISAs and New Zealand Auditing Standard (NZ AS) 1 (Revised) *The Audit of Service Performance Information*. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We are independent of the Trust in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards (New Zealand))* issued by the New Zealand Auditing and Assurance Standards Board and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in the Trust.

Trustees' Responsibilities for the Financial Report

The Trustees are responsible on behalf of the Trust for:

- a) The preparation and fair presentation of the financial report in accordance with PBE Standards RDR;
- b) The selection and elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present service performance information that is appropriate and meaningful in accordance with PBE Standards RDR;



- c) The preparation and fair presentation of service performance information in accordance with the Trust's measurement bases or evaluation methods in accordance with PBE Standards RDR;
- d) The overall presentation, structure and content of the service performance information in accordance with PBE Standards RDR; and
- e) Such internal control as the Trustees determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Trustees are responsible on behalf of the Trust, for assessing the Trust's ability to continue as a going concern disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with ISAs (NZ) and NZ AS 1 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit of the report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and the Trustees;
- Obtain an understanding of the process applied by the Trust to select its elements/aspects of service performance, performance measures and/or descriptions and the measurement bases or evaluation methods;
- Evaluate whether the selection of elements/aspects of service performance, performance measure and/or descriptions and measurement bases or evaluation methods present an appropriate and meaningful assessment of the Trust's service performance in accordance with PBE Standards RDR;
- Evaluate whether the service performance information is prepared in accordance with the Trust's measurement bases or evaluation methods, in accordance with PBE Standards RDR;
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern; and
- Evaluate the overall presentation, structure, content of the financial report and whether the financial report represents the underlying transactions and events and elements/aspects of service performance in accordance with PBE Standards RDR in a manner that achieves fair presentation.



PKF
Goldsmith Fox

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PKF Goldsmith Fox Audit.

PKF Goldsmith Fox Audit Limited

Christchurch, New Zealand

22 October 2026