

Stewards' Trust and Stewards' Foundation

Annual Report for 2012

Stewards' Trust (The Stewards' Trust of New Zealand Incorporated, to give its full name) exists to serve Brethren Assemblies in relation to property matters.

Back in 2008, you heard a lot from us about registration with the Charities Commission, and related issues.

And over the last two years, you have been hearing from us in relation to insurance. **The group insurance scheme for Brethren Assemblies** set up with the brokerage firm Cole Murray now has a membership of over 80 Assemblies. Keith Thomas of the Cole Murray firm has been most helpful both in advising on the sort of coverage required, and also assisting with claims. In the current environment of steeply escalating premium costs, the potential savings through the group scheme are now very significant. GCiM also gains some benefit from the scheme through commission rebates which Cole Murray pass on to them.

The Trust's core activity is **property trusteeship**. For this, we are very dependent on our regional representatives around the country. A particularly heavy load this last year has fallen on our Canterbury representatives, David Robinson and Murray Frost, as they have worked with Assemblies in the area on earthquake issues.

The full Stewards' Trust audited **Accounts to 30 September 2012** can be seen on the Charities register. The Trust's registration number is CC10270. These show the funds under administration. The two largest are a Property Fund, and an Endowment Fund. The Property Fund at balance date stood at just under \$1.6m. It is there to assist with church planting and new initiatives for Brethren Assemblies. Grants since balance date have reduced the fund to approx. \$1.4m. The Endowment Fund stands at about \$1.2m. Grants are made from the income of that fund to assist with evangelism and church growth within New Zealand.

Now, to the Trust's sister organization, **The Stewards' Foundation (N Z) Inc.**, which operates as a mortgage lender serving Brethren Assemblies, full time workers, and missionaries.

Its audited **Accounts to 30 September 2012** are filed with Charities register under registration No. CC10589. They are prepared in accordance with International Financial Reporting Standards (IFRS), and run to 18 pages. A simplified two page version is attached to this report. It uses the same figures as the longer version, but does not carry the auditor's certificate nor does it include the explanatory Notes to the accounts. It is, however, considerably easier to follow. Over the 12 month period, the Foundation made 5 **new loans** totalling \$620,000. This was a relatively low amount – in fact repayments exceeded new advances. We are glad to say that this seems set to change in the current year. The interest rate for lending to Assemblies and camps is 5% p.a. and for full time workers is 3.75% p.a.

The money available for lending comes mainly from people investing in **Foundation bonds**. The bond fund grew by \$392,802 during the year. 71% of bonds are invested on a 2 year term, and the balance consists of bonds repayable on 3 months notice. Of the 2 year bond

money maturing over the 12 months, 98.69% was reinvested. The interest rates currently offered by the Foundation are 3.75% for 3 month bonds and 4.75% for 2 year bonds.

The Foundation is classed as a "non bank deposit taker" and as such is subject to increasingly complex **regulations** governing the financial sector of the economy. So far, each new requirement has been successfully negotiated. The main additional load is the substantially increased audit requirements which absorb a lot of the Treasurer's time, and push up the audit fee. The next hurdle is the Anti Money Laundering legislation which comes into force in May of this year. Depositors with the Foundation (or with any deposit taker) will have to be clearly identified.

Why are we sending you this report?

- We exist to serve the Brethren church community, and we must be accountable to it.
- You can encourage your church members to invest in Stewards' Foundation bonds. The detail on this can be found on the website www.brethren.org.nz under the tab Stewards Trust and Foundation.
- It's an opportunity to give you a gentle reminder to check on your insurance. The Stewards Executive member looking after this is John Robinson, who can be found at jj.robinson@xtra.co.nz.

And also,

We are looking for someone to take over a large part of the Secretary's role, and some of the Treasurer's duties. This would be a part time salaried position. The person concerned

- Needs to live in Auckland, but should be able to operate from home
- Needs to have a good acquaintance with Brethren Assemblies, and be able to gain the confidence of church leaders
- Has had business or financial experience, and can relate to accounting and legal matters.
- Is computer literate

The time commitment, and therefore the salary to be paid would depend very much on the range of duties which the applicant was able to assume. If you are interested, or could suggest the name of anyone who might be suitable, please get in touch with either the Chairman or Secretary or Treasurer.

Graham Walton	(Chairman)	gawalton@ihug.co.nz
David Burt	(Secretary)	davaudburt@free.net.nz
Steven Duxfield	(Treasurer)	theduxfields@xtra.co.nz
Phil Aish		
Andrew Clemow		
Malcolm Davie		
John Robinson		
	(Executive members)	

February 2013