



ANALYSIS

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1974, No. 2—*Private*

**An Act to amend the Wellington Methodist Charitable and  
Educational Trusts Act 1916** [19 July 1974]

WHEREAS the Board of the Wellington Methodist Charitable and Educational Endowments is a body corporate established by the Wellington Methodist Charitable and Educational Trusts Act 1916 for the purposes of administering property for the benefit, maintenance, or education of children and youth being descendants of the Maori race of New Zealand and orphan and needy children and youth of any other race being British subjects and for the support and upkeep of any home, school, college, or institution subject nevertheless to the general control and superintendence of the Conference of the Methodist Church of New Zealand: And whereas under section 28 of the Act, the Board, with the approval of the Conference in every case, may sell by way of auction or public tender any land held by it but must expend the net proceeds of any such sale in the purchase in the Board's name of other land or in making permanent improvements to or upon other land held by the Board upon the same trusts as that from which the sale money had been derived: And whereas it is desirable and expedient that the Board

should have a general power of sale in respect of all or any part of the lands held by it and should not be limited to sales by way of auction and public tender: And whereas it is desirable that the Board should be authorised to invest the net proceeds of the sale of any such land in any mode of investment authorised by the law of New Zealand for the investment of trust funds and certain other modes of investment as hereinafter provided: And whereas the Board is required, by section 19 of the Act, to keep full and accurate accounts to be made up to the last day of December in each year and to produce, at a meeting of the Board, to be held in the month of January in each year, a statement of such accounts signed by the auditor of the Board together with a report of the year's operations: And whereas the Board desires to alter the requirements of section 19, so that it may make up its accounts and compile its report as at the last day of June in each year and present the report and the audited accounts at a meeting of the Board to be held within 3 months after the last day of June in each year: And whereas the Board has unanimously resolved that legislation be promoted to enable the objects of this Act to be attained: And whereas those objects have the approval of the Conference of the Methodist Church of New Zealand:

BE IT THEREFORE ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:

**1. Short Title**—This Act may be cited as the Wellington Methodist Charitable and Educational Trusts Amendment Act 1974, and shall be read together with and deemed part of the Wellington Methodist Charitable and Educational Trusts Act 1916 (hereinafter referred to as the principal Act).

**2. Keeping of minutes and accounts**—Section 19 of the principal Act is hereby amended—

- (a) By omitting the words “in the month of January” in both places where they occur, and substituting in each case the words “within 3 months after the last day of June”:

- (b) By omitting the words “last day of December”, and substituting the words “last day of June”.

**3. Sale and purchase of land**—Section 28 of the principal Act is hereby amended by repealing paragraph (a), and substituting the following paragraph:

“(a) To sell in such manner and on such terms as it thinks fit any part or parts of the land held by it under any trust imposed on it by this or any other enactment or any instrument:

“Provided that the net proceeds of the sale shall be expended—

“(i) In the purchase or acquisition in the name of the Board of any freehold, leasehold, or stratum estate in other land in New Zealand; or

“(ii) In the purchase or acquisition jointly with any other trust or agency of the Methodist Church with the prior approval of the Conference of any freehold, leasehold, or stratum estate in other land in New Zealand; or

“(iii) In making permanent improvements to or upon other land held by the Board on the same trusts as that from which the sale money has been derived, including any buildings or other improvements on any such lands; or

“(iv) In the execution of any works connected with the subdivision, development, improvement, or maintenance of any such land held by the Board, including (without in any way limiting the generality of the foregoing) the construction, alteration, repair, renovation, demolition, or reconstruction of, or addition to, any buildings or other improvements erected or intended to be erected thereon; or

“(v) On deposit with any Trust, Association, or Savings Society established by or with the consent of the Methodist Conference; or

“(vi) In any investments, in the name of the Board, authorised by section 31 of this Act:

“Provided also that all land so purchased and any such investments shall be held by the Board on the same trusts that affected the land sold:

“Provided further that nothing in this section shall authorise the sale of any land held by the Board in trust for any particular purpose, if the sale of the land is prohibited by the instrument creating the trust.”

**4. New sections substituted**—The principal Act is hereby further amended by repealing section 31, and substituting the following sections:

“31. **Investment of money**—(1) All money held by the Board which it decides to invest shall be invested in the name of the Board in all or any of the following modes of investment:

“(a) In investments authorised for the investment of trust funds by the provisions of Part II of the Trustee Act 1956:

“(b) In the securities of any company, whether incorporated in New Zealand or elsewhere, which are officially listed on stock exchanges affiliated to the Stock Exchange Association of New Zealand and which comprise—

“(i) Ordinary or preference shares, stock, or debentures (including debenture stock and bonds and whether constituting a charge on assets or not); or

“(ii) Secured or unsecured notes, whether registered or unregistered, and whether conveying the right of conversion to shares or not—

but excluding—

“(iii) Any shares, stock, debentures, or notes, not fully paid up, except such as are, by the terms of issue, required to be fully paid up within 12 months after the date of issue; and

“(iv) Any notes, or any debentures, under or in respect of which any liability to make further advances or payments will remain after the expiration of 12 months after the date of acquisition.

“(2) An investment under paragraph (b) of subsection (1) of this section shall not be made in the securities of any company—

“(a) Unless the company has a paid-up share capital of \$1,000,000 or more; and

“(b) If the company has not paid a dividend of at least 5 percent, in each complete financial year of the company the last day of which occurred within 5 years before the date of the investment, on all ordinary stock and shares issued by the company, excluding (in respect of the financial year of issue) any stock or shares issued in that financial year after the dividend was declared and any stock or shares on which (in terms of their issue) no dividend or dividends of less than 5 percent are payable in the financial year.

“(3) For the purposes of paragraph (b) of subsection (2) of this section, a company formed to take over the whole of the business of another company or other companies shall be deemed to have paid the requisite dividend in any financial year, if such a dividend was paid by each such other company in each financial year of that company any part of which fell within the relevant financial year of the company taking over the business.

“(4) Before making any investment pursuant to paragraph (b) of subsection (1) of this section, the Board shall first obtain and consider proper advice in writing as to the suitability of the proposed investment from a person—

“(a) Who is reasonably believed by the Board to be qualified by his ability in and practical experience of financial matters; and

“(b) Who is not a member of the Board, or an officer or employee of the Board or of the company in which it is proposed to make such investment.

“(5) The Board shall have power to exercise all of the options and other rights to which the Board may become entitled as the holder of any ordinary or preference shares, stock, debentures, or notes and to sell, exchange, vary, or transpose any investments from time to time held by the Board.

“(6) Nothing contained or implied in this section shall authorise the investment of any part of the said money in the shares or other securities of any company whose business and objects, in the judgment of the Board, conflict with the general rules and usage of the Methodist Church of New Zealand and which are likely to bring reproach upon the Church.

**“31A. Application of income from investments—**The income from investments authorised under section 31 of this Act shall be available and be used in aid of any home, school, college or institution established or supported with the sanction and approval of the Conference by the Board and in aid of the purposes declared in the principal Act and otherwise in the administration of the trusts and purposes aforesaid but upon and for no other trust or purpose.”

**5. Private Act—**This Act is hereby declared to be a private Act.

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