

# Resource Sub-committee Appendix 1: Annual Financial Report

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*Note: The signed Annual Financial Report, Auditor's letter and Representation letter to the Auditors are published as stand-alone PDF documents.*

## **Council of Assembly Convener Report to accompany Annual Report 2018**

It is my pleasure to report on behalf of the Council of Assembly for the year ended 30 June 2018. I would like to share the work undertaken by the Council during the year, highlighting our achievements and signalling our future plans.

The major piece of work that the Council has started over the past year has been to consider the strategic framework and direction of the church. This work to include:

- a. Review the national functions of the church in light of current context
- b. Develop a framework for the way the National Church can assist the Presbyteries and Parishes in their primary functions

The work will include but is not limited to the following outcomes:

- i. Exploring a collaborative framework within which the national staff can enable and facilitate the mission goals of the church
- ii. Refresh the strategic language of the church; starting with the five faces of mission
- iii. Creating more nimble bureaucracy, promoting an attitudinal change that is missionally permission giving
- iv. Unlocking resource for mission
- v. Promoting best and most effective practice to churches, church leaders and in the training of leaders.

The first phase of this work (a) and has been undertaken to review the national functions of the church in light of the current context, in particular the function and structure of the National Service Team. A new structure has been developed, centered around a Core Leadership Team which will unlock silos and provide a framework for collaboration and working together across the National Service Team.

The second phase will be carried out over the next year and it is anticipated that the Council will bring a report with recommendations to General Assembly 2020.

Alongside this work, the Council is undertaking a review of governance and management of Knox Centre for Ministry and Leadership and the Presbyterian Research Centre. The outcome of this review will create a more streamlined structure under which our training function will operate.

The Council also looks forward to forming a relationship with Christian Savings Limited, as a generous gift from the Presbyterian Development Society has been received post balance date to enable the Church to take a shareholding in Christian Savings Limited. Considerable dialogue took place during the year with the parties involved which has culminated in this positive result.

The Council's full report to General Assembly 2018 outlines in more detail the work of the Council over the period.

I would like to thank the Council and its sub-committees for their contribution to the Presbyterian Church of Aotearoa New Zealand over the past year. The volunteer hours given to our national committees are considerable, without which our Church would not be able to function cohesively. My appreciation is also expressed to the Assembly Executive Secretary, Wayne Matheson, and the entire National Service Team who serve the Church with unwavering dedication and commitment.

Jenny Flett  
Convenor, Council of Assembly

## **Cover letter from Assembly Executive Secretary**

I have pleasure in writing this covering letter to the Accounts for the Presbyterian Church of Aotearoa New Zealand (PCANZ) for the period ending 30 June 2018.

While the accounts cover both the operations of the PCANZ and the Presbyterian Church Property Trustees operational accounts, I will limit my comments to the parent – the PCANZ.

### **People are our key asset**

Our organisation reflects the support of many people – people who give generously of time, energy and talent. People who serve in various ways – both here and overseas. People who are trained and equipped to offer themselves in leadership at local, regional and national levels. People who are engaged in various functions and ministry resourcing at a national level some in paid positions, but the majority as volunteers. It is important we pause, and in acknowledging that – give thanks to God for all who are engaged in the mission and ministry of the Presbyterian Church of Aotearoa New Zealand.

### **Our Mission**

God calls the Church in worship to join the mission of Jesus Christ in service to the world. I am reminded that the Church has adopted Five Faces of Mission. These are:

- the preaching of the message of Jesus,
- the nurturing of disciples,
- the loving service of people in need,
- the involvement in society for its transformation, and
- in caring for creation.

### **Finances**

Our mission requires financial support and relies on the generosity of parishes, individuals and the gift of past generations.

In terms of income, it is pleasing to note the high collection of Assembly Assessment. This is core and central to our work together. Together we make a contribution to enable what we need to happen. That said, it is also clear that there is limited ability for congregations to increase Assembly Assessment contributions much beyond annual inflation adjustments in both the short and medium term.

Having stated that, the reliance on other funding – especially investment income – to assist in providing funds for the core operations – has shown that such reliance when interest rates drop and remain low poses a risk. As such, the need to balance the increasing demand for services against the reality of limited income will continue to be a difficult negotiation.

The contribution of the Mission Enterprise Fund (MEF) shows while gifts of \$549,016 were received; only \$128,281 was paid out. This difference, \$420,735, is committed for future years. It is important to note this. I also note the property revaluation saw

an increase of \$145,000 to the bottom line. These two matters make a huge impact on the reported operating surplus. Without these, the surplus would really show a loss of over \$160,000.

I wish to thank each parish that has so generously given to the MEF. Such gifts enable PCANZ to contribute to the development of new mission fields throughout New Zealand.

Operating on a deficient budget sees the reduction in reserves and so future potential income. Such a strategy requires careful and prudent decision making and the recognition that while this provides a short term solution, the larger and long term issues need to be addressed.

While there are challenges, there are also opportunities to use the finances received to resource the whole church.

### **Looking forward**

Finally, I would like to finish on a positive note. Under a work group set up by the Council of Assembly, we are reviewing the national functions of the Church in light of current context and exploring a collaborative framework within which the national staff can enable and facilitate the mission goals of the church. The core reason is to ensure what happens nationally will be of greatest assistance to presbyteries and parishes in their primary functions.

We are daring to ask both theologically and strategically how we might live out a more nimble bureaucracy, promoting an attitudinal change that is missionally permission giving and unlocking

I am personally encouraged and heartened in my own faith journey as I see our people both young and old reach out within and outside the Church, to spread the Good News: the saving gospel of Jesus Christ.

And in all this – understanding we do this together – in partnership...

"I thank my God every time I remember you. In all my prayers for all of you, I always pray with joy because of your partnership in the gospel from the first day until now, being confident of this, that he who began a good work in you will carry it on to completion until the day of Christ Jesus."

"E whakawhetai ana ahau ki toku Atua i oku maharatanga katoa ki a koutou, I aku inoinga katoa, e puta ana taku inoi mo koutou i nga wa katoa i runga i te hari, Mo koutou i uru tahi mai hei tautoko i te rongopai, mai o te ra tuatahi a moroki noa nei; Pumau tonu toku whakaaro ki tenei mea nei ano, tera te kaitimata o te mahi pai i roto i a koutou e whakaoti, taea noatia te ra o Ihu Karaiti."

Kia ora mai.

Wayne Matheson  
Assembly Executive Secretary