



Resources Commission

<i>Chair</i>	Chris Walker
<i>Deputy Chair</i>	Fiona Bentley
<i>Chair, Business & Finance Services</i>	David Beards
<i>Chair, Investment & Corporate Finance</i>	Greg Howlett
<i>Chair, Property Services</i>	Ian Harris
<i>Property Trust</i>	Thomas Stokes
<i>Property Trust</i>	Paul Harkness
<i>General Secretary</i>	Rev David de Kock
	David Gray
	Marie Yuncken
	Bruce Murdoch
<i>General Manager (Resources)</i>	Robert Locke (Until July 2019)
<i>Minute Secretary</i>	Maureen Bourke

The Resources Commission is a skills based Commission with the responsibility of managing the resources of the Uniting Church within the bounds of the Synod of WA. The Commission is made up of members with skills and expertise in investment, finance, property and mission. The Commission is well supported by its permanent committees:

- Investment and Corporate Finance (ICFC)
- Business & Financial Services Committee (BFSC)
- Synod Property Services (SPSC)
- Accounts Committee of Review
- Resources Governance Committee

Resources Commission Mandate

The Commission shall provide unified governance of Synod resources to allow for reflection on and development of optimum policies and practices for the current and future resource needs that support ministry and mission of the Uniting Church Synod of Western Australia.

Key Strategic Focus

- Oversight of financial obligations of WA Synod
- Production of audited financials for WA Synod
- Developing the annual budget of the WA Synod
- Management of the Uniting Church Investment Fund and Uniting Church Insurance Services
- Provide support and advice to the General Secretary
- Management and oversight of property assets
- Working with Presbytery of WA
- Maintaining the risk register and risk profile of WA Synod
- Committee membership and succession planning.



Business and Financial Services Committee

The BFSC provides governance to the Financial Services Unit of the Resources Division. The Committee comprises:

David Beards, Chairperson	In Attendance by Invitation
Barry Honey	Rev David de Kock, General Secretary (Until July 2019)
John Pallathil	Michael Patchell, CFO
Thomas Stokes	Maureen Bourke, Minute Secretary
Robert Locke, GM (Resources) (Until July 2019)	
Rev David de Kock, General Secretary (From July 2019)	

The Committee advises the Commission in respect of budget preparation. It tracks emerging financial risk as well as developing appropriate policies. It also has responsibility for the Accounts Committee of Review which examines financial reports across all operations of the Uniting Church in WA. The Committee is also responsible for the oversight of the Uniting Church Insurances Service which in itself maintains the Synod Risk Register.

Synod Fund

RSM Australia are the auditors for the Synod of WA and they have issued a clean audit report. Full financial reports are available from the Chief Financial Officer.

The Synod (as of 31 December 2018) had a surplus of \$741,087 which now increases the retained surplus in accumulated funds to \$11,605,991.

Synod Fund	2018	2017
Operating Revenue	7,657,206	8,297,640
Operating Expenditure	<u>6,916,119</u>	<u>6,814,667</u>
Operating Surplus	741,087	1,482,973
Total Reserves (Equity)	11,605,991	10,864,904

The Synod acknowledges the generous contributions of the Uniting Church in the City, the Butterworth Trust and the UnitingCare Forum who provide generous grants to the operations of the Church in WA. Combined with grants from UCIF, UCIS and careful management of reserves and trust funds, the Commission continues to monitor and plan our finances in a volatile and uncertain economic environment.

Uniting Church Foundation

The Foundation was originally established in the 80's for the purpose of providing resources for the ongoing life and work of the Synod.

The Foundation Trust Deed has recently been updated to reflect changes in legislation and will in future be used to support the Strategic Plan of the Synod providing funds from earnings to contribute to the missional purpose of the Church in WA.

UC Foundation	2018	2017
Operating Revenue	313,185	5,183,705
Operating Expenditure	<u>379,586</u>	<u>2,091,243</u>
Operating (Deficit)/Surplus	(66,401)	3,092,462
Total Reserves (Equity)	\$16,998,173	\$17,064,574

The Foundation benefitted in 2017 by a capital injection of \$5,000,000 from the Investment Fund. Expenses relate to costs associated with properties which have been held by the Foundation, and other costs relating mainly to Remote Area Ministry (the former and now depleted North West Fund). From 2019 these properties have been moved to the Property Trust and the associated costs are borne by the Synod (as responsible user) through the Property Services Fund.

Operating expenditure will thus only be used for missional purposes and will not go towards salaries or any expenditure items of the Synod budget.

Uniting Church Insurance Services (UCIS)

The Uniting Church Insurance Services continues to provide insurance cover for the needs of the Church in WA whilst managing the range of risks facing the Church today. The UCIS is appreciative of the support of congregations and agencies and schools it receives, and endeavours to contribute by way of providing extensive workshops, risk management training and pro-active claims servicing.

Through careful risk management processes which have now reached a sophisticated level, we have introduced Risk Treatment Plans as a first avenue of protection against risk consequences rather than simply relying on insurance cover.

UC Insurance Services	2018	2017
Operating Revenue	4,971,983	4,786,847
Operating Expenditure	4,167,431	4,197,085
Grant to Synod	<u>550,000</u>	<u>550,000</u>
Operating Surplus	254,552	39,762
Total Reserves (Equity)	\$6,108,324	\$5,853,772

Investment and Corporate Financial Services Committee

The Investment and Financial Corporate Services Committee provides oversight of the Uniting Church Investment Fund and through the Commission, advice to the Synod and Presbytery on investment and finance.

The UCIF in association with Simon Montgomery our asset allocation advisor, who is an authorised representative of Entrust Private Wealth Management, utilises Macquarie Bank to invest our assets. We consider this combination of an independent advisor with a professional fund manager provides the fund with our best options.

Greg Howlett, Chair
 Mitch Artus
 Rev Brian Carey
 David Gray
 David Beards
 Robert Locke, GM (Resources) Until July 2019
 Rev David de Kock, General Secretary From
 July 2019

In Attendance by Invitation

Rev David de Kock, General Secretary (Until
 July 2019)
 Michael Patchell, CFO
 Lyn Boorn, Manager, Investment Fund
 Maree Kemp, Minute Secretary

The ICFC oversees the investment policy statement which applies an ethical screen to the Church's investment mandate and adheres to Uniting Church policy. A copy of this policy is available from the Resources Division.

Investment Fund	2018	2017
Investment Revenue	5,841,610	4,665,326
Interest Revenue	653,374	798,568
Interest Expense	(1,265,169)	(1,289,675)
Revaluation of Financial Assets	<u>(6,660,598)</u>	<u>1,012,268</u>
Net	(1,430,783)	5,186,487
Expenses	<u>(3,389,192)</u>	<u>(8,180,027)</u>
Operating Surplus/Deficit	(4,819,975)	(2,993,540)
Total Reserves (Equity)	\$11,274,728	\$16,094,703

Synod Property Services Committee (SPSC)

The Synod Property Services Committee assists the Resources Commission in carrying out the functions and responsibilities of the Synod Property Board, including:

- (a) overseeing the management of property of which the Synod or Presbytery of Western Australia is the beneficial owner;
- (b) seeking the advice of the Presbytery of Western Australia in regard to the effect of any property dealing on the mission of the Church;
- (c) receiving all applications and requests in regard to property dealings and other property matters from the Synod, Presbytery, Congregations and Church Councils; and
- (d) ensuring that Congregations, Church Councils, Agencies and other Church bodies are provided with written guidelines or advice to assist them in meeting their obligations and assisting in the timely resolution of all applications and requests in regard to property dealings and other property matters.

The Synod Property Services Committee and Property Services Unit work closely with the Presbytery Property Committee to ensure good oversight and strategic management of all Church properties. The Chair of the Presbytery Property Committee, or Nominee, is a voting member of the Synod Property Services Committee.

Ian Harris, Chair
 Alan Stewart
 Neil Starkie
 Thrive Committee Representative (To be advised)

In Attendance by Invitation

Rev Mark Illingworth, Deputy General
 Secretary
 Richard Patterson GM (Property Service)
 Anne Flynn, Minute Secretary

The appointment of Richard Patterson, a professional property developer, into a senior property role in the Synod has had a positive managerial and strategic influence on the services offered by the Property Services Unit. A comprehensive property database has been developed the asbestos risk register is being updated for all church owned properties.

Following the collapse of the ceiling in the Melville Church, an inspection of all properties was undertaken to consider all safety and maintenance issues. The results were concerning and several properties have been fully or partially closed while remedial work was considered and undertaken. The SPSC is working closely with the Presbytery and Thrive Mission Committee to ensure the best outcome for the Church. Much consideration is being given by the Property Review group (involving both SPSC and Presbytery) to the pastoral and financial implications of the findings.

On a positive note, the SPSC was able to create a new worship centre for St Andrews Uniting Church in East Perth after being locked out of their premises for safety reasons several years ago. The easily accessed and multi-function property is now being used by several UCA bodies for events.

Resources Governance Committee (RGC)

The Resources Governance Committee has responsibility to review the performance of the Commission and its permanent committees. It also undertakes to review the performance of the Resources Division. Its focus is on compliance, strategies, process and efficiency. The RGC also meets as required to deal with matters of urgency.

Conclusion

We will see the retirement of three Commission members Greg Howlett the Chair of the ICFC, Robert Locke the General Manager (Resources) and Marie Yuncken at this Synod and we thank them for their service. The Commission has worked diligently throughout the year to fulfil its mandate. We thank all our Commission and Committee members for their generosity in sharing their expertise, skills and time for the benefit of the Church.

The staff of the Resources Division provide exceptional service to the wider Church. Each team member plays an important role bringing their gifts and talents. The Commission and management of the Synod wishes to acknowledge their important contribution.

Chris Walker
Chair, Resources Commission
chrisddx@iinet.net.au

INVESTMENT FUND REPORT

The mission of the Uniting Church Investment Fund is:

- to enlarge and extend the wider work of the Uniting Church in Western Australia
- to encourage and foster a greater appreciation and understanding of the value of Christian stewardship within both the Church and the community.

The UCIF strives to achieve its mission objectives while providing a competitive and ethical investment service to Uniting Church people, congregations, agencies, instrumentalities and the Synod of Western Australia.

UCIF investors have the satisfaction of knowing their investment is a commitment to Christian stewardship. By investing with the UCIF they are supporting the work of the wider Church in areas such as:

- social justice
- community outreach
- youth leadership development
- resourcing congregational mission

Ethical Investment

The UCIF is committed to ethical investment. The UCIF strictly adheres to the ethical investment principles and procedures of the Uniting Church in Australia NSW and ACT Synod.

The UCIF subscribes to the Responsible Investment Association Australasia which provides ethical screening research. UCIF investments are constantly monitored and revised in accordance with updated ethical research data.

Great Returns for our Church

Since the inception of the UCIF in 1971 as part of our inaugural member Church the Methodist Investment Fund, we have been able to provide \$41,858,000 in grants to the Church in Western Australia. In addition, the fund has met its own operating cost and therefore not been a liability to the Synod budget. The fund has assisted many congregations providing loans and assistance. Due to increased regulation of the retail investor market from 2018, we now only offer services to congregations, agencies, schools, staff and church entities.

UCIF Advisory Committee

The activity of UCIF is overseen by the Investment and Corporate Finance Committee (ICFC). The ICFC is directly responsible to the Resources Commission and ultimately the Uniting Church Synod Standing Committee.

The ICFC is comprised of professional people with a strong commitment to Christian values, who give generously of their time and energy to advance the Church's mission. Membership is completely voluntary. The Committee has representation from the fields of law, accounting, financial investment, property and banking.

All appointees to the ICFC are required to promote the vision and ethos of the Uniting Church and demonstrate a desire to uphold the standards of active oversight of the operations of the Fund. All Committee members are chosen for their ability to offer wise counsel to management.

The Committee meets a minimum of four times each year, often more regularly. The Committee ensures the UCIF is prudently managed with the aim of achieving the maximum return possible to investors, while providing funds to extend the missional work of the Uniting Church.

Sponsorship

UCIF is committed to and has been actively involved in supporting the Uniting Church's community service programs in Western Australia.

Financial Report

The financial information on the following pages has been extracted from the statutory accounts of the Uniting Church Investment Fund. Full copies of the accounts are available on request.

As at 31 December 2018 the investment base was \$72,201,513 across 322 depositors. We paid to our investors \$1,265,169 in interest. New loans to ministers, agencies and congregations totalled \$62,300.

Results Summary for the year ended 31 December 2018

Year Actuals	Total Deposits (\$)	Operating Surplus – Deficit (\$)	Synod Grant (\$)
2009	62,967,000	10,229,552	1,650,000
2010	62,373,000	(3,119,323)	1,675,000
2011	66,791,000	(7,921,220)	1,690,000
2012	66,286,000	1,455,687	1,250,000
2013	65,856,000	5,356,156	1,690,000
2014	65,667,000	1,919,106	1,715,000
2015	80,753,000	(243,014)	1,800,000
2016	73,215,423	4,931,847	1,800,000
2017	72,588,130	(2,993,540)	6,900,000
2018	72,201,513	(4,819,975)	2,000,000

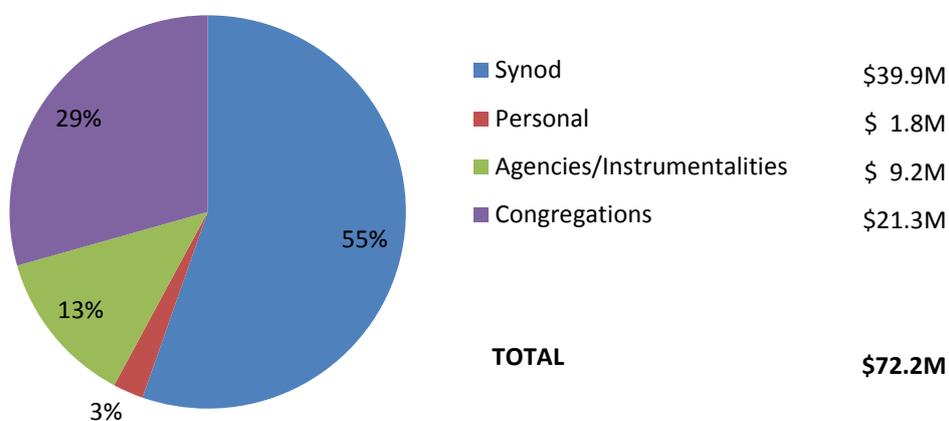
Financial Performance for the year ended 31 December 2018

	2018	2017
Investment Revenue	5,841,610	4,665,326
Interest Revenue	653,374	798,568
Interest Expense	(1,265,169)	(1,289,675)
Loss on Revaluation of financial assets	(6,660,598)	1,012,268
	(1,430,783)	5,186,487
Expenses	(3,389,192)	(8,180,027)
Operating Surplus/Deficit	(4,819,975)	(2,993,540)

Balance Sheet for the year ended 31 December 2018

	2018	2017
We own		
Cash and Investments	85,476,241	90,582,833
We owe		
Accrued Expenses	-	-
Investor's Funds	72,201,513	72,588,130
Provision for Grant	2,000,000	1,900,000
	74,201,513	74,488,130
Our Net Worth	11,274,728	16,094,703

Source of Deposits



Asset Allocation

