



# LIBERTY *Matters*

NEWSLETTER OF LIBERTY TRUST

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A big welcome to  
new supporters from  
Cromwell, Te Puke,  
Welcome Bay,  
Whakatane,  
Tauranga &  
Porirua.

*O Lord my God,  
you have  
performed many  
wonders for us.  
Your plans for us  
are too numerous  
to list. You have  
no equal. If I  
tried to recite all  
your wonderful  
deeds, I would  
never come to the  
end of them.*

Psalm 40:5 (NLT)

## Vindication from on High! Liberty Trust restored as a Charity by the High Court of New Zealand in Historic Court Case

On Thursday 2 June at 4.45pm, more than two months after the “Liberty Trust versus Charities Commission” High Court hearing, the Honourable Judge Mallon released her decision. It makes great reading.

### Result

[124] I consider that the Charities Commission erred in finding that Liberty Trust does not have, as its main purpose, a charitable purpose. Liberty Trust was set up to advance religion. It seeks to do that through teaching financial principles that Liberty Trust proclaims are the Bible's financial principles. It seeks to teach those principles through providing a scheme which allows its followers (and anyone else who wishes to join up) to pool financial resources for the benefit of themselves and others. It reinforces the religious beliefs on which the scheme is based through its literature promoting the scheme and its other publications and teaching activities. It is not merely inspired by or conducive to religion. Its purpose, through this scheme, is to spread what is viewed as being the Bible's message. In my view the purpose of Liberty Trust falls within the term "advancement of religion" as it has been interpreted in the cases.

[125] I also consider that the Charities Commission erred in finding that Liberty Trust's activities do not exist for the public benefit. As a trust which has as its purpose the advancement of religion, the starting assumption is that it has a public benefit. The activities are not contended to be subversive to morality or a sham. It is not for the Court to impose its own views as to the religious beliefs that are advanced through the scheme. The benefits of the scheme are not focussed too narrowly on its adherents. It is open to anyone and the money donated is "recycled" for the benefit of others. Overall it is a scheme about "giving" in order to lead a Christian life free of the burdens of debt.

[126] I therefore allow Liberty Trust's appeal. The Commission's decision is set aside. Liberty Trust is to be reinstated to the Charities Register.

This ruling is a vindication of all we have declared from the start, almost 25 years ago when God spoke that we should pool our resources and lend to one another without interest, in order that His people should be set free from debt to the world, and enabled to live and give with greater liberty to God's Kingdom.

Our primary purpose is to give glory to God by teaching and demonstrating that the Bible's principles of finance—such as sowing before reaping, working together to help each other, doing good to all - especially fellow-believers, borrowing from believers instead of the world, building a storehouse for others, avoidance of fluctuating interest/ "considering the cost", helping the poor, lending without borrowing, lending without interest etc. all still work today in practice. Our mortgage lending is an integral part of that teaching ministry – practical proof that God's principles work and bring liberty.

However the Charities Commission, and later the Crown Law Office, argued that mortgage lending was really our principal purpose, not teaching the Bible, and the two

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activities were un-related. Furthermore they said that even if teaching Bible principles was our principal purpose, this would be merely “ancillary” or “conducive” to religion rather than “Advancement of Religion” – a claim that shocked many Christian leaders including our nation’s Bible colleges. Indeed, this was the chief reason we appealed to the High Court. Astute Christian leaders told us, “If you don’t make a stand against the Charities Commission’s decision that “Teaching Bible principles is merely ancillary to Advancement of Religion”, then we may be on a deliberate course that will eventually render churches non-charitable.” We knew however that if we failed, this would only accelerate this direction.



Kelvin Deal  
Chairman

We are indeed grateful for Honourable Judge Mallon’s thoroughness, boldness and sincerity. This decision has now set a legal precedent that, as our solicitor Bill Patterson said: “will reverberate around the world for many years to come”. In upholding Liberty Trust she has clarified the understanding of “Advancement of Religion” in a way which advances legal precedent throughout today’s world.

I want to thank the hundreds of intercessors who have been standing with us these 20 months. Many have reported receiving two verses: The first was “*The battle is the Lord’s*” (1 Sam.17 v 47, 2 Chron. 20 v 15). I recommend you look up each of these and read what happened next. The second was Isaiah 54 v 17: “*No weapon formed against you will prevail, and you will refute every tongue that accuses you. This is the heritage of the servants of the Lord, and this is their vindication from me.*” Those who received the second were absolutely certain we would win. For those like me who didn’t receive any ‘word’ and had to battle on against accusation after accusation, we knew this was a battle in the heavenlies.

Secondly I want to thank our secretary Kerryanne who has worked tirelessly researching and gathering proofs, documents, statistics & testimonies for solicitors, both friendly and accuser, authoring essays and answering tricky arguments, often under extreme time pressure.

Thirdly I want to thank the highly qualified academics who prepared affidavits for the High Court. Each argued that Liberty Trust perfectly fulfilled the historical Church’s teaching and practice. The Crown Law Office tried to stop the admission of the affidavits. The judge ruled before the hearing that she would reserve her decision on whether or not to accept these as evidence. But in the 2 June judgement she refers to these several times, saying that she accepts that the authors are competent to judge what is historically “Christianity”, and she accepts their opinion that Liberty Trust falls within the meaning of “Advancement of Religion”.

Fourthly I want to thank our solicitor, Bill Patterson of Auckland, a personal friend and also best man at our wedding. Bill provided the inaugural advice for writing our trust deed in 1989 and has always maintained we qualify as charitable under “Advancement of Religion”. However, over the subsequent 22 years, several other solicitors had told us they did not believe we qualified—they were only reflecting the current world-wide understanding of its meaning however, which the Honourable Judge Mallon has now clarified. It was Bill who, on one memorable night, persuaded the trustees by speaker-phone to appeal the Charities Commission’s verdict. He said that if we did, we would provide a huge increase in the understanding of “Advancement of Religion” to the legal profession throughout the English-speaking world—and he was right.

Fifthly I want to thank Ian Millard QC of Wellington for expertly advising us, preparing & presenting our case, and for discounting his fee. Both Ian & Bill believed we would win although many legal advisors didn’t. Those who read the judge’s decision will agree that Ian presented a very well thought-out case. The full judgement can be read at <http://www.libertytrust.org.nz/news/judgement.pdf>.

Finally I want to thank all of you for your unwavering support. We never once heard anyone criticise our decision to appeal, but instead we received many, many blessed words of encouragement. We submitted a bundle of testimonies from our website for the judge to refer to but she went further and researched our website herself to get a more complete understanding of who we are and whom we serve. The variety, range and sincerity and sheer number of wonderful testimonies you have provided is impressive and fully endorsed the Trust’s case. So thank you all.

On 3 June the Charities Commission reinstated us to the Charities Register. If they wish to appeal the judge’s decision they have until 1 July, but Bill believes the Crown Law Office is unlikely to appeal. Meanwhile the IRD have advised the status of Liberty Trust receipts for Donations Rebate is still “under review” (even though the IRD website continues to say we are approved). Perhaps they are waiting to see if the decision is appealed. Please pray. God finally gave me my ‘word’ after Bill rang me with the news. God modestly told me: “*It was a team effort. We did it together*”.

