



To be the trusted financial services provider of the Diocese of Grafton,
enabling ministry growth.

ANGLICAN FUNDS GRAFTON DIOCESE BOARD MEETING
Thursday 17th May 2018
AGENDA

Prior to AFGD Board meeting:

8.50am: AFGD Board members join the Corporate Trustees' meeting:

- Audited financial statements
- Discuss AFGD performance and issues

Please note that as The Registrar is required to attend the Corporate Trustees meeting which has a number of agenda items after concluding the discussion of the audit, the formal AFGD meeting, as below, may be deferred to commence at 1pm.

1. Opening Prayer
2. Confirm attendees and apologies
Apology: Philip Crandon
3. Resignations from AFGD Board
4. Conflict of Interest Declarations
Current standing register of interests:
 - David Ford – Chair of Bishop Druitt College Council
 - Ted Clarke – Agreement with Clarence Valley Anglican School
 - Chris Nelson – involved on various Diocesan boards and committees
5. Confirmation of Minutes
Meeting of 19 April 2018
6. Call for additional agenda items and close of agenda
7. Financial and performance reports
 - a) Acceptance of audited financial statements
 - b) Finance reports
 - c) Diocesan budget
 - d) Report to Synod
8. Matters for discussion and/or decision
 - a) Changes to retail banking
 - i. Progress on exit from retail non-associate accounts
 - ii. Joint accounts – retail associate and retail non-associate
 - iii. Inactive accounts
 - iv. ASIC and amended Identification Statement
 - b) Service agreement with Blaine Fitzgerald
 - c) Discussion with Clive Mason
9. Matters for noting and status updates
Nil

10. Correspondence

In:

Out:

11. Next meeting scheduled for 28 June 2018.

Further meetings scheduled for 23 August, 25 October and 20 December.

12. Meeting close



BOARD MEETING DATE:

17/05/2018

No 3 Resignations from AFGD Board

No of Pages. 3 incl Header



Chris Nelson <chris.nelson@graftondiocese.org.au>

Fwd: Board resignation

David Ford <fordie@mac.com>

8 May 2018 at 18:24

To: Chris Nelson <chris.nelson@graftondiocese.org.au>, Annette Dent <office@afgd.com.au>

As always, if you have any questions please ask

Regards

David Ford
0418 654 909
fordie@mac.com

Begin forwarded message:

From: Lisa Mulvaney <lisamulvaney1@icloud.com>
Date: 8 May 2018 at 6:14:24 pm AEST
To: fordie@mac.com
Subject: Board resignation

Hi David

I hereby submit my resignation from the Anglican Diocese of Grafton.

I wish you all the best for the future,

Kind Regards

Lisa Mulvaney



Chris Nelson <chris.nelson@graftondiocese.org.au>

I need your assistance urgently please

James Flavin <james.flavin@generate.org.au>

9 May 2018 at 06:11

To: David Ford <fordie@mac.com>

Cc: Lisa Mulvaney <lisamulvaney1@icloud.com>, Chris Nelson <chris.nelson@graftondiocese.org.au>, Annette Dent <office@afgd.com.au>

Dear David,

Please accept this as my resignation from the Board of AFGD, effective immediately.

All blessings

James Flavin.

[Quoted text hidden]



BOARD MEETING DATE:

17/05/2018

No 5 Confirmation of Minutes

Title: Meeting of 19 April 2018

No of Pages. 5 incl Header



To be the trusted financial services provider of the Diocese of Grafton,
enabling ministry growth.

Minutes
Thursday 19 April 2018

1. Opening Prayer - Meeting opened at 9.01am with prayers from Mr Gary Boyd

2. Attendees: Mr David Ford (Chair), Mr Phil Crandon, Mr Terry Hunt,
Mr Gary Boyd, Mr John Adlington.
Non-members: Mr Chris Nelson

Apologies: Archdeacon Gail Hagon (Administrator), Mr Ted Clarke

Absent without apology: Ms Lisa Mulvaney, Mr James Flavin

That the Chair write to Mr James Flavin due to his inability to attend meetings to advise that the Board will consider at the 17 May 2018 meeting invoking the provision to stand him down as a board member due to 3 failures to attend without an apology.

Moved: Mr David Ford

Seconded: Mr John Adlington

CARRIED

Mr Terry Hunt tabled a letter advising of his resignation from the board effective at the end of the current meeting.

The Chair advised his formal acceptance with reluctance of Mr Hunt's resignation. This sentiment was echoed by all in attendance.

The Board recognizes the invaluable contribution that Mr Terry Hunt has brought to the board during his time as board member. We wish him well and good health for the future.

Moved: Mr David Ford

Seconded: Mr John Adlington

CARRIED WITH ACCLAMATION

3. Conflict of Interest Declarations

The current standing register of interests as follows was noted:

- Chris Nelson - involved on various Diocesan boards and committees
- David Ford – Chair of Bishop Druitt College Council
- Ted Clarke – Agreement with Clarence Valley Anglican School

No update was required.

4. Confirmation of Minutes

That the minutes of the meeting of 22 February 2018 be accepted as true and correct.

Moved: Mr Gary Boyd

Seconded: Mr Phil Crandon

CARRIED

That the flying minutes of 9 April 2018 (Engaging legal services) and 10 April 2018 (Renewal of Westpac Line of Credit) be ratified.

Moved: Mr Terry Hunt

Seconded: Mr John Adlington

CARRIED

5. Call for additional Agenda items and close of Agenda

There was a request to discuss the format of the AFGD Board and Board member position descriptions. Otherwise the agenda remains as published.

6. Financial and Performance Reports

a. Finance reports

Balance Sheet and Profit & Loss reports for YTD 28 February 2018 were considered.

That the financial reports as presented be adopted.

Moved: Mr Terry Hunt

Seconded: Mr Gary Boyd

CARRIED

b. Report from Blaine Fitzgerald

A report from Mr Blaine Fitzgerald regarding activities under his service agreement was considered.

That the AFGD Board requests from Clarence Valley Anglican School the relevant information to allow a review of their performance at the 17 May 2018 AFGD Board meeting.

Moved: Mr Terry Hunt

Seconded: Mr John Adlington

CARRIED

Subsequent to this resolution, information was received from CVAS showing increased enrolments and improved financial performance meeting budget targets. This was considered a positive indication however the further consideration at the 17 May 2018 was still regarded as necessary.

That the reports from Mr Blaine Fitzgerald as presented be adopted.

Moved: Mr Terry Hunt

Seconded: Mr Gary Boyd

CARRIED

7. Matters for Discussion and or Decision:

a. Changes to retail banking

Ms Annette Dent reported to the meeting that in response to the letters mailed to retail account holders, there have been to date:

108 declarations of 'associate' representing \$3.3M of accounts

4 pending declarations of 'associate' representing \$737K of accounts

66 non-associate who have instructed account closure representing \$1.1M of accounts

91 non-associates whose instructions to close accounts are pending representing \$4.0M of accounts

That the AFGD Board requests Ms Annette Dent to actively follow-up the 95 clients that have failed to respond to our initial letter.

Moved: Mr David Ford

Seconded: Mr Terry Hunt

CARRIED

b. ASIC

The Board noted that Emil Ford Lawyers are assisting the Board in making a response to ASIC. This may lead to further necessary changes to the business of AFGD. It was noted that the upcoming joint meeting of The Corporate Trustees and AFGD Board would be an appropriate time to discuss with the Corporate Trustees the options that will be explored.

That the AFGD Board prepare a paper to be presented to the joint meeting of the AFGD Board and Corporate Trustees outlining the visions and possible directions for AFGD.

Moved: Mr David Ford

Seconded: Mr Terry Hunt

CARRIED

c. AFGD Staffing

That the AFGD Board approves the Chair and Registrar negotiating with Mr Clive Mason for appointment as a consultant employee to provide management services to AFGD on a part-time fixed-term basis.

Moved: Mr David Ford

Seconded: Mr Terry Hunt

CARRIED

d. Ord Minnett Advice and Portfolio Management

Updated papers from Ord Minnett were included in the meeting papers. These were noted by the Board.

e. Meeting of Anglican Development Funds

A report on the 22 March 2018 meeting of Anglican Development Funds was included in the meeting papers. The Board noted these papers including the plan for a further meeting in August 2018. Representation at the August meeting of Anglican Development Funds will be considered in the 28 June 2018 AFGD Board meeting.

8. Matters for noting and status updates

a. Approval of Emmanuel Anglican College Loan

The Board noted that on 22 March 2018, Bishop-in-Council approved Emmanuel Anglican College loan on the recommendation of the Grafton Anglican Schools Commission.

b. Amendment of delegation schedule

The Board noted that on 12 April 2018, The Corporate Trustees approved the amended delegation schedule submitted by the Board.

c. Amendment of Diocesan Governance Ordinance

The Board noted that on 22 March 2018, Bishop-in-Council approved amendments to the Diocesan Governance Ordinance 2008 as recommended by the Board.

9. Correspondence

No correspondence was considered by the Board.

10. Next Meeting: 17 May 2018

The next meeting includes a review of the audited Financial Statements with the auditor and joint meeting with the Corporate Trustees.

Further meetings scheduled for 28 June, 23 August, 25 October and 20 December.

11. Meeting Close

The meeting closed at 11.06am with the saying of the Grace.

CONFIRMED as a true and correct record of proceedings of Anglican Funds Grafton Diocese board meeting of 19 April 2018.

Chair – David Ford



BOARD MEETING DATE:

17/05/2018

No 7 Financial and performance reports

Item: a

Title: Acceptance of audited financial statements

No of Pages. 31 incl Header

Anglican Funds Grafton Diocese

ABN 42 489 753 905

Financial Statements

For the Year Ended 31 December 2017

Anglican Funds Grafton Diocese

ABN 42 489 753 905

Contents

For the Year Ended 31 December 2017

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Anglican Funds Grafton Diocese

ABN 42 489 753 905

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2017

	2017	2016
Note	\$	\$
Interest income	4 1,671,706	1,850,125
Interest expense	5 (946,251)	(1,065,224)
Net interest income	725,455	784,901
Non-interest income	4 2,423	6,058
Employee benefits expense	(250,662)	(252,101)
Depreciation and amortisation expense	5 (5,488)	(13,619)
Computer expenses	5 (114,732)	(112,473)
Bank fees and charges	(17,617)	(18,783)
Investment management fees	(39,684)	(27,751)
Professional fees and charges	(79,190)	(23,542)
Travel and accommodation expenses	(7,399)	(8,957)
Other expenses	(31,648)	(36,189)
Total expenses	(546,420)	(493,415)
Profit for the year before contributions to related parties	181,458	297,544
Contribution to Anglican Diocese of Grafton	5 (150,000)	(175,000)
Income tax expense	-	-
Profit after income tax and contributions to related parties	31,458	122,544
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss	-	-
Items that will be reclassified to profit or loss when specific conditions are met		
Net fair value movements for available-for-sale financial assets	16 94,090	6,930
Other comprehensive income for the year	94,090	6,930
Total comprehensive income for the year	125,548	129,474

The accompanying notes form part of these financial statements.

Anglican Funds Grafton Diocese

ABN 42 489 753 905

Statement of Financial Position As At 31 December 2017

	Note	2017 \$	2016 \$
ASSETS			
Cash and cash equivalents	6	3,021,515	2,486,439
Trade and other receivables	7	28,664	1,245,517
Other financial assets	8	12,687,370	13,249,357
Other assets	9	-	2,500
Loans and advances	10	23,060,252	24,203,146
Property, plant and equipment	11	33,867	4,690
TOTAL ASSETS		38,831,668	41,191,649
LIABILITIES			
Trade and other payables	13	323,226	308,296
Deposits	14	37,093,111	39,599,081
Provisions	15	16,359	10,848
TOTAL LIABILITIES		37,432,696	39,918,225
NET ASSETS		1,398,972	1,273,424
EQUITY			
Reserves	16	129,060	34,970
Retained earnings		1,269,912	1,238,454
TOTAL EQUITY		1,398,972	1,273,424

The accompanying notes form part of these financial statements.

Anglican Funds Grafton Diocese

ABN 42 489 753 905

**Statement of Changes in Equity
For the Year Ended 31 December 2017**

2017

	Retained Earnings *	Financial Assets Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2017	1,238,454	34,970	1,273,424
Net profit/(loss) for the year	31,458	-	31,458
Total other comprehensive income for the year	-	94,090	94,090
Balance at 31 December 2017	1,269,912	129,060	1,398,972

2016

	Retained Earnings *	Financial Assets Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2016	1,115,910	28,040	1,143,950
Net profit/(loss) for the year	122,544	-	122,544
Total other comprehensive income for the year	-	6,930	6,930
Balance at 31 December 2016	1,238,454	34,970	1,273,424

* Formerly disclosed as the Capital Adequacy Reserve.

Anglican Funds Grafton Diocese

ABN 42 489 753 905

Statement of Cash Flows For the Year Ended 31 December 2017

	2017	2016
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit after income tax expense	31,458	122,544
Non cash flows in profit from operating activities		
Depreciation	5,488	13,619
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	6,588	1,243
(Increase)/decrease in other assets	2,500	(2,500)
(Increase)/decrease in loans and advances	2,353,159	178,408
Increase/(decrease) in trade and other payables	14,930	(33,620)
Increase/(decrease) in depositor funds	(2,505,970)	372,716
Increase/(decrease) in provisions	5,511	2,997
Net cash provided by/(used in) operating activities	<u>(86,336)</u>	655,407
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(34,665)	(4,848)
Net movement in other financial assets	656,077	(6,081,969)
Net cash provided by/(used in) investing activities	<u>621,412</u>	(6,086,817)
Net increase/(decrease) in cash and cash equivalents held	535,076	(5,431,410)
Cash and cash equivalents at beginning of year	2,486,439	7,917,849
Cash and cash equivalents at end of financial year	17(a) <u>3,021,515</u>	<u>2,486,439</u>

The accompanying notes form part of these financial statements.

Anglican Funds Grafton Diocese

ABN 42 489 753 905

Notes to the Financial Statements For the Year Ended 31 December 2017

The financial report covers the Anglican Funds Grafton Diocese ("AFGD" or "the Fund") as an individual entity. The Anglican Funds Grafton Diocese is established as an operation of The Corporate Trustees of the Diocese of Grafton and is governed under the Diocese of Grafton's "Diocesan Governance Ordinance 2008" (as amended), specifically Chapter 18. The ordinance provides that Fund shall be under the control of The Corporate Trustees of the Diocese of Grafton who are empowered to delegate the administration and management of the Fund to a Board.

The Anglican Funds Grafton Diocese is not a separately incorporated legal entity and as such operates as a segment of The Corporate Trustees of the Diocese of Grafton.

The functional and presentation currency of Anglican Funds Grafton Diocese is Australian dollars.

The financial report was authorised for issue by the Board on 17 May 2018.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commission Act 2012*.

The Fund is a not-for-profit entity and has therefore applied the additional "AUS" paragraphs applicable to "not-for-profit" entities. Accordingly, a statement of compliance with International Financial Reporting Standards ("IFRS") cannot be made.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The statement of financial position has been prepared in order of liquidity.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Income Tax

The Fund is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Fund and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

Notes to the Financial Statements For the Year Ended 31 December 2017

2 Summary of Significant Accounting Policies (continued)

(b) Revenue and other income (continued)

Interest revenue

Interest is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Dividend revenue

Dividends are recognised when the Fund's right to receive payment is established.

Other income

Other income is recognised on an accruals basis when the Fund is entitled to it.

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(e) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Fund becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Notes to the Financial Statements For the Year Ended 31 December 2017

2 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Financial Assets

The Fund's financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Fund's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Fund renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Fund does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Fund's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Notes to the Financial Statements For the Year Ended 31 December 2017

2 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category. The Fund's available-for-sale financial assets comprise listed securities.

All available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Losses recognised in the prior period statement of profit or loss and other comprehensive income resulting from the impairment of debt securities are reversed through the statement of profit or loss and other comprehensive income, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Fund's financial liabilities include trade and other payables and depositor funds, which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the Fund assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

Notes to the Financial Statements For the Year Ended 31 December 2017

2 Summary of Significant Accounting Policies (continued)

(f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Fund, commencing when the asset is ready for use.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Plant and Equipment	3 - 10 years
Computer Equipment	3 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(g) Intangibles

Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of six years.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(h) Impairment of non-financial assets

At the end of each reporting period the Fund determines whether there is any evidence of impairment indicators for its non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Notes to the Financial Statements For the Year Ended 31 December 2017

2 Summary of Significant Accounting Policies (continued)

(h) Impairment of non-financial assets (continued)

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(i) Depositor Funds

Depositor funds are those that are lodged with Anglican Funds Grafton Diocese by Parishes, Diocesan Organisations and Anglican Parishioners.

(j) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Fund during the reporting period, which remain unpaid. The balance is recognised as a liability with the amounts normally paid within 30 days of recognition of the liability.

(k) Employee benefits

Provision is made for the Fund's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Defined contribution schemes

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

(l) Adoption of new and revised accounting standards

The Fund has adopted all standards which became effective for the first time at 31 December 2017, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Fund.

(m) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Board has decided against early adoption of these Standards, but does not expect the adoption of these standards to have any impact on the reported position or performance of the Fund.

Notes to the Financial Statements
For the Year Ended 31 December 2017

3 Critical Accounting Estimates and Judgements

The members of the Board make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment

The Fund assesses impairment at the end of each reporting period by evaluating conditions specific to the Fund that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Anglican Funds Grafton Diocese

ABN 42 489 753 905

Notes to the Financial Statements

For the Year Ended 31 December 2017

4 Revenue and Other Income

	2017	2016
Note	\$	\$
Revenue:		
- interest income	1,671,706	1,850,125
Total revenue	<u>1,671,706</u>	<u>1,850,125</u>
Other income:		
- dividend income	509	678
- other income	1,914	5,380
Total other income	<u>2,423</u>	<u>6,058</u>

5 Result for the Year

The result for the year includes the following specific expenses:

Contributions to defined contribution superannuation funds	19,805	19,031
Depreciation and amortisation expenses:		
Depreciation - plant and equipment	1,556	271
Depreciation - motor vehicles	3,932	-
Amortisation - computer software	-	13,348
Total depreciation and amortisation expenses	<u>5,488</u>	<u>13,619</u>
Interest expense:		
Interest paid to investors	946,251	1,065,224
Rental expense on operating leases:		
- minimum lease payments	5,200	5,200

6 Cash and Cash Equivalents

Cash at bank		1,271,515	986,439
Short-term deposits	6(a)	1,750,000	1,500,000
Total cash and cash equivalents	17(a)	<u>3,021,515</u>	<u>2,486,439</u>

(a) Short term deposits

Short term deposits include a number of on call accounts and term deposits with maturity dates of less than 3 months.

Anglican Funds Grafton Diocese

ABN 42 489 753 905

Notes to the Financial Statements For the Year Ended 31 December 2017

7 Trade and Other Receivables

	2017	2016
Note	\$	\$
<i>Expected to mature within the next 12 months</i>		
Loans to The Corporate Trustees of the Diocese of Grafton	-	1,210,265
Accrued interest	28,664	35,252
Total trade and other receivables	28,664	1,245,517

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable in the financial statements.

8 Other Financial Assets

Expected to mature within the next 12 months

Available-for-sale financial assets:

- investments in listed companies	8(a)	-	21,720
- interest bearing securities	8(a)	4,353,132	7,550,478

Total available-for-sale financial assets		4,353,132	7,572,198
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Expected to mature after the next 12 months

Held-to-maturity investments

- fixed rate investments	8(b)	8,334,238	5,677,159
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Total held-to-maturity investments		8,334,238	5,677,159
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Total other financial assets		12,687,370	13,249,357
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(a) Available-for-sale financial assets

Available-for-sale financial assets comprise:

- investments in various capital options of listed entities. There are no fixed returns or fixed maturity dates attached to these assets; and
- investments in bonds and floating rate notes of various listed entities. There are fixed maturity dates and floating returns to these assets.

(b) Held-to-maturity financial assets

Held-to-maturity financial assets comprise investments in unlisted subordinated debt instruments. There are fixed rate returns on these investments and fixed maturity dates.

Anglican Funds Grafton Diocese

ABN 42 489 753 905

Notes to the Financial Statements For the Year Ended 31 December 2017

9 Other Assets

	2017	2016
	\$	\$
<i>Expected to mature within the next 12 months</i>		
Prepayments	-	2,500
Total other assets	-	2,500

10 Loans and Advances

<i>Secured</i>		
Loans	13,325,025	17,717,614
Other credit facilities	9,735,227	6,485,532
Less: Provision for impairment	-	-
Total loans and advances	23,060,252	24,203,146

(a) Loans and receivables

Loans and receivables comprise loans from AFGD to other parties, including Anglican schools, parishes and individuals.

At balance date, no loans are in arrears or past due. As a result, no provision for doubtful debts is considered necessary.

11 Property, plant and equipment

Plant and equipment

At cost	33,072	28,943
Accumulated depreciation	(25,809)	(24,253)
Total plant and equipment	7,263	4,690

Motor vehicles

At cost	30,536	-
Accumulated depreciation	(3,932)	-
Total motor vehicles	26,604	-

Total property, plant and equipment	33,867	4,690
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Notes to the Financial Statements
For the Year Ended 31 December 2017

11 Property, plant and equipment (continued)

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current and previous financial years:

	Plant and Equipment \$	Motor Vehicles \$	Total \$
Year ended 31 December 2017			
Balance at the beginning of year	4,690	-	4,690
Additions	4,129	30,536	34,665
Depreciation expense	(1,556)	(3,932)	(5,488)
Balance at the end of the year	7,263	26,604	33,867
Year ended 31 December 2016			
Balance at the beginning of year	112	-	112
Additions	4,849	-	4,849
Depreciation expense	(271)	-	(271)
Balance at the end of the year	4,690	-	4,690

12 Intangible Assets

	2017 \$	2016 \$
Computer software		
Cost	60,500	60,500
Accumulated amortisation and impairment	(60,500)	(60,500)
Total intangibles	-	-

(a) Movements in carrying amounts of intangible assets

	Computer software \$	Total \$
Year ended 31 December 2017		
Balance at the beginning of the year	-	-
Amortisation	-	-
Closing value at 31 December 2017	-	-
Year ended 31 December 2016		
Balance at the beginning of the year	13,348	13,348
Amortisation	(13,348)	(13,348)
Closing value at 31 December 2016	-	-

Anglican Funds Grafton Diocese

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Notes to the Financial Statements For the Year Ended 31 December 2017

13 Trade and Other Payables

	2017	2016
	\$	\$
<i>Expected to be settled within 12 months</i>		
Trade payables	74,148	23,357
Accrued interest	249,078	284,939
Total trade and other payables	323,226	308,296

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value.

14 Deposits

Maturing within the next 12 months

Funds deposited by The Corporate Trustees of the Diocese of Grafton	11,752,444	10,575,890
Other depositors	25,334,443	27,117,556
	37,086,887	37,693,446

Maturing after the next 12 months

Other depositors	6,224	1,905,635
	6,224	1,905,635
Total deposits	37,093,111	39,599,081

15 Employee Benefits

Long service leave	7,048	5,942
Annual leave	9,311	4,906
Total employee benefits	16,359	10,848
Analysis of liability:		
Expected to be settled within 12 months	9,311	4,906
Expected to be settled after 12 months	7,048	5,942
	16,359	10,848

(a) Employee benefits

A provision has been recognised for employee entitlements relating to annual and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 2(k) to this report.

Notes to the Financial Statements
For the Year Ended 31 December 2017

16 Reserves

	Note	2017 \$	2016 \$
Financial assets revaluation reserve			
Opening balance		34,970	28,040
Revaluation increment/(decrement)		94,090	6,930
Closing balance		129,060	34,970
Total reserves		129,060	34,970

(a) Financial assets revaluation reserve

The financial assets revaluation reserve records the movement in the fair value of financial assets.

17 Cash Flow Information

(a) Reconciliation of cash

Cash and cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

Cash and cash equivalents	6	3,021,515	2,486,439
Balance as per statement of cash flows		3,021,515	2,486,439

(b) Approved standby credit facilities limits

The following facilities were available at the end of the reporting period:

Total facilities

Westpac Banking Corporation	1,500,000	1,500,000
Anglican Funds South Australia (AFSA)	100,000	100,000
	1,600,000	1,600,000

Used at reporting date

Westpac Banking Corporation	-	-
Anglican Funds South Australia (AFSA)	-	-
	-	-

Unused at reporting date

Westpac Banking Corporation	1,500,000	1,500,000
Anglican Funds South Australia (AFSA)	100,000	100,000
	1,600,000	1,600,000

The Westpac Banking Corporation facility is secured by registered first mortgages over freehold land and buildings owned by the Corporate Trustees of the Diocese of Grafton and an \$800,000 term deposit.

Notes to the Financial Statements For the Year Ended 31 December 2017

18 Financial Risk Management

The Fund's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, loans and advances, depositor funds, available-for-sale financial assets and held-to-maturity investments.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2017 \$	2016 \$
Financial Assets			
Cash and cash equivalents	6	3,021,515	2,486,439
Loans and receivables:			
- Trade and other receivables	7	28,664	1,245,517
- Loans and advances	10	23,060,252	24,203,146
Available-for-sale financial assets	8	4,353,132	7,572,198
Held-to-maturity investments	8	8,334,238	5,677,159
Total financial assets		38,797,801	41,184,459
Financial Liabilities			
Financial liabilities at amortised cost:			
- Trade and other payables	13	323,226	308,296
- Deposits	14	37,093,111	39,599,081
Total financial liabilities		37,416,337	39,907,377

The Board has responsibility for the establishment and oversight of the risk management framework, identifying and analysing the risks faced by the Fund. Management's policies are approved and reviewed by the Board on a regular basis and relate to the management of:

- Liquidity risk
- Capital adequacy
- Credit risk
- Interest rate risk
- Investing activities

It is, and has been throughout the period under review, the Fund's policy that no trading of financial instruments shall be undertaken. The main risks arising from holding these financial instruments are cash flow risk, interest rate risk, liquidity risk and credit risk. The approach to managing the main risks are summarised below:

Anglican Funds Grafton Diocese

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Notes to the Financial Statements
For the Year Ended 31 December 2017

18 Financial Risk Management (continued)

(a) Interest Rate Risk

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates. The Fund's exposure to interest rate risk is measured and monitored on a monthly basis by the Board.

Financial Instrument Repricing Analytics

The Fund's exposure to interest rate risk and the effective weighted average on financial assets and financial liabilities is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Repricing Within 1 Year		Fixed Interest Rate Repricing 1 to 5 Years		Fixed Interest Rate Repricing After 5 Years		Non-Interest Sensitive		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Financial Assets:														
Cash and cash equivalents	1.90	1.50	1,271,515	988,439	1,750,000	1,500,000	-	-	-	-	-	-	3,021,515	2,486,439
Trade and other receivables	-	-	-	-	-	-	-	-	-	-	-	-	28,664	1,245,517
Loans and advances	5.40	5.40	6,720,741	6,485,532	4,219,806	3,253,543	12,119,705	11,399,516	-	-	-	-	23,060,252	24,203,146
Available for sale investments	4.20	4.20	-	-	4,353,132	7,550,478	-	-	-	-	-	21,720	4,353,132	7,572,198
Held to maturity investments	2.60	2.60	-	-	8,334,238	5,677,159	-	-	-	-	-	-	8,334,238	5,677,159
Total Financial Assets			7,992,256	7,471,971	18,657,176	17,981,180	12,119,705	11,399,516	28,664	1,267,237	38,797,801	41,184,459		
Financial Liabilities:														
Trade and other payables	-	-	-	-	-	-	-	-	-	-	-	-	323,226	308,296
Deposits	2.40	2.50	4,867,609	8,547,487	32,219,278	31,051,594	6,224	-	-	-	-	-	37,093,111	39,599,081
Total Financial Liabilities			4,867,609	8,547,487	32,219,278	31,051,594	6,224	-	323,226	308,296	37,416,337	39,907,377		

Notes to the Financial Statements For the Year Ended 31 December 2017

18 Financial Risk Management (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Fund may experience difficulties raising funds to meet commitments associated with loan funding or customer withdrawal requests. The Board manages the Fund's liquidity risk by:

- Maintaining cash reserves and credit facilities to meet customer withdrawal requests
- Monitoring cash flow requirements
- Monitoring the liquidity ratio

The Board has a minimum liquid assets target of 10% of total liabilities. At balance date, the the Fund's liquidity ratio exceeded this and was 13.4% (2016: 22.0%).

Maturity profile of financial liabilities

This table reflects the undiscounted contractual settlement terms for the Fund's financial liabilities. As such, the amounts disclosed may not agree to the statement of financial position.

The Fund's liabilities have contractual maturities which are summarised below:

	On demand		Less than 3 months		3 to 12 months
	2017	2016	2017	2016	2017
	\$	\$	\$	\$	\$
Trade and other payables	-	-	323,226	308,296	-
Deposits	4,867,609	8,547,487	13,093,094	15,824,024	19,126,184
Total outflow	4,867,609	8,547,487	13,416,320	16,132,320	19,126,184

	3 to 12 months		1 to 5 years		Total
	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$
Trade and other payables	-	-	-	323,226	308,296
Deposits	15,227,570	6,224	-	37,093,111	39,599,081
Total outflow	15,227,570	6,224	-	37,416,337	39,907,377

(c) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Fund. Credit risk arises principally from the Fund's loan, bank and investment assets.

Loans and Advances

The maximum credit exposure for loans is the carrying value disclosed on the statement of financial position plus any undrawn credit facilities. The Fund manages its risk of losses arising from lending to customers by adopting responsible lending practices including verifying a borrower's capacity to repay and ensuring that appropriate security is taken over each loan. The Fund maintains a lending policy to ensure a consistent and thorough approach is taken to each loan assessment and approval process.

Anglican Funds Grafton Diocese

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Notes to the Financial Statements For the Year Ended 31 December 2017

18 Financial Risk Management (continued)

(c) Credit risk (continued)

Investments

The Fund has a strategy to invest in highly rated and ethical instruments so that capital is preserved and liquidity is maintained at all times. The Fund's investment practices are governed by its Investment Policy with regular reporting provided to the Board on the investment portfolio profile and performance.

As at reporting date, there is no indication that any of the Fund's financial assets were impaired.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated.

The Fund does not have any derivative financial instruments at 31 December 2017 and 31 December 2016.

19 Fair Value Measurement

The Fund measures the following assets and liabilities at fair value on a recurring basis:

- Financial assets
 - Other Financial Assets (Available-for-sale)

The Fund has no assets or liabilities that are measured at fair value on a non-recurring basis.

Fair value hierarchy

The fair value of financial instruments carried at fair value have been classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the Fund:

		Level 1	Level 2	Level 3	Total
31 December 2017	Note	\$	\$	\$	\$
Recurring fair value measurements					
Available for sale financial assets					
Australian listed securities	8	4,353,132	-	-	4,353,132

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Notes to the Financial Statements For the Year Ended 31 December 2017

19 Fair Value Measurement (continued)

Fair value hierarchy (continued)

31 December 2016	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements					
Available for sale financial assets					
Australian listed securities	8	<u>7,572,198</u>	-	-	<u>7,572,198</u>

The fair value of listed securities are based on closing quoted bid prices at the end of the reporting period.

Transfers between levels of the hierarchy

There were no transfers between levels of the fair value hierarchy.

20 Capital Management

The Board manages the level of capital maintained by the Fund with the view of having sufficient capital to absorb economic shocks and protect depositors' funds. The Fund manages its capital levels via its Capital Adequacy Policy which provides for a target level of capital of at least 10% of risk weighted assets. As at balance date, the Fund's capital adequacy ratio was 6.3% (2016: 6.1%).

21 Key Management Personnel Remuneration

The names of members of the Board of the Anglican Funds Grafton Diocese at any time during, or since the end of, the year were:

The Right Reverend Dr Sarah Macneil (resigned 3 March 2018)
Mr David John Ford
Mr Kenneth John Adlington
Mr Philip Charles Crandon
Mr Edward Alfred Clarke
Mr Christopher Philip Nelson (until 22 March 2018)
Mr Terence Lancelot Hunt (resigned 19 April 2018)
Mr Gary Laurence Boyd
Ms Lisa Michelle Mulvaney (20 July 2017 to 8 May 2018)
Mr James William Flavin (16 November 2017 to 9 May 2018)

The total remuneration paid to key management personnel of the Anglican Funds Grafton Diocese is \$163,469 (2016: \$163,576).

Directors of the Fund do not receive any remuneration for their services.

Notes to the Financial Statements For the Year Ended 31 December 2017

22 Related Parties

(a) **The Fund's main related parties are as follows:**

The parent entity, which exercises full control over the Fund, is The Corporate Trustees of the Diocese of Grafton which is established in Australia.

Key management personnel - refer to Note 21.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) **Transactions with related parties**

The Fund's policy for lending to directors, trustees and other related parties is that all loans and other credit facilities are approved and deposits accepted on the same terms and conditions that apply to all other customers for each type of loan or deposit. No concessional interest rates or other special terms are applied to loans or deposit products for related parties.

There are no loans or other credit facilities advanced to related parties that are impaired at balance date or have been impaired or written-off during the financial year.

The following transactions occurred with related parties:

	2017 \$	2016 \$
Loans & Advances		
Aggregate value of loans to key management personnel and other related parties at balance date	3,299	16,014
Total value of other credit facilities to key management personnel and other related parties at balance date	2,493	205
Total value of loans and credit facilities advanced to key management personnel and other related parties during the year	5,793	16,220
Interest earned on loans and credit facilities to key management personnel and other related parties during the year	546	858
Deposits		
Total value of deposits held by key management personnel and other related parties at balance date	1,845,010	1,912,514
Total interest paid on deposits held by key management personnel and other related parties during the financial year	52,431	57,060
Other Transactions		
Other transactions with related parties occurring on normal trading terms and conditions are as follows:		
Contribution to Anglican Diocese of Grafton	150,000	175,000
Receivable from Corporate Trustees of the Diocese of Grafton	-	1,210,265

Anglican Funds Grafton Diocese

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Notes to the Financial Statements For the Year Ended 31 December 2017

23 Commitments

(a) Capital Expenditure

As at 31 December 2017, the Anglican Funds Grafton Diocese had not engaged in any material capital expenditure commitments (31 December 2016: Nil).

(b) Operating Leases

As at 31 December 2017, the Anglican Funds Grafton Diocese did not have any material non-cancellable operating lease commitments.

(c) Outstanding Loan Commitments

Loans and credit facilities approved but not funded or drawn at balance date:

	2017	2016
	\$	\$
Loans approved but not funded	6,000,000	-
Undrawn overdraft and credit facilities	9,214,772	3,114,467
Total loan commitments	15,214,772	3,114,467

24 Auditor's Remuneration

Remuneration of the auditor Thomas Noble & Russell (2016: Crowe Horwath Central North), for:)

- auditing or reviewing the financial statements	18,900	16,000
- taxation services	-	-
- other services - assistance with financial reporting	2,000	2,000
Total auditor's remuneration	20,900	18,000

25 Contingencies

In the opinion of the Board, the Fund did not have any contingencies at 31 December 2017 (31 December 2016: Nil).

26 Events Occurring After the Reporting Date

Since the end of the reporting period, the following events have occurred:

Compliance with Australian Securities and Investment Commission (ASIC) Charitable Fundraising Instrument 2016/813

During the 2017 financial year, the Fund's Board was undertaking a process to manage its retail deposit-taking activities in accordance with the abovementioned Instrument. Subsequent to balance date, the Fund's Board has discontinued its original plan to maintain all retail accounts by contracting with a licensed third party. The Board is not executing a plan to retain "associated" retail accounts as allowed under the Instrument and is determining the eligibility of each account held individually or jointly and exiting those accounts that are not covered by the Identification Statement approved by the Australian Security and Investments Commission (ASIC) on 17 May 2017. The Board anticipates finalisation of this process by 30 September 2018 and has written to all account holders to determine those deposits that will require refund.

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ABN 42 489 753 905

Notes to the Financial Statements For the Year Ended 31 December 2017

26 Events Occurring After the Reporting Date (continued)

The Fund's Board has applied to ASIC for clarification on the subject of joint accounts where only one of the account holders is eligible to hold a Fund account. At the end of March 2018, the Fund was in the process of determining the value of deposits that may require refund. The value of deposits requiring refund is unable to be determined until all investors have advised the Fund of their status as associated or non-associated investors. The Fund has appropriate liquidity to refund deposits to non-associated investors as defined under the Instrument.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Fund, the results of those operations or the state of affairs of the Fund in future financial years.

27 Statutory Information

The registered office of and principal place of business of the Fund is:
Anglican Funds Grafton Diocese
Level 1, 50 Victoria Street
Grafton NSW 2460

Anglican Funds Grafton Diocese

ABN 42 489 753 905

Statement by the Board of the Anglican Funds Grafton Diocese

The Board of the Anglican Funds Grafton Diocese declare that:

1. the financial statements and notes for the year ended 31 December 2017 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - a. comply with Australia Accounting Standards;
 - b. give a true and fair view of the financial position and performance of the Fund;
 - c. the activities of the Anglican Funds Grafton Diocese have been undertaken in line with the delegated authority of the Board of Management as per Chapter 18 of the Diocese Governance Ordinance 2008.
2. In the directors' opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Chairperson
David Ford

AFGD Board Member
Edward Clarke

Dated this 17th day of May 2018



**Independent Auditor's Report
To the Members of the Anglican Funds Grafton Diocese**

Opinion

We have audited the financial report of the Anglican Funds Grafton Diocese ("the Entity") which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the members of the Entity.

In our opinion, the accompanying financial report of the Entity is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the Entity's financial position as at 31 December 2017 and of its financial performance and cash flows for the year then ended; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to those charged with governance, would be in the same terms if given as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Other Matter

The financial report of the Entity for the year ended 31 December 2016 was audited by another auditor who expressed an unmodified opinion on the financial report on 24 May 2017.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

THOMAS NOBLE & RUSSELL CHARTERED ACCOUNTANTS

.....
K R FRANEY (Partner)

Dated at Lismore this 17th day of May 2018



BOARD MEETING DATE:

17/05/2018

No 7 Financial and performance reports

Item: b

Title: Financial reports

No of Pages. 9 incl Header

Anglican Funds Gratton Diocese
Level 1 - 50 Fichers Street
Gratton 2560
NSW

Profit & Loss Statement
January to December 2018

	Jan	Feb	Mar	Apr	YTD	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Forecast	Budget	Variance
4-0000																
Income																
Interest Recd - Investments	11,890	21,539	22,384	16,845	72,658	14,175	9,875	11,512	10,329	11,550	17,500	14,000	7,875	166,573	184,240	(14,667)
Interest Recd - Borrowers	85,818	59,795	67,358	63,737	276,708	80,429	91,054	88,554	95,971	93,263	88,971	98,971	107,513	1,021,433	1,000,771	(20,662)
Sundry Income - Other Asset classes and Serv.	36,913	44,837	59,681	39,548	180,979	43,000	87,875	43,000	38,787	87,875	43,000	30,431	59,304	614,150	634,022	(19,872)
Total Income	134,621	126,171	149,322	120,130	530,244	137,604	188,904	143,066	145,086	192,688	149,471	143,401	174,692	1,805,155	1,819,033	(13,878)
Cost Of Sales																
Total Interest Paid to Investors	77,885	70,828	76,040	70,997	295,750	75,154	74,752	75,696	76,409	75,738	75,632	76,018	76,250	801,399	923,442	22,033
Gross Profit	56,736	55,343	73,282	49,132	234,494	62,450	114,152	67,370	68,677	116,949	73,839	67,384	98,442	903,757	895,621	8,136
6-0000																
Expenses																
Total Employee Benefits	7,586	9,073	8,429	9,164	34,251	22,531	22,931	22,531	22,531	22,931	22,531	22,531	22,931	215,700	271,973	56,273
Total Professional fees	1,942	1,742	4,959	3,560	12,203	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	36,603	40,600	3,997
Total Banking and Indue Costs	15,559	16,979	16,791	25,436	74,764	15,660	29,741	19,447	16,159	27,852	20,962	17,002	29,569	251,166	254,761	3,596
Total Insurance costs	1,096	780	856	847	3,579	1,260	1,260	1,260	1,260	1,260	1,260	340	340	11,819	13,280	1,461
Total General Operations costs	3,334	3,327	2,014	2,196	10,870	3,635	3,735	4,250	3,635	3,735	3,635	3,635	3,135	40,275	44,070	3,795
Total Expenses	29,517	31,901	33,048	41,203	135,669	46,126	60,717	50,548	46,635	58,828	51,439	46,556	59,045	555,593	624,684	69,121
Total Net Profit	27,220	23,442	40,234	7,930	98,826	16,324	53,435	16,822	24,278	58,121	22,400	20,826	39,397	346,194	270,937	77,257
9-0000																
Distribution to Diocese	14,600	14,600	14,600	14,600	58,400	14,600	14,600	14,600	14,600	14,600	14,600	14,600	14,400	175,000	175,000	-
Total Other Expenses	12,620	8,842	25,634	-6,670	40,426	1,724	38,835	2,222	9,678	43,521	7,800	6,226	24,997	175,194	95,937	77,257
Net Profit/(Loss) after distribution																

Profit & Loss Statement

January to December 2018

	January Actual	February Actual	March Actual	April Actual	YTD Actual	May Budget	June Budget	July Budget	August Budget	September Budget	October Budget	November Budget	December Budget	Forecast	Budget	Variance
4-0000																
Income																
4-1010 Interest Received - Investment	0	0	0	0	0	14,175	9,975	11,512	10,329	11,550	17,500	14,000	7,875	96,915	184,240	(87,325)
4-1011 Interest Received -NAB	406	1,895	2,098	2,030	6,429	0	0	0	0	0	0	0	0	6,429	0	6,429
4-1012 Interest Recd - AFSA	351	320	360	1,381	3,012	0	0	0	0	0	0	0	0	1,381	0	1,381
4-1013 Interest Recd - Melf CF7963	6,443	11,910	11,815	7,829	37,997	0	0	0	0	0	0	0	0	37,997	0	37,997
4-1014 Interest recd - WBC	2,179	1,930	2,038	2,148	8,294	0	0	0	0	0	0	0	0	8,294	0	8,294
4-1015 Interest Recd - AMP	2,511	5,465	6,073	4,488	18,537	0	0	0	0	0	0	0	0	18,537	0	18,537
4-1020 Interest Recd - Investments	11,890	21,539	23,384	16,845	72,658	14,175	9,975	11,512	10,329	11,550	17,500	14,000	7,875	169,373	184,240	(14,867)
4-1021 Overdraft/LOC INT INC	24,827	5,422	7,897	6,869	45,015	80,429	91,054	88,554	95,971	93,263	88,971	98,971	107,513	789,740	1,000,771	(211,031)
4-1021 Interest Only Loans INT INC	20,939	19,118	21,166	20,483	81,707	0	0	0	0	0	0	0	0	81,707	0	81,707
4-1022 Prnc & Int Loans INT INC	40,052	35,255	38,295	36,384	149,986	0	0	0	0	0	0	0	0	149,986	0	149,986
4-1055 Interest Recd - Borrowers	85,818	59,795	67,358	63,737	276,708	80,429	91,054	88,554	95,971	93,263	88,971	98,971	107,513	1,021,433	1,000,771	20,662
4-1056 Ord Min List Interest Income	13,010	20,706	13,034	15,575	62,325	16,770	16,770	16,770	16,770	16,770	16,770	16,770	16,770	196,485	194,951	1,534
4-1057 Proceeds on Sale of Bonds	24,794	23,973	22,915	23,973	95,656	26,230	26,230	26,230	26,230	26,230	26,230	26,230	26,230	305,486	304,924	572
4-1058 Profit/Loss Sale Fixed Assets	-907	0	0	0	-907	0	0	0	-4,213	0	0	-12,589	-28,571	-45,353	-46,353	(907)
4-2000 Service Fees Received	0	150	0	0	150	0	0	0	0	0	0	0	0	150	0	150
4-2100 Line Fee Income	0	0	23,625	0	23,625	0	44,875	0	0	44,875	0	0	44,875	158,250	179,500	(21,250)
4-3000 Sundry Income	16	7	7	7	30	0	0	0	0	0	0	0	0	30	0	30
Sundry Income - Other Asset classes and Service Fee	38,913	44,837	59,581	39,548	180,879	43,000	87,875	43,000	38,787	87,875	43,000	30,431	59,304	614,150	834,022	(19,872)
Total Income	134,621	126,171	149,322	120,130	530,244	137,604	188,904	143,066	145,086	192,688	149,471	143,401	174,692	1,805,155	1,819,033	(13,878)
5-2100 Interest Paid to Investors	77,885	70,828	76,040	70,987	295,750	75,154	74,752	75,686	76,409	75,738	75,632	76,018	76,250	901,399	923,412	22,013
Total Cost Of Sales	77,885	70,828	76,040	70,987	295,750	75,154	74,752	75,686	76,409	75,738	75,632	76,018	76,250	901,399	923,412	22,013
Gross Profit	56,736	55,343	73,282	49,143	234,494	62,450	114,152	67,370	68,677	116,949	73,839	67,384	98,442	903,757	895,621	8,136
6-0000 Expenses																
6-1100 Provision for Annual Leave	-7,440	452	-633	-633	-8,253	0	0	0	0	0	0	0	0	-8,253	0	8,253
6-1200 Provision Long Service Leave	-11,595	0	0	0	-11,595	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	-2,259	14,004	16,263
6-1300 Salaries and Wages	24,445	7,629	7,920	8,969	48,963	18,780	18,780	18,780	18,780	18,780	18,780	18,780	18,780	199,203	225,380	26,157
6-1500 Superannuation	1,767	725	734	827	4,053	1,784	1,784	1,784	1,784	1,784	1,784	1,784	1,784	18,326	21,409	3,083
6-1600 Staff Training	0	0	0	0	0	0	400	400	0	0	0	0	0	1,200	1,600	400
6-1700 Fund Manager Vehicle	409	267	407	0	1,084	800	800	800	800	800	800	800	800	7,484	9,900	2,416
Total Employee Benefits	7,566	9,073	8,429	9,164	34,251	22,531	22,931	22,531	22,531	22,931	22,531	22,531	22,931	215,700	271,973	56,273
6-4200 Advertising	0	0	210	0	210	200	200	200	200	200	200	200	200	1,810	2,400	590
6-4300 Audit Fees	1,742	1,742	1,742	1,742	6,968	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	25,768	28,200	2,432
6-4360 Legal Fees	200	0	3,007	1,818	5,025	500	500	500	500	500	500	500	500	9,025	10,000	975
Total Professional fees	1,942	1,742	4,959	3,560	12,203	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	36,803	40,800	3,997
6-4400 WBC Bank Charges	535	476	542	533	2,086	650	650	650	650	650	650	650	650	7,286	7,800	514
6-4402 Indue Fees	20	31	19	31	101	0	0	0	0	0	0	0	0	100	0	(100)
6-4410 Consultancy Fees	0	3,833	2,333	2,333	8,500	0	1,850	1,850	0	12,500	0	0	0	47,850	58,650	9,000
6-4412 Donations	0	0	0	0	0	0	0	0	0	0	0	0	0	5,000	5,000	0
6-4440 WBC Line of Credit Charges	828	748	948	801	3,325	950	950	950	950	950	950	950	950	10,925	11,400	475
6-4442 Ord Minnett Brokerage/Advice	3,675	3,331	3,682	3,500	14,188	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	46,188	48,500	2,312
6-4450 AFSA Service Agreement Fees	10,501	8,560	9,267	18,237	46,565	10,050	9,267	11,997	10,559	9,752	10,362	11,402	11,489	133,816	127,211	6,605
Total Banking Costs	15,599	16,979	16,791	25,436	74,764	15,680	29,741	19,447	16,159	27,862	20,962	17,002	29,589	251,165	254,761	3,596
6-4510 Insurance - Workers Comp	359	114	119	134	726	340	340	340	340	340	340	340	340	3,446	4,080	634
6-4530 Insurance - General	737	666	737	713	2,853	920	920	920	920	920	920	920	920	8,373	9,200	827
Total Insurance costs	1,096	780	856	847	3,579	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	11,819	13,280	1,461
6-4425 Depreciation Expense	626	626	626	626	2,506	650	650	650	650	650	650	650	650	7,706	7,800	94
6-4600 Meeting Expenses	222	174	106	0	502	140	140	140	140	140	140	140	140	1,622	1,680	58

6-4610	Marketing	0	0	0	0	0	0	0	400	400	400	400	400	3,200	4,800	1,600
6-4700	Postage	0	184	503	154	842	175	175	175	175	175	175	175	2,857	3,350	483
6-4800	Printing & Stationery	327	537	0	0	864	600	600	600	600	600	600	600	5,664	7,700	1,536
6-4900	Rent/Victoria Street	433	433	433	433	1,733	450	450	450	450	450	450	450	5,333	5,400	67
6-5000	PC Repairs and Maintenance	0	0	0	0	0	0	0	0	0	0	0	0	300	400	100
6-5100	Telephone	117	214	215	193	741	220	220	220	220	220	220	220	2,501	2,640	139
6-5200	Travel & Accommodation - Board	1,061	1,152	128	789	3,130	600	600	600	600	600	600	600	7,330	8,000	(1,330)
6-5300	Travel & Accommodation - AFGD	309	0	0	0	309	400	400	400	400	400	400	400	3,509	4,800	1,291
6-5310	AFGD Staff Expenses Other	235	5	0	0	244	0	0	0	0	0	0	0	244	0	(244)
	Total General Operations costs	3,334	3,327	2,014	2,196	10,870	3,635	3,735	3,635	3,635	3,635	3,135	3,135	40,275	44,070	3,795
	Total Expenses	29,517	31,901	33,048	41,203	135,669	45,125	60,717	50,548	51,439	46,558	59,045	59,045	555,563	634,684	69,121
	Total Net Profit	27,220	23,442	40,234	7,930	98,826	16,324	53,435	16,822	22,042	20,826	39,397	39,397	348,154	270,937	77,257
9-2200	Contribution to Diocese	14,600	14,600	14,600	14,600	58,400	14,600	14,600	14,600	14,600	14,600	14,600	14,600	175,000	175,000	-
	Total Other Expenses	14,600	14,600	14,600	14,600	58,400	14,600	14,600	14,600	14,600	14,600	14,600	14,600	175,000	175,000	0
	Net Profit/(Loss) after distribution	12,620	8,842	25,634	-6,670	40,426	1,724	38,835	2,222	7,442	6,226	24,997	24,997	173,194	95,937	77,257

Anglican Funds Grafton Diocese

Level 1 - 50 Victoria Street
Grafton 2460
NSW

Balance Sheet

As of April 2018

Account No.			
1-0000	Assets		
1-1000	Current Assets		
1-1105	WBC 032537 247819 Operating Ac		\$18,146.16
1-1110	WBC 032537 120455 Client Chq		\$138,785.49
1-1130	AFSA Float SAV00000202		\$1,777,586.87
1-1137	Daily Txns Unproc'd in Phoenix		(\$586,957.92)
1-1160	WBC 032537 163017 Cash Managem		\$951,409.00
1-1165	Melb DIF 30 day term		\$3,500,000.00
1-1170	Accrued Int Receivable Investm		\$45,746.77
1-1171	Ord Min List Accrued Int Rec		\$2,429.59
1-1172	Ord Min U/List Accrued Int Rec		(\$162.00)
1-1400	Prepaid Insurance		\$4,374.68
1-2500	Vehicles		
1-2510	Vehicles - at Cost		\$30,536.49
1-2520	Vehicles - Accum dep		(\$5,968.10)
1-2700	Furniture & Fixtures		
1-2710	Furniture & Fixtures Orig Cost		\$4,852.56
1-2720	Furniture & Fixtures Accum Dep		(\$1,125.50)
1-2800	Plant & Equipment		
1-2810	Computer Hardware		\$26,730.39
1-2820	Acc Depn Computer Hardware		(\$24,662.25)
1-2900	Intangible Assets		
1-2910	Computer Software		\$60,500.00
1-2920	Acc Depn - Comptr Software		(\$60,500.00)
1-3000	Financial Assets - Current		
1-3110	NAB Term Investment		\$1,000,000.00
1-3111	AMP Term Investment		\$2,000,000.00
1-3120	AFSA Security Dep SAV00000203		\$244,643.02
1-3130	WBC Term Invested Funds		\$900,000.00
1-3145	Ord Minnett-Listed Investments		\$4,336,368.24
1-3146	Ord Minnett-List Cash Account		\$21,817.01
1-3147	Ord Minnett-Global Cash Trust		\$24,886.60
1-3148	Ord Minn-Global Investments		\$6,418,390.99
1-3150	Loan Assets		
1-3155	Line of Credit - O/D		\$2,786,039.93
1-3160	Loan Advances		\$4,372,917.58
1-3170	Loan Advances - P & I		\$8,523,860.57
1-3190	Accrued Interest Loans		
1-3199	Financial Assets Current - Adj		(\$15,104,496.17)
1-4000	Financial Assets - Non Current		
1-4110	Financial Assets Non Current		\$15,104,496.17
	Total Assets	\$36,510,646.17	
2-0000	Liabilities		
2-1000	Current Liabilities		
2-1004	Audit Costs		\$6,598.00
2-1100	Accrued Interest payable		
2-1101	2243130 Access Acc INT PAY		\$173.94
2-1102	2243131 Inst Acc INT PAY		\$289.13
2-1103	2243132 Student Acc INT PAY		\$1.06

2-1104	2243133 Parish Prov INT PAY	\$129.24	
2-1200	Accounts payable		\$6,444.52
2-1221	2243310 Term 90 Days INT PAY		\$7,878.26
2-1222	2243320 Term 180 days INT PAY		\$66,841.33
2-1223	2243330 Term 365 days INT PAY		\$189,297.11
2-1225	235 Fixed Inv - 18 Month INT P		\$78.17
2-1700	Investor Funds Fin Liab Curren		
2-1710	2103300 Access Accounts	\$261,032.98	
2-1715	2103310 Institution Access	\$198,544.28	
2-1720	2103320 Student Access	\$3,223.66	
2-1725	2103330 Parish Provider Access	\$3,746.50	
2-1730	2103350 Interest Free Deposits	\$8,084.00	
2-1735	2103370 Chq Acc Parishes	\$705,346.59	
2-1740	2103380 Chq Acc Ministry	\$2,246,098.22	
2-1745	2103400 Anglican Affiliates	\$1,592,191.24	
2-1750	139 Parishes CMA	\$763,676.62	
2-1751	Next Gen Bonus Saver	\$31,695.07	
2-1755	2183310 Term Inv 90 days	\$4,315,172.60	
2-1756	2103420 Clergy Access Account	\$198,941.37	
2-1760	2183320 Term Inv 180 days	\$10,604,237.89	
2-1765	2183330 Term Inv 365 days	\$13,859,116.00	
2-1900	Other Current Liabilities		
2-1910	Accrued Annual Leave	\$1,058.06	
2-1911	Accrued Long Service Leave	\$7,048.19	
2-1915	Accrued Expenses	\$13,000.00	
2-2300	Other Long Term Liabilities		
2-2310	2183350 Fixed 18 Mths	\$35,000.00	
2-3030	GST from purchases		(\$3,341.81)
2-9999	Westpac Unknown transactions		\$520.98
	Total Liabilities	\$35,122,123.20	
	Net Assets	\$1,388,522.97	
3-0000	Equity		
3-7000	Revaluation Financial Assets		\$89,781.37
3-8000	Retained Earnings		\$1,258,315.96
3-9000	Current Earnings		\$40,425.64
	Total Equity	\$1,388,522.97	

Anglican Funds Grafton Diocese

Level 1 - 50 Victoria Street

Grafton 2460

NSW

Balance Sheet [Multi-Period]

January 2018 To April 2018

Account No.	Account Name	January	February	March	April
	Assets				
	Current Assets				
		989,695	1,021,313	1,039,180	964,850
		13,432,487	12,824,854	13,135,313	9,025,466
		10,794,038	10,794,038	10,754,759	10,754,759
		46,158	46,821	44,346	52,389
	Fixed Assets	32,243	31,616	30,990	30,364
	Loan Assets				
	Loan Assets	15,885,109	15,227,046	14,786,293	15,682,818
		0	0	0	0
	Total Assets	41,179,729	39,945,839	39,790,880	36,510,646
	Liabilities				
	Current Liabilities				
		66,960	59,572	43,405	26,043
		153	302	450	593
		266,741	275,346	302,387	264,095
	Investor Funds Fin Liab Current				
	Investor Funds Fin Liab Current	7,265,036	6,535,970	7,157,651	6,012,581
		30,442,346	31,441,219	30,831,929	28,778,526
	Sundry Liabilities				
	Sundry Liabilities	6,549	6,320	4,344	4,764
		1,731,948	218,273	55,521	35,521
	Total Liabilities	39,779,734	38,537,001	38,395,687	35,122,123
	Net Assets	1,399,995	1,408,838	1,395,193	1,388,523
	Equity				
	Total Equity	1,399,995	1,408,838	1,395,193	1,388,523

Anglican Funds Grafton Diocese

Level 1 - 50 Victoria Street

Grafton 2460

NSW

Balance Sheet [Multi-Period]

January 2018 To April 2018

Account No.	Account Name	January	February	March	April
Assets					
Current Assets					
1-1105	WBC 032537 247819 Operating Ac	27,875	19,157	75,705	18,146
1-3130	WBC Term Invested Funds	900,000	900,000	900,000	900,000
1-3146	Ord Minnett-List Cash Account	36,538	53,165	62,722	21,817
1-3147	Ord Minnett-Global Cash Trust	25,282	48,991	753	24,887
		989,695	1,021,313	1,039,180	964,850
1-1110	WBC 032537 120455 Client Chq	132,596	130,575	171,758	138,785
1-1130	AFSA Float SAV00000202	2,149,924	2,016,756	3,603,604	1,777,587
1-1137	Daily Txns Unproc'd in Phoenix	-86,997	-539,949	314,512	-586,958
1-1160	WBC 032537 163017 Cash Managem	493,350	473,539	51,145	951,409
1-1165	Melb DIF 30 day term	6,750,000	6,750,000	5,000,000	3,500,000
1-3110	NAB Term Investment	1,000,000	1,000,000	1,000,000	1,000,000
1-3111	AMP Term Investment	2,750,000	2,750,000	2,750,000	2,000,000
1-3120	AFSA Security Dep SAV00000203	243,613	243,933	244,294	244,643
		13,432,487	12,824,854	13,135,313	9,025,466
1-3145	Ord Minnett-Listed Investments	4,353,132	4,353,132	4,336,368	4,336,368
1-3148	Ord Minn-Global Investments	6,440,906	6,440,906	6,418,391	6,418,391
		10,794,038	10,794,038	10,754,759	10,754,759
1-1170	Accrued Int Receivable Investm	39,936	40,963	39,260	45,747
1-1171	Ord Min List Accrued Int Rec	150	187	0	2,430
1-1172	Ord Min U/List Accrued Int Rec	-419	-154	-1	-162
1-1400	Prepaid Insurance	6,491	5,825	5,088	4,375
		46,158	46,821	44,346	52,389
1-2510	Vehicles - at Cost	30,536	30,536	30,536	30,536
1-2520	Vehicles - Accum dep	-4,441	-4,950	-5,459	-5,968
1-2710	Furniture & Fixtures Orig Cost	4,853	4,853	4,853	4,853
1-2720	Furniture & Fixtures Accum Dep	-1,022	-1,057	-1,091	-1,126
1-2810	Computer Hardware	26,730	26,730	26,730	26,730
1-2820	Acc Depn Computer Hardware	-24,413	-24,496	-24,579	-24,662
1-2910	Computer Software	60,500	60,500	60,500	60,500
1-2920	Acc Depn - Compntr Software	-60,500	-60,500	-60,500	-60,500
	Fixed Assets	32,243	31,616	30,990	30,364
Loan Assets					
1-3155	Line of Credit - O/D	2,443,808	2,000,522	1,754,211	2,786,040
1-3160	Loan Advances	4,373,373	4,371,552	4,373,600	4,372,918
1-3170	Loan Advances - P & I	9,067,928	8,854,972	8,658,481	8,523,861
	Loan Assets	15,885,109	15,227,046	14,786,293	15,682,818
1-3199	Financial Assets Current - Adj	-15,104,496	-15,104,496	-15,104,496	-15,104,496
1-4110	Financial Assets Non Current	15,104,496	15,104,496	15,104,496	15,104,496
		0	0	0	0
	Total Assets	41,179,729	39,945,839	39,790,880	36,510,646
Liabilities					

Current Liabilities					
2-1004	Audit Costs	22,642	24,384	8,926	6,598
2-1200	Accounts payable	11,143	4,297	21,530	6,445
2-1915	Accrued Expenses	33,175	30,891	12,949	13,000
		66,960	59,572	43,405	26,043
2-1101	2243130 Access Acc INT PAY	51	99	137	174
2-1102	2243131 Inst Acc INT PAY	70	137	215	289
2-1103	2243132 Student Acc INT PAY	0	1	1	1
2-1104	2243133 Parish Prov INT PAY	32	66	97	129
		153	302	450	593
2-1221	2243310 Term 90 Days INT PAY	17,361	10,142	14,585	7,878
2-1222	2243320 Term 180 days INT PAY	71,387	92,242	94,546	66,841
2-1223	2243330 Term 365 days INT PAY	157,176	170,426	192,686	189,297
2-1225	235 Fixed Inv - 18 Month INT P	20,817	2,536	570	78
		266,741	275,346	302,387	264,095
	Investor Funds Fin Liab Current				
2-1710	2103300 Access Accounts	293,928	310,914	272,779	261,033
2-1715	2103310 Institution Access	187,618	204,091	212,066	198,544
2-1720	2103320 Student Access	4,009	3,843	3,253	3,224
2-1725	2103330 Parish Provider Access	4,777	3,409	4,214	3,747
2-1730	2103350 Interest Free Deposits	7,377	7,139	7,877	8,084
2-1735	2103370 Chq Acc Parishes	836,181	805,746	752,416	705,347
2-1740	2103380 Chq Acc Ministry	2,888,969	2,313,672	3,198,981	2,246,098
2-1745	2103400 Anglican Affiliates	1,933,893	1,871,265	1,721,235	1,592,191
2-1750	139 Parishes CMA	847,234	778,670	752,331	763,677
2-1751	Next Gen Bonus Saver	57,529	49,067	33,997	31,695
2-1756	2103420 Clergy Access Account	203,523	188,153	198,502	198,941
	Investor Funds Fin Liab Current	7,265,036	6,535,970	7,157,651	6,012,581
2-1755	2183310 Term Inv 90 days	5,148,920	3,451,388	3,300,311	4,315,173
2-1760	2183320 Term Inv 180 days	11,515,889	12,979,536	12,904,127	10,604,238
2-1765	2183330 Term Inv 365 days	13,777,538	15,010,294	14,627,490	13,859,116
		30,442,346	31,441,219	30,831,929	28,778,526
	Sundry Liabilities				
2-1910	Accrued Annual Leave	1,871	2,323	1,691	1,058
2-1911	Accrued Long Service Leave	7,048	7,048	7,048	7,048
2-3030	GST from purchases	-2,371	-3,052	-4,395	-3,342
	Sundry Liabilities	6,549	6,320	4,344	4,764
2-2310	2183350 Fixed 18 Mths	1,731,725	218,050	55,000	35,000
2-9999	Westpac Unknown transactions	224	224	521	521
		1,731,948	218,273	55,521	35,521
	Total Liabilities	39,779,734	38,537,001	38,395,687	35,122,123
	Net Assets	1,399,995	1,408,838	1,395,193	1,388,523
	Equity				
3-0000	Revaluation Financial Assets	129,060	129,060	89,781	89,781
3-8000	Retained Earnings	1,258,316	1,258,316	1,258,316	1,258,316
3-9000	Current Earnings	12,620	21,462	47,096	40,426
	Total Equity	1,399,995	1,408,838	1,395,193	1,388,523



BOARD MEETING DATE:

17/05/2018

No 7 Financial and performance reports

Item: c

Title: Diocesan budget

No of Pages. 4 incl Header

The 2019 Anglican Diocese of Grafton budget includes a contribution of \$175,000 from Anglican Funds Grafton Diocese.

The level of contribution is unchanged from that budgeted for 2017 and 2018.

In late 2017, the Bishop-in-Council accepted a request from Anglican Funds Grafton Diocese to reduce their contribution from \$175,000 to \$150,000 for 2017 only. This request was based on high expenses incurred by AFGD in that year.

Proposed resolution:

That the AFGD Board notes the 2019 Anglican Diocese of Grafton budget approved by Bishop-in-Council to be presented to the Synod and note that this budget includes a contribution from AFGD of \$175,000. The Board endorses the contribution being included in the 2019 Anglican Diocese of Grafton budget.

BUDGET SUMMARY — ANGLICAN DIOCESE OF GRAFTON

2019

Income and Expenditure	DIOCESAN BUSINESS	PROFESSIONAL STANDARDS	CONSOLIDATED BUDGET 2019	2018 Budget	Change	% change	PARISH PAYROLL & RECOUPS
Revenue from related parties	1,627,846	0	1,627,846	1,735,980	-108,134	-6.64%	3,516,321
Revenue from Government	16,065	0	16,065	16,000	65	0.40%	0
Interest income	2,050	0	2,050	4,800	-2,750	-134.15%	0
Other income	56,785	0	56,785	17,200	39,585	69.71%	0
Donations	10,000	0	10,000	0	10,000		0
Total Income	1,712,746	0	1,712,746	1,773,980	-61,234	-3.58%	3,516,321
Expenses							
Administration Expenses	277,265	4,400	281,665	251,024	30,641	10.88%	0
Insurance Expenses	477,515	0	477,515	798,744	-321,229	-67.27%	0
Meetings and Seminars	47,150	250	47,400	52,480	-5,080	-10.72%	0
Ministry Support	61,565	0	61,565	58,996	2,569	4.17%	0
Contrib to Church Organisations	37,880	0	37,880	39,000	-1,120	-2.96%	0
Professional Standards costs	0	34,800	34,800	16,800	18,000	51.72%	0
Finance Costs	1,000	2,000	3,000	2,000	1,000	33.33%	0
Employment Costs	969,490	41,802	1,011,292	840,762	170,530	16.86%	3,516,321
Other Expenses - Ordination	0	0	0	5,100	-5,100	-100.00%	0
Total Expense	1,871,865	83,252	1,955,117	2,084,906	-109,789	5.62%	3,516,321
Operating Surplus or (Deficit)	(\$159,119)	(\$83,252)	(\$242,371)	(\$280,926)	\$48,555	-20.03%	\$0
Other Income							
Transfer from Bishops Appeal	0	0	0	0	0		0
Transfer from Investments	240,000	0	240,000	225,240	14,760		0
Total Distribution Income	240,000	0	240,000	225,240	\$14,760	6.15%	0
Other Expenses							
Transfer to Reserves/ provisions	0	0	0	0	0		0
Extraordinary Item	0	0	0	0	0		0
Total Other Expense	0	0	0	0	\$63,315		0
Net Surplus or (Deficit) after distributions	\$80,881	(\$83,252)	(\$2,371)	(\$65,586)	\$63,315		\$0

2019 Budget: Key Assumptions

- Professional Standards loan through AFGD not reactivated
- Professional Standards loan through Bishop's Sustainability Appeal remains at current level
- No Professional Standards claims or National Redress Scheme assumed in 2019 budget. Funded by special donations and asset sales.
- Archdeacon for Schools and School Chaplaincy funded at current level and Schools Service fee increased accordingly
- AFGD contribution remains at \$175,000
- Corporate Trustees contribution remains at \$200,000
- Total Parish Pledge at 2017 level
- No fee for service to AFGD or Corporate Trustees for use of Anglican Diocesan of Grafton staff or resources
- Assume CPI of 2.5%
- Increase in General Synod levy as advised by General Synod (includes Professional Standards audit contribution)
- Assume continuation of personal injury insurance claim
- Assume \$10,000 donations
- Cost of valuations for insurance purposes covered by respective parishes with possible contribution from the Insurance Aggregate Deductible fund
- Registry staffing at 2018 level
- Performance of Insurance Aggregate Deductible fund excluded from budget
- Performance of Clergy Removal reserve excluded from budget



BOARD MEETING DATE:

17/05/2018

No 7 Financial and performance reports

Item: d

Title: Report to Synod

No of Pages. 3 incl Header

Agenda Item 7d – Report to Synod

There are two aspects of reporting to Synod that need to be considered.

Firstly, with the position of Diocesan Treasurer now redundant, the pattern of the Diocesan Treasurer presenting all financial reports is unable to continue.

The Bishop-in-Council has nominated one of their members to present the Audited Financial Statements for the Anglican Diocese of Grafton and the Registrar will present the Diocesan Budget.

Similarly, the Corporate Trustees has nominated one of their members to present the Audited Financial Statements for the Corporate Trustees of the Diocese of Grafton.

It would be appropriate for the AFGD Board to nominate one of its number to present the Audited Financial Statements for Anglican Funds Grafton Diocese.

Proposed resolution: That the AFGD Board requests Mr David Ford to present the AFGD financial report to the 2018 Synod.

Secondly, AFGD is to provide a report to be included in the Report Book for the 2018 Synod. A copy of the 2017 report is attached.

This report is overdue.

Proposed resolution: That the Chair and the Registrar prepare the report from Anglican Funds Grafton Diocese for inclusion in the Report Book for the 2018 Synod.

Synod Report 2017

Thank you for all your support over the year and continued support into the future.

AFGD's priorities for the year were to build on the trust and confidence the Anglican community has in us by;

- Providing exceptional customer service that differentiates us from our competitors.
- Providing our investors with above market interest rates on their investments.
- Providing competitive interest rates on lending in line with the financial market.
- Diversifying our asset base to ensure ongoing profitability and distributions to the Diocese.
- Strengthening our governance, compliance and risk management in preparation for increased regulation from the external regulators.

We are pleased to provide an update on the strength and stability of the Fund;

- Profitability remains steady in a competitive interest rate environment. \$298K Net Profit recorded in 2016 prior to Diocesan distribution.
- \$175K distribution to the Diocese in 2016 as it will be in 2017.
- Our balance sheet continues to strengthen with total assets increasing by \$472K
- Capital adequacy at a high of 6.40%.
- Liquidity remains high.
- The loan book including all Anglican Affiliates and Parish borrowings are being repaid within the terms of their respective loan agreements. (ie no arrears)
- Our investor base continues to grow steadily and increased by \$373K in 2017.

Parishes continue to enjoy fee free banking and are receiving a higher return on their accounts.

Affiliates have also benefited with a simple no fuss approach to the way we do business and are also experiencing significant cost savings utilising AFGD's treasury model.

2017 will be a critical time for the fund as we come to terms with the new regulations set down by the government regulators APRA and ASIC with a clear focus on protecting investors funds. We believe this is a good thing and will strengthen the confidence you have already shown in AFGD.

Supporting AFGD makes the Diocese stronger financially and enables it to continue with its Mission, Vision, Educational and Charitable works.

We look forward to talking to you throughout the year.

Blaine Fitzgerald - Manager AFGD

David Ford – Chairman AFGD

Mission

To be the trusted financial services provider of the Anglican Diocese of Grafton, enabling ministry growth.



BOARD MEETING DATE:

17/05/2018

No 8 Matters for discussion and/or decision

Item: a) Changes to retail banking

i. Progress on exit from retail non-associate accounts

No of Pages. 2 incl Header



Chris Nelson <chris.nelson@graftondiocese.org.au>

Summary of responses to 'Retail Non-Associate' exit as at 02/05/2018

Annette Dent <office@afgd.com.au>

2 May 2018 at 16:58

To: David Ford <fordie@mac.com>, Chris Nelson <chris.nelson@graftondiocese.org.au>

Hi David & Chris,

Please see below a summary of the responses to the 'Retail Non-Associate' exit as at 02/05/2018.

In addition, I have also closed 30 'Student Accounts' to date totalling \$27,124.39.

I am still working on the data, however in regards to the questions being asked by Emil Ford re ASIC response to 'Joint Account Holders', I have been able to determine that within the 'Associate' numbers listed below, 38 clients with total funds of \$1,418,513.30 would be exited as a result of not being able to retain joint accounts where one member is 'Non-Associate'. This obviously doesn't factor in the possibility of the clients changing the status of the account to be solely under the 'Associates' name if required by us and/or possible from their perspective. Also - of these 'Joint' account holders - a number of them currently have 'Super Fund'/'Trust Fund' type accounts under their 'Super and/or Trust' name which we have previously not factored in at all as these accounts are not classed as 'Individual' within CBS. If we now have to factor these accounts into the mix we are looking at a considerable amount more that would be exited. I will continue to work on this data in the next day or so & provide my answers to the questions on the 'Emil Ford' email from Chris as soon as I am able to.

thanks
Annette

Responses as at 02/05/2018	Number of Clients	Total Funds	
Associates - Completed & Account(s) Retained	119	\$3,610,602.44	
Associates - Pending	5	\$73,041.10	\$3,683,643.54 Associates
Non-Associates - Completed & Account(s) Closed	89	\$1,790,533.69	
Non-Associates - Pending	79	\$3,498,816.86	\$5,289,350.55 Non-Associates
	292	\$8,972,994.09	\$8,972,994.09

Responses as at 25/04/2018	Number of Clients	Total Funds	
Associates - Completed & Account(s) Retained	108	\$3,405,632.07	
Associates - Pending	5	\$73,041.10	\$3,478,673.17 Associates
Non-Associates - Completed & Account(s) Closed	79	\$1,379,535.40	
Non-Associates - Pending	87	\$3,876,321.51	\$5,255,856.91 Non-Associates
	279	\$8,734,530.08	\$8,734,530.08

Responses as at 18/04/2018	Number of Clients	Total Funds	
Associates - Completed & Account(s) Retained	109	\$3,405,939.34	
Associates - Pending	5	\$73,041.10	\$3,478,980.44 Associates
Non-Associates - Completed & Account(s) Closed	72	\$1,234,952.92	
Non-Associates - Pending	87	\$3,737,942.41	\$4,972,895.33 Non-Associates
	273	\$8,451,875.77	\$8,451,875.77

Annette Dent
Office Admin / Customer Service
Anglican Funds Grafton Diocese
Level 1, 50 Victoria Street GRAFTON NSW 2460
PO Box 4 GRAFTON NSW 2460
FreeCall 1800 810 919 (NSW Only)
Ph: 02 6642 4480 Fax: 02 6643 2391



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BOARD MEETING DATE:

17/05/2018

No 8 Matters for discussion and/or decision

Item: a) Changes to retail banking

ii. Joint accounts

No of Pages. 2 incl Header

Agenda Item 8a ii – Joint Accounts

Joseph Omara of Emil Ford Lawyers in his email of 27 April 2018 says:

“We agree with the fundamental issues raised by Remziye [Hussein; Lawyer for ASIC] in relation to AFGD’s status as a wholesale charitable investment fundraiser and agree with the view that AFGD cannot be a wholesale charitable investment fundraiser and offer debentures to retail non-associated clients or allow retail non-associated clients to hold debentures jointly with retail, associated clients.”

Discussion: Process for closing joint accounts where at least one account holder is a retail non-associated client



BOARD MEETING DATE:

17/05/2018

No 8 Matters for discussion and/or decision

Item: a) Changes to retail banking

iii. Inactive accounts

No of Pages. 3 incl Header



Chris Nelson <chris.nelson@graftondiocese.org.au>

Inactive accounts due to returned mail - Closure of accounts

1 message

Annette Dent <office@afgd.com.au>

11 May 2018 at 12:03

To: Chris Nelson <chris.nelson@graftondiocese.org.au>, David Ford <fordie@mac.com>

Hi Chris & David,

I note that in the February Board Meeting inactive accounts were discussed and it was agreed that an ad be placed in the NCA - which has happened.

It was also noted in the minutes of the February meeting that the circumstances of inactive accounts would be revisited in the April meeting.

I have checked the minutes of the April meeting and I cannot see a note of any discussion, action item or motion in regards to inactive accounts.

I am ready to commence the procedure to 'close' the inactive accounts & move balance of funds to a 'holding' account held under AFGD.

Does this need to be discussed and approved at Board level?

How do you want me to proceed.

thanks
Annette

Annette Dent
Office Admin / Customer Service
Anglican Funds Grafton Diocese
Level 1, 50 Victoria Street GRAFTON NSW 2460
PO Box 4 GRAFTON NSW 2460
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Thank you.*

Agenda Item 8a iii – Inactive accounts

Annette Dent's email of 11 May 2018 (following) is self-explanatory.

Proposed resolution: That Annette Dent be authorised to commence the process of closing inactive accounts and moving the balance of those funds to a holding account held by AFGD.



BOARD MEETING DATE:

17/05/2018

No 8 Matters for discussion and/or decision

Item: a) Changes to retail banking

iv. ASIC and amended Identification Statement

No of Pages. 18 incl Header

Agenda Item 8a iv – ASIC and Identification Statement

The attached email correspondence is provided for the information of the Board.

Proposed resolution: That subject to the opinion of Emil Ford Lawyers, the AFGD Board endorses the amended Identification Statement to be submitted to ASIC.



Chris Nelson <chris.nelson@graftondiocese.org.au>

**Re: Anglican Funds Grafton Diocese and Retail Clients (Treat as In Confidence)
[DLM=Sensitive]**

Remziye Hussein <Remziye.Hussein@asic.gov.au>
To: Chris Nelson <chris.nelson@graftondiocese.org.au>

11 April 2018 at 15:37

Thank you for your further clarification Chris.

It is clear that the charitable investment fundraiser is factually not 'a wholesale charitable investment fundraiser' and cannot rely on the licensing exemption in s5(2) of the Instrument. On this basis, we look forward to your lawyer's response to my email of 22 March 2018 as soon as possible.

We do not agree with the principle applied by AFGD in the case of joint investments. Given the definition of 'wholesale charitable investment fundraiser', we think that it is clear that the charitable investment fundraiser would not be considered a 'wholesale charitable investment fundraiser' if there are **any** retail non-associated clients holding a debenture (jointly or otherwise) and these debentures have been issued after 31 December 2018.

Regards
Remziye

Remziye Hussein | Lawyer | ASIC | Corporations | Melbourne | +61 3 9280 3221 | remziye.hussein@asic.gov.au

From: Chris Nelson <chris.nelson@graftondiocese.org.au>
To: Remziye Hussein <Remziye.Hussein@asic.gov.au>,
Cc: Stephanie Rickard <Stephanie.Rickard@asic.gov.au>
Date: 10/04/2018 03:43 PM
Subject: Re: Anglican Funds Grafton Diocese and Retail Clients (Treat as In Confidence) [DLM=Sensitive]

Dear Remziye,

I can advise that AFGD (The Corporate Trustees of the Diocese of Grafton Investment Fund ABN 42 489 753 905) will issue new and roll-over debentures for retail associated and wholesale clients going forward.

I can confirm that AFGD currently has on issue debentures held by retail associated clients, wholesale clients and retail non-associated clients. All issues of debentures to individual retail non-associated clients will be concluded no later than 30 September 2018.

In the case of joint investments, clarification is required. At this stage, AFGD is applying the principle that where at least one investor is a retail associated client, debentures may be issued. I refer to the application for an amendment to the AFGD Identification Statement. The requested amendment was confined to clarifying that matter.

Sorry for not being complete in my previous answer.

On 9 April 2018 at 16:26, Remziye Hussein <Remziye.Hussein@asic.gov.au> wrote:
Thank you for the clarification on that point Chris.

It would be helpful if you could also clarify whether the Corporate Trustees of the Diocese of Grafton or any other related or associated entity:

- intends to issue new (or roll-over) debentures going forward?
- currently has on issue debentures held by retail, associated clients or wholesale clients (as well as the debentures held by retail, non-associated clients that are intended to be redeemed at maturity).

Many thanks.

Regards
Remziye

Remziye Hussein | Lawyer | ASIC | Corporations | Melbourne | ' +61 3 9280 3221 | ✉ remziye.hussein@asic.gov.au

From: Chris Nelson <chris.nelson@graftondiocese.org.au>
To: Remziye Hussein <Remziye.Hussein@asic.gov.au>,
Cc: Stephanie Rickard <Stephanie.Rickard@asic.gov.au>
Date: 09/04/2018 04:15 PM
Subject: Re: Anglican Funds Grafton Diocese and Retail Clients (Treat as In Confidence) [DLM=Sensitive]

Dear Remziye,

I wish to clarify that the managed investment scheme Anglican Investment Trust ARSN 623 225 089 was set up in conjunction with Melbourne Securities Corporation as part of the arrangements that were envisaged to operate between AFGD and MSC. When AFGD withdrew from those arrangements there was no need for the Anglican Investment Trust so the trust was closed. It never operated.

The Anglican Investment Trust has no relationship to the AFGD Identification Statement.

On 6 April 2018 at 10:22, Remziye Hussein <Remziye.Hussein@asic.gov.au> wrote:

Dear Chris

Could you please clarify whether the Corporate Trustees of the Diocese of Grafton or any other related or associated entity intends to issue new (or roll-over) debentures or interests in a managed investment scheme going forward?

The letter from Mr Ford of 31 January 2018 mentions an intention to 'wind up' the Anglican Investment Trust. It is not clear how the managed investment scheme Anglican Investment Trust ARSN 623 225 089 relates to the identification statements previously submitted with ASIC and the latest identification statement. Our records suggest that no managed investment scheme relating to the Anglican Investment Trust has the benefit of any ASIC relief at the moment.

We look forward to your clarification.

Regards
Remziye

Remziye Hussein | Lawyer | ASIC | Corporations | Melbourne | ' +61 3 9280 3221 | ✉ remziye.hussein@asic.gov.au

From: Chris Nelson <chris.nelson@graftondiocese.org.au>
To: Remziye Hussein <remziye.hussein@asic.gov.au>,
Date: 05/04/2018 02:42 PM
Subject: Anglican Funds Grafton Diocese and Retail Clients

Dear Remziye,

As promised in our conversation this afternoon, please find attached a copy of correspondence from AFGD to ASIC dated 31 January 2018 and the subsequent email response from

Stephanie Rickard of ASIC.

By the way, you will note that the letter is signed by David Ford, Chair of AFGD and that I mentioned that our legal representation will be through David Ford of Emil Ford. I will clarify in advance that the two David Fords are different people and not one person wearing 'two hats'.

I trust that this matter can be satisfactorily resolved.

--

Regards,

Chris Nelson

General Manager/Registrar

Anglican Diocese of Grafton

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Regards,

Chris Nelson

General Manager/Registrar

Anglican Diocese of Grafton

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Chris Nelson <chris.nelson@graftondiocese.org.au>

AFGD - Identification Statement - Response to ASIC

Joseph Omara <joseph.omara@emilford.com.au>

27 April 2018 at 09:35

To: "chris.nelson@graftondiocese.org.au" <chris.nelson@graftondiocese.org.au>, "fordie@mac.com" <fordie@mac.com>

Cc: David Ford <David.Ford@emilford.com.au>

Dear Chris and David,

We refer to your request for advice and assistance responding to Remziye Hussein of ASIC.

We have considered Remziye's email of 25 March 2018 and reviewed *ASICS Corporations (Charitable Investment Fundraising) Instrument 2016/813*.

We agree with the fundamental issues raised by Remziye in relation to AFGD's status as a wholesale charitable investment fundraiser and agree with the view that AFGD cannot be a wholesale charitable investment fundraiser and offer debentures to retail non-associated clients or allow retail non-associated clients to hold debentures jointly with retail, associated clients.

The Instrument defines a wholesale charitable investment fundraiser as a charitable investment fundraiser in relation to which no person holds a debenture or interest in a managed investment scheme issued to them after 31 December 2016 as a retail, non-associated client.

In this respect, could you confirm that AFGD has issued new debentures to retail, non-associated clients as joint-holders with retail, associated clients after 31 December 2016? Has AFGD issued any other debentures to retail, non-associated clients since 31 December 2016?

If so, could you clarify:

1. How many debentures are held jointly by retail, non-associated clients?
2. Who holds them e.g. are they held as individuals or through a family trust?
3. Will you be able to redeem them by 30 September 2018 (or sooner) as with the other debentures held by retail, non-associated clients?
4. Do retail, non-associated clients hold any short-term investment products?

In respect of the other matters raised by Remziye, we do not see them as a complete re-write of the Identification Statement, rather they seem to us to be a request to re-frame and clarify certain aspects of the existing Statement. The changes requested should be easy to make. Although our reading of the Instrument is that most of the changes requested do not strictly need to be included in the Statement, they do affirm and reflect the law applying to AFGD as a charitable investment fundraiser relying on the Instrument and are not worth disputing or challenging.

Subject to your responses to our questions above, we suggest that we send the following email to Remziye and then proceed to prepare a revised Identification Statement:

Dear Remziye

We refer to your email of 25 March 2018.

Our client is grateful for the assistance given to it by ASIC with its Identification Statement and for ASIC's facilitative approach to rectifying historic non-compliance.

In respect of items 1, 3, 4, 5 and 6 of your email, our client is happy to make the changes requested by you in order to provide more information and greater clarity to readers of its Identification Statement and correct the reference to the now repealed Banking Exemption.

In respect of item 2 and having now received relevant legal advice, our client accepts your view that the offering of debentures to retail, non-associated clients as jointholders with retail, associated clients is inconsistent with its status as a wholesale charitable investment fundraiser.

Our client agrees to no longer offer this form of jointly held investment and as with its existing debentures held by retail, non-associated clients, our client is in the process of redeeming all debentures held by retail, non-associated clients in a way that seeks to protect and minimise the disturbance caused to these clients so that from 30 September 2018, no retail, non-associated clients will hold debentures offered by our client.

As ASIC is aware, our client had hoped by the start of 2018 to lodge an Identification Statement as a retail charitable investment fundraiser and had been involved in extensive discussions with an AFSL holder to allow this to occur.

Unfortunately, this did not eventuate and our client has decided not to pursue obtaining an AFSL. Our client is grateful to ASIC for its understanding as our client works with its retail, non-associated clients to bring its arrangements into compliance as a wholesale charitable investment fundraiser.

We are working with our client to prepare a revised Identification Statement to reflect the changes requested by you and we will provide you with a marked-up document once this is available.

David and Chris, please confirm that you are happy for us to send this response to Remziye, which we hope to do this afternoon. You will see that we have implicitly requested that ASIC allow AFGD to phase out all investments held by retail, non-associated clients by 30 September 2018. However, ASIC may require more prompt action as AFGD is currently in breach of the Instrument and has been for some time.

In addition to the questions we have asked above, to allow us to assist you with preparing a revised Identification Statement, please (at some point but this need not be today) send us the revised Identification Statement in Word format and the following details:

1. any measures that are in place to determine the category of investor once an application is received from an investor;
2. how the rate of return and distributions are calculated and who determines this (e.g. the AFGD Board); and
3. the circumstances in which a dishonour fee would be applicable to a debenture holder.

Regards,

David and Joseph

David C Ford

Partner

Joseph O'Mara

Associate



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[Evolve:a28799e3-1564-438c-9789-0437d17342b0]



Chris Nelson <chris.nelson@graftondiocese.org.au>

Anglican Funds Grafton Diocese and Australian Securities Investment Commission

1 message

Chris Nelson <chris.nelson@graftondiocese.org.au>

10 May 2018 at 17:40

To: Joseph Omara <joseph.omara@emilford.com.au>

Cc: David Ford <David.Ford@emilford.com.au>, David Ford <fordie@mac.com>

Dear Joseph,

With regards to the matters to clear up between AFGD and ASIC, the attached amended identification statement has been prepared. The amended identification statement has not been considered by the AFGD Board (their next meeting is 17 May 2018), could I please have your feedback on this draft prior to the AFGD Board considering the document?

With regard to your email dated 27 April 2018.

Could you confirm that AFGD has issued new debentures to retail, non-associated clients as joint-holders with retail, associated clients after 31 December 2016?

1 new joint account was opened post 31 December 2016. Value \$7,179.31. This account appears to involve an associate with a non-associate however status is to be confirmed.

Has AFGD issued any other debentures to retail, non-associated clients since 31 December 2016?

9 other new accounts were opened post 31 December 2016. Value \$355,959.43. One of these accounts (\$55,000) is definitely an associate. The status of other account holders is to be confirmed.

1. How many debentures are held jointly by retail, non-associated clients?

There are 85 joint accounts and one trust account. At least 42 of these accounts and the trust accounts involve non-associates

2. Who holds them e.g. are they held as individuals or through a family trust?

Only one trust account, as per above

3. Will you be able to redeem them by 30 September 2018 (or sooner) as with the other debentures held by retail, non-associated clients?

We are working toward this goal and there are no known impediments. Any account for which we have been unable to obtain instructions as to where to transfer funds will be segregated in a 'frozen' account until suitable information/instructions become available.

4. Do retail, non-associated clients hold any short-term investment products?

AFGD is undertaking a process in which each individual account holder and each joint account holder is being contacted and asked to provide a written declaration about their status (associate v non-associate). When declarations are received that show a person to be a non-associate, action is taken to close the short-term investment.

1. any measures that are in place to determine the category of investor once an application is received from an investor;

A form has been devised for this purpose.

2. how the rate of return and distributions are calculated and who determines this (e.g. the AFGD Board); and Rates are advertised and paid according to the advertised rates.

3. the circumstances in which a dishonour fee would be applicable to a debenture holder.

Please see the attached email.

Joseph, I apologise for the slow response.

--

Regards,

Chris Nelson

General Manager/Registrar

Anglican Diocese of Grafton

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3 attachments

170512 afgd identification statement with mark-ups 10 May 2018.pdf
425K



170512 afgd identification statement with mark-ups 10 May 2018.docx
33K



0688_001.pdf
80K



Chris Nelson <chris.nelson@graftondiocese.org.au>

Penalty Interest Rate on early termination of Term Investment and 'Trust, Super & Other' account holders.

1 message

Annette Dent <office@afgd.com.au>
 To: Chris Nelson <chris.nelson@graftondiocese.org.au>
 Cc: David Ford <fordie@mac.com>

4 May 2018 at 14:28

Hi Chris,

In addition to my earlier responses re 'Emil Ford - ASIC' etc, please see below..

Further to our discussion on Tuesday afternoon in regards to a 'dishonour fee', as I mentioned we do not charge a fee as such. Our Terms and Conditions refer to a 'penalty adjusted interest rate' - see exact wording below.

'A penalty adjusted interest amount will apply to early withdrawal from Term Deposits. This penalty adjusted interest rate will be applied from the date of lodgement to the date of early withdrawal. The penalty adjusted interest rate will reflect the actual term that the funds have been lodged and may, in some instances, mean that an interest refund will need to be recouped from the investor.'

The above has historically not been applied to any client who has requested early termination of their Term Investment due to hardship, unexpected medical expenses, living expenses, property purchases, car purchase, travel expenses etc.

In conjunction with policy work that Blaine was doing around 'hardship' etc we recently aligned calculation of the 'penalty interest rate' with that used by Westpac (see below). Previous to this the current 'access' or 'at call' interest rate was used as a 'penalty interest rate' if used at all.

The calculation is below.

Percentage of original term completed:	Original rate reduced by:
0 to 19.99%	90%
20% to 39.99%	80%
40% to 59.99%	60%
60% to 79.99%	40%
80% to less than 99.99%	20%

Calculation example;

Assume a Term Investment is set at 5% and early terminates when half (50%) of the term is completed. The penalty interest rate is 2% (5% minus 3%).

Also - further to our discussion in regards to 'Family Trusts' etc I have been able to determine that an additional 58 accounts totalling \$3,277,402.07 are classed as 'Superannuation Funds, Trust & Other Organisations' within CBS. These accounts were not considered at all in the original numbers because they are not 'Individuals' with CBS. This means that the original approx \$10 million in affected funds would be more like \$13.3 million.

Let me know if you require anything further in regards to the above.

Thanks
 Annette

Annette Dent
 Office Admin / Customer Service
 Anglican Funds Grafton Diocese
 Level 1, 50 Victoria Street GRAFTON NSW 2460
 PO Box 4 GRAFTON NSW 2460
 FreeCall 1800 810 919 (NSW Only)
 Ph: 02 6642 4480 Fax: 02 6643 2391



Visit www.anglicanfundsgraftondiocese.com.au for details on our Investment Products, Saver and Term Investment Accounts - currently paying up to 2.65% pa

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Compliance Progress

Deposit fund Exposure by Value with Known Associates

Dated 9/5/2018

Based on responses from clients to date, the exposure to entities who have not been identified as Associated is **\$7,716,102.29**.

	Total Deposits per entity, per class	Exposure
Anglican Affiliate Entity	\$162,372.93	Zero
Diocese	\$5,870.00	Zero
Individual	\$7,901,753.15	
Access Account	\$254,553.80	\$150,953.03
Associate	\$103,600.77	
Anglican Affiliate Cash Mng Ac	\$16,638.74	Zero
Clergy Access Account	\$193,495.83	\$4,352.48
Associate	\$189,143.35	
Fixed Investment - 18 Mths	\$35,000.00	\$35,000.00
Institutions - Access Acc	\$42.54	Zero
Student Access Accounts	\$3,223.66	\$3,223.66
Student Access Bonus Account	\$31,061.24	\$31,061.24
Term Investment - 180 days	\$1,381,681.64	\$723,192.95
Associate	\$658,488.69	
Term Investment - 365 days	\$5,369,050.46	\$3,832,395.08
Associate	\$1,536,655.38	
Term investment - 90 days	\$617,005.24	\$366,349.87
Associate	\$250,655.37	
Organisation	\$19,881,478.00	Zero
Parish	\$4,591,385.60	Zero
School	\$9,880.69	Zero
Superannuation Fund	\$2,856,631.52	\$2,856,631.52
Cash Mng Ac	\$274,372.34	\$274,372.34
Cheque Acc	\$12,685.2	\$12,685.2
Term Investment - 180 days	\$1,060,311.63	\$1,060,311.63
Term Investment - 365 days	\$1,357,095.32	\$1,357,095.32
Term investment - 90 days	\$152,167.03	\$152,167.03
Grand Total	\$35,409,371.89	\$7,716,102.29

Joint Accounts

There are **86 joint accounts** belonging to individuals and **no Trust accounts**. It has been verified that at least 43 are **joint accounts - non-associated**.

Identification Statement – Anglican Funds Grafton Diocese
ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813
complying with ASIC's Regulatory Guide 87

IDENTIFICATION INFORMATION

Anglican Funds Grafton Diocese (**AFGD**) is the business name of The Corporate Trustees of the Diocese of Grafton Investment Fund (ABN 42 489 753 905), which is a trading entity of The Corporate Trustees of the Diocese of Grafton (ABN 88 144 942 068), a body corporate incorporated by section 5 of the *Anglican Church of Australia Trust Property Act 1917* (NSW). AFGD was created under the *Diocese of Grafton Investment Fund Ordinance 1981*, now continued under Chapter 18 of the *Diocese Governance Ordinance 2008*. AFGD is located at Level 1, 50 Victoria Street, Grafton NSW 2450.

COMPLIANCE

AFGD raises funds to support the charitable purposes of The Anglican Diocese of Grafton by issuing debentures. It relies on exemptions contained in paragraphs 5.(1)(b) and 5(2) of *ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813*. It also relies on exemptions to Sections 7 and 8 of the *Banking Act 1959* provided by APRA – Banking Exemption No.1 of 2017⁶.

Where AFGD becomes aware of any failure or likelihood of failure to comply with a relevant condition of Section 7 of the Instrument 2016/813, AFGD, in compliance with Section 5 [3b] of the Instrument, will give full particulars of the matter to ASIC within 15 business days of becoming aware of the situation unless otherwise advised in writing by ASIC.

AFGD ensures compliance with the conditions of the above exemptions in the following ways:

- AFGD has lodged this Identification Statement with ASIC and it is made available to the public via the AFGD website www.anglicanfundsgraftondiocese.com.au/www/home-
- AFGD regularly reviews its Identification Statement and all relevant offer documents to ensure that they are up to date, complete and not misleading.
- As of 31 December 2016, AFGD no longer offers short term investment products to clients who are retail, non-associated clients. AFGD is paying out all existing short term investments to retail non-associated clients as the relevant short term investments mature so that on and after 30 September 2018, no retail non-associated person is to hold a short-term investment product issued by AFGD.
- None of AFGD ~~itself, its~~ products, ~~its~~ promotional material or offer documents has been examined or approved by ASIC, nor does AFGD or any of the above documents state or imply that AFGD, its promotional material, or offer documents have been examined or approved by ASIC.
- AFGD ensures that all relevant offer documents detail that:
 - the investment funds will be used to support the charitable purposes of AFGD;
 - this Identification Statement may be viewed on AFGD's website;
 - AFGD is required by law to notify investors that its products are not subject to the normal *Corporations Act* protections for investors under the *Corporations Act* or regulation by ASIC;
 - AFGD does not hold an Australian Financial Services Licence;
 - the investment is only intended to attract investors whose primary purpose for making the investment is to support the charitable purposes of AFGD;
 - investors may be unable to get some or all of their money back when the investor expects or at all; and
 - the investment is not comparable to investments with banks, finance companies or fund managers.
- Any false or misleading material statements relating to this Identification Statement are rectified as soon as practicable via the issue of a supplementary or replacement Identification Statement.
- AFGD lodges with ASIC audited financial statements, which comply with relevant accounting standards, within 6 months after the end of each financial year. Such statements are made available to the public via AFGD's website for a minimum period of 3 years from the date of issue.

METHOD OF FUNDRAISING

AFGD issues debentures and lends the funds raised for profit to assist and grow the mission of the Anglican Church in the Diocese of Grafton. AFGD generates a margin between the rates paid to investors and those charged to borrowers. This surplus funds the operating costs of AFGD. AFGD retains minimum surpluses to strengthen its

capital adequacy aspiring to reach a benchmark of 8-10% of Risk Weighted Assets.

FINANCIAL YEAR

AFGD has a financial year of 1 January to 31 December.

AFS LICENCE

AFGD is not required to hold an Australian Financial Services Licence and does not hold an Australian Financial Services Licence.

CHARITABLE PURPOSE

The charitable purpose of Anglican Funds Grafton Diocese (AFGD) as set out in paragraph 218.2 of *Diocese Governance Ordinance 2008* is to be a fiscally responsible entity which generates financial resources to support and serve the community of faith that is the Anglican Diocese of Grafton. The issue of debentures by AFGD promotes this charitable purpose by providing operating surpluses to the Anglican Diocese of Grafton for Mission, Ministry & Administration.

KEY TERMS

AFGD offers several classes of debentures on the terms set out below. The AFGD Board meets at least every 2 months where interest rates are reviewed and adjusted according to movements in the Bank Bill Swap Rate BBSY and the application of a margin. As a general rule, no fees or costs are payable by the holder of a debenture. However, if the holder of a debenture causes AFGD to incur a third-party cost, such as a dishonour fee, then this cost will be charged back to the holder on a pass-through basis. Examples of where this could occur are, but not limited to, transfers to or from invalid BSB or accounts, insufficient cleared funds in an account on transfer, and

AFGD has a Hardship Policy, which allows for early release of funds on certain grounds.

The following classes of debentures are available to associated entities and persons as the fund no longer issues products to all-but retail, non-associated clients:

<p>Fixed term Investments</p>	<ul style="list-style-type: none"> • Minimum investment \$500 • Interest is paid at maturity. • View only Online Access • The terms offered on investments are <ul style="list-style-type: none"> ➢ 31 Days ➢ 90 Days ➢ 180 Days ➢ 365 Days ➢ 18 Month • Except for 18 month investments, interest is calculated daily and paid at maturity to a nominated account or can be capitalised with the initial investment. • For the 18 month fixed investment, interest is either calculated daily and paid half yearly to a nominated account or capitalised with the initial investment. • Interest rates offered on fixed investments are reviewed monthly by the Board of AFGD. • The interest rate applied on the initial investment is advised at the time of application. • Interest rate changes are provided via correspondence to all existing investors at pre-maturity and via the AFGD website.
<p>Short Term Investments < 31 days</p>	<p>Savings Account</p> <ul style="list-style-type: none"> • Minimum investment amount Nil • Online Access • EFT & BPay facilities. • Interest is calculated daily and paid half yearly capitalised to the account.

	<ul style="list-style-type: none"> • The interest rate is linked to an AFGD benchmark, plus or minus an applicable margin. • The interest rate applied is tiered, based on the dollar amount of funds under management in the account. <ul style="list-style-type: none"> ➢ 0- \$4,999 ➢ \$5,000 - \$49,999 ➢ \$50,000 & over • The interest rate applicable to this product is reviewed monthly by the AFGD Board. 21 days' notice is given prior to any <u>proposed interest rate</u> change taking effect. • The interest rate applied on the initial investment is advised at the time of application. • Existing clients will be advised of any interest rate change via the AFGD website.
Short Term Investments < 31 days	<p>Cheque Account</p> <ul style="list-style-type: none"> • Minimum investment amount Nil • Online Access. • EFT & BPay facilities. • Cheque Books and customised A4 cheque stationery available. • Interest is calculated daily and paid monthly capitalised to the account. • The interest rate is linked to an AFGD benchmark, plus or minus an applicable margin. • The interest rate applicable to this product is reviewed monthly by the AFGD Board. 21 days' notice is given prior to any <u>proposed interest rate</u> change taking effect. • The interest rate applied on the initial investment is advised at the time of application. • Existing clients will be advised of any interest rate change via the AFGD website.
Short Term Investments < 31 days	<p>Cash Management Account</p> <ul style="list-style-type: none"> • Minimum investment amount Nil • Online Access • EFT & BPay facilities. • Interest is calculated daily and paid monthly capitalised to the account. • The Interest rate applicable to this product is reviewed monthly by the AFGD Board. • The Interest rates applicable to this product is linked to the current RBA cash rate, plus or minus an applicable margin. • The interest rate applied including the RBA benchmark and applicable margin is advised at the time of application. • Any change in the interest rate is effective the following day after any RBA rate change is released.

INVESTORS

AFGD offers debentures to ~~the following classes of investors~~ **associated bodies and persons** as defined by **ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813 Part 1 Section 4+**

1. **Associates**

Products are promoted to ~~potential this class of~~ investors in the following ways:

- advertising in the AFGD-Anglican Diocese of Grafton internal publication, "the "North Coast Anglican" nNewspaper";
- promotional material and brochures;
- direct written correspondence;
- advertising on the AFGD website; and
- word of mouth.

A product is offered to this class of investors after a formal signed application and a declaration confirming associate status is received by AFGD. AFGD reserves the right to make enquiries, as it considers necessary, with the relevant parish, organisation or school to confirm the potential investor's associate status before opening an account.

Associates are defined by *ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813* as:

- a) A body constituted by or under the authority of a decision of the charity or is controlled by the charity.
- b) A person or body that constituted the charity or under whose authority the charity was constituted or controls the charity.

- c) A charity with a charitable purpose (*related charitable purpose*) which is the same or similar to the charity.
- d) A person acting as a trustee of a trust for the charity or a charity with a related charitable purpose.
- e) A member of clergy, employee or voluntary staff member who works for a person in paragraphs (a) to (d).
- f) A person undertaking training or education to enable them to be a person mentioned in paragraph (e) who receives money from a person mentioned in paragraph's (a) to (e).

AFGD considers the following individuals to be volunteer staff members:

- Any unpaid member of any Board or Council of the Anglican Diocese of Grafton or one of its committees or sub committees. This refers to, but is not limited to, any governance group described in the *Diocesan Governance Ordinance 2008* or described in any constitution established under the *Anglican Church of Australia (Bodies Corporate) Act 1938 (NSW)*.
- Any unpaid member of a Parish Council.
- Parish volunteers who undertake ongoing volunteering for their Parish of at least 8 hours per week.
- A person who works on a regular and ongoing basis for at least 8 hours per week for an organisation of the Anglican Community without being paid, or an honorary office bearer recognised by the Ordinances of the Synod, for example, members of Diocesan Council, and its associated Boards and Committee.

2. ~~Non-associated, non-retail clients~~

~~Products for this class of investor are not actively promoted. However, AFGD can be approached by this class of investor as a consequence of its promotion to other classes of investors.~~

~~A product is offered to this class of investor after a formal signed application is received by AFGD. Products offered to this class of investor are customised to meet the requirements of each client.~~

AUDITED FINANCIAL STATEMENTS

AFGD is a basic religious charity and is currently not required to lodge audited financial statements with the Australian Charities and Not-for-profits Commission (ACNC).

AFGD is required to lodge audited financial statements with ASIC within 6 months of each financial year end.

GUARANTEES OR OBLIGATIONS

No guarantees or obligations of interests by any person apply.

ASSET TYPES

AFGD currently holds the following asset classes in Australia:

- **Cash deposits at ADIs.**
- **Interest bearing securities,** Australian Banks and large corporations, rated at investment grade or better. No hybrid securities, except for Australian bank securities containing an APRA mandated capital trigger.
- **Loans** advanced to Anglican parishes and Anglican ~~e~~Entities when they borrow from the Fund to undertake charitable activities within their communities

No assets are held outside of Australia.

SPONSOR

There is no sponsor involvement in regard to acceptance of this Identification Statement.

CONSENT

AFGD consents to any person, on request to ASIC, examining this Identification Statement and AFGD's application to ASIC to accept this Identification Statement for lodgement.

DATED: {date} 2018

Signature

David Ford

Print Name

Chair of Board of Anglican Funds Grafton

Diocese

Capacity



BOARD MEETING DATE:

17/05/2018

No 8 Matters for discussion and/or decision

Item: b) Service Agreement with Blaine Fitzgerald

No of Pages. 3 incl Header

Agenda Item 8b – Service Agreement with Blaine Fitzgerald

In the service agreement struck with Blaine Fitzgerald, it was agreed that Blaine should obtain \$10 million of Professional Indemnity insurance cover.

As shown by the attached email, Blaine has attempted to obtain that cover but the best response is a premium of \$10,940.

This level of premium is problematic as it represents a large proportion of the fee that Blaine would earn in the relationship with AFGD.

In recent conversations between Blaine, the Registrar and senior brokers from Aon, it was revealed that:

- The stated premium is as good as Blaine is likely to get in the circumstances;
- The cover is important for the protection of both Blaine and AFGD;
- It is not effective to include Blaine as a 'named party' on the Anglican Diocese of Grafton insurance policy.

Currently, AFGD has a 6 month agreement with Blaine.

Proposed resolution:

That the AFGD Board agrees to:

- 1. Extend the agreement with Blaine Fitzgerald to 12 months;**
- 2. Fund Blaine Fitzgerald in obtaining \$10 million of Professional indemnity insurance cover on the basis that if Blaine Fitzgerald withdraws from the agreement prior to the completion of the 12 months he becomes liable to make a prorata repayment of the cost of this insurance.**



Chris Nelson <chris.nelson@graftondiocese.org.au>

Service agreement Blaine Fitzgerald

1 message

Blaine Fitzgerald <blaine.fitzgerald@afgd.com.au>
To: Chris Nelson <chris.nelson@graftondiocese.org.au>

11 May 2018 at 07:22

Hi Chris,

It was a condition in the service agreement that I obtain Professional Indemnity Insurance for \$10,000,000.

I have had some delays in obtaining the appropriate cover as it appears that the type of work I am undertaking is considered to be financial advice.

Through an Insurance Broker after putting out to several underwriters there is a policy available to me.

Lion Underwriting	Total Premium	\$10,940.00
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Declines were received from the following:

Liberty, Arch, Dual, Lloyds Australia Underwriting, Newline, Pro Risk, Solution, SUA, Sterling, XL Catlin.
We are still waiting for a response from Validus

The concerns I have are

1/- the initial cost appears expensive.

2/- Its an annual premium and the current agreement is only until 31/7/17.

Can you please discuss what options may be available and come back to me.

kind regards

Blaine Fitzgerald
Mobile: **0450 924 448**
Email: **blaine.fitzgerald@afgd.com.au**