



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

Minutes
Thursday 23 May 2019
Registry Conference Room, Grafton

On the same day, prior to this meeting, the members of the AFGD Board met with the Corporate Trustees to discuss the audit with the auditor present and to discuss the strategic options for AFGD.

1. Opening Prayer - Meeting opened at 1pm. Prayers were led by Mr David Ford

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

Apologies: Bishop Murray Harvey.

3. Conflict of Interest Declarations

The current standing register of interests as follows was noted:

- Bishop Murray Harvey - involved on various Diocesan boards and committees
- 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 new or changed declarations were required.

4. Confirmation of Minutes

That the minutes of the meeting of 4 April 2019 be accepted as true and correct.

Moved: Mr John Adlington
Seconded: Mr Ted Clarke CARRIED

That the minutes of the special meeting of 17 April 2019 be accepted as true and correct.

Moved: Mr Phil Crandon
Seconded: Mr John Adlington CARRIED

5. Call for additional Agenda items and close of Agenda

No additional agenda items were requested.

6. Financial and Performance Reports

a. Finance reports

Balance Sheet and Profit & Loss reports for YTD 30 April 2019, Capital Adequacy and Liquidity, Loan Balances and Ord Minnett portfolio were considered. A small negative to budget was noted. The effect of unused loan commitments on capital adequacy and liquidity were noted.

That the AFGD Board receives the financial reports for the period to 30 April 2019.

Moved: Mr Ted Clarke
Seconded: Mr Gary Boyd CARRIED

That the AFGD Board requests a short commentary to accompany the financial reports to highlight any significant variances or trends.

Moved: Mr David Ford

Seconded: Mr Phil Crandon CARRIED

b. 2018 Financial Statements

The Board considered the draft 2018 Financial Statements and the presentation by the auditor.

That the Board of Anglican Funds Grafton Diocese accepts the general purpose financial report for the year ending 31 December 2018 which has been prepared in accordance with the accounting policies described in Note 2 to the financial statements.

The Board declares that:

- 1. The financial statements and notes, as set out on pages 5 to 24 present fairly the Fund's financial position as at 31 December 2018 and its performance for the year ended on that date in accordance with the accounting policies described in Note 2 to the financial statements.*
- 2. In the Board's 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.*

That the AFGD Board authorises Mr David Ford and Mr Ted Clarke to sign the Audited Financial Statements.

Moved: Mr Phil Crandon

Seconded: Mr John Adlington CARRIED

That the Audited Financial Statements for 2018 for Anglican Funds Grafton Diocese as presented to Board be presented to Synod by Mr David Ford on behalf of the Fund.

Moved: Mr John Adlington

Seconded: Mr Gary Boyd CARRIED

7. Matters for Discussion and or Decision:

a. Service Agreement Report - Schools Update

The Board considered the report supplied by Mr Blaine Fitzgerald which included the periodic report on Clarence Valley Anglican School and St Columba Anglican School.

That the AFGD Board receives Mr Blaine Fitzgerald's service agreement report on the status of schools and other major clients.

Moved: Mr Gary Boyd

Seconded: Mr Phil Crandon CARRIED

b. Strategic Options

The Board referred to the report provided by TNR regarding the financial impact of various strategic options and noted the usefulness of this report.

The AFGD Board accepts TNR's report on the financial impacts of the various strategic options under consideration.

Moved: Mr David Ford

Seconded: Mr Phil Crandon CARRIED

The Board considered the response from Anglican Funds South Australia (AFSA) dated 21 May 2019.

That the AFGD Board recommends that:

1) That the proposal for "Expanded Service Agreement" from Anglican Funds South Australia (AFSA) as per AFSA's correspondence of 28 November 2018 and 21 May 2019 be accepted with a commencement date of 1 July 2019; and

2) That the AFGD Board continue to work with AFSA to develop suitable arrangements where AFSA takes on all accounts and loans of AFGD clients where the Diocese of Grafton is suitably recompensed.

and seeks the approval of the Corporate Trustees for these actions on the basis that any arrangements are formally approved by the Corporate Trustees and Bishop-in-Council, as required.

The AFGD Board recommends that the Corporate Trustees accept the offer from Anglican Funds South Australia (AFSA) to participate in AFSA's endowment fund as part of the "Enhanced Service Agreement."

Moved: Mr David Ford

Seconded: Mr Phil Crandon CARRIED

The Board considered that the development of the agreement with AFSA will likely be assisted by face to face meetings involving AFSA Board members.

The AFGD Board authorises the Chair and the Registrar to travel to Adelaide for discussions with Anglican Funds South Australia as required.

Moved: Mr John Adlington

Seconded: Mr Phil Crandon CARRIED

The Board noted that while the proposed new arrangements with AFSA are planned to take place from 1 July 2019 and that this arrangement effectively restores a management function in AFGD thus relieving Mrs Annette Dent of her higher duties, the Board chose to take a cautious approach recognising that there is likely to be a transition period while the new arrangements become established.

That the higher duties allowance currently in place for Mrs Annette Dent remain in place until 31 December 2019 with a review in November 2019.

Moved: Mr Gary Boyd

Seconded: Mr Ted Clarke CARRIED

c. Capital Adequacy Reporting

The Board noted that at the 4 April 2019 meeting Capital Adequacy was reported excluding the unused portion of credit provided. The Board discussed the most suitable manner of reporting for Capital Adequacy.

That the AFGD Board confirms that it will retain its benchmark for Capital Adequacy where the calculation considers all agreed credit facilities whether used or not used but requests a supplementary figure that shows the Capital Adequacy where credit facilities not in use are excluded.

Moved: Mr Phil Crandon

Seconded: Mr Gary Boyd CARRIED

That the AFGD Board requests of the Corporate Trustees that any advice received from the auditors regarding the Capital Adequacy calculation be passed on to the Board.

Moved: Mr Ted Clarke

Seconded: Mr John Adlington CARRIED

d. Synod Report

The Board considered the report from AFGD for the 2019 Synod Report Book as drafted by the Chair.

That the AFGD Board endorses the Chair's report to the 2019 Synod.

Moved: Mr Phil Crandon

Seconded: Mr John Adlington

CARRIED

8. Matters for noting and status updates

a. Bishop-in-Council approval of St Columba Anglican School Capital Project

The Board noted the correspondence from Bishop-in-Council giving approval for this project and associated borrowing.

b. Bishop-in-Council approval of Lindisfarne Anglican Grammar School Capital Projects

The Board noted the correspondence from Bishop-in-Council giving approval for this project and associated borrowing.

9. Correspondence

In: Letter from Anglican Funds South Australia regarding an expanded service agreement - 21 May 2019

Out: Letter to Anglican Funds South Australia regarding an expanded service agreement – 18 April 2019

That the inwards correspondence be received and the outward correspondence endorsed.

Moved: Mr Gary Boyd

Seconded: Mr John Adlington

CARRIED

**10. Next Meeting:
1 August 2019**

11. Meeting Close

The meeting closed with the saying of the Grace at 2.04pm.

CONFIRMED as a true and correct record of proceedings of Anglican Funds Grafton Diocese Board meeting of 23 May 2019.



Chair – David Ford