



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

ANGLICAN FUNDS GRAFTON DIOCESE BOARD MEETING
Friday 9th August 2019
AGENDA

1. **9am** - Opening Prayer
2. Confirm attendees and apologies
3. Conflict of Interest Declarations
Current standing register of interests:
 - Bishop Murray Harvey – various Diocesan boards and committees
 - David Ford – Chair of Bishop Druitt College Council; member of Bishop-in-Council
 - Ted Clarke – Agreement with Clarence Valley Anglican School
 - Chris Nelson – involved on various Diocesan boards and committees and Director of Anglican Insurance and Risk Services (AIRS)
4. Confirmation of Minutes
 - Meeting of 23 May 2019
 - Flying Minute 3 July 2019 – Loan Interest Rates
5. Call for additional agenda items and close of agenda
6. Financial and performance reports
 - a) Finance reports
 - b) Audit update
7. Matters for discussion and/or decision
 - a) AFSA/AFGD Service Agreement – Client Update from Blaine Fitzgerald
 - b) Schools Update
 - i. Lindisfarne Anglican Grammar School
 - ii. Bishop Druitt College
 - c) AFSA/AFGD Expanded Service Agreement – latest draft included. Final draft for approval to be provided.
8. Matters for noting and status updates
 - a) Anglican Diocese of Grafton – Privacy Policy
 - b) 2020 Meeting Calendar
9. Correspondence
In:
 - Email to Chris Nelson from Emil Ford Lawyers 10 July 2019
Out:
 - Letter to Blaine Fitzgerald (AFSA) from Chris Nelson 28 May 2019 re: Clarifying aspects of expanded service agreement and meeting in Adelaide.
 - Letter to Blaine Fitzgerald (AFSA) from Chris Nelson 27 June 2019 re: Confirmation from AFGD seeking to finalise ESA.
10. Next meeting scheduled for 26 September 2019.
11. Meeting close



BOARD MEETING DATE:

9/08/2019

No 4 Confirmation of Minutes

Meeting of 23 May 2019

No of Pages. 5 incl Header



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



BOARD MEETING DATE:

9/08/2019

No 4 Confirmation of Minutes

Flying Minute 3 July 2019 – Loan Interest Rates

No of Pages. 12 incl Header



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

AFGD Board Flying Minute - Loan Interest Rates

1 message

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

3 July 2019 at 17:06

To: David Ford <fordie@mac.com>, John Adlington <jadlington2@gmail.com>, Philip Crandon <phil_crandon@bigpond.com>, Gary Boyd <garyandcilla@outlook.com>, Ted & Peggy Clarke <tedpeggy@bigpond.net.au>, Bishop Murray Harvey <bishop@graftondiocese.org.au>
Cc: Annette Dent <office@afgd.com.au>

Dear AFGD Board members,

Please find attached a copy of the email correspondence between Annette Dent and Blaine Fitzgerald concerning the AFGD loan interest rates.

The following draft resolution is consistent with Blaine's recommendations. Could you please advise by Reply All email whether you support this proposed resolution?

That the AFGD Board approves, effective from 1 July 2019, the following changes to the AFGD loan reference rates:

- **Anglican Business Reference Rate from 6.05% to 5.85%**
- **Anglican Parish Reference Rate from 5.05% to 4.85%**

I will also include this as an agenda item for the 9th August meeting.

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Regards,

Chris Nelson

General Manager/Registrar

Anglican Diocese of Grafton

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 **Loan Interest Rate Review July 2019.pdf**
466K



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

Loan Interest Rate review

2 messages

Annette Dent <office@afgd.com.au>

7 June 2019 at 14:20

To: Blaine Fitzgerald <blaine.fitzgerald@afgd.com.au>

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

Hi Blaine

We have conducted a 'Deposit Interest Rate Review' and as a result the Board has agreed to a change in our interest rates for Term Investment & Cash Management accounts - see attached for your reference.

Can you please conduct a review of our 'Loan' rates and provide your recommendation in regards to any changes to current loan rates? I have attached a copy of our most current loan reference rates which although were reviewed in Mar/Apr 2019 have not actually changed since 01/07/2017.

I have also attached a copy of the current loan portfolio as at 31/05/2019.

Please advise if you require anything further in regards to conducting a review.

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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3 attachments

-  **190607 AFGD Deposit Interest Rate Review June 2019.pdf**
270K
-  **170630 AFGD Business Reference Rate for Q3 2017.docx**
35K
-  **AFGD Loan Portfolio 31May2019.xlsx**
18K

Blaine Fitzgerald <afsahead@adelaideanglicans.com>

3 July 2019 at 16:04

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

Hi Annette and Chris,

Thank you for your time yesterday as we start to grapple with the blending of the respective funds.

As discussed it would be prudent to pass on a lending interest rate cut backdated to 1/7/19.

Supporting analytics including potential budget impact is attached.

Recommendation –

- Reduce Anglican Business Reference Rate from 6.05% to 5.85%
- Reduce Anglican Parish reference Rate from 5.05% to 4.85%

Annual Budget impact on interest received lending is a reduction of \$26k per annum.

A further review is recommended for 30/9/19 to re-align with market conditions.

Kind regards

Blaine Fitzgerald

Head of Anglican Funds South Australia

18 King William Road, North Adelaide SA 5006

P 08 8305 9371 | M 0452 137 740



From: Annette Dent <office@afgd.com.au>
Date: Tuesday, 2 July 2019 at 2:41 pm
To: Blaine Fitzgerald <afsahead@adelaideanglicans.com>
Subject: Fwd: Loan Interest Rate review

Annette Dent

Office Admin / Customer Service

Anglican Funds Grafton Diocese

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PO Box 4 GRAFTON NSW 2460

FreeCall 1800 810 919 (NSW Only)

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Visit www.anglicanfundsgraftondiocese.com.au for details on our Investment Products,

Saver and Term Investment Accounts - currently paying up to 2.65% pa

AFGD Business Reference Rate (ABRR) Variable – as at 01/07/2017

Based on the first business day of each quarter based on the higher of:

I. That day's BBSW plus 400bp; or

Provided that the result in the net interest margin is not less than **250bp** above AFGD marginal cost of capital.

As at 13/06/17

	Rate
* BBSW - 90 day rate	1.730 %
	<u>4.000 %</u>
	5.730%
Proposed ABRR Variable	6.05%
Floor:	
Marginal Cost of Capital as at 13/06/17	2.50 %
Margin	<u>2.50 %</u>
	5.05%
<hr/> ABRR Variable	<hr/> 6.05%

AFGD Business Reference Rate (ABRR) Fixed 1 year – From 1/7/2017 to 30/09/2017

Set on the first business day of each quarter:

Business Lending rate Westpac Fixed 1 year	(05/12/2016)	5.07 %
Plus Margin		<u>1.20 %</u>
		6.27%
<u>ABRR Fixed 1 Year</u>		<u>6.27%</u>

AFGD Parish Reference Rate (APRR) Variable – as at 01/7/2017

Based on the first business day of each quarter based on the higher of:

I. That day's BBSW plus 300bp; or

Provided that the result in the net interest margin is not less than **150bp** above AFGD marginal cost of capital.

	As at 13/06/17
	Rate
<hr/>	
BBSW – 90 day rate	1.730%
	<u>3.000%</u>
	4.730%
 Proposed APRR Variable	 5.05%
 Floor:	
Marginal Cost of Capital as at 13/06/17	2.50%
Margin	<u>1.50%</u>
	4.05%
<hr/>	
APRR Variable	5.05%

AFGD Parish Reference Rate (APRR) Fixed 1 year – from 1/7/2017 to 30/09/2017

Set on the first business day of each quarter:

Business Lending rate Westpac Fixed 1 year	(05/12/2016)	5.07 %
Plus Margin		<u>0.20 %</u>
		5.27%
<u>APRR Fixed 1 Year</u>		<u>5.27%</u>

Deposit Interest Rate Changes - AFGD

Jun-19

Type	Class	Description	Int Freq	Index Name	Current Rate	Proposed New Rate
INV	231	Term Investment - 90 days	Maturity	G_INV-90days	2.50%	2.35%
INV	232	Term Investment - 180 days	Maturity	G_INV-180 days	2.60%	2.45%
INV	233	Term Investment - 365 days	Maturity	G_INV-365days	2.65%	2.50%
INV	234	Term Investment - Next Gen Inv	Maturity	G_INV-Neg Rate	2.60%	Not offered
INV	235	Fixed Investment - 18 months	6 monthly	G_INV-18months	2.60%	Not offered
INV	236	Fixed Investment - 24 months	6 monthly	G_INV-24months	5.00%	Not offered
INV	237	Fixed Investment - 36 months	6 monthly	G_INV-36months	5.00%	Not offered
INV	238	Fixed Investment - Negotiated Terms	6 monthly	G_INV-Neg 90 d	1.00%	Not offered
SAV	130	Access Account	6 monthly	G_SAV<\$4,999.99	0.10%	No Change
				G_SAV\$49,999.99	0.25%	No Change
				G_SAV\$50k	0.50%	No Change
SAV	131	Institutions - Access Acc	6 monthly	G_SAV<\$4,999.99	0.10%	No Change
				G_SAV\$49,999.99	0.25%	No Change
				G_SAV\$50k	0.50%	No Change
SAV	132	Student Access Accounts	6 monthly	G_SAV132	0.10%	Not offered
SAV	133	Parish Provider	6 monthly	G_SAV133	2.50%	2.35%
SAV	134	Deeming Account	6 monthly	G_SAV134	1.00%	Not offered
SAV	135	Interest Free Deposits	6 monthly	G_IntFree	0.00%	No Change
SAV	136	Int Free Deposits Bis App	6 monthly	G_IntFreeBA	0.00%	No Change
SAV	137	Parish Cheque Account	EOM	G_SAV137	1.00%	No Change
SAV	138	Anglican Affiliate Cheque Acc	EOM	G_SAV138	0.25%	No Change
SAV	139	Parish - CMA	EOM	G_CMA139	1.75%	1.50%
SAV	140	Anglican Affiliate Cash Mng Ac	EOM	G_CMA140	1.50%	1.25%
SAV	141	Student Access Bonus Account	EOM	G_141 SAV	1.00%	Not offered
				G_141 SAV Bonus	2.50%	Not offered
SAV	142	Clergy Access Account	EOM	G_SAV142	0.25%	No Change

Notes

Class 133 Parish Provider Class interest rate equals same rate as 90 day interest rate index.

Fixed Income - Term Deposits

Indicative Rates

\$100,000 to \$1,000,000 for Wholesale Clients

Issuer (Long Term Rating / Short Term Rating)	Min	1 Month	2 Months	3 Months	6 Months	9 Months	12 Months	2 Years	3 Years	5 Years
Bank Bill Swap Rates (Mid)		1.38%	1.38%	1.37%	1.37%	1.28%	1.21%	1.16%	1.18%	1.39%
AMP (A / A-1)	\$100k	1.65%	1.75%	2.30%	2.45%	2.30%	2.25%	2.20%	2.20%	2.30%
Bank of Queensland (BBB+ / A-2)	\$500k	1.65%	1.90%	2.00%	2.05%	2.05%	2.00%	2.10%	2.15%	2.45%
Bendigo and Adelaide Bank (BBB+ / A-2)	\$100k	1.30%	1.50%	2.00%	2.10%	2.13%	2.15%	2.20%	2.25%	2.35%
BOQ Specialist (BBB+ / A-2)	\$100k	1.45%	1.75%	1.90%	2.24%	1.90%	1.90%	1.60%	1.60%	1.90%
Community First Credit Union (NR / NR)	\$250k	0.00%	1.95%	2.05%	2.15%	0.00%	2.30%	0.00%	0.00%	0.00%
ME Bank (BBB / A-2)	\$100k	1.65%	2.05%	2.35%	2.35%	2.25%	2.15%	0.00%	0.00%	0.00%
NAB (AA- / A-1+)	\$100k	1.45%	1.62%	2.08%	2.11%	2.11%	2.05%	1.90%	1.90%	2.10%
People's Choice Credit Union (BBB / A-2)	\$500k	0.00%	1.48%	1.57%	1.67%	1.64%	1.56%	1.51%	0.00%	0.00%
Rural Bank (BBB+ / A-2)	\$250k	1.40%	1.40%	2.10%	2.25%	1.90%	2.30%	2.35%	2.40%	2.45%
Suncorp Bank (A+ / A-1)	\$250k	1.40%	1.80%	2.05%	2.05%	2.00%	2.15%	2.15%	2.10%	0.00%

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Making an investment is a choice to also support the activities and businesses that your chosen institution decides to fund with your money. Given the choice, we would all want our investments to do good for our community.

Funds invested with Anglican Funds South Australia's Community Fund are reinvested in loans to support the work of local parishes, schools, and other Anglican organisations. With Anglican Funds South Australia you can be secure in the knowledge that you have made an ethical investment decision.

To invest, please visit our website at www.anglicanfundssa.com.au or contact us on **08 8305 9305** for an application form.

Please note we offer Loans and Line of Credits to Anglican entities. Why not get a comparison from Anglican Funds South Australia or contact us for further information.

MONTHLY INCOME ACCOUNT	Savings Account	1.25% p.a.	Interest paid monthly. Minimum investment \$100. No account fees or charges. Online, EFT, and BPAY access. Comparison rate 1.26% p.a. Unavailable to individuals
CHEQUE ACCOUNT	Savings Account	0.50% p.a.	Interest paid monthly. No account fees. Unavailable to individuals
TERM INVESTMENT ACCOUNT	30 days	1.40% p.a.	Minimum investment \$1000. No account fees or charges. Unavailable to Individuals
	60 days	1.70% p.a.	
	90 days	2.15% p.a.	
	6 months	2.45% p.a.	
	12 months	2.30% p.a.	
	Call for rates on investment amounts over \$100,000		

Rates effective 29/05/2019

Helping support the mission, education and charitable works of the South Australian Anglican Community



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31-May-19 Loan Book Data

Loan Book Data	Unsecured	Limits	Unutilised/Not Drawn	Rate	Open Date	Amount Borrowed	Loan Expiry Date
COM 730 436002770 Secondary Campus Stage 2	\$ 1,787,999.60			6.30%	10/05/2005	\$ 1,786,979.66	31/12/2037
COM 730 436040200 Stage 3 Building Loan	\$ 114,024.54			5.41%	30/04/2013	\$ 257,553.50	30/04/2022
COM 730 436040201 Stage 4 Building Loan	\$ 1,226,511.15			5.41%	30/04/2013	\$ 1,672,479.06	30/04/2025
COM 730 436040019 Stage 2 Building Loan	\$ 144,248.93			5.41%	30/04/2013	\$ 405,163.30	30/04/2021
COM 730 436040173 Construction Learning Spaces	\$ 752,790.00			4.39%	23/11/2016	\$ 750,000.00	23/11/2034
COM 730 436040136 Stanley St Unit Purchase	\$ 552,489.30			5.34%	25/01/2017	\$ 550,000.00	25/01/2047
COM 731 436040139 Refinance 10 Cotswold Close	\$ 15,342.19			5.05%	19/04/2017	\$ 174,000.00	19/04/2037
COM 731 436040059 McLean St, Coffs Harbour NSW	\$ 10,780.72			5.05%	01/12/2015	\$ 194,000.00	01/12/2031
COM 731 436034254 Surplus Debt - 2nd Tranche	\$ 38,141.10			6.30%	14/03/2012	\$ 1,190,001.32	28/03/2037
COM 731 436040052 Refinance of Solar Panel Loan	\$ 43,924.20			7.30%	01/08/2014	\$ 146,000.00	01/02/2021
COM 731 436040129 Administration & Classrooms	\$ 2,242,788.84			5.69%	03/07/2017	\$ 2,900,000.00	03/01/2032
COM 731 436040159 Principal and interest loan	\$ 24,984.25			5.50%	18/12/2014	\$ 1,200,000.00	18/12/2026
COM 731 436040113 Rectory Loan	\$ 130,995.23			5.05%	23/09/2016	\$ 157,634.35	23/09/2031
COM 731 436040011 Middle School Stage 4	\$ 460,312.38			4.98%	02/04/2013	\$ 1,003,662.90	02/05/2023
COM 731 436040012 Stage 5	\$ 212,871.14			4.98%	02/04/2013	\$ 432,386.82	02/11/2023
COM 731 436040015 Building Loan Stage 7	\$ 614,751.93			4.98%	02/04/2013	\$ 1,209,360.63	02/03/2024
COM 731 436040014 Admin Building Stage 6b.1	\$ 651,472.19			4.98%	02/04/2013	\$ 959,563.76	10/12/2037
COM 731 436040166 CCELC Purchase	\$ 506,715.51			4.98%	02/04/2013	\$ 786,598.41	02/01/2027
COM 731 436040145 Clergy Car Loan	\$ 736,764.76			4.98%	05/06/2018	\$ 1,777,000.00	05/03/2026
COM 731 436040146 Clergy Car Loan	\$ 29,757.80			5.85%	22/09/2017	\$ 43,532.00	22/08/2022
COM 731 436040170 Ridge Clergy Car Loan	\$ 19,103.72			5.85%	04/10/2018	\$ 21,660.00	04/10/2023
COM 731 436040148 Clergy Car Loan	\$ 6,772.48			5.85%	28/11/2017	\$ 13,450.00	28/11/2021
COM 731 436040071 Clergy Car Loan	\$ 7,207.25			6.00%	15/01/2016	\$ 20,000.00	15/02/2021
COM 731 436040148 Clergy Car Loan	\$ 3,464.72			5.85%	19/10/2017	\$ 7,000.00	19/10/2020
COM 731 436040143 Clergy Car Loan - Jenks	\$ 26,101.02			5.85%	13/06/2017	\$ 40,000.00	13/06/2022
COM 731 436040145 Clergy Car Loan	\$ 24,652.28			5.85%	11/08/2017	\$ 36,000.00	11/08/2022
COM 731 436040161 Clergy Car Loan Toyota Corolla	\$ 7,076.27			5.85%	06/02/2018	\$ 11,662.00	06/02/2021
OD 535 438040007 Annual Insurance Premium Fund	\$ -	\$ 450,000.00	\$ 450,000.00				
OD 535 438040004 Line of Credit	\$ 6.88	\$ 850,000.00	\$ 849,993.12				
OD 535 438040015 Working Capital & Residual Fun	\$ 308,169.52	\$ 3,100,000.00	\$ 2,791,830.48				
OD 535 438040010 Working Capital	\$ -	\$ 200,000.00	\$ 200,000.00				
OD 535 438040009 Line of Credit	\$ 3,910,587.54	\$ 6,000,000.00	\$ 4,088,412.46				
OD 535 438040017 Line of Credit	\$ -	\$ 190,000.00	\$ 190,000.00				
OD 535 438040018 Line of Credit	\$ 2,556,699.85	\$ 6,000,000.00	\$ 3,443,300.15				
OD 535 438040025 Working Capital Requirements	\$ 2,771,521.75	\$ 3,450,000.00	\$ 678,478.25				
OD 535 438040026 Information Computer Technolog	\$ -	\$ 550,000.00	\$ 550,000.00				
Total Loan Book assets	\$ 19,521,029.04	\$ 22,790,000.00	\$ 13,243,014.46				

Excludes redraw
Loans only
Overdrafts only

Facility Limit	Annual Line Fee \$	Rate	Line Fee %
\$ 450,000.00	\$ -	5.05%	0.00%
\$ 8,000,000.00	\$ 80,000.00	3.49%	1.00%
\$ 190,000.00	\$ -	5.73%	0.00%
\$ 650,000.00	\$ 4,250.00	6.30%	0.99%
\$ 200,000.00	\$ 1,000.00	5.00%	0.50%
\$ 3,100,000.00	\$ 23,250.00	5.64%	0.75%
\$ 6,000,000.00	\$ 66,000.00	3.4749%	1.10%
\$ 5,450,000.00	\$ 54,500.00	4.56%	1.00%
\$ 550,000.00	\$ 5,500.00	4.56%	1.00%
\$ 24,750,000.00	\$ 234,500.00	3.92%	0.99%
Average return		3.801%	4.79%
refer balance by rate end of month for benchmark			



BOARD MEETING DATE:

9/08/2019

No 6 Financial and performance reports

Item: a

Title: Finance Reports - May 2019 & June 2019

No of Pages. 23 incl Header

Anglican Funds Grafton Diocese Level 1 - 50 Victoria Street Grafton 2460 NSW															
Profit & Loss Statement January to December 2019															
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Forecast	Budget	Variance
4-0000	Income														
Interest Recd - Investments	10,440	20,851	15,828	19,943	12,085	79,148	12,833	12,833	12,833	12,833	12,833	12,837	168,983	154,000	14,983
Interest Recd - Borrowers	72,392	49,379	64,939	55,130	71,545	317,385	83,333	83,333	83,333	83,333	83,333	83,337	900,720	1,000,000	(30,680)
Sundry Income - Other Asset classes and Sen	29,480	29,480	72,782	29,480	29,480	190,742	86,127	26,965	87,190	27,573	27,573	86,192	984,527	554,920	(393)
Total Income	112,322	99,720	153,549	108,563	113,120	587,275	124,731	124,731	183,356	123,739	123,739	182,366	1,834,230	1,718,920	(41,378)
5-0000	Cost Of Sales														
Total Interest Paid to Investors	62,930	54,652	59,547	59,244	58,199	283,572	87,333	87,333	87,333	87,333	87,333	87,337	764,907	808,000	43,093
Gross Profit	49,393	45,068	94,002	50,320	54,920	293,703	57,398	57,398	116,023	56,406	56,406	115,029	869,323	910,920	(41,597)
6-0000	Expenses														
Total Employee Benefits	7,347	9,047	9,004	8,317	9,004	42,718	8,760	8,760	9,160	8,760	8,760	8,760	106,433	107,920	1,482
Total Professional fees	1,825	2,485	1,825	1,825	1,825	9,785	3,897	3,897	3,897	3,897	3,897	3,888	37,055	46,756	9,709
Total Banking and Indue Costs	15,309	14,024	13,781	28,338	13,977	85,428	17,966	17,966	17,966	22,966	17,966	17,969	216,193	229,595	4,402
Total insurance costs	877	620	673	658	673	3,301	1,741	1,741	1,741	1,741	1,741	1,739	15,486	20,890	5,404
Total General Operations costs	767	905	1,113	2,206	1,585	6,576	2,244	2,244	2,244	2,244	2,244	2,251	22,291	26,935	4,644
Total Expenses	25,924	27,060	26,396	41,344	27,064	147,808	34,608	34,608	35,008	39,608	34,608	35,607	397,463	423,095	25,632
Total Net Profit	23,468	17,988	67,605	8,976	27,857	145,895	22,790	22,790	81,015	16,798	21,798	79,422	471,860	487,825	(15,965)
9-0000	Distribution to Diocese														
Total Other Expenses	14,600	14,600	14,600	14,600	14,600	73,000	14,600	14,600	14,600	14,600	14,600	14,400	175,000	175,000	-
Net Profit/(Loss) after distribution	8,868	3,388	53,005	-5,624	13,257	72,895	8,190	8,190	66,415	2,198	7,198	65,022	296,860	312,825	(15,965)

Anglican Funds Grafton Diocese
Level 1 - 50 Victoria Street
Grafton 2460
NSW

Profit & Loss Statement

January to December 2019

	January Actual	February Actual	March Actual	April Actual	May Actual	YTD Actual	June Budget	July Budget	August Budget	September Budget	October Budget	November Budget	December Budget	Forecast	Budget	Variance
Income																
4-0000																
4-1010 4-1010	0	0	0	0	0	0	12,833	12,833	12,833	12,833	12,833	12,833	12,837	89,835	154,000	(64,165)
4-1011 4-1011	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4-1012 4-1012	2,368	8,469	8,509	10,210	6,579	36,105	0	0	0	0	0	0	0	36,105	0	36,105
4-1013 4-1013	6,081	10,145	4,769	7,310	4,884	33,208	0	0	0	0	0	0	0	33,208	0	33,208
4-1014 4-1014	2,022	2,237	2,530	2,423	622	9,834	0	0	0	0	0	0	0	9,834	0	9,834
4-1015 4-1015	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4-1020 4-1020	10,440	20,851	15,828	19,943	12,085	79,148	12,833	12,833	12,833	12,833	12,833	12,833	12,837	168,983	154,000	14,983
4-1021 4-1021	20,419	4,739	16,193	12,513	24,127	77,991	83,333	83,333	83,333	83,333	83,333	83,333	83,337	661,326	1,000,000	(338,674)
4-1022 4-1022	21,498	19,412	21,491	20,798	21,491	104,690	0	0	0	0	0	0	0	104,690	0	104,690
	30,475	25,229	27,255	25,819	25,926	134,703	0	0	0	0	0	0	0	134,703	0	134,703
	72,392	49,379	64,939	59,130	71,545	317,385	83,333	83,333	83,333	83,333	83,337	83,337	900,720	1,000,000	(99,280)	
4-1055 4-1055	4,527	4,527	4,482	4,527	4,482	22,570	4,527	4,527	4,527	4,527	4,527	4,527	4,527	54,259	54,324	(65)
4-1056 4-1056	24,963	24,963	24,695	24,963	24,963	124,547	24,962	24,025	24,025	24,025	23,033	23,033	23,033	290,683	290,946	(263)
4-1057 4-1057	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4-1058 4-1058	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4-2000 4-2000	0	0	0	0	0	0	13	13	13	13	13	13	7	85	150	(65)
4-2100 4-2100	0	0	43,625	0	0	43,625	58,625	0	0	58,625	0	0	58,625	219,500	219,500	0
4-3000 4-3000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	29,490	29,490	72,782	29,430	29,490	190,742	88,127	28,555	28,555	87,190	27,573	27,573	86,192	564,527	564,920	(393)
Total Income	112,322	99,720	153,549	108,563	113,120	587,275	184,293	124,731	124,731	183,356	123,739	123,739	182,366	1,634,230	1,718,920	(84,690)
5-2100 5-2100	62,930	54,652	59,547	58,244	58,199	293,572	67,333	67,333	67,333	67,333	67,333	67,333	67,337	764,907	808,000	43,093
	62,930	54,652	59,547	58,244	58,199	293,572	67,333	67,333	67,333	67,333	67,333	67,333	67,337	764,907	808,000	43,093
Gross Profit	49,393	45,068	94,002	50,320	54,920	293,703	116,960	57,398	57,398	116,023	56,406	56,406	115,029	869,323	910,920	(41,597)
Expenses																
6-0000 6-0000																
6-1100 6-1100	-1,355	462	462	-370	462	-338	0	0	0	0	0	0	0	-338	0	338
6-1200 6-1200	0	0	0	0	0	0	600	0	0	0	0	0	600	1,200	1,200	0
6-1300 6-1300	7,964	7,840	7,800	7,946	7,800	39,351	8,000	8,000	8,000	8,000	8,000	8,000	8,000	95,351	96,000	649
6-1500 6-1500	737	745	741	741	741	3,705	760	760	760	760	760	760	760	9,025	9,120	95
6-1600 6-1600	0	0	0	0	0	0	400	0	400	0	400	0	400	1,200	1,600	400
6-1700 6-1700	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6-2000 6-2000	7,347	9,047	9,004	8,317	9,004	42,718	9,760	8,760	8,760	9,160	8,760	8,760	9,760	106,438	107,920	1,482
6-4300 6-4300	1,825	1,825	1,825	1,825	1,825	9,125	2,409	2,409	2,409	2,409	2,409	2,409	2,406	25,985	28,905	2,920
6-4360 6-4360	0	533	0	0	0	533	1,242	1,242	1,242	1,242	1,242	1,242	1,242	9,223	14,900	5,677
6-4400 6-4400	1,825	2,485	1,825	1,825	1,825	9,785	3,897	3,897	3,897	3,897	3,897	3,897	3,898	37,055	46,755	9,700
6-4402 6-4402	469	498	502	523	540	2,532	560	560	560	560	560	560	564	6,456	6,724	268
6-4410 6-4410	138	14	54	23	15	244	49	49	49	49	49	49	47	585	586	1
6-4412 6-4412	2,333	2,333	2,333	19,033	2,333	28,367	4,300	4,300	4,300	4,300	4,300	4,300	4,300	58,467	51,600	(6,867)
6-4440 6-4440	0	0	0	0	0	0	0	0	0	0	0	0	0	5,000	5,000	0
6-4442 6-4442	868	292	0	0	0	1,160	0	0	0	0	0	0	0	1,160	0	(1,160)
6-4444 6-4444	2,500	2,500	2,500	121	2,000	9,621	2,500	2,500	2,500	2,500	2,500	2,500	2,500	27,121	30,000	2,879
6-4445 6-4445	0	0	0	0	0	0	417	417	417	417	417	417	413	2,915	5,000	2,085
6-4450 6-4450	9,000	8,387	8,392	8,637	9,088	43,504	10,140	10,140	10,140	10,140	10,140	10,140	11,448	114,489	121,685	7,196
	15,309	14,024	13,781	28,338	13,977	85,428	17,966	17,966	17,966	17,966	22,866	17,966	17,969	216,193	220,595	4,402
6-4510 6-4510	118	115	115	117	115	579	134	134	134	134	134	134	128	1,511	1,602	91
6-4530 6-4530	559	505	559	541	559	2,722	1,607	1,607	1,607	1,607	1,607	1,607	1,611	13,975	19,288	5,313
6-4425 6-4425	677	620	673	658	673	3,301	1,741	1,741	1,741	1,741	1,741	1,741	1,739	15,486	20,890	5,404
6-4600 6-4600	0	0	0	0	0	18	68	68	68	68	68	68	68	1,091	842	(275)
	0	0	0	0	0	18	70	70	70	70	70	70	72	510	842	332

Anglican Funds Grafton Diocese

Level 1 - 50 Victoria Street
Grafton 2460
NSW

Balance Sheet

As of May 2019

Account No.				
1-0000	Assets			
1-1000	Current Assets			
1-1105	WBC 032537 247819 Operating Ac		\$15,965.62	
1-1110	WBC 032537 120455 Client Chq		\$135,169.65	
1-1130	AFSA Float SAV00000202		\$93.32	
1-1131	AFSA MIA SAV00041173		\$2,142,206.89	
1-1137	Daily Txns Unproc'd in Phoenix		\$44,915.89	
1-1160	WBC 032537 163017 Cash Managem		\$297,881.85	
1-1165	Melb DIF 30 day term		\$1,000,000.00	
1-1170	Accrued Int Receivable Investm		\$26,826.14	
1-1171	Ord Min List Accrued Int Rec		(\$4,811.08)	
1-1172	Ord Min U/List Accrued Int Rec		(\$265.20)	
1-1400	Prepaid Insurance		\$2,757.60	
1-2700	Furniture & Fixtures			
1-2710	Furniture & Fixtures Orig Cost		\$4,852.56	
1-2720	Furniture & Fixtures Accum Dep		(\$1,570.72)	
1-2800	Plant & Equipment			
1-2810	Computer Hardware		\$26,730.39	
1-2820	Acc Deprn Computer Hardware		(\$25,688.25)	
1-2900	Intangible Assets			
1-2910	Computer Software		\$60,500.00	
1-2920	Acc Deprn - Compr Software		(\$60,500.00)	
1-3000	Financial Assets - Current			
1-3114	AFSA Term Investment		\$1,000,000.00	
1-3120	AFSA Security Dep SAV00000203		\$249,731.75	
1-3130	WBC Term Invested Funds		\$100,000.00	
1-3145	Ord Minnett-Listed Investments		\$1,179,040.33	
1-3147	Ord Minnett-Global Cash Trust		\$60,346.98	
1-3148	Ord Minn-Global Investments		\$6,323,283.00	
1-3150	Loan Assets			
1-3155	Line of Credit - O/D		\$9,546,985.54	
1-3160	Loan Advances		\$4,558,063.52	
1-3170	Loan Advances - P & I		\$5,815,979.98	
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			\$32,498,495.76
2-0000	Liabilities			
2-1000	Current Liabilities			
2-1004	Audit Costs		\$9,545.00	
2-1100	Accrued Interest payable			
2-1101	2243130 Access Acc INT PAY		\$67.89	
2-1102	2243131 Inst Acc INT PAY		\$213.33	
2-1104	2243133 Parish Prov INT PAY		\$153.46	
2-1200	Accounts payable			\$2,364.03
2-1221	2243310 Term 90 Days INT PAY			\$13,685.98
2-1222	2243320 Term 180 days INT PAY			\$62,882.53
2-1223	2243330 Term 365 days INT PAY			\$121,703.00
2-1700	Investor Funds Fin Liab Curren			
2-1710	2103300 Access Accounts		\$88,931.81	
2-1715	2103310 Institution Access		\$135,893.42	
2-1725	2103330 Parish Provider Access		\$4,937.50	
2-1730	2103350 Interest Free Deposits		\$8,257.08	
2-1735	2103370 Chq Acc Parishes		\$837,805.71	
2-1740	2103380 Chq Acc Ministry		\$3,497,545.28	
2-1745	2103400 Anglican Affiliates		\$1,182,763.21	
2-1750	139 Parishes CMA		\$618,238.71	
2-1755	2183310 Term Inv 90 days		\$5,615,889.36	
2-1756	2103420 Clergy Access Account		\$221,062.03	
2-1760	2183320 Term Inv 180 days		\$9,770,676.13	
2-1765	2183330 Term Inv 365 days		\$8,780,120.12	
2-1900	Other Current Liabilities			
2-1910	Accrued Annual Leave		\$5,029.27	
2-1911	Accrued Long Service Leave		\$9,488.20	
2-1915	Accrued Expenses		\$12,673.40	
2-3030	GST from purchases			(\$58.47)
2-9999	Westpac Unknown transactions			\$223.68
	Total Liabilities			\$31,000,091.66
	Net Assets			\$1,498,404.10
3-0000	Equity			
3-7000	Revaluation Financial Assets		(\$15,000.63)	
3-8000	Retained Earnings		\$1,440,509.90	
3-9000	Current Earnings		\$72,894.83	
	Total Equity			\$1,498,404.10

Anglican Funds Grafton Diocese

Level 1 - 50 Victoria Street

Grafton 2460

NSW

Balance Sheet [Multi-Period]

January 2019 To May 2019

Account No.	Account Name	January	February	March	April	May
	Assets					
	Current Assets					
		1,075,297	1,290,336	1,287,869	1,240,029	311,482
		11,470,780	9,060,173	7,465,838	6,243,028	3,734,830
		7,509,199	7,509,199	7,502,323	7,502,323	7,502,323
		27,518	26,072	17,401	44,461	24,507
	Fixed Assets					
	Fixed Assets	4,939	4,939	4,570	4,447	4,324
	Loan Assets					
	Loan Assets	14,271,797	14,739,617	16,354,357	17,059,329	20,921,029
		0	0	0	0	0
	Total Assets	34,359,531	32,630,335	32,632,358	32,093,618	32,498,496
	Liabilities					
	Current Liabilities					
		46,209	42,493	48,417	29,716	24,582
		86	169	256	343	435
		201,967	188,112	207,987	195,691	198,272
	Investor Funds Fin Liab Current					
	Investor Funds Fin Liab Current	7,998,130	6,271,934	6,138,343	5,705,890	6,595,435
		24,658,258	24,669,031	24,734,147	24,664,932	24,166,686
	Sundry Liabilities					
		13,403	13,731	12,214	11,676	14,459
2-9999	Westpac Unknown transactions	224	224	224	224	224
		224	224	224	224	224
	Total Liabilities	32,918,277	31,185,694	31,141,587	30,608,471	31,000,092
	Net Assets	1,441,253	1,444,641	1,490,771	1,485,147	1,498,404
	Equity					
	Total Equity	1,441,253	1,444,641	1,490,771	1,485,147	1,498,404

Anglican Funds Grafton Diocese

Level 1 - 50 Victoria Street

Grafton 2460

NSW

Balance Sheet [Multi-Period]

January 2019 To May 2019

Account No.	Account Name	January	February	March	April	May
Assets						
Current Assets						
1-1105	WBC 032537 247819 Operating Ac	8,743	14,510	7,865	7,258	15,966
1-1110	WBC 032537 120455 Client Chq	158,441	142,963	169,848	122,616	135,170
1-3130	WBC Term Invested Funds	900,000	1,100,000	1,100,000	1,100,000	100,000
1-3147	Ord Minnett-Global Cash Trust	8,113	32,863	10,156	10,156	60,347
		1,075,297	1,290,336	1,287,869	1,240,029	311,482
1-1130	AFSA Float SAV00000202	7,325	1,797	876	948	93
1-1131	AFSA MIA SAV00041173	5,001,781	3,727,715	4,068,415	3,084,906	2,142,207
1-1137	Daily Txns Unproc'd in Phoenix	-116,754	-178,363	-28,619	-1,388,465	44,916
1-1160	WBC 032537 163017 Cash Managem	330,234	260,466	176,202	296,283	297,882
1-1165	Melb DIF 30 day term	6,000,000	5,000,000	3,000,000	4,000,000	1,000,000
1-3120	AFSA Security Dep SAV00000203	248,194	248,559	248,964	249,357	249,732
		11,470,780	9,060,173	7,465,838	6,243,028	3,734,830
1-3145	Ord Minnett-Listed Investments	1,192,879	1,192,879	1,179,040	1,179,040	1,179,040
1-3148	Ord Minn-Global Investments	6,316,320	6,316,320	6,323,283	6,323,283	6,323,283
		7,509,199	7,509,199	7,502,323	7,502,323	7,502,323
1-1170	Accrued Int Receivable Investm	32,203	26,520	13,544	25,519	26,826
1-1171	Ord Min List Accrued Int Rec	-8,989	-4,462	0	4,527	-4,811
1-1172	Ord Min U/List Accrued Int Rec	-616	-402	0	11,098	-265
1-1400	Prepaid Insurance	4,920	4,416	3,857	3,316	2,758
		27,518	26,072	17,401	44,461	24,507
Fixed Assets						
1-2710	Furniture & Fixtures Orig Cost	4,853	4,853	4,853	4,853	4,853
1-2720	Furniture & Fixtures Accum Dep	-1,401	-1,401	-1,503	-1,537	-1,571
1-2810	Computer Hardware	26,730	26,730	26,730	26,730	26,730
1-2820	Acc Depn Computer Hardware	-25,243	-25,243	-25,510	-25,599	-25,688
1-2910	Computer Software	60,500	60,500	60,500	60,500	60,500
1-2920	Acc Depn - Comptr Software	-60,500	-60,500	-60,500	-60,500	-60,500
		4,939	4,939	4,570	4,447	4,324
Loan Assets						
1-3114	AFSA Term Investment	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
1-3155	Line of Credit - O/D	2,259,905	2,891,022	4,663,249	5,543,780	9,546,986
1-3160	Loan Advances	4,558,070	4,555,984	4,558,064	4,557,370	4,558,064
1-3170	Loan Advances - P & I	6,453,822	6,292,611	6,133,044	5,958,179	5,815,980
		14,271,797	14,739,617	16,354,357	17,059,329	20,921,029
1-3199	Financial Assets Current - Adj	-15,104,496	-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	15,104,496
		0	0	0	0	0
Total Assets		34,359,531	32,630,335	32,632,358	32,093,618	32,498,496

Liabilities**Current Liabilities**

2-1004	Audit Costs	23,715	25,540	5,895	7,720	9,545
2-1200	Accounts payable	10,994	2,953	26,022	10,996	2,364
2-1915	Accrued Expenses	11,500	14,000	16,500	11,000	12,673
		46,209	42,493	48,417	29,716	24,582
2-1101	2243130 Access Acc INT PAY	17	32	43	55	68
2-1102	2243131 Inst Acc INT PAY	39	76	122	166	213
2-1104	2243133 Parish Prov INT PAY	31	61	90	121	153
		86	169	256	343	435
2-1221	2243310 Term 90 Days INT PAY	18,134	15,351	28,098	23,857	13,686
2-1222	2243320 Term 180 days INT PAY	53,722	68,709	63,536	56,708	62,883
2-1223	2243330 Term 365 days INT PAY	130,110	104,052	116,353	115,127	121,703
		201,967	188,112	207,987	195,691	198,272

Investor Funds Fin Liab Current

2-1710	2103300 Access Accounts	115,186	104,147	92,529	90,433	88,932
2-1715	2103310 Institution Access	118,882	126,448	137,093	130,709	135,893
2-1725	2103330 Parish Provider Access	4,614	3,916	5,211	4,539	4,938
2-1730	2103350 Interest Free Deposits	8,874	8,844	8,222	8,124	8,257
2-1735	2103370 Chq Acc Parishes	862,557	819,096	795,470	797,810	837,806
2-1740	2103380 Chq Acc Ministry	3,636,377	2,864,729	2,565,341	2,793,792	3,497,545
2-1745	2103400 Anglican Affiliates	2,436,365	1,563,922	1,727,809	1,065,036	1,182,763
2-1750	139 Parishes CMA	572,582	581,551	605,604	604,944	618,239
2-1756	2103420 Clergy Access Account	242,693	199,281	201,063	210,503	221,062
	Investor Funds Fin Liab Current	7,998,130	6,271,934	6,138,343	5,705,890	6,595,435

2-1755	2183310 Term Inv 90 days	5,722,725	6,863,031	7,024,676	7,018,475	5,615,889
2-1760	2183320 Term Inv 180 days	8,944,669	8,885,722	8,790,737	8,768,912	9,770,676
2-1765	2183330 Term Inv 365 days	9,990,864	8,920,279	8,918,734	8,877,545	8,780,120
		24,658,258	24,669,031	24,734,147	24,664,932	24,166,686

Sundry Liabilities

2-1910	Accrued Annual Leave	4,013	4,475	4,937	4,567	5,029
2-1911	Accrued Long Service Leave	9,488	9,488	9,488	9,488	9,488
2-3030	GST from purchases	-98	-232	-2,211	-2,380	-58
		13,403	13,731	12,214	11,676	14,459
2-9999	Westpac Unknown transactions	224	224	224	224	224
		224	224	224	224	224

Total Liabilities

32,918,277	31,185,694	31,141,587	30,608,471	31,000,092
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Net Assets

1,441,253	1,444,641	1,490,771	1,485,147	1,498,404
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Equity

3-7000	Revaluation Financial Assets	-8,125	-8,125	-15,001	-15,001	-15,001
3-8000	Retained Earnings	1,440,510	1,440,510	1,440,510	1,440,510	1,440,510
3-9000	Current Earnings	8,868	12,256	65,262	59,638	72,895
	Total Equity	1,441,253	1,444,641	1,490,771	1,485,147	1,498,404

Capital Adequacy (4.4.2): (Target > 10% of Risk Weighted Assets)			
Assets	Weighting	Asset Value	RWA
Cash (Govt. Securities, A Rated Aust. Banks)	10%	\$ 5,001,387	\$ 500,139
Cash (Other Aust. Banks, ADI's)		\$ -	\$ -
Rating AAA to AA-	20%	\$ -	\$ -
Rating A+ to BBB-	50%	\$ -	\$ -
Rating BB+ to B-	100%	\$ -	\$ -
Rating CCC to D	200%	\$ -	\$ -
Unrated	400%	\$ -	\$ -
Internal Loans - Unsecured	100%	\$ -	\$ -
Internal Loans		\$ -	\$ -
Secured Commercial	75%	\$ 33,164,044	\$ 24,873,033
Secured Residential	50%	\$ -	\$ -
External Loans - Secured Residential Property	75%		\$ -
External Loans - Secured Commercial property	125%		\$ -
Other Investments (excluding Equities) with claims on Australian and International counter parties:			\$ -
Rating AAA to AA-	20%		\$ -
Rating A+ to BBB-	50%	\$ 7,478,144	\$ 3,739,072
Rating BB+ to B-	100%		\$ -
Rating CCC to D	200%		\$ -
Unrated	400%		\$ -
Other Investments/assets and Equities	400%		\$ -
Total Assets		45,643,574	\$ 29,112,243
Risk Concentration:			
To the extent an External loans exceeds 5% of Total Assets			
	Limit	Total Assets:	Limit Amount: Number
	5%	\$ 45,643,574	\$ 2,282,179
	Loans > 5% of TA		\$ - 400% \$ - \$ -
To the extent an Internal loans exceeds 30% of Total Assets			
	Limit	Total Assets:	Limit Amount:
	30%	\$ 45,643,574	\$ 13,693,072
	Loans > 30% of TA		200% \$ - \$ -
		Total Risk Weighted Assets	\$ 29,112,243
		8% of risk weighted assets	\$ 2,328,979
		+ 2.5% Buffer	\$ 727,806
		Required Capital 10.5%	\$ 3,056,786
Equity:			
		Accumulated Funds	\$ 1,513,405
		Asset Reserves	-\$ 15,001
		Total Equity	\$ 1,498,404
		"Surplus" Capital	-\$ 1,558,382
		Actual Capital Adequacy ratio	5.15%
Comments should actual Capital Adequacy ratio be < 10.5%			

Note: includes undrawn facility limits
Note Adelaide utilise drawn facilities only.

Liquidity (4.1): (> 10% of Total Assets):			
Total Assets:		\$ 45,643,574	
Minimum Liquidity requirement	10%		\$ 4,564,357
Actual position:			
Cash		\$ 5,001,387	
Undrawn Bank OD Facility		\$ 1,000,000	
Total Actual Liquidity			\$ 6,001,387
"Surplus" Liquidity			\$ 1,437,029
Actual Liquidity Ratio			13.1%
Comments should actual Liquidity ratio be < 10%			

4.3 Depositors in excess of 5% of Liabilities			
Total depositors in excess of 5% of Liabilities	\$ 15,550,538	\$ 15,550,538	50.6%
Total liabilities		\$ 30,762,120	
Comments on large depositors			
The number of accounts/clients with balances in excess of 5% is:	2	Corporate Trustees & SCRLC	

Capital Adequacy (4.4.2): (Target > 10% of Risk Weighted Assets)

Assets	Weighting	Asset Value	RWA
Cash (Govt. Securities, A Rated Aust. Banks)	10%	\$ 5,001,387	\$ 500,139
Cash (Other Aust. Banks, ADI's)		\$ -	
Rating AAA to AA-	20%	\$ -	\$ -
Rating A+ to BBB-	50%	\$ -	\$ -
Rating BB+ to B-	100%	\$ -	\$ -
Rating CCC to D	200%	\$ -	
Unrated	400%	\$ -	
Internal Loans - Unsecured	100%	\$ -	
Internal Loans		\$ -	
Secured Commercial	75%	\$ 19,921,029	\$ 14,940,772
Secured Residential	50%	\$ -	\$ -
External Loans - Secured Residential Property	75%		\$ -
External Loans - Secured Commercial property	125%		\$ -
Other Investments (excluding Equities) with claims on Australian and International counter parties:			\$ -
Rating AAA to AA-	20%		\$ -
Rating A+ to BBB-	50%	\$ 7,478,144	\$ 3,739,072
Rating BB+ to B-	100%		\$ -
Rating CCC to D	200%		\$ -
Unrated	400%		\$ -
Other Investments/assets and Equities	400%		\$ -
Total Assets		32,400,560	\$ 19,179,982
Risk Concentration:			
To the extent an External loans exceeds 5% of Total Assets			
	Limit	Total Assets:	Limit Amount: Number
	5%	\$ 32,400,560	\$ 1,620,028
	Loans > 5% of TA		\$ - 400% \$ - \$ -
To the extent an Internal loans exceeds 30% of Total Assets			
	Limit	Total Assets:	Limit Amount:
	30%	\$ 32,400,560	\$ 9,720,168
	Loans > 30% of TA		200% \$ - \$ -
		Total Risk Weighted Assets	\$ 19,179,982
		8% of risk weighted assets	\$ 1,534,399
		+ 2.5% Buffer	\$ 479,500
		Required Capital 10.5%	\$ 2,013,898
Equity:			
		Accumulated Funds	\$ 1,513,405
		Asset Reserves	-\$ 15,001
		Total Equity	\$ 1,498,404
		"Surplus" Capital	-\$ 515,494
		Actual Capital Adequacy ratio	7.81%
Comments should actual Capital Adequacy ratio be < 10.5%			

Note: excludes available for re-draw & undrawn facility limits
Note Adelaide utilise drawn facilities only.

Liquidity (4.1): (> 10% of Total Assets):

Total Assets:		\$ 32,400,560	
Minimum Liquidity requirement	10%		\$ 3,240,056
Actual position:			
Cash		\$ 5,001,387	
Undrawn Bank OD Facility		\$ 1,000,000	
Total Actual Liquidity			\$ 6,001,387
"Surplus" Liquidity			\$ 2,761,331
Actual Liquidity Ratio			18.5%
Comments should actual Liquidity ratio be < 10%			

4.3 Depositors in excess of 5% of Liabilities

Total depositors in excess of 5% of Liabilities	\$ 15,550,538	\$ 15,550,538	50.6%
Total liabilities		\$ 30,762,120	
Comments on large depositors			
The number of accounts/clients with balances in excess of 5% is:	2	Corporate Trustees & SCRLC	

Loan Book Data		31-May-19		Unsecured		Limits		Unutilised/Not Drawn		Rate		Open Date		Amount Borrowed		Loan Expiry Date	
COM 730	43602770 Secondary Campus Stage 2			\$	1,767,989.60					6.30%	10/05/2005	\$	1,759,879.66	31/12/2037			
COM 730	43604020 Stage 3 Building Loan			\$	114,024.54					5.41%	30/04/2013	\$	257,533.50	30/04/2022			
COM 730	43604021 Stage 4 Building Loan			\$	1,226,511.15					5.41%	30/04/2013	\$	1,172,479.06	30/04/2025			
COM 730	43604018 Stage 2 Building Loan			\$	144,248.93					5.41%	30/04/2013	\$	405,163.30	30/04/2021			
COM 730	436040173 Construction Learning Spaces			\$	752,790.00					4.38%	23/11/2019	\$	750,000.00	23/11/2034			
COM 730	436040136 Stanley St Unit Purchase			\$	552,489.30					5.34%	25/01/2017	\$	550,000.00	25/01/2047			
COM 731	436040138 Refinance 10 Codswood Close			\$	15,342.10					5.05%	19/04/2017	\$	174,000.00	18/04/2037			
COM 731	436040089 McLean St, Coffs Harbour NSW			\$	10,780.72					5.05%	07/12/2015	\$	194,000.00	07/12/2031			
COM 731	436040254 Surplus Debt - 2nd Tranche			\$	38,141.10					6.30%	14/03/2012	\$	1,190,001.32	28/03/2037			
COM 731	436040052 Refinance of Solar Panel Loan			\$	43,924.20					7.30%	01/08/2014	\$	148,000.00	01/02/2021			
COM 731	436040128 Administration & Classrooms			\$	2,242,768.84					5.56%	03/01/2017	\$	2,500,000.00	03/01/2032			
COM 731	436040059 Principal and interest loan			\$	24,984.25					5.50%	16/12/2014	\$	1,200,000.00	16/12/2026			
COM 731	436040113 Rectory Loan			\$	130,895.23					5.05%	23/08/2016	\$	157,554.35	23/08/2031			
COM 731	436040011 Middle School Stage 4			\$	480,312.38					4.98%	02/04/2013	\$	1,003,682.80	02/05/2023			
COM 731	436040012 Stage 5			\$	212,871.14					4.98%	02/04/2013	\$	432,389.82	02/11/2023			
COM 731	436040013 Stage 6			\$	614,751.93					4.98%	02/04/2013	\$	1,209,390.63	02/03/2024			
COM 731	436040016 Building Loan Stage 7			\$	651,472.19					4.98%	02/04/2013	\$	959,563.76	10/12/2027			
COM 731	436040014 Admin Building Stage 6b.1			\$	508,715.51					4.98%	02/04/2013	\$	786,596.41	02/01/2027			
COM 731	436040166 CCELC Purchase			\$	736,764.76					4.98%	05/06/2018	\$	1,777,000.00	05/03/2026			
COM 731	436040146 Clergy Car Loan			\$	29,757.80					5.85%	22/08/2017	\$	43,632.00	22/08/2022			
COM 731	436040170 Ridge Clergy Car Loan			\$	19,103.72					5.85%	04/10/2018	\$	21,860.00	04/10/2023			
COM 731	436040169 Clergy Car Loan			\$	8,772.48					5.85%	28/11/2017	\$	13,450.00	28/11/2021			
COM 731	436040071 Clergy Car Loan			\$	7,207.25					6.00%	15/01/2016	\$	20,000.00	15/02/2021			
COM 731	436040148 Clergy Car Loan			\$	3,464.72					5.85%	19/10/2017	\$	7,000.00	19/10/2020			
COM 731	436040143 Clergy Car Loan - Jenks			\$	28,101.02					5.85%	13/06/2017	\$	40,000.00	13/06/2022			
COM 731	436040145 Clergy Car Loan			\$	24,652.28					5.85%	11/08/2017	\$	36,000.00	11/08/2022			
COM 731	436040161 Clergy Car Loan Toyota Corolla			\$	7,076.27					5.85%	06/02/2018	\$	11,682.00	06/02/2021			
OD 535	438040007 Annual Insurance Premium Fundi			\$	-	\$	450,000.00	\$	450,000.00								
OD 535	438040004 Line of Credit			\$	6.88	\$	850,000.00	\$	849,993.12								
OD 535	438040015 Working Capital & Residual Fun			\$	308,169.52	\$	3,100,000.00	\$	2,791,830.48								
OD 535	438040010 Working Capital			\$	-	\$	200,000.00	\$	200,000.00								
OD 535	438040008 Line of Credit			\$	3,910,697.54	\$	8,000,000.00	\$	4,089,412.46								
OD 535	438040017 Line of Credit			\$	-	\$	190,000.00	\$	190,000.00								
OD 535	438040018 Line of Credit			\$	2,595,698.85	\$	6,000,000.00	\$	3,443,300.15								
OD 535	438040025 Working Capital Requirements			\$	2,771,521.75	\$	3,450,000.00	\$	678,478.25								
OD 535	438040026 Information Computer Technology			\$	-	\$	550,000.00	\$	550,000.00								
Total Loan Book assets				\$	19,951,029.04	\$	22,790,000.00	\$	13,243,914.46								
Excludes redraw				\$	33,164,140.50												
Loans only				\$	10,374,141.50												
Overdrafts only				\$	9,546,985.54												
Anglican Diocese of Grafton				\$	450,000.00	\$	450,000.00	\$	-								
St Columba Anglican School Council Incur				\$	8,000,000.00	\$	8,000,000.00	\$	80,000.00								
Camtar Properties Pty Ltd				\$	190,000.00	\$	190,000.00	\$	-								
Clarence Valley Anglican School				\$	850,000.00	\$	850,000.00	\$	4,250.00								
Anglicare North Coast				\$	200,000.00	\$	200,000.00	\$	1,000.00								
Emmanuel Anglican College				\$	3,100,000.00	\$	3,100,000.00	\$	23,250.00								
Lindisfarne Anglican School				\$	6,000,000.00	\$	6,000,000.00	\$	66,000.00								
Bishop Druit College Council				\$	5,450,000.00	\$	5,450,000.00	\$	54,500.00								
Bishop Druit College Council				\$	24,790,000.00	\$	24,790,000.00	\$	234,500.00								
Average return																	
refer balance by rate end of month for benchmark																	
Average return																	
3.801%																	
4.79%																	

ORD MINNETT

PORTFOLIO VALUATION

Portfolio Details as at: 31 May 2019

Corp Trustees of Diocese of Grafton GDIF

Code	Security Name	Quantity	Cost Price	Market Price	Market Value	Assets %	Est. Yield %	Est. Annual Income	Est. Franking %	Est. Franking Credits	Est. Gross Yield %
INTEREST RATE SECURITIES											
AU3FN0023750	AUSWIDE BANK LTD FRN 12/06/2019 - 2024 BBSW+4.25%	500,000	1.0094	1.001	500,385.00	6.64	5.41	30,597.00			5.41
AU3FN0024410	MEB FRN 29/08/2019-2024 BBSW+2.70%	1,700,000	0.9999	1.002	1,704,590.00	22.61	2.81	70,109.70			2.81
AU3FN0032710	AAI LTD FRN 06/10/2022 - 2042 BBSW+3.20%	2,000,000	1.0605	1.045	2,090,900.00	27.74	2.92	98,468.00			2.92
AU3FN0033668	BENDIGO FRN 09/12/2021-2026 BBSW+2.80%	1,000,000	1.0319	1.029	1,027,680.00	13.63	2.78	41,663.00			2.78
AU3FN0037917	AMPAUS FRN 01/12/2022 - 2027 BBSW+1.80%	500,000	1.0045	0.972	485,360.00	6.44	3.89	16,000.00			3.89
AU3FN0039426	CHALLENGER LIFE CO LTD FRN 24/11/2022 -2042 BBSW+2.10%	500,000	1.0000	1.005	502,655.00	6.67	3.04	17,714.00			3.04
Sub Total			6,359,644.00		6,311,570.00	83.72		274,551.70			
HYBRID SECURITIES											
AYUHB	AUSTRALIAN UNITY LTD	11,437	101.4317	102.000	1,166,574.00	15.47	4.62	53,950.62			4.62
Sub Total			1,160,074.15		1,166,574.00	15.47		53,950.62			
CASH											
PERSHING_AUD	PERSHING AUSTRALIAN DOLLARS	60,347	1.0000	1.000	60,346.98	0.80					
Sub Total			60,346.98		60,346.98	0.80					
TOTAL PORTFOLIO			7,580,065.13		7,538,490.98	100.00	4.36	328,502.32			4.36

Adviser Name: Alison Perrott
 Location: ADELAIDE
 Phone No: (08) 8203 2500
 Account No: 1146256

Note: Estimate information based on rolling 12 months actual data.

Ord Minnett Limited AFS Licence 237121 ABN 86 002 733 048 A Market Participant of the Australian Stock Exchange Limited

While Ord Minnett believes that the information contained herein is reliable, no warranty is given as to its accuracy or the accuracy of information or material from other sources and persons who rely on it do so at their own risk. Accordingly you should satisfy yourself as to the correctness or otherwise of the statements contained herein.

Anglican Funds Grafton Diocese
Level 1 - 50 Victoria Street
Grafton 2460
NSW

Profit & Loss Statement
January to December 2019

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Forecast	Budget	Variance
4-0000															
Income															
Interest Recd - Investments	10,440	20,851	15,828	19,943	12,085	10,083	89,230	12,833	12,833	12,833	12,833	12,837	166,232	154,000	12,232
Interest Recd - Borrowers	72,392	49,379	64,939	59,130	71,545	81,225	398,609	83,333	83,333	83,333	83,333	83,337	898,611	1,000,000	(38,690)
Sundry Income - Other Asset classes and Ser	29,490	29,490	72,782	29,490	29,490	83,097	273,839	28,565	87,190	27,573	27,573	86,192	659,497	564,920	(6,423)
Total Income	112,322	99,720	153,549	108,563	113,120	174,404	761,679	124,731	183,356	123,739	123,739	182,366	1,624,341	1,718,920	(41,378)
5-0000															
Cost Of Sales															
Total Interest Paid to Investors	62,930	54,652	59,547	59,244	58,199	60,894	354,467	67,333	67,333	67,333	67,333	67,337	758,469	808,000	49,531
Gross Profit	49,393	45,068	94,002	50,320	54,920	113,509	407,212	57,398	116,023	56,406	56,406	115,029	865,872	910,920	(45,048)
6-0000															
Expenses															
Total Employee Benefits	7,347	9,047	9,004	8,317	9,004	9,200	51,918	8,760	9,160	8,760	8,760	9,760	105,878	107,920	2,042
Total Professional fees	1,825	2,485	1,825	1,825	1,825	1,825	11,610	3,897	3,897	3,897	3,897	3,888	34,563	46,755	11,772
Total Banking and Indue Costs	15,309	14,024	13,781	28,338	13,977	11,977	97,405	17,966	17,966	22,966	17,966	17,969	210,204	220,595	10,391
Total insurance costs	677	620	673	658	673	656	3,957	1,741	1,741	1,741	1,741	1,739	14,401	20,890	6,489
Total General Operations costs	767	905	1,113	2,206	1,585	769	7,345	2,244	2,244	2,244	2,244	2,251	20,616	26,936	6,119
Total Expenses	25,924	27,080	26,396	41,344	27,064	24,427	172,235	34,608	35,008	39,608	34,608	35,607	386,282	423,095	36,813
Total Net Profit	23,468	17,988	67,606	8,976	27,857	89,083	234,977	22,790	81,015	16,798	21,798	79,422	479,590	487,825	(8,235)
9-0000															
Distribution to Diocese	14,600	14,600	14,600	14,600	14,600	14,600	87,600	14,600	14,600	14,600	14,600	14,400	175,900	175,000	-
Total Other Expenses	8,868	3,388	53,006	-5,624	13,257	74,483	147,377	8,190	66,415	2,198	7,198	65,022	304,590	312,825	(8,235)
Net Profit/(Loss) after distribution															

Anglican Funds Grallon Diocese
Level 1 - 50 Victoria Street
Grallon 2460
NSW

Profit & Loss Statement
January to December 2019

	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	YTD Actual	July Budget	August Budget	September Budget	October Budget	November Budget	December Budget	Forecast Budget	Budget	Variance
Income																
4-1010 4-1010 Interest Received - Investment	0	0	0	0	0	0	0	12,833	12,833	12,833	12,833	12,833	12,837	77,002	154,000	(76,998)
4-1011 4-1011 Interest Received - NAB	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4-1012 4-1012 Interest Recd - AFSA	2,338	8,469	8,509	10,210	6,579	5,948	42,053	0	0	0	0	0	0	42,053	0	42,053
4-1013 4-1013 Interest Recd - Melb CF7963	6,081	10,145	4,789	7,310	4,884	3,875	37,084	0	0	0	0	0	0	37,084	0	37,084
4-1014 4-1014 Interest recd - WBC	2,022	2,237	2,530	2,423	622	259	10,093	0	0	0	0	0	0	10,093	0	10,093
4-1015 4-1015 Interest Recd - AMP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4-1020 4-1020 Interest Recd - Investments	10,440	20,851	15,828	19,943	12,085	10,083	89,230	12,833	12,833	12,833	12,833	12,833	12,837	165,232	154,000	12,232
4-1021 4-1021 Overdraft/LOC INT INC	20,419	4,739	16,183	12,513	24,127	36,002	113,993	83,333	83,333	83,333	83,333	83,333	83,337	613,995	1,000,000	(386,005)
4-1022 4-1022 Interest Only Loans INT INC	21,498	19,412	21,491	20,798	21,491	20,798	125,488	0	0	0	0	0	0	125,488	0	125,488
	30,475	25,229	27,255	25,819	25,926	24,425	159,128	0	0	0	0	0	0	159,128	0	159,128
	72,392	49,379	64,939	59,130	71,545	81,225	398,609	83,333	83,333	83,333	83,333	83,337	898,611	1,000,000	(101,389)	
4-1055 4-1055 Interest Recd - Borrowers	0	4,527	4,462	4,527	4,811	4,527	27,381	4,527	4,527	4,527	4,527	4,527	4,527	54,543	54,324	219
4-1056 4-1056 Ord Min List Interest Income	24,963	24,963	24,963	24,963	24,963	24,963	148,892	24,025	24,025	24,025	23,033	23,033	23,033	290,086	290,946	(860)
4-1057 4-1057 Proceeds on Sale of Bonds	0	0	0	0	0	-4,685	-4,685	0	0	0	0	0	0	0	0	(4,685)
4-1058 4-1058 Profit/Loss Sale Fixed Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4-2000 4-2000 Service Fees Received	0	0	0	0	0	0	0	13	13	13	13	13	7	72	150	(78)
4-2100 4-2100 Line Fee Income	0	0	43,625	0	0	58,625	102,250	0	0	58,625	0	0	58,625	219,500	219,500	0
4-3000 4-3000 Sundry Income	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	1
	29,490	29,490	72,782	29,490	29,490	83,097	273,839	28,565	28,565	87,190	27,573	27,573	86,192	559,497	564,920	(5,423)
Total Income	112,322	99,720	153,549	108,563	113,120	174,404	761,679	124,731	124,731	183,356	123,739	123,739	182,366	1,624,341	1,718,920	(94,579)
Interest Paid to Investors	62,930	54,652	59,547	58,244	58,199	60,894	354,467	67,333	67,333	67,333	67,333	67,333	67,937	758,469	808,000	49,531
Total Cost Of Sales	62,930	54,652	59,547	58,244	58,199	60,894	354,467	67,333	67,333	67,333	67,333	67,333	67,937	758,469	808,000	49,531
Gross Profit	49,393	45,068	94,002	50,320	54,920	113,509	407,212	57,398	57,398	116,023	56,406	56,406	115,029	865,872	910,920	(45,048)
Expenses																
6-0000 6-0000 Provision for Annual Leave	-1,355	462	462	-370	462	599	261	0	0	0	0	0	0	261	0	(261)
6-1200 6-1200 Provision Long Service Leave	0	0	0	0	0	0	0	0	0	0	0	0	600	600	1,200	600
6-1300 6-1300 Salaries and Wages	7,964	7,840	7,800	7,946	7,800	7,855	47,206	8,000	8,000	8,000	8,000	8,000	8,000	96,206	96,000	794
6-1500 6-1500 Superannuation	737	745	741	741	741	746	4,451	760	760	760	760	760	760	9,011	9,120	109
6-1600 6-1600 Staff Training	0	0	0	0	0	0	0	0	0	400	0	0	400	800	1,600	800
6-1700 6-1700 Fund Manager - Vehicle	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Employee Benefits	7,347	9,047	9,004	8,317	9,004	9,200	51,918	8,760	8,760	9,160	8,760	8,760	9,760	105,876	107,920	2,042
6-4200 6-4200 Advertising	0	127	0	0	0	0	127	246	246	246	246	246	244	1,601	2,950	1,349
6-4300 6-4300 Audit Fees	1,825	1,825	1,825	1,825	1,825	1,825	10,950	2,409	2,409	2,409	2,409	2,409	2,406	25,401	28,905	3,504
6-4360 6-4360 Legal Fees	0	533	0	0	0	0	533	1,242	1,242	1,242	1,242	1,242	1,242	7,981	14,900	6,919
Total Professional fees	1,825	2,485	1,825	1,825	1,825	1,825	11,610	3,897	3,897	3,897	3,897	3,897	3,898	34,983	46,755	11,772
6-4400 6-4400 WBC Bank Charges	469	498	502	523	540	538	3,071	560	560	560	560	560	564	6,435	6,724	289
6-4402 6-4402 Indue Fees	136	14	54	23	15	37	280	49	49	49	49	49	47	572	586	14
6-4410 6-4410 Consultancy Fees	2,333	2,333	2,333	19,033	2,333	2,333	30,700	4,300	4,300	4,300	4,300	4,300	4,300	56,500	51,600	(4,900)
6-4412 6-4412 Donations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6-4412 6-4412 WBC Line of Credit Charges	868	292	0	0	0	0	1,160	0	0	0	0	0	0	1,160	5,000	(3,840)
6-4440 6-4440 Ord Minnett Brokerage/Advice	2,500	2,500	2,500	121	2,000	685	10,306	2,500	2,500	2,500	2,500	2,500	2,500	25,306	30,000	4,694
6-4442 6-4442 ASFA Line of Credit Charges	0	0	0	0	0	0	0	417	417	417	417	417	413	2,498	5,000	2,502
6-4445 6-4445 AFSA Service Agreement Fees	9,000	8,387	8,392	8,637	9,088	8,383	51,888	10,140	10,140	10,140	10,140	10,140	10,140	112,733	121,665	8,952
Total Banking Costs	15,309	14,024	13,781	28,338	13,977	11,977	97,405	17,966	17,966	17,966	22,966	17,966	17,969	210,204	220,995	10,391
6-4510 6-4510 Insurance - Workers Comp	118	115	115	117	115	115	695	134	134	134	134	134	128	1,493	1,602	109
6-4530 6-4530 Insurance - General	559	505	559	541	559	541	3,262	1,607	1,607	1,607	1,607	1,607	1,611	12,938	19,288	6,350
Total insurance costs	677	620	673	658	673	656	3,957	1,741	1,741	1,741	1,741	1,741	1,739	14,401	20,890	6,489
6-4425 6-4425 Depreciation Expense	0	0	369	123	123	9	738	68	68	68	68	68	68	1,146	20,816	(330)
6-4600 6-4600 Meeting Expenses	0	0	0	0	18	9	27	70	70	70	70	70	72	449	842	393

Anglican Funds Grafton Diocese

Level 1 - 50 Victoria Street
Grafton 2460
NSW

Balance Sheet

As of June 2019

Account No.			
1-0000	Assets		
1-1000	Current Assets		
1-1105	WBC 032537 247819 Operating Ac	\$10,203.34	
1-1110	WBC 032537 120455 Client Chq	\$76,122.76	
1-1130	AFSA Float SAV00000202	\$132.93	
1-1131	AFSA MIA SAV00041173	\$2,396,809.35	
1-1137	Daily Txns Unproc'd in Phoenix	\$100,896.39	
1-1160	WBC 032537 163017 Cash Managem	\$255,531.51	
1-1165	Melb DIF 30 day term	\$500,000.00	
1-1170	Accrued Int Receivable Investm	\$12,848.22	
1-1400	Prepaid Insurance	\$2,216.89	
1-2700	Furniture & Fixtures		
1-2710	Furniture & Fixtures Orig Cost	\$4,852.56	
1-2720	Furniture & Fixtures Accum Dep	(\$1,604.72)	
1-2800	Plant & Equipment		
1-2810	Computer Hardware	\$26,730.39	
1-2820	Acc Depn Computer Hardware	(\$25,777.25)	
1-2900	Intangible Assets		
1-2910	Computer Software	\$60,500.00	
1-2920	Acc Depn - Compr Software	(\$60,500.00)	
1-3000	Financial Assets - Current		
1-3114	AFSA Term Investment	\$1,000,000.00	
1-3120	AFSA Security Dep SAV00000203	\$250,062.22	
1-3130	WBC Term Invested Funds	\$100,000.00	
1-3145	Ord Minnett-Listed Investments	\$1,180,298.40	
1-3147	Ord Minnett-Global Cash Trust	\$84,427.48	
1-3148	Ord Minn-Global Investments	\$6,315,858.00	
1-3150	Loan Assets		
1-3155	Line of Credit - O/D	\$13,785,171.34	
1-3160	Loan Advances	\$4,557,370.25	
1-3170	Loan Advances - P & I	\$5,617,350.30	
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		
2-0000	Liabilities		
2-1000	Current Liabilities		
2-1004	Audit Costs	\$11,370.00	
2-1200	Accounts payable		\$2,359.16
2-1221	2243310 Term 90 Days INT PAY		\$25,624.57
2-1222	2243320 Term 180 days INT PAY		\$60,139.02
2-1223	2243330 Term 365 days INT PAY		\$129,392.35
2-1700	Investor Funds Fin Liab Curren		
2-1710	2103300 Access Accounts	\$102,407.07	
2-1715	2103310 Institution Access	\$144,993.64	
2-1725	2103330 Parish Provider Access	\$4,396.96	
2-1730	2103350 Interest Free Deposits	\$8,553.45	
2-1735	2103370 Chq Acc Parishes	\$814,942.46	
2-1740	2103380 Chq Acc Ministry	\$1,846,846.85	
2-1745	2103400 Anglican Affiliates	\$928,291.78	
2-1750	139 Parishes CMA	\$627,060.16	
2-1755	2183310 Term Inv 90 days	\$9,527,330.43	
2-1756	2103420 Clergy Access Account	\$219,732.45	
2-1760	2183320 Term Inv 180 days	\$11,173,362.60	
2-1765	2183330 Term Inv 365 days	\$9,023,004.17	
2-1900	Other Current Liabilities		
2-1910	Accrued Annual Leave	\$5,628.62	
2-1911	Accrued Long Service Leave	\$9,488.20	
2-1915	Accrued Expenses	\$13,068.56	
2-3030	GST from purchases		(\$120.51)
2-9999	Westpac Unknown transactions		\$223.68
	Total Liabilities		
	Net Assets		
3-0000	Equity		
3-7000	Revaluation Financial Assets		(\$16,482.56)
3-8000	Retained Earnings		\$1,440,509.90
3-9000	Current Earnings		\$147,377.35
	Total Equity		

Anglican Funds Grafton Diocese
Level 1 - 50 Victoria Street
Grafton 2460
NSW

Balance Sheet [Multi-Period]

January 2019 To June 2019

Account No.	Account Name	January	February	March	April	May	June
Assets							
Current Assets							
		1,075,297	1,290,336	1,287,869	1,240,029	311,482	270,754
		11,470,780	9,060,173	7,465,838	6,243,028	3,734,830	3,503,432
		7,509,199	7,509,199	7,502,323	7,502,323	7,502,323	7,496,156
		27,518	26,072	17,401	44,461	24,507	15,065
	Fixed Assets	4,939	4,939	4,570	4,447	4,324	4,201
	Loan Assets	14,271,797	14,739,617	16,354,357	17,059,329	20,921,029	24,959,892
		0	0	0	0	0	0
	Total Assets	34,359,531	32,630,335	32,632,358	32,093,618	32,498,496	36,249,500
Liabilities							
Current Liabilities							
		46,209	42,493	48,417	29,716	24,582	26,798
		86	169	256	343	435	0
		201,967	188,112	207,987	195,691	198,272	215,156
	Investor Funds Fin Liab Current	7,998,130	6,271,934	6,138,343	5,705,890	6,595,435	4,697,225
		24,658,258	24,669,031	24,734,147	24,664,932	24,166,686	29,723,697
	Sundry Liabilities	13,403	13,731	12,214	11,676	14,459	14,996
		224	224	224	224	224	224
	Total Liabilities	32,918,277	31,185,694	31,141,587	30,608,471	31,000,092	34,678,096
	Net Assets	1,441,253	1,444,641	1,490,771	1,485,147	1,498,404	1,571,405
	Total Equity	1,441,253	1,444,641	1,490,771	1,485,147	1,498,404	1,571,405

Anglican Funds Grafton Diocese

Level 1 - 50 Victoria Street

Grafton 2460

NSW

Balance Sheet [Multi-Period]

January 2019 To June 2019

Account No.	Account Name	January	February	March	April	May	June
Assets							
Current Assets							
1-1105	WBC 032537 247819 Operating Ac	8,743	14,510	7,865	7,258	15,966	10,203
1-1110	WBC 032537 120455 Client Chq	158,441	142,963	169,848	122,616	135,170	76,123
1-3130	WBC Term Invested Funds	900,000	1,100,000	1,100,000	1,100,000	100,000	100,000
1-3147	Ord Minnett-Global Cash Trust	8,113	32,863	10,156	10,156	60,347	84,427
		1,075,297	1,290,336	1,287,869	1,240,029	311,482	270,754
1-1130	AFSA Float SAV00000202	7,325	1,797	876	948	93	133
1-1131	AFSA MIA SAV00041173	5,001,781	3,727,715	4,068,415	3,084,906	2,142,207	2,396,809
1-1137	Daily Txns Unproc'd in Phoenix	-116,754	-178,363	-28,619	-1,388,465	44,916	100,896
1-1160	WBC 032537 163017 Cash Managem	330,234	260,466	176,202	296,283	297,882	255,532
1-1165	Melb DIF 30 day term	6,000,000	5,000,000	3,000,000	4,000,000	1,000,000	500,000
1-3120	AFSA Security Dep SAV00000203	248,194	248,559	248,964	249,357	249,732	250,062
		11,470,780	9,060,173	7,465,838	6,243,028	3,734,830	3,503,432
1-3145	Ord Minnett-Listed Investments	1,192,879	1,192,879	1,179,040	1,179,040	1,179,040	1,180,298
1-3148	Ord Minn-Global Investments	6,316,320	6,316,320	6,323,283	6,323,283	6,323,283	6,315,858
		7,509,199	7,509,199	7,502,323	7,502,323	7,502,323	7,496,156
1-1170	Accrued Int Receivable Investm	32,203	26,520	13,544	25,519	26,826	12,848
1-1171	Ord Min List Accrued Int Rec	-8,989	-4,462	0	4,527	-4,811	0
1-1172	Ord Min U/List Accrued Int Rec	-616	-402	0	11,098	-265	0
1-1400	Prepaid Insurance	4,920	4,416	3,857	3,316	2,758	2,217
		27,518	26,072	17,401	44,461	24,507	15,065
Fixed Assets							
1-2710	Furniture & Fixtures Orig Cost	4,853	4,853	4,853	4,853	4,853	4,853
1-2720	Furniture & Fixtures Accum Dep	-1,401	-1,401	-1,503	-1,537	-1,571	-1,605
1-2810	Computer Hardware	26,730	26,730	26,730	26,730	26,730	26,730
1-2820	Acc Depn Computer Hardware	-25,243	-25,243	-25,510	-25,599	-25,688	-25,777
1-2910	Computer Software	60,500	60,500	60,500	60,500	60,500	60,500
1-2920	Acc Depn - Compnr Software	-60,500	-60,500	-60,500	-60,500	-60,500	-60,500
	Fixed Assets	4,939	4,939	4,570	4,447	4,324	4,201
Loan Assets							
1-3114	AFSA Term Investment	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
1-3155	Line of Credit - O/D	2,259,905	2,891,022	4,663,249	5,543,780	9,546,986	13,785,171
1-3160	Loan Advances	4,558,070	4,555,984	4,558,064	4,557,370	4,558,064	4,557,370
1-3170	Loan Advances - P & I	6,453,822	6,292,611	6,133,044	5,958,179	5,815,980	5,617,350
	Loan Assets	14,271,797	14,739,617	16,354,357	17,059,329	20,921,029	24,959,892
1-3199	Financial Assets Current - Adj	-15,104,496	-15,104,496	-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	15,104,496	15,104,496
		0	0	0	0	0	0
	Total Assets	34,359,531	32,630,335	32,632,358	32,093,618	32,498,496	36,249,500

Liabilities

Current Liabilities							
2-1004	Audit Costs	23,715	25,540	5,895	7,720	9,545	11,370
2-1200	Accounts payable	10,994	2,953	26,022	10,996	2,364	2,359
2-1915	Accrued Expenses	11,500	14,000	16,500	11,000	12,673	13,069
		46,209	42,493	48,417	29,716	24,582	26,798
2-1101	2243130 Access Acc INT PAY	17	32	43	55	68	0
2-1102	2243131 Inst Acc INT PAY	39	76	122	166	213	0
2-1104	2243133 Parish Prov INT PAY	31	61	90	121	153	0
		86	169	256	343	435	0
2-1221	2243310 Term 90 Days INT PAY	18,134	15,351	28,098	23,857	13,686	25,625
2-1222	2243320 Term 180 days INT PAY	53,722	68,709	63,536	56,708	62,883	60,139
2-1223	2243330 Term 365 days INT PAY	130,110	104,052	116,353	115,127	121,703	129,392
		201,967	188,112	207,987	195,691	198,272	215,156
	Investor Funds Fin Liab Current						
2-1710	2103300 Access Accounts	115,186	104,147	92,529	90,433	88,932	102,407
2-1715	2103310 Institution Access	118,882	126,448	137,093	130,709	135,893	144,994
2-1725	2103330 Parish Provider Access	4,614	3,916	5,211	4,539	4,938	4,397
2-1730	2103350 Interest Free Deposits	8,874	8,844	8,222	8,124	8,257	8,553
2-1735	2103370 Chq Acc Parishes	862,557	819,096	795,470	797,810	837,806	814,942
2-1740	2103380 Chq Acc Ministry	3,636,377	2,864,729	2,565,341	2,793,792	3,497,545	1,846,847
2-1745	2103400 Anglican Affiliates	2,436,365	1,563,922	1,727,809	1,065,036	1,182,763	928,292
2-1750	139 Parishes CMA	572,582	581,551	605,604	604,944	618,239	627,060
2-1756	2103420 Clergy Access Account	242,693	199,281	201,063	210,503	221,062	219,732
	Investor Funds Fin Liab Current	7,998,130	6,271,934	6,138,343	5,705,890	6,595,435	4,697,225
2-1755	2183310 Term Inv 90 days	5,722,725	6,863,031	7,024,676	7,018,475	5,615,889	9,527,330
2-1760	2183320 Term Inv 180 days	8,944,669	8,885,722	8,790,737	8,768,912	9,770,676	11,173,363
2-1765	2183330 Term Inv 365 days	9,990,864	8,920,279	8,918,734	8,877,545	8,780,120	9,023,004
		24,658,258	24,669,031	24,734,147	24,664,932	24,166,686	29,723,697
	Sundry Liabilities						
2-1910	Accrued Annual Leave	4,013	4,475	4,937	4,567	5,029	5,629
2-1911	Accrued Long Service Leave	9,488	9,488	9,488	9,488	9,488	9,488
2-3030	GST from purchases	-98	-232	-2,211	-2,380	-58	-121
	Sundry Liabilities	13,403	13,731	12,214	11,676	14,459	14,996
2-9999	Westpac Unknown transactions	224	224	224	224	224	224
		224	224	224	224	224	224
	Total Liabilities	32,918,277	31,185,694	31,141,587	30,608,471	31,000,092	34,678,096
	Net Assets	1,441,253	1,444,641	1,490,771	1,485,147	1,498,404	1,571,405
	Equity						
3-7000	Revaluation Financial Assets	-8,125	-8,125	-15,001	-15,001	-15,001	-16,483
3-8000	Retained Earnings	1,440,510	1,440,510	1,440,510	1,440,510	1,440,510	1,440,510
3-9000	Current Earnings	8,868	12,256	65,262	59,638	72,895	147,377
	Total Equity	1,441,253	1,444,641	1,490,771	1,485,147	1,498,404	1,571,405

Capital Adequacy (4.4.2): (Target > 10% of Risk Weighted Assets)

Assets	Weighting	Asset Value	RWA
Cash (Govt. Securities, A Rated Aust. Banks)	10%	\$ 4,673,290	\$ 467,329
Cash (Other Aust. Banks, ADI's)		\$ -	
Rating AAA to AA-	20%	\$ -	\$ -
Rating A+ to BBB-	50%	\$ -	\$ -
Rating BB+ to B-	100%	\$ -	\$ -
Rating CCC to D	200%	\$ -	
Unrated	400%	\$ -	
Internal Loans - Unsecured	100%	\$ -	
Internal Loans		\$ -	
Secured Commercial	75%	\$ 32,964,721	\$ 24,723,540
Secured Residential	50%	\$ -	\$ -
External Loans - Secured Residential Property	75%		\$ -
External Loans - Secured Commercial property	125%		\$ -
Other Investments (excluding Equities) with claims on Australian and International counter parties:			\$ -
Rating AAA to AA-	20%		\$ -
Rating A+ to BBB-	50%	\$ 7,496,156	\$ 3,748,078
Rating BB+ to B-	100%		\$ -
Rating CCC to D	200%		\$ -
Unrated	400%		\$ -
Other Investments/assets and Equities	400%		\$ -
Total Assets		45,134,167	\$ 28,938,948
Risk Concentration:			
To the extent an External loans exceeds 5% of Total Assets			
Limit	5%	Total Assets: \$ 45,134,167	Limit Amount: \$ 2,256,708
Loans > 5% of TA			Number 400% \$ - \$ -
To the extent an Internal loans exceeds 30% of Total Assets			
Limit	30%	Total Assets: \$ 45,134,167	Limit Amount: \$ 13,540,250
Loans > 30% of TA			200% \$ - \$ -
		Total Risk Weighted Assets	\$ 28,938,948
		8% of risk weighted assets	\$ 2,315,116
		+ 2.5% Buffer	\$ 723,474
		Required Capital 10.5%	\$ 3,038,589
Equity:			
		Accumulated Funds	\$ 1,587,888
		Asset Reserves	-\$ 16,483
		Total Equity	\$ 1,571,405
		"Surplus" Capital	-\$ 1,467,184
		Actual Capital Adequacy ratio	5.43%
Comments should actual Capital Adequacy ratio be < 10.5%			

Note: includes undrawn facility limits
Note Adelaide utilise drawn facilities only.

Liquidity (4.1): (> 10% of Total Assets):			
Total Assets:		\$ 45,134,167	
Minimum Liquidity requirement	10%		\$ 4,513,417
Actual position:			
Cash		\$ 4,673,290	
Undrawn Bank OD Facility		\$ 1,000,000	
Total Actual Liquidity			\$ 5,673,290
"Surplus" Liquidity			\$ 1,159,873
Actual Liquidity Ratio			12.6%
Comments should actual Liquidity ratio be < 10%			

4.3 Depositors in excess of 5% of Liabilities			
Total depositors in excess of 5% of Liabilities	\$ 19,116,760	\$ 19,116,760	55.5%
Total liabilities		\$ 34,418,101	
Comments on large depositors			
The number of accounts/clients with balances in excess of 5% is:	2	Corporate Trustees & SCRLC	

AFGD Capital Adequacy & Liquidity:

30/06/2019

Capital Adequacy (4.4.2): (Target > 10% of Risk Weighted Assets)

Assets	Weighting	Asset Value	RWA
Cash (Govt. Securities, A Rated Aust. Banks)	10%	\$ 4,673,290	\$ 467,329
Cash (Other Aust. Banks, ADI's)		\$ -	
Rating AAA to AA-	20%	\$ -	\$ -
Rating A+ to BBB-	50%	\$ -	\$ -
Rating BB+ to B-	100%	\$ -	\$ -
Rating CCC to D	200%	\$ -	
Unrated	400%	\$ -	
Internal Loans - Unsecured	100%	\$ -	
Internal Loans		\$ -	
Secured Commercial	75%	\$ 23,959,892	\$ 17,969,919
Secured Residential	50%	\$ -	\$ -
External Loans - Secured Residential Property	75%		\$ -
External Loans - Secured Commercial property	125%		\$ -
Other Investments (excluding Equities) with claims on Australian and International counter parties:			\$ -
Rating AAA to AA-	20%		\$ -
Rating A+ to BBB-	50%	\$ 7,496,156	\$ 3,748,078
Rating BB+ to B-	100%		\$ -
Rating CCC to D	200%		\$ -
Unrated	400%		\$ -
Other Investments/assets and Equities	400%		\$ -
Total Assets		36,129,338	\$ 22,185,326
Risk Concentration:			
To the extent an External loans exceeds 5% of Total Assets			
	Limit	5%	Total Assets: \$ 36,129,338
	Loans > 5% of TA		Limit Amount: \$ 1,806,467
			Number: -
			400% \$ - \$ -
To the extent an Internal loans exceeds 30% of Total Assets			
	Limit	30%	Total Assets: \$ 36,129,338
	Loans > 30% of TA		Limit Amount: \$ 10,838,801
			200% \$ - \$ -
			Total Risk Weighted Assets \$ 22,185,326
			8% of risk weighted assets \$ 1,774,826
			+ 2.5% Buffer \$ 554,633
			Required Capital 10.5% \$ 2,329,459
Equity:			Accumulated Funds \$ 1,587,888
			Asset Reserves -\$ 16,483
			Total Equity \$ 1,571,405
			"Surplus" Capital -\$ 758,054
			Actual Capital Adequacy ratio 7.08%
Comments should actual Capital Adequacy ratio be < 10.5%			

Note: excludes available for re-draw & undrawn facility limits
Note Adelaide utilise drawn facilities only.

Liquidity (4.1): (> 10% of Total Assets):

Total Assets:		\$ 36,129,338	
Minimum Liquidity requirement	10%		\$ 3,612,934
Actual position:			
Cash		\$ 4,673,290	
Undrawn Bank OD Facility		\$ 1,000,000	
Total Actual Liquidity			\$ 5,673,290
"Surplus" Liquidity			\$ 2,060,356
Actual Liquidity Ratio			15.7%
Comments should actual Liquidity ratio be < 10%			

4.3 Depositors in excess of 5% of Liabilities

Total depositors in excess of 5% of Liabilities	\$ 19,116,760	\$ 19,116,760	55.5%
Total liabilities		\$ 34,418,101	

Comments on large depositors

The number of accounts/clients with balances in excess of 5% is: **2** Corporate Trustees & SCRLC

Loan Book Data		30-Jun-19	Loan Balance	Unsecured	Limits	Utilize d/Not Drawn	Rate	Open Date	Amount Borrowed	Loan Expiry Date
COM 730	436032770 Secondary Campus Stage 2	Clarence Valley Anglican School	\$ 1,767,695.37				6.30%	10/05/2005	\$ 1,758,979.66	31/12/2037
COM 730	436040020 Stage 3 Building Loan	Emmanuel Anglican College	\$ 114,007.74				5.41%	30/04/2013	\$ 257,533.50	30/04/2022
COM 730	436040021 Stage 4 Building Loan	Emmanuel Anglican College	\$ 1,226,330.46				5.41%	30/04/2013	\$ 1,672,479.06	30/04/2025
COM 730	436040019 Stage 2 Building Loan	Emmanuel Anglican College	\$ 144,227.68				5.41%	30/04/2013	\$ 405,163.30	30/04/2021
COM 730	436040173 Construction Learning Spaces	Emmanuel Anglican College	\$ 752,700.00				4.39%	23/11/2018	\$ 750,000.00	23/11/2034
COM 730	436040136 Stanley St Unit Purchase	M Smedley	\$ 552,409.00				5.34%	25/01/2017	\$ 550,000.00	25/01/2047
COM 731	436040138 Refinance 10 Oiswobth Close	Coffs Harbour Anglican Parish	\$ 14,251.56				5.05%	19/04/2017	\$ 174,000.00	19/04/2037
COM 731	436040059 6 McLean St, Coffs Harbour NSW	Coffs Harbour Anglican Parish	\$ 74,349.38				5.05%	01/12/2015	\$ 194,000.00	01/12/2031
COM 731	436034254 Surplus Debt - 2nd Tranche	Clarence Valley Anglican School	\$ 24,145.25				6.30%	14/03/2012	\$ 1,190,001.32	28/03/2037
COM 731	436040052 Refinance of Solar Panel Loan	Clarence Valley Anglican School	\$ 41,740.20				7.30%	01/08/2014	\$ 146,000.00	01/02/2021
COM 731	436040129 Administration & Classrooms	Emmanuel Anglican College	\$ 2,232,436.26				5.66%	03/01/2017	\$ 2,500,000.00	03/01/2032
COM 731	436040059 Principal and interest loan	Anglicare North Coast	\$ 13,700.53				5.50%	18/12/2014	\$ 1,200,000.00	18/12/2026
COM 731	436040113 Rectory Loan	South Grafton Anglican Parish	\$ 130,234.21				5.05%	23/08/2016	\$ 157,534.35	23/08/2031
COM 731	436040011 Middle School Stage 4	St Columba Anglican School Council Incor	\$ 451,392.50				4.98%	02/04/2013	\$ 1,003,682.80	02/05/2023
COM 731	436040012 Stage 5	St Columba Anglican School Council Incor	\$ 208,258.08				4.98%	02/04/2013	\$ 432,388.82	02/11/2023
COM 731	436040013 Stage 6	St Columba Anglican School Council Incor	\$ 604,938.15				4.98%	02/04/2013	\$ 1,209,360.63	02/03/2024
COM 731	436040014 Admin Building Stage 6b.1	St Columba Anglican School Council Incor	\$ 646,348.36				4.98%	02/04/2013	\$ 859,563.76	10/12/2027
COM 731	436040165 CCELC Purchase	St Columba Anglican School Council Incor	\$ 502,027.34				4.98%	02/04/2013	\$ 786,598.41	02/01/2027
COM 731	436040148 Clergy Car Loan	St Columba Anglican School Council Incor	\$ 548,797.64				4.98%	05/06/2018	\$ 1,777,000.00	05/03/2026
COM 731	436040170 Ridge Clergy Car Loan	M Smedley	\$ 29,061.06				5.85%	22/08/2017	\$ 43,532.00	22/08/2022
COM 731	436040149 Clergy Car Loan	M A Ridge	\$ 18,777.34				5.85%	04/10/2018	\$ 21,660.00	04/10/2023
COM 731	436040145 Clergy Car Loan	M B Jones	\$ 8,499.46				5.85%	28/11/2017	\$ 13,450.00	28/11/2021
COM 731	436040071 Clergy Car Loan	B A Blackbell	\$ 6,840.97				6.00%	15/01/2016	\$ 20,000.00	15/02/2021
COM 731	436040148 Clergy Car Loan	B L Marchant	\$ 3,268.46				5.85%	19/10/2017	\$ 7,000.00	19/10/2020
COM 731	436040143 Clergy Car Loan - Jenks	G C Jenks	\$ 25,453.56				5.85%	13/06/2017	\$ 40,000.00	13/06/2022
COM 731	436040145 Clergy Car Loan	D Snyman	\$ 24,074.91				5.85%	11/08/2017	\$ 36,000.00	11/08/2022
COM 731	436040161 Clergy Car Loan	D Snyman	\$ 6,765.06				5.85%	06/02/2018	\$ 11,662.00	06/02/2021
OD 535	438040007 Annual Insurance Premium Fundi	Anglican Diocese of Grafton	\$ -			\$ 450,000.00				
OD 535	438040004 Line of Credit	Clarence Valley Anglican School	\$ 440,137.20			\$ 409,862.80				
OD 535	438040015 Working Capital & Residual Fun	Emmanuel Anglican College	\$ 900,590.55			\$ 3,100,000.00				
OD 535	438040010 Working Capital	Anglicare North Coast	\$ -			\$ 200,000.00				
OD 535	438040008 Line of Credit	St Columba Anglican School Council Incor	\$ 5,315,168.92			\$ 8,000,000.00				
OD 535	438040017 Line of Credit	Canfar Properties Pty Ltd	\$ -			\$ 190,000.00				
OD 535	438040018 Line of Credit	Lindisfarne Anglican School	\$ 3,330,859.72			\$ 6,000,000.00				
OD 535	438040025 Working Capital Requirements	Bishop Druitt College Council	\$ 3,797,039.95			\$ 3,450,000.00				
OD 535	438040026 Information Computer Technolo	Bishop Druitt College Council	\$ 1,375.00			\$ 550,000.00				
Total Loan Book assets			\$ 23,959,891.89			\$ 22,790,000.00			\$ 9,004,828.66	
Excludes redraw			\$ 32,864,720.55							
Loans only			\$ 10,174,720.65							
Overdrafts only			\$ 13,785,171.34							
		Anglican Diocese of Grafton	\$ -			\$ 450,000.00			\$ 5.05%	0.00%
		St Columba Anglican School Council Incor	\$ 8,000,000.00			\$ 80,000.00			\$ 3.49%	1.00%
		Canfar Properties Pty Ltd	\$ 190,000.00			\$ -			\$ 5.73%	0.00%
		Clarence Valley Anglican School	\$ 850,000.00			\$ 4,250.00			\$ 6.30%	0.50%
		Anglicare North Coast	\$ 200,000.00			\$ 1,000.00			\$ 5.00%	0.50%
		Emmanuel Anglican College	\$ 3,100,000.00			\$ 23,250.00			\$ 3.64%	0.75%
		Lindisfarne Anglican School	\$ 6,000,000.00			\$ 66,000.00			\$ 3.3705%	1.10%
		Bishop Druitt College Council	\$ 5,450,000.00			\$ 54,500.00			\$ 4.56%	1.00%
		Bishop Druitt College Council	\$ 550,000.00			\$ 5,500.00			\$ 4.56%	1.00%
			\$ 24,790,000.00			\$ 234,500.00			\$ 3.89%	0.99%

Largest exposure
St Columba Anglican School
includes full OD limit
\$ 10,963,762.07
Balance of OD only
\$ 8,276,930.99

Facility Limit	Annual Line Fee \$	Rate	Line Fee %
\$ 450,000.00	\$ -	5.05%	0.00%
\$ 8,000,000.00	\$ 80,000.00	3.49%	1.00%
\$ 190,000.00	\$ -	5.73%	0.00%
\$ 850,000.00	\$ 4,250.00	6.30%	0.50%
\$ 200,000.00	\$ 1,000.00	5.00%	0.50%
\$ 3,100,000.00	\$ 23,250.00	3.64%	0.75%
\$ 6,000,000.00	\$ 66,000.00	3.3705%	1.10%
\$ 5,450,000.00	\$ 54,500.00	4.56%	1.00%
\$ 550,000.00	\$ 5,500.00	4.56%	1.00%
\$ 24,790,000.00	\$ 234,500.00	3.89%	0.99%

Average return
3.855%
refer balance by rate end of month for benchmark

ORD MINNETT

PORTFOLIO VALUATION

Portfolio Details as at: 30 June 2019

Corp Trustees of Diocese of Grafton GDIF

Code	Security Name	Quantity	Cost Price	Cost Base	Market Price	Market Value	Assets %	Est. Yield %	Est. Annual Income	Est. Franking %	Est. Franking Credits	Est. Gross Yield %
INTEREST RATE SECURITIES												
AU3FN0024410	MEB FRN 29/08/2019-2024 BBSW+2.70%	1,700,000	0.9999	1,699,829.00	1.002	1,703,468.00	22.47	2.81	70,109.70			2.81
AU3FN0032710	AAI LTD FRN 06/10/2022 - 2042 BBSW+3.20%	2,000,000	1.0605	2,120,940.00	1.046	2,092,640.00	27.61	2.92	98,468.00			2.92
AU3FN0033668	BENDIGO FRN 09/12/2021-2026 BBSW+2.80%	1,000,000	1.0319	1,031,930.00	1.029	1,029,040.00	13.57	2.78	41,663.00			2.78
AU3FN0037917	AMPAUS FRN 01/12/2022 - 2027 BBSW+1.80%	500,000	1.0045	502,260.00	0.972	486,000.00	6.41	3.89	16,000.00			3.89
AU3FN0039426	CHALLENGER LIFE CO LTD FRN 24/11/2022 -2042 BBSW+2.10%	500,000	1.0000	500,000.00	1.009	504,360.00	6.65	3.04	17,714.00			3.04
AU3FN0048716	AUSWIDE BANK LTD FRN 06/12/2024 - 2029 BBSW+3.2%	500,000	1.0000	500,000.00	1.001	500,350.00	6.60	4.39	22,770.50			4.39
Sub Total				6,354,959.00		6,315,858.00	83.32		266,725.20			
HYBRID SECURITIES												
AYUHB	AUSTRALIAN UNITY LTD	11,437	101.4317	1,160,074.15	103.200	1,180,298.40	15.57	4.57	53,950.62			4.57
Sub Total				1,160,074.15		1,180,298.40	15.57		53,950.62			
CASH												
PERSHING_AUD	PERSHING AUSTRALIAN DOLLARS	84,427	1.0000	84,427.48	1.000	84,427.48	1.11					
Sub Total				84,427.48		84,427.48	1.11					
TOTAL PORTFOLIO				7,599,460.63		7,580,583.88	100.00	4.23	320,675.82			4.23

Adviser Name: Alison Perrott
Location: ADELAIDE
Phone No: (08) 8203 2500
Account No: 1146256

Note: Estimate information based on rolling 12 months actual data.

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BOARD MEETING DATE:

9/08/2019

No 6 Financial and performance reports

Item: b

Title: Audit update

No of Pages. 19 incl Header



3 June 2019

Mr Michael Blaxland
Chairperson of the Audit Committee
Anglican Funds Grafton Diocese
PO Box 4
GRAFTON NSW 2460

Dear Michael

Management Letter on the Final Phase of the Audit

We have completed the final phase of the audit of the financial report of Anglican Funds Grafton Diocese (the "Fund") for the year ended 31 December 2018.

During the course of our audit we obtained an understanding of the Fund's internal control structure and procedures sufficient to allow us to determine our audit procedures for the purpose of expressing our opinion on the financial report.

Our consideration of the control structure and procedures would not necessarily disclose all significant control deficiencies, as our audit is based on selective tests of accounting records and supporting data, and is not intended to provide specific assurance on the internal control structure.

The purpose of this letter is to bring to your attention:

- significant weaknesses and deficiencies identified in the operation of your Fund's internal controls
- significant financial reporting matters
- unresolved matters identified during previous audits.

For each matter in this letter, we have included our observations, risk assessment and recommendations. The risk assessment is based on our understanding of your business. Management should make its own assessment of the risks to the Fund.

We have kept management informed of the issues included in this letter as they have arisen and a formal draft of this letter was provided on 23 April 2019. This letter includes management's formal responses, the person responsible for addressing the matter and the date by which this should be actioned.

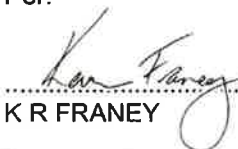
We would like to express our appreciation to Chris Nelson and his staff for their assistance during our audit

Should you require any further information about the matters raised in this letter, please do not hesitate to contact me on 02 6626 3000.

Yours faithfully

THOMAS NOBLE & RUSSELL
CHARTERED ACCOUNTANTS

Per:


K R FRANEY (Partner)

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Management Letter on the Final Phase of the Audit

ANGLICAN FUNDS GRAFTON DIOCESE

YEAR ENDED 31 DECEMBER 2018



Thomas
Noble &
Russell

Accountants | Auditors | Business Advisers

www.tnr.com.au



Summary of Issues

A summary of the matters raised in this management letter and the corresponding risk rating, is included below for your information.

ISSUE	DETAIL	RISK ASSESSMENT
1	Information Technology (IT) Policies and Procedures	Moderate
2	IT Disaster Recovery Plan	High

APPENDICES

Appendix A: Review of matters raised in prior year management letters

Appendix B: Our rating definitions



Issue 1: Information Technology (IT) Policies and Procedures

Risk Assessment – Moderate

OBSERVATION

Our review of the IT environment noted the following:

- the fund does not have defined and documented procedures in place to manage information security or to manage changes to the IT environment; and
- there are no written policies on computer usage within the IT environment, including usage of the accounting package, internet and email applications.

IMPLICATION

Lack of defined IT policies and procedures may result in inconsistent or ineffective practices to appropriately safeguard information resources.

RECOMMENDATION

We recommend management develop policies and procedures in relation to IT as appropriate for its size. Particular focus should be made on defining user roles and responsibilities across the Fund and the Diocese to safeguard information assets. This should include acceptable usage of information resources (internet, email etc) and responsibilities to safeguard system user accounts (for example safeguarding passwords).

MANAGEMENT COMMENT

A review of policies and procedures for information technology will be conducted. The relevant policies and procedures for Anglican Funds South Australia (AFSA) and Data Action (DA) will be included in this review. Policies and procedures will be developed where important gaps are identified.

RESPONSIBLE OFFICER

EXPECTED COMPLETION DATE

Annette Dent, AFGD Customer Support Officer to determine relevant AFSA and DA policies and procedures

30 September 2019.

Review completed by 30 November 2019.

Registrar to organise a IT policy and procedure review and establish a program for addressing important gaps in policy and procedure suite.

Priority procedures in place by 31 March 2020.



Issue 2: IT Disaster Recovery Plan

Risk Assessment – High

OBSERVATION

An IT Disaster Recovery Plan (DRP) is used to capture the knowledge and procedures required to restore core IT services and data in a timely manner after a disaster or disruption event. The Fund does not currently have a documented Disaster Recovery Plan (DRP).

IMPLICATION

The absence of a documented IT DRP may increase the risk of the Fund being unable to recover IT services in a timely and effective manner after a disaster or disruption event and may hinder the ability to continue critical business functions.

RECOMMENDATION

The Fund should formalise an IT disaster recovery plan. The plan should provide sufficient detail to:

- present an orderly course of action for restoring each of the Fund's critical IT capabilities;
- set criteria for making decisions to implement appropriate plans;
- implement an organisational structure for carrying out the plan;
- provide information concerning personnel that will be required to carry out the plan and expertise required; and
- identify the equipment, floor plan, procedures and other items necessary to execute the recovery.

The Fund should also consider obtaining assurances from Anglican Funds South Australia (AFSA) around the adequacy of the DRP processes and procedures they have in place in relation to the core banking system.

MANAGEMENT COMMENT

The lack of a Disaster Recovery Plan (DRP) is noted. AFGD management will develop suitable plans for the disaster scenarios with the greatest potential. Anglican Funds South Australia (AFSA) and Data Action (DA) will be contacted to ascertain their Disaster Recovery Plans relative to AFGD information and services.

RESPONSIBLE OFFICER

EXPECTED COMPLETION DATE

Annette Dent, AFGD Customer Support Officer to obtain information from AFSA and DA regarding their DRP relative to AFGD information and services.

30 September 2019.

Planning session completed by 30 November 2019.

Registrar to organise a Registry-wide Disaster Recovery Planning session. DRP to be written as an output of that planning.

DRP written by 29 February 2020.



Appendix A: Review of matters raised in prior year management letters

The issues in this appendix were raised in previous management letters. For each of these issues, we have determined:

- how management has addressed the issue in the current year
- what management still needs to do to address unresolved issues.

PRIOR ISSUES RAISED	RISK ASSESSMENT	ASSESSMENT OF ACTION TAKEN	RECOMMENDATION
Accounting Policies	Low	Accounting policy and procedure manual still in its draft stage undergoing review.	From discussions with management, we anticipate the accounting policy to be finalised in 2019 and we will review and consider during the 2019 audit.
Related Parties	Moderate	Related party confirmations were sent out in the current year.	Nil as matter addressed.
Risk Management Framework	Moderate	Draft Risk Management Framework has been prepared but not yet finalised. Implementation of this recommendation was delayed until the Board confirmed the Fund's strategic direction.	We have been advised that the AFGD Board and Corporate Trustees have adopted a new operating model "Enhanced Services Agreement" with Anglican Funds South Australia. This matter will be considered during the 2019 year.
Clergy Loans	Moderate	This matter has not yet been addressed.	We recommend that the Credit Policy be updated to include expectations for lending to clergy and other individuals not covered by the existing Policy Statement.
Loan Assessment Processes	Moderate	All new loan applications by existing customers now require a new loan assessment to be completed.	Nil as matter addressed.
Liquidity Management	High	This matter has not yet been addressed. The Fund still has a maturity mismatch in place. The development of a policy was delayed until the Board confirmed the Fund's strategic direction.	We have been advised that the AFGD Board and Corporate Trustees have adopted a new operating model "Enhanced Services Agreement" with Anglican Funds South Australia. This matter will be considered during the 2019 year.
Capital Adequacy	Moderate	Further information has been requested from the General Synod Diocesan Financial Advisory Task Force to progress this matter.	The Board should develop a strategy to lift capital to a level that is commensurate to the risk of its loan portfolio.



PRIOR ISSUES RAISED	RISK ASSESSMENT	ASSESSMENT OF ACTION TAKEN	RECOMMENDATION
Interest Rate Changes	Low	No action taken. Management have considered the current procedure and have concluded that they accept the risk.	Nil as client has accepted risk.
Inactive & Dormant Accounts	Moderate	A review of accounts was completed during 2018 with inactive or dormant accounts either closed per customer advice or funds were transferred to the Office of State Revenue unclaimed monies. An annual review will be conducted going forward.	Nil as matter addressed.
Returned Customer Statements	Moderate	Returned customer statements are now followed up with the customer where possible. If attempts to contact the customer fail then the Fund will follow the office of state revenue's unclaimed money process.	Nil as matter addressed.
General Journals	Moderate	Appropriate segregation of duties has been achieved with the Financial Accountant raising journals and the Diocesan Accountant reviewing and approving them.	Nil as matter addressed.



Appendix B: Our rating definitions

Each of the matters included in this management letter have been assessed and categorised against the following risk ratings:

PRIORITY RATING	IMPACT
(H) HIGH	<ol style="list-style-type: none">1. Matters which pose a significant business or financial risk to the entity and should be addressed urgently; and / or2. Matters that have resulted or could potentially result in a modified or qualified audit opinion if not addressed as a matter of urgency by the entity.
(M) MODERATE	<ol style="list-style-type: none">1. Matters of a systemic nature that pose a moderate business or financial risk to the entity if not addressed within the current financial year;2. Matters that may escalate to high risk if not addressed promptly;3. Low risk matters which have been reported to management in the past but have not been satisfactorily resolved or addressed;4. Items that have been identified by external audit where material inefficiencies are occurring;5. Matters where regulatory obligations have been identified that do not pose a material, financial or reputation risk to the entity; and / or6. Matters where there is a scope for fraud and corruption without address by management.
(L) LOW	<ol style="list-style-type: none">1. Matters that are isolated, non-systemic or procedural in nature; and / or2. Matters that reflect relatively minor administrative shortcomings and could be addressed in the context of the entity's overall control environment.

AUDIT STRATEGY

ANGLICAN DIOCESE OF GRAFTON GROUP
YEAR ENDING 31 DECEMBER 2019



Thomas
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ISSUED: 18 JULY 2019

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Audit of the Financial Report of the Anglican Diocese of Grafton Group for the year ending 31 December 2019

We are currently in the process of planning our audit of the financial reports for the year ending 31 December 2019 of the Anglican Diocese of Grafton Group (the Group) which comprises the:

- Anglican Diocese of Grafton;
- Anglican Funds Grafton Diocese (AFGD); and
- Corporate Trustees of the Diocese of Grafton.

Australian Auditing Standards issued by the Auditing and Assurance Standards Board require us to communicate with "those charged with governance" of each of the Group entities in relation to some aspects of our audit

Auditing Standard ASA 260 defines "Those charged with governance" as "...the person(s) or organisation(s) ... with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity. This includes overseeing the financial reporting process".

Those charged with governance may involve management personnel.

ASA 260 defines "management" as those with "executive responsibility for the conduct of the entity's operations".

We advise that we will communicate matters of governance interest arising from our audit with:

- (i) the respective Governing Bodies (Bishop-in-Council, the Anglican Funds Grafton Diocese Board, and the Corporate Trustees of the Diocese of Grafton);
- (ii) the Audit Committee of the Diocese of Grafton; and/or
- (iii) management

as we consider appropriate in relation to each matter to be communicated.

Ordinarily, we will initially discuss audit matters of governance interest with management.

In particular, any management letter we issue will be addressed to the Audit Committee of the Diocese of Grafton after it has been discussed with management.

Some of these matters will be communicated orally and some in writing. All matters will be communicated on a timely basis.

1. Auditor's Responsibilities

We are responsible for forming and expressing an opinion on the financial reports that will be prepared by management with the oversight of those charged with governance. Our audit of the financial reports does not relieve management or those charged with governance of their responsibilities.

2. Scope of Our Audit

The purpose of providing you with details of the planned scope of the audit is to assist you in better understanding the consequences of our work and to help identify any areas in which you may request us to undertake additional procedures.

Should there be any matters outlined in this letter that are not consistent with your understanding of the engagement, please contact us.

We will conduct our audit for the year ending 31 December 2019 for each Group entity in accordance with the terms of our most recent engagement letter dated 15 December 2017 and with Australian Auditing Standards to provide reasonable assurance as to whether each financial report is free from material misstatement.



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Our procedures will include examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial reports, and the evaluation of accounting policies and significant accounting estimates.

These procedures will be undertaken to form an opinion whether, in all material respects, the respective financial reports of the entities within the Group give a true and fair view of each entity's financial position at 31 December 2019 and of their performance for the year ended on that date; and complies with Australian Accounting Standards and other mandatory professional reporting requirements to the extent required and statutory requirements.

Controls Reliance

Based on our preliminary planning procedures we consider that a fully substantive approach is the most efficient and effective for the audit. Consequently, we will not be placing reliance on any controls for your organisation.

Significant Risks

A feature of our audit approach is to identify areas of significant risk of material misstatement in the financial statements. We then undertake our audit, giving special attention to those areas, whilst still ensuring that all other material areas in the financial statements are subject to audit examination.

Our planning procedures have identified the following significant risks and other areas of focus.

We propose to address these risks of material misstatement as follows. Please note that the items noted below do not cover all risks subject to audit.

SIGNIFICANT RISKS	PLAN TO ADDRESS
<p>1. Revenue and related risk of fraud* <i>All entities</i></p>	<ul style="list-style-type: none"> Update our understanding of and perform walkthrough tests over major revenue streams. Perform detailed analytics and sample tests over revenue to ensure it is accurate, complete and recorded in the correct accounting period.
<p>2. Management Override of Controls* <i>All entities</i></p>	<ul style="list-style-type: none"> Test the appropriateness of journal entries. Review accounting estimates for bias. Determine whether there is a need to perform other audit procedures where there are specific additional risks of management override that are not covered by the procedures above.
<p>3. Recognition of Liabilities or Contingent Liabilities <i>Anglican Diocese of Grafton</i></p>	<ul style="list-style-type: none"> Consider the latest developments and claims received relating to professional conduct. Review management's assessment of actual liabilities and contingent liabilities Have regard to any correspondence from legal advisors and the National Redress Scheme Ensure appropriate disclosure is made in the financial statements.



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SIGNIFICANT RISKS	PLAN TO ADDRESS	OTHER RISKS / BUSINESS DEVELOPMENTS	PLAN TO ADDRESS
<p>4. Asset Impairment <i>Anglican Funds Grafton Diocese</i></p>	<ul style="list-style-type: none"> Review management's methodology for assessing, recognising and accounting for impaired loans Review evidence of impairment indicators and review impairment calculations prepared by management. Review financial accounting and disclosures for impaired loans 	<p>1. Strategic Direction of Anglican Funds Grafton Diocese</p> <p>The AFGD Board is currently considering a range of options for the future direction of the Fund's activities. Any decisions made by the Board may impact the Fund's annual financial report.</p>	<ul style="list-style-type: none"> We will continue to liaise with management to ascertain the financial reporting impacts of any strategic decision and assess whether our audit approach is to be amended. We are not anticipating any decisions that will materially impact the 2019 financial report.
<p>5. Introduction of New Accounting Standards <i>All entities</i></p>	<ul style="list-style-type: none"> We will review the position papers prepared by management on the introduction of AASB 15, 1058 and 16 (as discussed later in this report) Review and assess the adopted accounting and financial reporting disclosures arising from the introduction of the abovementioned Accounting Standards. 	<p>2. Asset Sales</p> <p>The Corporate Trustees recently made a decision to sell the St Cuthberts Retirement Village assets and business.</p>	<ul style="list-style-type: none"> Review sale contracts to understand the transaction Review and assess accounting treatment and financial reporting disclosures

* Australian Auditing Standards require the auditor to presume there is a risk of fraud relating to inappropriate revenue recognition as well as due to management's ability to override controls. As these present a risk of material misstatement due to fraud, they are considered significant risks.

In addition to the above significant risks, the following areas will also be considered by the audit:

3. Independence and Ethics

The Partner and all staff assigned to the Group's audit engagement team for the year ending 31 December 2019 have confirmed that they are independent in accordance with the ethical requirements of Professional Standard APES 110: *Code of Ethics for Professional Accountants*. We also consider that the firm is independent of the Group.

During the financial year to 31 December 2019 we have been requested to provide the following non-audit services to the Group:

- Assistance with the preparation of the annual financial statements for the entities within the Group;



- Preparation of financial modelling relating to the strategic direction of Anglican Funds Grafton Diocese.

We consider that the provision of these services has not impaired our independence.

The *Australian Charities and Not-for-profit Commission Act 2012* requires the independent auditor to make a declaration to those charged with governance regarding independence of the engagement team and others in the Firm as appropriate. This declaration will be provided to those charged with governance at the appropriate time however does not need to be included in the financial report.

4. Significant Accounting Policies

Management need to consider the impact of the following major new accounting standards and will need to update financial accounting policies accordingly:

- AASB 15 Revenue (effective 1 January 2019)
- AASB 1058 Income of Not-for-Profit Entities (effective 1 January 2019)
- AASB 16 Leases (effective 1 January 2019)

We have been advised by management that there have been no other changes in, and no other new, significant accounting policies and practices that have, or could have, a material effect on the financial report.

5. Materiality

Our audit is designed to identify and assess the risk of material misstatement. The concept of materiality affects our audit planning and our consideration of matters arising from our audit. We take into account both qualitative and quantitative factors when assessing materiality.

Completion of initial audit procedures has resulted in the following preliminary materiality levels being established. These levels will be subject to reassessment throughout the audit, including the finalisation of the financial report.

ENTITY	BASIS FOR DETERMINING MATERIALITY	PLANNING MATERIALITY \$	SCORESHEET THRESHOLD \$
Anglican Diocese of Grafton	3% of expenditure	160,000	16,000
Anglican Funds Grafton Diocese	3% of expenditure	37,100	3,700
Corporate Trustees of the Diocese of Grafton	3% of expenditure	58,700	5,870

Prior to the conclusion of our audit, we will advise of:

- All adjustments to the financial reports made as a result of our audit.
- Uncorrected misstatements identified during the audit which management determined were not material other than those that are clearly trivial.

6. Accounting Standards Update

This section provides you with a summary of the changes in accounting standards that may have a significant impact on each Group entity in this financial year.



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AASB NO.	APPLICATION DATE	COMMENTS
AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of NFP entities	1 January 2019	AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services. AASB 1058 supersedes all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions.
AASB 16 Leases	1 January 2019	AASB 16 will cause the majority of leases of an entity to be brought onto the statement of financial position. There are limited exceptions relating to short-term leases and low value assets which may remain off-balance sheet.

7. Fraud

We have discussed with management their knowledge of any actual, suspected or alleged fraud affecting each Group entity within the period being audited and they have advised us that they are not aware of any such matters.

If you have knowledge of any such matters, please let us know as soon as possible as this will affect the scope of our audit work.

8. Additional Audit Work

Should you wish us to extend the scope of our audit work, or to work to a lower materiality level, please let us know.

9. Breaches of Laws & Regulations

Management has advised that they are not aware of any breaches of laws or regulations that may have a material effect on the financial report of each entity. If this is not the case please let us know as soon as possible as this will affect the scope of our audit work.

10. Audit Quality

We strive to provide professional high quality, value for money auditing services to all of our clients by ensuring responsive and high quality service. To minimise any disruption to your work practice and ensure the greatest outcome from the audit, we encourage your assistance in the following areas:

- Provide clear, concise and accurate documentation.
- Ensure key staff availability.
- Provide necessary documentation in accordance with the timetable agreed.
- Satisfy all other agreed deadlines identified in the timetable in this audit strategy
- Respond to audit inquiries and issues in a timely manner.

To ensure we maintain our high standards we encourage you to discuss any feedback or comments on the services we provide with the engagement partner.

11. Engagement Team

Our aim is to provide the Group with audit resources at an appropriate skill mix, suited to the specialist requirements of your industry. These resources will be coordinated through Kevin Franey as the Engagement Partner, who will be responsible for the overall management and quality of the audit. He will be assisted by Jodie Carter as the Audit Manager who will be responsible for the day to day operations of the audit.

OFFICE/POSITION	ROLE	CONTACT
Kevin Franey Engagement Partner 	Responsible for the audit opinion, the audit approach and execution, determining key risks and judgements, assigning staff to the engagement and monitoring their performance	kevin.franey@tnr.com.au Phone: 6626 3000 Mobile: 0416 218 544
Jodie Carter Audit Manager 	Supports and reports to the Engagement Partner and is responsible for the day-to-day planning, coordination and execution of the audit.	jodie.carter@tnr.com.au Phone: 6626 3000 Mobile: 0437 404 354

12. Audit Timetable

The following timetable has been proposed in relation to financial audit process.

ACTIVITY	RESPONSIBILITY	BY
Position paper on the impacts of new Accounting Standards (AASB 15, 1058 & 16) provided to Audit Committee for consideration	Management	12 November 2019
Commence interim visit	TNR	2 December 2019
Interim audit management letter (if applicable)	TNR	27 January 2020
Commence year end visit	TNR	2 March 2020
Closing report and year-end audit management letter issued	TNR	6 April 2020
Audit Committee meeting	Audit Committee	28 April 2020
Bishop-in-Council meeting to adopt financial report	Bishop-in-Council	21 May 2020
Corporate Trustees and AFDG Board meeting to adopt financial reports	Board	18 June 2020
Receipt of signed management representation letters	Management	To be determined
Audit report to be signed	TNR	May / June 2020



ACTIVITY	RESPONSIBILITY	BY
Synod		September 2020

13. Audit Fees

The audit fee based on our planned audit approach is \$52,135 (exclusive of GST).

The audit fee will be billed progressively based on work completed.

The audit fee is allocated between the following components:

FINANCIAL AUDIT COMPONENTS	CURRENT YEAR ESTIMATE \$	PRIOR YEAR ACTUAL \$
The Corporate Trustees of the Diocese of Grafton	2,100	2,050
Discount	(1,500)	(1,500)
Disbursements	5,970	5,850
Total	52,135	51,060

Changes to our audit plan, such as the identification of other significant issues which impact on the nature and extent of planned audit procedures, have the potential to affect the audit fee.

Other matters that may have an impact on our fees include:

- your achievement of key milestones within the agreed timeframes;
- the quality of working papers provided for audit; and
- availability of your key management and staff, and timeliness of response to audit issues.

Any anticipated variation of our fee will be discussed with management during the course of the audit.

FINANCIAL AUDIT COMPONENTS	CURRENT YEAR ESTIMATE \$	PRIOR YEAR ACTUAL \$
Audit of Financial Report		
Anglican Diocese of Grafton	10,475	10,270
Anglican Funds Grafton Diocese	17,810	17,460
The Corporate Trustees of the Diocese of Grafton	12,570	12,320
Preparation of Financial Report		
Anglican Diocese of Grafton	2,100	2,050
Anglican Funds Grafton Diocese	2,610	2,560

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DISCLAIMER:

An audit of a financial report is not designed to identify all matters that may be relevant to those charged with governance. Accordingly, our audit does not ordinarily identify all such matters.

Our communication of matters of governance interest includes only those audit matters of governance interest that come to our attention as a result of the performance of our audit.

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BOARD MEETING DATE:

9/08/2019

No 7 Matters for discussion and/or decision

Item: a

Title: AFSA/AFGD Service Agreement – Client Update

No of Pages. 11 incl Header

Executive Summary

Confidential Urgent

Date: 1st August 2019 **File number:**

To: Anglican Funds Grafton Diocese (AFGD) Board **From:** AFSA Head

CC:

Subject: Expanded Service Agreement – Client update

As an interim measure pending sign off of the Expanded Service Agreement between AFGD & AFSA, AFSA was provided the authority to continue discussions with key clients named in the agreement to ensure there was no time lag experienced by them during this period of transition.

A summary of activity from 1/7/19 to 31/7/19 is provided below with details contained in their respective reports.

Entity name	Method	Date	Report provided
AFGD – update on commitments and agreed next steps	face to face	2/7/19	yes
Schools			
Lindisfarne Anglican Grammar School (LAGS)	face to face	1/7/19	yes
Emmanuel Anglican College (EAC)	face to face	2/7/19	yes
St Columba Anglican School (SCAS)	email and phone	17/7/19	yes
Bishop Druitt College (BDC)	face to face	5/7/19	yes
Clarence Valley Anglican School (no report Ian Morris was in the process of a finance software change)	n/a	n/a	n/a
Other Bodies Corporate			
Anglicare North Coast (ANC)	email	2/7/19	yes



Blaine Fitzgerald – Head of Anglican Funds South Australia

Date:	2/7/19
Entity:	Anglican Funds Grafton Diocese (AFGD)
Location:	Level 1 50 Victoria Street, Grafton NSW 2460
Attendees:	AFGD Annette Dent – Customer Service Officer & Chris Nelson Registrar/GM AFSA: Blaine Fitzgerald AFSA Head
Purpose:	<p>Agreement fine tuning for signing. Draft Agreement is having a couple of points clarified. It is highly likely to be signed off by all parties 31/7/19. In the interim a letter of support confirming start date 1/7/19 is held allowing all WIP discussions with key stakeholders to continue without any implementation time lag.</p> <p>Administrative and leave support AD – Annual leave requirements and cover required. Confirmation of list of duties to be covered during period of absence. Shared access set up required for Grafton files – (refer to Darren - Adelaide) BF to discuss with Adelaide Team visit for AD Agenda to be discussed and put together – AFSA team. 22 July or week commencing 5th August and 12th August say 2 days.</p> <p>Knowledge share – What is the process of sharing all information currently undertaken by BF and sharing that with the AFSA team.</p> <p>Communications: BF to prepare Communications to go out to AFGD’s core commercial clients that fall under the expanded service agreement. BF/AH & PM to work on media announcement etc – good news story strategic joint initiative etc.</p> <p>Discuss Cash flow and treasury management operations timelines Required by end 2019 Required by 2020</p> <p>Existing facilities update on run off Term debt likely to reduce by \$1.6m by year end. Discussions with schools I am recommending that AFGD would like to take on some core term debt facilities .</p> <p>Ord Portfolio Maturity Forecast and reporting. Blaine, Alison and Annette to co-ordinate.</p>

	<p>CT's fund migration to AFSA Endowment Fund. CT's investment approach will be cautious and staged. AFSA to provide information for independent review. At this point in time They believe their support of AFGD is required and will continue.</p> <p>Sale of St Cuthbert's Retirement Living Complexes. Received circa \$8m AFGD – already have \$4m New Funds \$4m short term have been place AFGD on Term Investment. From 1/9/19 the Diocese will look to invest \$4m in their capacity as trustees for the Tweed Parish. The remaining \$4m is to be set aside for any future re-dress claims. A reserve of \$500K is to be retained in AFGD in the event of claims by former residents on their accommodation units.</p> <p>Other: Lending Interest Rate review: Review completed with proposed start date of 1/7/19. BF to complete recommendation and budget impact and forward to CN for distribution by flying minute. – BF done on 4/7/19.</p> <p>Angllcare North Coast (ANC) Restructure and options for budget analysis. Completed via email and shared with Director ANC – Estelle Graham 2/7/19 to 4/7/19. Estelle to come back if re-structure to proceed. I think she will.</p> <p>Clergy Car Loans Between the two Funds explore and develop best practice approach.</p> <p>Parish Insurance renewal Loans Between the two Funds explore and develop best practice approach.</p>
<p>Key dates and agreed next steps:</p>	<p>2/7/19 - ANC options paper to Estelle Graham</p> <p>4/7/19 - Lending interest rate review to CN</p> <p>9/7/19 – Clean version Draft Agreement back to CN for acceptance and legal opinion.</p> <p>12/7/19 – AD visit and agenda draft due. - Endowment Fund info to actuary required</p> <p>31/7/19 - Expanded Service Agreement complete and signed.</p>

Date:	1/7/19
Entity:	Lindisfarne Anglican Grammar School (LAGS)
Location:	Senior Campus, Mahers Lane, Terranorra – Tweed Heads NSW
Attendees:	LAGS: Brett Dinsdale Business Manger and Principal Stuart Marquardt Westpac: Mark Parry Relationship Executive AFGD: Blaine Fitzgerald AFSA Head
Purpose:	<p>Discuss new master Plan and capital funding requirements next 36 months.</p> <p>Junior Campus including ELC -Preschool and kindy. \$3.0m Timelines soft cost out of cash flow by end 2019 \$.5m Progress daws through to completion 2020 \$2.5m</p> <p>AFGD may take on by reducing LOC by \$2m from \$6m to \$4m</p> <p>Net AFGD increase to 2021 from \$6m to \$7m. Some minor grant funding \$500K may be available, but LAGS is not counting on it.</p> <p>LAGS has secured \$6m in AIS funding for major infrastructure that is project specific to receive the grant funding</p> <p>Middle School campus Project cost \$ 7m AIS Contribution \$2.5m Balance to fund \$4.5m Timelines</p> <p>Senior Centre Project cost \$ 4m AIS Contribution \$1.5m Balance to fund \$2.5m Timelines</p> <p>New Mahers Lane Junior Campus cost \$12m AIS Contribution \$2.0m Balance to fund \$10m Timelines Stage 1 2022 \$4m Stage 2 2023 \$4m Stage 3 2024 \$4m</p> <p>Existing facilities update on run off Current Westpac facilities run off at \$450K per annum. By November 19 all remaining term debt facilities will be repaid in full.</p>

	<p>Other information</p> <p>The Mahers Lane Campus has a block of land that will sit between the existing campus and the new Juniors campus that strategically it would like purchase as it will provide better access to the school. It is 5 acres in total and is zoned Residential 1. The cost they believe it becomes available may be in the vicinity of \$1.5m to \$2m.</p> <p>They have also been made aware that the AIS NSW has secured \$200m over 4 years commencing in 2020 for grant funding for schools including new campuses. The area of Pottsville is in a growth corridor and strategically would work for the school. The have put in an expression of interest to be considered for grant funding when it becomes available.</p> <p>Current student numbers nearing 1300 this is a significant increase over the last 3 years and does not look like slowing at present with the school running out of learning spaces. Principal tours remain heavily booked.</p>
<p>Key dates and agreed next steps:</p>	<p>The two financiers Westpac and AFGD have agreed to work together on the funding split.</p> <p>30/7/19 Brett Dinsdale to send through updated Management results to 30/6/19 Cashflow and Balance sheet projections out to 2025</p> <p>31/8/19 Westpac & AFGD to complete independent analysis based on full debt and discuss possible funding make up .and mix and in a co-ordinated approach respond to LAGS with indicative Letter of support .</p>
<p>Head of AFSA</p>	<p>Blaine Fitzgerald</p>

Date:	2/7/19														
Entity:	Emmanuel Anglican College (EAC)														
Location:	Horizon Avenue – Ballina NSW														
Attendees:	EAC: Kelley Malaba Business Manger & Peter Weingarth – Finance Manager AFGD: Blaine Fitzgerald AFSA Head														
Purpose:	<p>Discuss timing of funding and drawdown requirements for the Multi Purpose Centre \$6m</p> <p>The proposal has been delayed 8 months to date awaiting Ballina Shire Council approval. They are now hopeful final approval will be received in July/August 19. Tender process with 3 tenderers, including Bennetts who have played an integral part in the schools existing building plans, will be sought and anticipated back by October 19. Construction anticipated to start in January/February 2020.</p> <p>Timelines</p> <table> <tr> <td>Required by end 2019. (some cost to date covered from cash flow</td> <td>\$Nil</td> </tr> <tr> <td>Required by 2020</td> <td></td> </tr> <tr> <td>Feb 20 First claim</td> <td>\$1.5m</td> </tr> <tr> <td>April 20 Second claim</td> <td>\$1.5m</td> </tr> <tr> <td>June 20 Third Claim</td> <td>\$1.5m</td> </tr> <tr> <td>August 20 Fourth Claim</td> <td>\$1.5m</td> </tr> <tr> <td>Contingencies (from own funds)</td> <td>\$.6m</td> </tr> </table> <p>Other information</p> <p>School is running out of teaching spaces and fast reaching capacity on its existing master plan. Current plan will max out on student number at 780 students + 40 ELC spaces Forecast 2020 student no's 730 Forecast 2021 student no's 750</p> <p>The school is about to commence a new Strategic Plan out to 2030. Options being considered.</p> <ol style="list-style-type: none"> 1/- Cap student no's to 780 2/- Maximise existing sight and stretch capacity to 1100 3/- Purchase land and build another campus taking advantage of the AIS NSW major infrastructure grant funding \$200m over 4 years. 	Required by end 2019. (some cost to date covered from cash flow	\$Nil	Required by 2020		Feb 20 First claim	\$1.5m	April 20 Second claim	\$1.5m	June 20 Third Claim	\$1.5m	August 20 Fourth Claim	\$1.5m	Contingencies (from own funds)	\$.6m
Required by end 2019. (some cost to date covered from cash flow	\$Nil														
Required by 2020															
Feb 20 First claim	\$1.5m														
April 20 Second claim	\$1.5m														
June 20 Third Claim	\$1.5m														
August 20 Fourth Claim	\$1.5m														
Contingencies (from own funds)	\$.6m														

	<p>To accommodate current requirements the school through 2020 will complete the following projects as well as the construction of the multi purpose centre.</p> <ul style="list-style-type: none"> • 2 room demountable to add an additional stream of year 5. Paid from cash reserves. • Renovate kindy and K1 from cash reserves • Upgrade Food tech \$1.0m <ul style="list-style-type: none"> BGA application \$0.5m Own funds \$0.5m
<p>Key dates and agreed next steps:</p>	<p>July 19 obtain interest rate data and fixed rate funding options and markets updates from Westpac and NAB.</p> <p>August 19 – Complete half yearly review and seek update on council approval.</p>

Date:	17/7/19
Entity:	St Columba Anglican School (SCAS)
Location:	Phone conversations and emails from 3/7/19 to 17/9/19
Attendees:	SCAS – Jennifer Pike School Accountant AFGD: Blaine Fitzgerald AFSA Head
Purpose:	<p>Discussions held in preparation for SCAS’s finance committee and funding requirements commencing late July 2019.</p> <p>Known projects that remain 1/- Annexe/Environmental Centre \$3.6m funding required. Timing late 2019 and into 2020</p> <p>Initial discussions Westpac/AFGD – Westpac to fund as they managed PACE construction Finance and is a good fit for them.</p> <p>2/- Land Bank Braeroy Estate. \$1.2m Initial discussions Westpac/AFGD – AFGD to fund as AFGD is looking for some stable core debt and therefore it’s a good fit for them. Since advised officially from Jennifer they were unsuccessful in getting this opportunity to contract. Funding not required.</p> <p>3/- Line of Credit \$8m. Not considered at this point as a barrier to getting the funding set. They expect both financiers to come back with options if underwriting funding becomes an issue.</p> <p>4/- SCAS seeking update on AFGD portfolio for 2020 budgeting and amortisation purposes. This was provided via email on 17/7/19.</p> <p>As AFGD is not currently earmarked to fund a project. No further action proposed at this stage.</p>
Key dates and agreed next steps:	<p>12/7/19 BF to check with FWO in relation to raising cap on Pari Passu Deed. Await further advices before providing feedback to SCAS and Westpac.</p> <p>24/7/19 – Les Murray Westpac is planning to meet with SCAS and obtain an update and report back to AFGD with what was discussed.</p>
Head of AFSA	Blaine Fitzgerald

Date:	5/7/19
Entity:	Bishop Druitt College (BDC)
Location:	Coffs Harbour NSW
Attendees:	BDC : Shane Oxley Business Manager and David Ford Chair AFGD: Blaine Fitzgerald AFSA Head
Purpose:	<p>General school update.</p> <ul style="list-style-type: none"> • Significant work completed in the last 18 months to finalise the Pari Passu agreement with Westpac. • Treasury operations are working well with Shane providing bi-monthly cash-flow updates to Annette Dent at AFGD. • Student numbers confirmed 2013 against budget 2019. (down slightly) • Council approved minor capital works and upgrades are occurring within forecast provided at the start of the year. • Barracuda Sports Club Inc is up and running. Support with structuring the entity was provided by SCAS. (Its goods to hear the collaboration that is occurring between the schools.) • Access via an easement to assist with traffic congestion is being negotiated under a lease arrangement. • Strategic Land Purchase for small campus feeders are being discussed at Management. There may be an ability to tap into grant funding.
Key dates and agreed next steps:	N/A
Head of AFSA	Blaine Fitzgerald

Date:	2/7/19
Entity:	Anglicare North Coast
Location:	N/A – email conversations.
Attendees:	ANC – CEO Estelle Graham AFGD: Blaine Fitzgerald AFSA Head
Purpose:	<p>Discuss possible loan variations and options as required to assist with budgets and forward forecasts. Options discussed as an excerpt of the email is detailed below:</p> <p>Refer below in regard to some options that may assist with planning:</p> <ol style="list-style-type: none"> 1. ANC could restructure the existing loan over the remaining term or create a new agreed term of say 5,7 or 10 years and re-borrow \$300K or \$700K. A formal restructure would enable the current repayment to be reduced. Indicative payment schedules are attached based on the current remaining term and an indicative rate of 5.55% that can be used for budgeting purposes. (Note the variable rate applicable can be confirmed once formal assessment has been completed). If you would like to proceed with a restructure AFGD would require the following information for assessment purposes: <ul style="list-style-type: none"> · Purpose - what are the funds required for. · 30/6/18 - audited results · 31/5/19 Management results P&L and Balance sheet · 2019/2020 Board approved operating budget. If funds are not immediately required and are subsequently repaid against the loan the standard re-draw terms would be applicable. 2. If funding is required to cover working capital timing differences, then the Line of credit is a better option as it allows ANC to control the funds without the need to switch between accounts or request redraw on the loan. The current Line of Credit/Overdraft facility in place has an approved limit of \$200K. If a larger limit is required AFGD could always assist by providing a temporary limit increase for 30 days to cover timing differences. The temporary limit increase would not attract a line fee.
Key dates and agreed next steps:	8/7/19 - repayment options including amortisation schedules emailed to Estelle. Await further advices before proceeding with re-structure.
Head of AFSA	Blaine Fitzgerald



BOARD MEETING DATE:

9/08/2019

No 7 Matters for discussion and/or decision

Item: b Schools Update

Title: i. Lindisfarne Anglican Grammar School

No of Pages. 40 incl Header

Purpose of advices:

Half yearly review with the benefit of 31/12/2019 audited results
Further update of recent developments are summarised below:

History/Background***Lindisfarne Anglican Grammar School***

- Meeting held with Business Manager Brett Dinsdale on Friday 15/3/19.
- Master planning of middle school construction and upgrades to Sunshine Avenue Junior Campus have been submitted to DSC and BiC. Lindisfarne are seeking letter of support in the latter half of 2019 to support any funding required.
- **Priority 1 – August 2020 – ELC \$3m** and primary school upgrade Sunshine Avenue Campus. BGA grant \$550K LAGS to self fund gap via retained earnings.
- At same time middle school and second junior campus at Mahers Lane to commence \$14m project. Australian Government Capital Grants Program (GCP) for non-government schools \$6m funding gap \$8m. Construction to be staged.

Middle Campus

- Stage 1 – 2020 \$7m. \$2m Government. Gap to fund AFGD/Westpac \$5m.
- Stage 2 2022 \$3m. \$1.5m Government. Gap to fund AFGD/Westpac \$1.5m.

Second Junior Campus Mahers Lane

- Stage 1 \$4m. 2022 \$2.5m Government. Gap to fund AFGD/Westpac \$1.5m.

I have spoken with Brett Dinsdale LAGS Business Manager in Late May 19 seeking clarification of their funding requirements. Brett has advised

- The kindy and pre-school upgrade is on target to be completed late 19 and into 2020.
- The school is in the process of going to tender on Middle School and wants to sign contracts before year end.
- Some nominal architects and development cost have been paid from cash flow.
- Any further master plan construction to be assessed on a case by case basis.
- Cashflows provided do not specify who will fund each stage of the project is has been lump summed in as a total amount.
- He anticipates the two financiers Westpac and AFGD to discuss scope and work out best fit and provide proposal.
- He would like clear direction from the two lenders by the end of July 19.

Financial data update:

- All financial data required has been received by AFGD to assess the review and proposal
 - 31/12/2018 audited results held
 - 31/12/19 school council approved budget held
 - 5 yr rolling forecast from 2017 to 2022 held.
 - Major Capital Expenditure expansion plans approved by DSN and B-i-C have also been provided.
 - Correspondence from the Diocese to LAGS has confirmed support for the project to proceed on the basis that funding parcels at each stage are assessed by the financiers AFGD and Westpac for approval.

Date: 17/05/19

Credit Memorandum

Financial Performance Summary: - Audited results to 31/12/2018

LAGS (S000's)	2015 Audited	2016 Audited	2017 Audited	2018 Audited	2019 Budget	
Student Numbers*	959	953	980	1100	1200	
Staff FTE*	88	88	93	97	101	
Non Teaching	36	36	38	46	52	
						Guesstimate
Current Assets	\$ 443	\$ 665	\$ 664	\$ 1,178	\$ 1,180	
Cash	\$ 165	\$ 206	\$ 190	\$ 517	\$ 520	
Trade	\$ 206	\$ 266	\$ 363	\$ 411	\$ 410	
other	\$ 72	\$ 193	\$ 111	\$ 250	\$ 250	
Non-Current Assets	\$ 25,336	\$ 25,235	\$ 28,550	\$ 28,979	\$ 29,500	
Property P&E	\$ 25,336	\$ 25,235	\$ 28,550	\$ 28,979	\$ 29,500	
Total Assets	\$ 25,779	\$ 25,900	\$ 29,214	\$ 30,157	\$ 30,680	
Current Liabilities	\$ 4,365	\$ 4,222	\$ 10,538	\$ 10,212	\$ 10,500	
Trade	\$ 998	\$ 903	\$ 1,246	\$ 1,689	\$ 1,600	
Borrowings	\$ 1,544	\$ 1,201	\$ 6,969	\$ 6,167	\$ 6,500	
Other	\$ 1,823	\$ 2,118	\$ 2,323	\$ 2,356	\$ 2,400	
Non- Current Liabilities	\$ 3,426	\$ 2,813	\$ 63	\$ 789	\$ 2,100	
Borrowings	\$ 3,289	\$ 2,745	\$ -	\$ 670	\$ 2,000	
other	\$ 137	\$ 68	\$ 63	\$ 119	\$ 100	
Non Interest Loan Diocese						
Net Asset/Total equity	\$ 17,988	\$ 18,865	\$ 18,613	\$ 19,156	\$ 18,080	
Net Assets Ex Loans	\$ 22,821	\$ 22,811	\$ 25,582	\$ 25,993	\$ 26,580	
Income						
Fees	\$ 7,304	\$ 7,313	\$ 7,678	\$ 8,823	\$ 9,297	
Gov Grants	\$ 10,468	\$ 10,102	\$ 10,857	\$ 12,777	\$ 14,129	
Govt Subsidy - Interest on borrowings						
Capital Grants						
Preschool Fees	\$ 352	\$ 419	\$ 442	\$ 527	\$ 569	
Interest Income						
Other	\$ 298	\$ 325	\$ 356	\$ 367	\$ 518	
Other Revenue	\$ 273	\$ 231	\$ 363	\$ 905	\$ 1,418	
Donations -	\$ 49	\$ 182	\$ 111	\$ 96	\$ 162	
Total Revenue	\$ 18,744	\$ 18,572	\$ 19,807	\$ 23,495	\$ 26,093	
Expenses						
Staff Costs Teaching and Support	\$ 12,231	\$ 12,765	\$ 14,458	\$ 16,643	\$ 18,371	
Restructure to achieve 75% of RI						
Other staff costs super etc						
Other operating costs	\$ 3,075	\$ 3,497	\$ 4,061	\$ 4,588	\$ 3,355	
Depreciation	\$ 1,076	\$ 1,181	\$ 1,234	\$ 1,374	\$ 1,511	
Interest & leasing charges	\$ 358	\$ 252	\$ 306	\$ 346	\$ 388	
Total Expenses	\$ 16,740	\$ 17,695	\$ 20,059	\$ 22,951	\$ 23,625	
Operating Surplus	\$ 2,004	\$ 877	-\$ 252	\$ 544	\$ 2,468	
	\$ 1,955	\$ 695	-\$ 363	\$ 448	\$ 2,468	
EBIT	\$ 2,313	\$ 947	-\$ 57	\$ 794	\$ 2,856	
EBITDA	\$ 3,438	\$ 2,128	\$ 1,177	\$ 2,168	\$ 4,367	
Ratio Analysis						Benchmarks
Return on Investment	8.6%	3.0%	-1.4%	1.7%	9.3%	> 5%
Interest Cover (EBITDA/Interest)	9.6	8.4	3.8	6.3	11.3	>2.0x
Debt EBITD	1.4	1.9	5.9	3.2	1.9	< 5.5x
Net Operating Margin	19.1%	12.1%	6.2%	9.6%	17.6%	> 10%
Debt per student	\$ 5.0	\$ 4.1	\$ 7.1	\$ 6.2	\$ 7.1	<\$10K
Fee income per student	\$ 10.9	\$ 10.6	\$ 11.1	\$ 11.6	\$ 7.7	\$8K
Teachers Salary per student	\$ 12.8	\$ 13.4	\$ 14.8	\$ 15.1	\$ 15.3	
Students/Staff	10.9	10.8	10.5	11.3	7.8	>11
Salaries/Net Income %	65.25%	68.73%	72.99%	70.84%	70.41%	< 75%
Salaries/Total Expenses %	73.06%	72.14%	72.08%	72.52%	77.76%	as above

Financial Performance Summary: -
2015 to 2018 Audited results and includes 2019 budget projections :

Date: 17/05/19

- From 2016 and since the appointment of Stuart Marquart as Principal the school has moved forward with re-shaping its culture, purpose and now plans are underway to embark on major infrastructure projects.
- Middle school campus construction as well as learning space upgrades at the junior and senior campus are projects planned to occur over the next 36 months.
- In 2017 the council approved a negative operating budget to allow the school to re-structure its staffing levels to enable it to position itself for the growth in student numbers that has commenced.
- In 2018 after the initial 2017 increase in staffing levels the school operations returned to surplus a direct result of increased enrolments.
- Students numbers continue to grow as the schools reputation for excellence is acknowledged by the community.

Capacity to service/repay - Historical audited results

Capacity to pay - Actual debt	2015		2016		2017		2018		2019	
	Audited		Audited		Audited		Audited		Budget	
Operating surplus	\$ 1,955	\$	695	-\$	363	\$	448	\$	2,468	
Plus addbacks										
Depreciation	\$ 1,076	\$	1,181	\$	1,234	\$	1,374	\$	1,511	
Interest	\$ 358	\$	252	\$	306	\$	346	\$	388	
Other -										
EBITDA	\$ 3,389	\$	2,128	\$	1,177	\$	2,168	\$	4,367	
Less Commitments										
Loan Liabilities as per balance sheet	\$ 4,833	\$	3,946	\$	6,969	\$	6,837	\$	8,500	
Interest cost based on average rate over 5 ye.	\$ 314	\$	256	\$	453	\$	444	\$	553	
Annual amortisation required Parri Passu	\$ 342	\$	450	\$	450	\$	450	\$	450	
	\$ 656	\$	706	\$	903	\$	894	\$	1,003	
Net Surplus/Deficit	\$ 2,733	\$	1,422	\$	274	\$	1,274	\$	3,365	
Capacity to pay - sensitised total liabilities	\$ 3,389	\$	2,128	\$	1,177	\$	2,168	\$	4,367	
EBITDA										
Less Commitments										
\$12,000,000 @ 7.00% P&I 15 yrs	\$ 1,294	\$	1,294	\$	1,294	\$	1,294	\$	1,294	
Net Surplus/Deficit	\$ 2,095	\$	834	-\$	117	\$	874	\$	3,073	

Comments:

- Capacity to service is evident based on an average rate calculation of 6.5% utilising actual debt as at 31/12/18 audited results.
- A surplus for the period ending 31/12/18 is now evident based on borrowing cap of \$12m at 7.00% sensitised rate calculations.
- A surplus based on 2019 approved operating budget is also evident based on actual debt and peak debt calculations.

Date: 17/05/19

Security/Safety Assessment

LAGS consolidated Security Assessment sheet as at 31/12/18				
Description	Status	FMV	Extension Ratio	XTV
Registered Mortgage over the property situated at 86 Mahers Lane, Terranora NSW 2486 Folio 2/1018747 Lot 2 in deposited plan 1018747	Held	\$28,979,218	50%	14,489,609
Registered Mortgage over the property situated at Sunshine Avenue Tweed Heads NSW 2486 Folio 1/615053 Lot 1 in deposited plan 615053	Held			-
Registered Mortgage over the property situated at 34 Mahers Lane, Terranora NSW 2486 Folio 1/218380 Lot 1 in deposited plan 218830	Held		50%	-
Registered fixed and floating charge (ie: equitable mortgage) over the school's assets	Held			
Pari Passu Deed between Lindisfarne Anglican Grammar School ABN 91 552 839 641 Westpac Banking Corporation ABN 33 007 457 141 and The Corporate Trustees of the Diocese of Grafton ABN 88 144 942 068.	Held			
Total Liabilities proposed split 50/50 between Westpac & AFGD. Security cover indicator	\$	12,000,000		121%
Total		28,979,218	50%	14,489,609

Indicative Risk Grade:

	Risk Grade	Security Cover indicator	
State Government	2	B	100% - 124% Cover
Local Government	3	C	80% - 99% Cover
Very Strong Corporate entity	4	D	60% - 79% Cover
Solid Corporate entity	5	E	40% - 59% Cover
Emerging Corporate entity	6	F	20% - 39% Cover
High Risk Corporate entity	7	G	0% - 19% Cover

Insurance Confirmation:

- The 2018/2019 schedule is in place with cover provided by the ANIP scheme.
- The Diocese Finance Department can confirm the level of cover in place.

Covenants/ongoing monitoring requirements

- No additional Capex outside budgets presented.
- You agree and acknowledge to maintain the following minimum Group loan reductions:-
 - a minimum \$400,000 per annum in permanent reduction of School Debts / or line of credit facilities. Confirmation of loan facility reductions to be provided, and to be to the lender's satisfaction
- Transaction Banking is to remain with Westpac/AFGD as is the case now.
- Half Yearly reviews by 31/3 and 30/9. Specific review requirements are details below.
- Debt/EBIT multiple is to be at all times <6.5x and ongoing, This will be tested half yearly on a rolling 12 month basis.
- EBIT/ICR ratio is to be >2.0 times. This will be tested half yearly on a rolling 12 month basis.
- Plus any agreed Westpac covenants for alignment under Pari Passu.

Further conditions:

- "the Bishop-in-Council will not approve the application of church trust property to a first call mortgage by an external financial provider unless Anglican Funds Grafton Diocese is unable or unwilling to provide finance."
 - Approval obtained for joint funding proposal. Refer to correspondence dated **March 17**.
- "by the end of 2014 all Diocesan organisations will be required to conduct transactional banking with Anglican Funds Grafton Diocese unless authorised to bank with an external financial provider by the Bishop – in –Council"
 - Approval obtained for joint funding proposal. Refer to correspondence dated **March 17**.

Recommendation

- Approval of extension of facilities for a further period as documented above.
- Schedule a meeting in July 19 to meet with the school and Westpac to co-ordinate funding commitments.

Blaine Fitzgerald**For and on behalf of Anglican Funds Grafton Diocese****Disclaimer**

This document has been prepared by Blaine Fitzgerald (ABN 98 966 145 256) for general information purposes only. Before acting on any information within this document, you should consider the appropriateness of it having regard to your own particular circumstances, objectives, financial situation and needs. I believe the information contained in this report was correct at the time the report was compiled. However, I do not warrant the accuracy or the reliability of the information contained in this report, and to the maximum extent permitted by law, I disclaim all responsibility and liability for any direct or indirect loss or damage suffered by any recipient of the report where the recipient has relied on anything contained in, or omitted from this report.

**LINDISFARNE ANGLICAN GRAMMAR SCHOOL
KEY ASSUMPTIONS TO MODEL**

OPTION 1

VERSION OF MODEL PRESENTED AND APPROVED BY SCHOOL COUNCIL

REVENUE INCREASES PER ANNUM

1. Student enrolments increases varied over years refer to table.
2. Fees increase 3.9%
3. Federal Government per capita funding increase by 3.7%
4. State Government per capita funding increase by 3.0%
5. Fees/ Levies for Capital purposes 1.5%
6. Other Capital Income (P&F) 1.5% - Donations by the Parents and Friends
7. Trading income 3% (with one off 10% increase in 2022)
8. Excursions and Other receipts from students, as a function of student numbers increase.

EXPENSES

9. Salaries – Total 50.5 additional staff employed up to and including 2025:

Additional Teaching staff Secondary 18

Additional Head of Junior School ML 1

Additional Teaching staff Primary 14.5

Additional Specialist Teachers JS 3

Additional JS Teacher Aides 9

Project Manager 1

Administration Officer 2

Facilities Staff 2

10. Salaries Increase by 4% per annum, to include MEA and Step increases
11. Staff related expenses a function of staff numbers
12. Departmental Expenses increase by 7% to 2021, 10% per annum 2022-2025.
13. Excursion trips – function of the number of students
14. General Administration Expenses increase by 5% (one off 10% increase in 2022)
15. Marketing 10% with one off increase by 20% in 2021.
16. Communication & Technology 15% per annum
17. Buildings and Grounds/ Utilities by 10% (with one off 20% increase in 2022)
18. Utilities/ Rates / Rubbish 10% (with one off increase of 20% in 2022)
19. Buses, 5% 2020-2021, then 20% increase in 2022, 10% from 2023-2025
20. Other Expenses 10% (with one off 20% increase in 2022)
21. Trading Activities Expense 3% with one off 10% increase in 2022
22. Interest Rates Years 2019-2021 5.5% then 2022-2025 6.0%

LINDISFARNE ANGLICAN GRAMMAR SCHOOL																		
Projected growth in enrolments																		
	P	K	1	2	3	4	5	6	7	8	9	10	11	12	Total	K-12	Growth	
2019*	ML & SA	76	71	72	59	71	75	95	84	148	133	97	106	98	81	1266	1190	
2020	ML & SA	75	72	74	74	62	74	90	100	150	135	100	108	96	96	1360	1265	7.98% : 2 additional teachers in High School
2021	ML & SA	75	72	75	75	75	84	90	95	150	150	135	100	108	92	1414	1339	4.20% 2 additional teachers in High School + SA JS Art specialist
2022	ML	20	20	20	20	20	20	84	95	150	150	150	140	92				5 additional JS teachers + 1 teacher RFF, admin, HoS etc for new campus
	SA	66	63	66	66	66	66	66										3 additional teachers in High School
2023	ML & SA	75	86	83	86	86	86	84	95	150	150	150	152	140	98	1521	1446	7.99%
	ML	66	66	66	66	66	66	66	66	66	66	66	66	66	66			
2024	ML & SA	75	102	102	102	95	98	98	92	150	150	150	152	154	138	1665	1580	9.27% 1 additional teacher in High School + 3 new ML JS classes + 1 teacher RFF 2 teacher aides for ML JS
	SA	66	66	66	66	66	66	66	66	66	66	66	66	66	66			
2025	ML & SA	75	106	106	106	112	96	104	102	154	152	152	152	154	152	1723	1648	4.30% 1 additional teacher - new ML JS class
	SA	66	66	66	66	66	66	66	66	66	66	66	66	66	66			
	ML & SA	75	110	110	113	120	120	106	106	154	154	154	154	154	152	1782	1707	3.58% 1 additional teacher - new ML JS class

* Enrolments as at 4 Feb 2019

LINDISFARNE INCOME STATEMENT SCENARIO 1 - AS PRESENTED TO SCHOOL COUNCIL

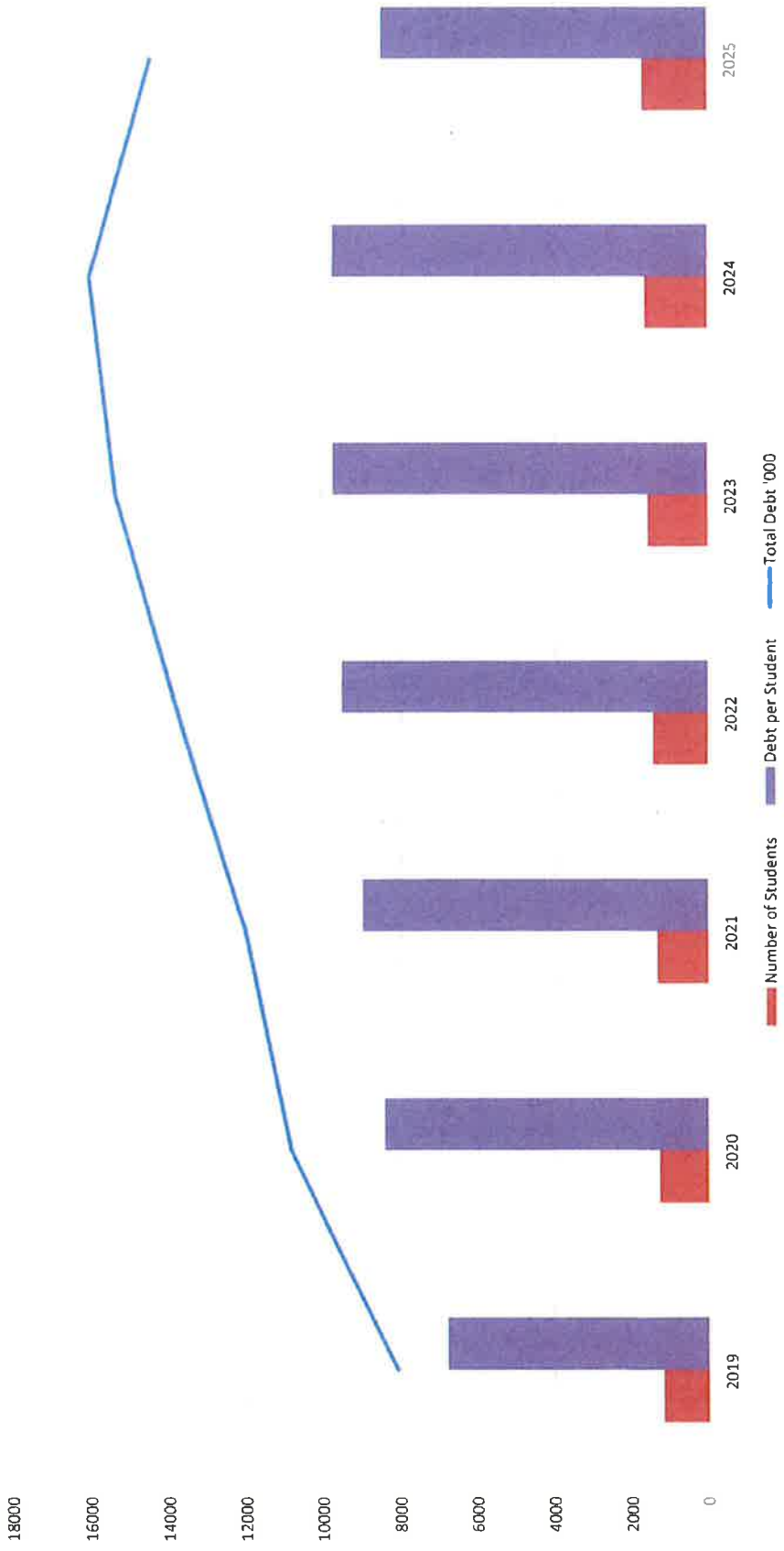
	Annual Budget 2019	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
INCOME							
Fees/Levies for Capital Purposes	\$648,122	\$657,844	\$667,711	\$677,727	\$687,893	\$698,211	\$708,685
Other Capital Income	\$125,002	\$126,877	\$128,780	\$130,712	\$132,673	\$134,663	\$136,683
Other Commonwealth Recurrent Grants	\$63,500	\$64,453	\$65,419	\$66,401	\$67,397	\$68,408	\$69,434
Fees and Charges	\$9,296,828	\$10,527,140	\$11,461,611	\$12,897,813	\$14,702,513	\$15,954,752	\$17,145,998
Excursions / Trips / Sport	\$581,586	\$628,015	\$654,406	\$706,700	\$772,190	\$805,423	\$834,258
Other Receipts from Students	\$518,242	\$559,614	\$583,131	\$629,729	\$688,086	\$717,700	\$743,394
Other Private Income	\$161,887	\$174,811	\$182,157	\$196,713	\$214,942	\$224,193	\$232,219
Commonwealth Govt Recurrent Income	\$10,727,225	\$11,912,086	\$12,871,941	\$14,414,862	\$16,333,455	\$17,666,761	\$18,976,320
State Govt Recurrent Income	\$3,402,111	\$3,708,058	\$3,979,799	\$4,439,655	\$4,996,607	\$5,368,001	\$5,726,986
TA.010 Trading Activities Income	\$569,000	\$586,070	\$603,652	\$664,017	\$683,938	\$704,456	\$725,590
TOTAL INCOME	\$26,093,503	\$28,944,967	\$31,198,609	\$34,824,330	\$39,279,694	\$42,342,568	\$45,299,566
EXPENSES							
Salaries	\$15,940,473	\$17,262,443	\$18,686,706	\$21,100,716	\$23,292,968	\$25,110,501	\$26,704,681
Other Staff Related Expenses	\$2,430,616	\$2,632,191	\$2,849,364	\$3,217,454	\$3,551,730	\$3,828,869	\$4,071,951
Departmental Expenses	\$1,060,502	\$1,134,737	\$1,214,169	\$1,335,586	\$1,469,144	\$1,616,059	\$1,777,664
Excursion/Trips/Sport Expenses	\$881,053	\$951,389	\$991,370	\$1,070,590	\$1,169,801	\$1,220,147	\$1,263,830
General Administrative Expenses	\$237,202	\$249,062	\$261,515	\$287,667	\$302,050	\$317,153	\$333,010
Marketing	\$149,500	\$100,000	\$120,000	\$132,000	\$145,200	\$159,720	\$175,692
Communications and Technology	\$1,138,221	\$1,308,954	\$1,505,297	\$1,731,092	\$1,990,756	\$2,289,369	\$2,632,774
Building and Grounds	\$497,000	\$546,700	\$601,370	\$721,644	\$793,808	\$873,189	\$960,508
Utilities/ Rates/ Rubbish	\$304,500	\$334,950	\$368,445	\$442,134	\$486,347	\$534,982	\$588,480
Buses/Vehicles	\$207,000	\$217,350	\$228,218	\$273,861	\$301,247	\$331,372	\$364,509
Other Expenses	\$497,201	\$546,921	\$601,613	\$721,936	\$794,129	\$873,542	\$960,897
TA.020 Trading Activities Expense	\$282,400	\$290,872	\$299,598	\$329,558	\$339,445	\$349,628	\$360,117
TOTAL EXPENSES	\$23,625,668	\$25,575,570	\$27,727,664	\$31,364,237	\$34,636,627	\$37,504,531	\$40,194,114
EARNINGS BEFORE INTEREST AND DEPRECIATION							
	\$2,467,835	\$3,369,397	\$3,470,945	\$3,460,093	\$4,643,067	\$4,838,036	\$5,105,452
Interest Expense - Capital	\$387,846	\$559,569	\$707,103	\$917,263	\$1,088,506	\$1,189,385	\$1,133,291
Depreciation	\$1,511,169	\$1,613,452	\$1,914,760	\$2,445,962	\$2,690,358	\$2,614,022	\$2,789,522
TOTAL NET SURPLUS/(DEFICIT)	\$568,820	\$1,196,376	\$849,081	\$96,868	\$864,202	\$1,034,629	\$1,182,639
EBID/ TOTAL INCOME	9.46%	11.64%	11.13%	9.94%	11.82%	11.43%	11.27%
SALARIES and OTHER STAFF COSTS/INCOME	70.40%	68.73%	69.03%	69.83%	68.34%	68.35%	67.94%

LINDISFARNE ANGLICAN GRAMMAR SCHOOL
OVERDRAFT FACILITY

	2018	2019	2020	2021	2022	2023	2024	2025
OPENING BALANCE CASH		-\$6,015,357	-\$8,088,134	-\$10,843,737	-\$12,047,792	-\$13,817,699	-\$15,454,632	-\$16,146,596
ADD								
NET PROFIT BEFORE INTEREST & DEPN		\$2,467,835	\$3,369,397	\$3,470,945	\$3,460,093	\$4,643,067	\$4,838,036	\$5,105,452
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
LESS								
CAPITAL EXPENDITURE		\$4,540,612	\$8,125,000	\$6,675,000	\$7,230,000	\$6,280,000	\$5,530,000	\$3,530,000
NET CASH MOVEMENT		-\$2,072,777	-\$4,755,603	-\$3,204,055	-\$3,769,907	-\$1,636,933	-\$691,964	\$1,575,452
BGA FUNDING GRANT			\$2,000,000	\$2,000,000	\$2,000,000			
CLOSING BALANCE		-\$8,088,134	-\$10,843,737	-\$12,047,792	-\$13,817,699	-\$15,454,632	-\$16,146,596	-\$14,571,144
AFGD		-\$2,179,240	-\$5,500,000	-\$5,500,000	-\$6,000,000	-\$6,000,000	-\$6,000,000	-\$5,000,000
WESTPAC LOANS		-\$4,350,765	-\$5,843,737	-\$7,047,792	-\$8,317,699	-\$9,954,632	-\$10,646,596	-\$10,071,144
WESTPAC TRADING		\$514,648	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
CLOSING BALANCE		-\$6,015,357	-\$10,843,737	-\$12,047,792	-\$13,817,699	-\$15,454,632	-\$16,146,596	-\$14,571,144
CURRENT LOAN FACILITY		\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000
AVAILABLE LOAN FACILITY		\$5,984,643	\$3,911,866	\$1,156,263	-\$47,792	-\$1,817,699	-\$3,454,632	-\$4,146,596
AVERAGE OVERDRAFT		-\$7,051,746	-\$9,465,935	-\$11,445,765	-\$12,932,746	-\$14,636,166	-\$15,800,614	-\$15,358,870
INTEREST EXPENSE		-\$387,846	-\$520,626	-\$629,517	-\$775,965	-\$878,170	-\$948,037	-\$921,532
Number of Students K-12		1190	1285	1339	1446	1580	1648	1707
Debt per Student \$		\$6,797	\$8,439	\$8,998	\$9,556	\$9,781	\$9,798	\$8,536
FACILITY REQUIRED TOTAL		\$12,000,000	\$12,000,000	\$14,000,000	\$16,000,000	\$18,000,000	\$18,000,000	\$18,000,000

CAPITALISED	CAPITAL EXPENDITURE CASH FLOW							
	SPENT							
	TOTAL	2019	2020	2021	2022	2023	2024	2025
MM Classrooms	\$300,000	\$300,000						
Sunshine Avenue	\$20,500	\$20,500						
General Improvements	\$200,000	\$200,000						
EQUIP, FURNITURE, FITT	\$377,300	\$377,300						
EQUIP, FURNITURE, FITT	\$377,882	\$377,882						
EQUIP, FURNITURE, FITT	\$45,100	\$45,100						
EQUIP, FURNITURE, FITT	\$94,830	\$94,830						
BOOKS	\$125,000	\$125,000						
2020								
General Improvements	\$200,000		\$200,000					
EQUIP, FURNITURE, FITT	\$75,000		\$75,000					
EQUIP, FURNITURE, FITT	\$125,000		\$125,000					
EQUIP, FURNITURE, FITT	\$100,000		\$100,000					
BOOKS	\$125,000		\$125,000					
2021								
General Improvements	\$200,000			\$200,000				
EQUIP, FURNITURE, FITT	\$100,000			\$100,000				
EQUIP, FURNITURE, FITT	\$150,000			\$150,000				
EQUIP, FURNITURE, FITT	\$100,000			\$100,000				
Middle School Building	\$7,000,000	\$2,500,000	\$4,500,000	\$0				
Preschool & Kindy - SA	\$3,000,000	\$500,000	\$1,500,000	\$1,000,000				
BOOKS	\$125,000			\$125,000				
2022								
General Improvements	\$200,000				\$200,000			
EQUIP, FURNITURE, FITT	\$100,000				\$100,000			
EQUIP, FURNITURE, FITT	\$150,000				\$150,000			
EQUIP, FURNITURE, FITT	\$150,000				\$150,000			
SENIOR CENTRE	\$3,000,000		\$1,500,000	\$1,500,000				
Mahers Lane P-4 Stage 1	\$4,000,000			\$2,000,000	\$2,000,000			
Sporting Fields Mahers Lane	\$3,000,000			\$1,500,000	\$1,500,000			
BOOKS	\$130,000				\$130,000			
2023								
General Improvements	\$250,000					\$250,000		
EQUIP, FURNITURE, FITT	\$100,000					\$100,000		
EQUIP, FURNITURE, FITT	\$150,000					\$150,000		
EQUIP, FURNITURE, FITT	\$150,000					\$150,000		
Sunshine Ave Refurbishment	\$2,500,000				\$1,000,000	\$1,500,000		
Mahers Lane P-4 Stage 2	\$4,000,000				\$2,000,000	\$2,000,000		
BOOKS	\$130,000					\$130,000		
2024								
General improvements	\$250,000						\$250,000	
EQUIP, FURNITURE, FITT	\$100,000						\$100,000	
EQUIP, FURNITURE, FITT	\$150,000						\$150,000	
EQUIP, FURNITURE, FITT	\$150,000						\$150,000	
Maher Lane P-4 Stage 3	\$4,000,000					\$2,000,000	\$2,000,000	
BOOKS	\$130,000						\$130,000	
2025								
General Improvements	\$250,000							\$250,000
EQUIP, FURNITURE, FITT	\$100,000							\$100,000
EQUIP, FURNITURE, FITT	\$150,000							\$150,000
EQUIP, FURNITURE, FITT	\$150,000							\$150,000
Mahers Lane P-4 Stage 4	\$0						\$0	\$0
Eco Science Centre	\$1,500,000						\$750,000	\$750,000
STEM Precinct Expansion	\$4,000,000						\$2,000,000	\$2,000,000
BOOKS	\$130,000							\$130,000
TOTAL		\$4,540,612	\$8,125,000	\$6,675,000	\$7,230,000	\$6,280,000	\$5,530,000	\$3,530,000
								\$41,910,612

Total Debt Debt per Student



**LINDISFARNE ANGLICAN SCHOOL
ABN 91 552 839 641**

FINANCIAL REPORT

**FOR THE YEAR ENDED
31 DECEMBER 2018**

**INDEX TO
FINANCIAL REPORT
31 DECEMBER 2018**

**LINDISFARNE ANGLICAN SCHOOL
ABN 91 552 839 641**

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LINDISFARNE ANGLICAN SCHOOL
ABN 91 552 839 641

COUNCILLORS' REPORT

Your councillors present their report on the school for the year ended 31 December 2018.

MEETING OF COUNCILLORS

During 2018 seven meetings of Councillors were held.

The names of each councillor in office at any time during the year and to the date of this report, and details of their position and attendance at meetings are:

Name	Number of Meetings Eligible to Attend	Number Attended	Position
Rev'd Rachel Rynehart	7	6	Bishop's Nominee
Rev'd Bruce Sligo	7	7	Bishop's Nominee
Mr Chris Goldstone	7	6	Chair
Mr Darryl Anderson	7	5	Member
Ms Dominique O'Neill	3	3	Member
Mrs Beverly Kelso	7	5	Member
Mrs Dora Luxton*	7	0	Member
Mr Robert Marshall	7	4	Member
Mr Ben Sutton	7	7	Member
Mr Gregg Taylor	7	6	Deputy Chair
Mr Bill Adler		1	Guest

*Mrs Dora Luxton requested and was approved a leave of absence during 2018.

Rev'd Lyndon Mulholland was appointed as a councillor on 6 December 2018 as Bishop's nominee.
Mr Stuart Marquardt attended 7 meetings in an ex-officio capacity (Principal).

Mr Graham Jones attended 5 meetings in an ex-officio capacity (Business Manager).
Mr Brett Dinsdale attended 2 meetings in an ex-officio capacity (Business Manager)

Ms Dominique O'Neill was appointed as a Councillor on 2 May 2018
Mr Bill Adler was appointed as a Councillor on 10 December 2018 (after last meeting for 2018).

Councillors have been in office since the start of the year to the date of this report, unless otherwise stated.

Council Membership

Rev'd Rachel Rynehardt resigned as a Councillor effective 31 December 2018.
Mr Greg Taylor completed his term as a Councillor effective 31 December 2018.
Mr Ben Sutton resigned from the School Council effective 31 December 2018.
Mr Graham Jones ceased employment at Lindisfarne on 31 August 2018.

LINDISFARNE ANGLICAN SCHOOL
ABN 91 552 839 641

REVIEW OF OPERATIONS

Throughout 2018 student numbers (K-12) increased from 980 students to 1100. Enrolments have continued to increase in 2019. The School was successful in obtaining a Capital Grant through the Education Infrastructure Fund. The Grant is tied to three capital projects and result in an additional 500 places for students at the Mahers Lane campus. The projects are planned to be completed over a five-year timeframe.

Significant financial outcomes for 2018 include:

- A net operating surplus of \$532,743
- An increase in the net equity position of the School from \$18.865M to \$19.146M in 12 months.
- Operating revenue increases of 18.62% and operating expense increases of 14.72%
- A 3.2% increase in Assets and 3.87% increase in Liabilities
- The cash flow for the School continued to improve in 2018
- In addition to this, the School had the availability of \$5.5M drawdown in the School's variable rate loan which was available if required by the School

Continued careful management of the underlying costs and increased enrolments for the School remain a priority in order to ensure the enhanced position of the School.

MATTERS SUBSEQUENT TO THE END OF FINANCIAL YEAR

Fee Levels

- After reviewing the increasing costs of operations in the School, the School Council agreed to increase 2019 fee levels at approximately 3.9% of 2018 fees.
- The increase is less than the annual increase in Government Schools (AGSRC).
- The School Council continues to remain cognisant of the trade-off between affordability, perceived value, and sustainability. It will maintain a careful balance between the priorities to develop the quality of the School and retain the affordability of the fees.

Student Numbers

- The School Council resolved to set the 2019 budget at 1200 funded students (K-12) for fee calculations and Census figures for funding. Current enrolment numbers are slightly under budget.
- At the commencement of Term 2, 2019, 1188 funded students were enrolled at the School.
- The School Council resolved to set the 2019 budget at 76 enrolled Preschool students. As at the start of Term 2, 2019 the School has 81 Preschool students enrolled at the School.
- Enrolment applications have increased for both primary and secondary students.
- An additional stream was added to Years 5, 6, 7 & 8 for the start of 2019.

LINDISFARNE ANGLICAN SCHOOL
ABN 91 552 839 641

Diocesan School Commission

- The Diocesan Schools Commission (DSC) was established in 2016 and has taken an active role in the financial management of schools in the Diocese. The DSC has developed financial reporting and benchmarking for all schools within the Diocese and members meet with the Principal and Business Manager four times per year. DSC reporting is completed and submitted twice per year. The DSC now also requires a Capital Development and Expenditure Submission for approval on any major capital projects. The DSC approved the Schools application under the Education Infrastructure Fund.

Loan Facilities

- The School continues to operate under a "Pari-Passu" loan facility, jointly funded by Westpac and the Anglican Funds of Grafton Diocese, The loan management arrangement is to remain in place for 3 years from 2017.
- The School Council has adopted the position that any available funds are applied against the variable loan facility to reduce the balance owed to the lowest possible limit rather than apply any surplus funds into a deposit account. Commercially this will result in savings on interest expense. School Council members are aware that this practice will result in a reduced working capital ratio.

Funding Arrangements

- Total Commonwealth Per Capita funding increased by 18.9% in 2018 as a result of a general increase in per capita rate and an increase in enrolled students.
- As a result of the NSW State Government signing up to increased funding from the Commonwealth Government an increase of approximately 3.0% in State Government Per Capita Funding was received in 2018.

Continued Investment in the School

- The School currently has two active capital works projects underway. The Middle School building on the Mahers Lane Campus and the Kindergarten and Preschool Building on the Sunshine Avenue Campus. It is planned to have both of these projects completed in 2020 ready for use in 2021.

Architectural Master Planning

- The School appointed leading architect Thomson Adsett in 2017 to develop the School Masterplan for both campuses and work with the School on future capital projects. The development of the Masterplan is continuing and Thomson Adsett are providing architectural services for both the Middle School Building and Kindergarten and Preschool Building.

Quality Teaching and Learning

- The School continued with the ongoing work with a number of leading educational facilitators including Leigh Watanabe Crockett and Lane Clark to further develop teaching practices in the School. These facilitators will continue to work with academic staff in 2019.

LINDISFARNE ANGLICAN SCHOOL
ABN 91 552 839 641

Strategic Planning

- The School continued to develop and progress the strategic plan during 2018. Dr Phil Cummins of the Circle Group was engaged to facilitate the process. The Statement of Strategic Intent was reviewed by staff and the Councillors in 2018. The strategic planning process will continue throughout 2019 as the Strategic Intent is embedded in the operational activities.

Staffing Matters

- Staffing levels increased throughout 2018 to meet increased enrolments.

Technology Infrastructure

- The School commenced ConnectEd in 2019; this program provides students at all year levels with a modern high quality device to use at School and home. Students in Preschool and Kindergarten will share iPads, years 1-6 will have their own personal iPad and students in years 7-12 will have their own MacBook. This is a significant investment by the School, allowing the use of technology at School to move beyond enhancement to transformation.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 December 2018 has been received and can be found on page 5.

Signed in accordance with a resolution of the Board of Councillors.


.....
Councillor


.....
Councillor


.....
Councillor

Dated this 30th day of April, 2019.



DICKFOS DUNN ADAM
AUDIT AND ASSURANCE

- 5 -

LINDISFARNE ANGLICAN SCHOOL
ABN 91 552 839 641

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 60-40 OF THE
AUSTRALIAN CHARITIES AND NOT FOR PROFITS COMMISSION ACT 2012

TO THE COUNCILLORS OF LINDISFARNE ANGLICAN SCHOOL

I declare that, to the best of my knowledge and belief, during the period ended 31 December 2018 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Australian Charities and Not-for-Profits Commission Act 2012* in relation to the audit; and;
- (ii) any applicable code of professional conduct in relation to the audit.

DICKFOS DUNN ADAM
Audit & Assurance

..... DDA

..... Tracey Adam

T/L Adam

Dated 2nd April 2019
SOUTHPORT



LINDISFARNE ANGLICAN SCHOOL
ABN 91 552 839 641

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

		2018	2017
		\$	\$
	NOTE		
Revenue	2	23,495,071	19,807,306
Employee benefits and staff related expenses	3 (a)	(16,643,157)	(14,458,295)
Finance costs		(344,558)	(305,730)
Depreciation expense	3 (c)	(1,373,635)	(1,234,331)
Other expenses	3 (b)	(4,590,128)	(4,060,491)
Surplus/(Deficit) before income tax		543,593	(251,541)
Income tax expense	1 (i)	-	-
Total comprehensive income for the year		543,593	(251,541)

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements set out on pages 10 to 24

LINDISFARNE ANGLICAN SCHOOL
ABN 91 552 839 641

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

		2018	2017
		\$	\$
	NOTE		
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	516,957	190,499
Trade and other receivables	5	410,994	362,536
Other assets	6	249,729	110,569
TOTAL CURRENT ASSETS		<u>1,177,680</u>	<u>663,604</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	28,979,218	28,550,625
TOTAL NON-CURRENT ASSETS		<u>28,979,218</u>	<u>28,550,625</u>
TOTAL ASSETS		<u>30,156,898</u>	<u>29,214,229</u>
CURRENT LIABILITIES			
Trade and other payables	8	1,689,063	1,258,167
Deferred Income	9	136,816	97,612
Borrowings	10	6,166,660	6,968,647
Provisions	11	2,219,416	2,213,399
TOTAL CURRENT LIABILITIES		<u>10,211,955</u>	<u>10,537,825</u>
NON-CURRENT LIABILITIES			
Borrowings	10	669,536	-
Provisions	11	118,639	63,229
TOTAL NON-CURRENT LIABILITIES		<u>788,175</u>	<u>63,229</u>
TOTAL LIABILITIES		<u>11,000,130</u>	<u>10,601,054</u>
NET ASSETS		<u>19,156,768</u>	<u>18,613,175</u>
EQUITY			
Accumulated Surplus		11,957,665	11,414,072
Asset Revaluation Reserve		7,199,103	7,199,103
TOTAL ACCUMULATED FUNDS		<u>19,156,768</u>	<u>18,613,175</u>

The Statement of Financial Position is to be read in conjunction with the Notes to the Financial Statements set out on pages 10 to 24

LINDISFARNE ANGLICAN SCHOOL
ABN 91 552 839 641

STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 31 DECEMBER 2018

	Retained Surplus \$	Asset Revaluation Reserve \$	Total \$
BALANCE AT 1 JANUARY 2017	11,665,613	7,199,103	18,864,716
<i>Total comprehensive income for the year</i>			
(Deficit) for the year	(251,541)	-	(251,541)
BALANCE AT 31 DECEMBER 2017	<u>11,414,072</u>	<u>7,199,103</u>	<u>18,613,175</u>
BALANCE AT 1 JANUARY 2018	11,414,072	7,199,103	18,613,175
<i>Total comprehensive income for the year</i>			
Surplus for the year	543,593	-	543,593
BALANCE AT 31 DECEMBER 2018	<u>11,957,665</u>	<u>7,199,103</u>	<u>19,156,768</u>

The Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements set out on pages 10 to 24

LINDISFARNE ANGLICAN SCHOOL
ABN 91 552 839 641

STATEMENT OF CASH FLOWS
FOR YEAR ENDED 31 DECEMBER 2018

	NOTE	2018	2017
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and government		23,411,300	19,707,997
Payments to suppliers and employees		(20,840,917)	(17,890,976)
Interest received		161	293
Finance costs		<u>(344,558)</u>	<u>(305,730)</u>
Net cash provided by (used in) operating activities		2,225,986	1,511,584
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		35,151	-
Payment for property, plant and equipment		<u>(1,802,227)</u>	<u>(4,549,652)</u>
Net cash provided by (used in) investing activities		(1,767,076)	(4,549,652)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		958,791	6,110,432
Repayment of borrowings		<u>(1,091,243)</u>	<u>(3,088,106)</u>
Net cash provided by (used in) financing activities		(132,452)	3,022,326
NET INCREASE/(DECREASE) IN CASH HELD		<u>326,458</u>	<u>(15,742)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		190,499	206,140
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	<u>516,957</u>	<u>190,499</u>

The Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements set out on pages 10 to 24

LINDISFARNE ANGLICAN SCHOOL
ABN 91 552 839 641

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Lindisfarne Anglican School ("The School") is part of the Anglican Diocese of Grafton. The School is located on two campus Mahers Lane, Terranora and 32- 56 Sunshine Avenue, Tweed Heads South in New South Wales.

The School is a not-for-profit entity involved in the provision of primary and secondary educational services.

Note 1: Basis of Preparation

(a) Compliance with Prescribed Requirements

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-Profits Commission Act 2012*.

(b) The Reporting Entity

The School does not control other entities. The financial statements include the value of all income, expenses, assets, liabilities and equity for the School as an individual entity.

(c) Underlying Measurement Basis

The historical cost convention is used unless otherwise stated.

(d) Other Presentation Matters

Currency and Rounding

Amount included in the financial statements are in Australian dollars and are rounded to the nearest dollar.

Comparatives

Comparative information reflects the audited 2017 financial statements.

Current / Non-Current Classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes. Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date.

Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the School does not have an unconditional right to defer settlement to beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

**LINDISFARNE ANGLICAN SCHOOL
ABN 91 552 839 641**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

(e) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the School for the annual reporting period ended 31 December 2018. The School's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the School, are set out below.

AASB 15 – Revenue from contracts with customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods.

For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer.

The School will adopt this standard from 1 January 2019 but the impact of its adoption is yet to be assessed by the School.

AASB 16 – Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117.

LINDISFARNE ANGLICAN SCHOOL
ABN 91 552 839 641

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

New Accounting Standards and Interpretations not yet mandatory or early adopted *continued*

AASB 16 – Leases *continued*

For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The School will adopt this standard from 1 January 2019 but the impact of its adoption is yet to be assessed by the School.

Note 2 :	Revenue	2018	2017
		\$	\$
	Revenue from Fees		
	Tuition Fees, Levies & Other Receipts from Students	10,030,889	8,648,499
	Discounts	(509,021)	(455,824)
	Scholarships & Bursaries	(698,813)	(539,978)
	Commonwealth Grants	9,730,361	8,216,983
	State Grants	3,046,630	2,646,828
	Preschool Fees	527,046	472,775
	Donations for Capital purposes	96,450	110,843
	Excursions/Trips/Sport	395,238	344,146
	Canteen Income	307,695	-
	International Student Income	201,172	-
	Other Revenue	367,424	363,034
	Total Revenue	23,495,071	19,807,306

Accounting Policy

Revenue from the sale of goods in the course of ordinary activities are recognised at fair value of the consideration received or receivable, net of the amount of goods and services tax (GST) payable to the taxation authority. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenue.

(i) Tuition fees

Tuition fees are brought to account over the time period to which the fees relate, being as educational services are provided.

(ii) Grants

Grants are recognised as revenue when they are received.

(iii) Finance income and expenses

Finance income comprises interest income on funds invested and dividend income. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings. All borrowing costs are recognised in profit or loss using the effective interest method.

LINDISFARNE ANGLICAN SCHOOL
ABN 91 552 839 641

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Note 3: Surplus/(deficit) from ordinary activities before income tax expense

	2018	2017
	\$	\$
(a) Employee Benefits and Other Staff Related Expenses		
Employee Benefits	16,165,427	13,951,209
Other Staff Related Expenses	477,730	507,086
Total Employee Benefits and Other Staff Related Expenses	<u>16,643,157</u>	<u>14,458,295</u>
(b) Other Expenses		
Departmental expenses	729,082	679,778
Administration expenses	58,374	53,447
Performing Arts Musical Expense	10,467	251,875
Buildings & Grounds expenses	483,138	369,250
Insurance expenses	124,310	170,690
Marketing expenses	122,032	183,780
Communications and Technology	670,465	682,125
Utilities	283,804	229,306
Vehicle expenses	134,628	134,551
Excursions and trips	861,705	677,899
Bad/doubtful debts	89,065	89,838
Canteen expenses	203,050	-
International student expenses	52,013	-
Consulting Fees	128,339	8,460
Stationary Packs	77,813	65,795
AIS Subscription	53,473	44,448
Studio Recording Project & other extra curricula	62,627	48,183
Loss on sale of fixed asset	21,345	-
Events	62,540	58,270
Entertainment principal	29,747	25,311
Other expenses	332,111	287,485
Total Other Expenses	<u>4,590,128</u>	<u>4,060,191</u>
(c) Depreciation & Amortisation		
- Buildings	826,957	784,562
- Equipment, furniture & fittings	442,015	333,308
- Text Book & Library Holdings	36,441	34,594
- Bus & Vehicle Fleet	68,221	81,867
Total Depreciation & Amortisation	<u>1,373,634</u>	<u>1,234,331</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Note 3: Surplus/(deficit) from ordinary activities before income tax expense (continued)

	2018	2017
	\$	\$
Interest expense on financial liabilities	<u>344,558</u>	<u>305,730</u>
Bad and doubtful debts written off	<u>89,065</u>	<u>89,838</u>

Note 4: Cash and Cash Equivalents

Cash on hand	2,310	1,500
Cash at bank	<u>514,647</u>	<u>188,999</u>
Total Cash and Cash Equivalents	<u>516,957</u>	<u>190,499</u>

Accounting Policy

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques received but not banked at 31 December as well as deposits at call with financial institutions.

Note 5: Trade and Other Receivables

	2018	2017
	\$	\$
School fees receivables	642,187	526,550
OSC & vacation care receivables	12,651	12,651
Provision for doubtful debts	<u>(308,170)</u>	<u>(234,252)</u>
	346,668	304,949
Other Receivables	<u>64,326</u>	<u>57,587</u>
Total Trade and Other Receivables	<u>410,994</u>	<u>362,536</u>

a) Provision for Impairment of Receivables

Movement in the provision for impairment of receivables is as follows:

Opening Balance	234,252	149,430
Additional provisions recognised	162,983	174,660
Receivables written off during year as uncollectable	<u>(89,065)</u>	<u>(89,838)</u>
Closing Balance	<u>308,170</u>	<u>234,252</u>

Accounting Policy

Trade and other receivables are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. The collectability of receivables is assessed periodically with provision being made for impairment.

LINDISFARNE ANGLICAN SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Note 6: Other Current Assets	2018 \$	2017 \$
Prepayments	249,729	110,569
Total Other Current Assets	<u>249,729</u>	<u>110,569</u>
Note 7: Property, Plant & Equipment		
<u>Land & Buildings</u>		
Freehold land at independent valuation 2010	6,663,000	6,663,000
Freehold land at cost 2017	3,608,952	3,608,952
Total Land	<u>10,271,952</u>	<u>10,271,952</u>
Buildings at independent valuation 2008	18,837,822	18,837,822
Buildings at cost	3,988,162	3,568,660
Buildings under construction at cost	153,635	27,242
Less accumulated depreciation	(6,832,275)	(6,005,318)
Total Buildings	<u>16,147,344</u>	<u>16,428,406</u>
Total Land & Buildings	<u>26,419,296</u>	<u>26,700,358</u>
<u>Equipment, Furniture & Fittings</u>		
Equipment, Furniture & Fittings at cost	3,388,062	3,089,359
Equipment, furniture under construction	48,220	-
Less accumulated depreciation	(1,827,051)	(1,903,360)
Total Equipment, Furniture & Fittings	<u>1,609,231</u>	<u>1,185,999</u>
<u>Text Book & Library Holdings</u>		
Text book & Library Holdings at cost	384,569	303,484
Less accumulated depreciation	(196,824)	(160,383)
Total Text Book & Library Holdings	<u>187,745</u>	<u>143,101</u>
<u>Bus & Vehicle Fleet</u>		
Bus & Vehicle Fleet at cost	1,522,600	1,212,600
Less accumulated depreciation	(759,654)	(691,433)
Bus & Vehicle Fleet	<u>762,946</u>	<u>521,167</u>
Total Property, Plant & Equipment	<u>28,979,218</u>	<u>28,550,625</u>

LINDISFARNE ANGLICAN SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Note 7: Property, Plant & Equipment *continued*

Fair Value Measurement

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned 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 School.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<u>31 December 2018</u>				
Recurring fair value measurements				
Property, plant & equipment				
Freehold Land – Sunshine Avenue & Mahers Lane	-	6,663,000	-	6,663,000
<u>31 December 2017</u>				
Recurring fair value measurements				
Property, plant & equipment				
Freehold Land – Sunshine Avenue & Mahers Lane	-	6,663,000	-	6,663,000

a. Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the year.

2018	Land	Buildings	Equipment, Furniture & Fittings	Text Book & Library Holdings	Bus & Vehicle Fleet	Total
	\$	\$	\$	\$	\$	\$
Balance at the beginning of the year	10,271,952	16,428,406	1,185,999	143,101	521,167	28,550,625
Assets bought into use	-	(27,242)	(33,866)	-	-	(61,108)
Assets under construction	-	153,635	48,220	-	-	201,855
Additions at cost	-	419,502	850,893	81,085	310,000	1,661,480
Depreciation expense	-	(826,957)	(442,015)	(36,441)	(68,221)	(1,373,634)
Carrying Amount at the end of the year	10,271,952	16,147,344	1,609,231	187,745	762,946	28,979,218

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Note 7: Property, Plant & Equipment *continued*

2017	Land	Buildings	Equipment, Furniture & Fittings	Text Book & Library Holdings	Bus & Vehicle Fleet	Total
	\$	\$	\$	\$	\$	\$
Balance at the beginning of the year	6,663,000	16,884,601	1,025,385	113,226	549,093	25,235,305
Assets bought into use	-	(27,964)	(7,406)	-	-	(35,370)
Assets under construction	-	27,242	33,866	-	-	61,108
Additions at cost	3,608,952	329,089	474,880	64,469	53,941	4,531,331
Disposals	-	-	(7,418)	-	-	(7,418)
Depreciation expense	-	(784,562)	(333,308)	(34,594)	(81,867)	(1,234,331)
Carrying Amount at the end of the year	10,271,952	16,428,406	1,185,999	143,101	521,167	28,550,625

Accounting Policy

Acquisition of Assets

Actual cost is used for the initial recording of all non-current physical asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use, including architects' fees and engineering design fees. However, any training costs are expensed as incurred.

Assets acquired at no cost or for nominal consideration are recognised at their fair value at date of acquisition in accordance with AASB 116 Property, Plant and Equipment.

Expenditure is only capitalised if it increases the service potential or useful life of the existing asset. Maintenance expenditure that merely restores original service potential (arising from ordinary wear and tear etc.) is expensed.

Recognition of assets

The freehold land and buildings were independently valued in 2008 by Allsopp & Associates Pty Ltd. The valuation was based on fair value. The School has also relied upon freehold land valuation in 2010 by Land and Property Management Authority. The valuation resulted in a revaluation increment of \$663,000 being recognised in the revaluation surplus for the year ended 31 December 2010.

At 31 December 2018, the Council do not believe there has been a significant change in the assumptions at 31 December 2018. The Councillors therefore believe the carrying amount of the land and buildings correctly reflects the fair value less cost to sell at 31 December 2018. Refer to Note 20 for detailed disclosures regarding the fair value measurement of the school's freehold land.

Buildings and building improvements, plant and equipment are stated at historical cost less accumulated depreciation and impairment.

LINDISFARNE ANGLICAN SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Note 7: Property, Plant & Equipment *continued*

Depreciation

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

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	
Buildings	2.5% - 20%
Equipment, Furniture & Fittings	5% - 50%
Text Book and Library Holdings	10% - 20%
Bus and Vehicles Fleet	6.66% - 20%

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.

Impairment

All non-current physical are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the School determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in the Statement of Profit or Loss and Other Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

When an asset is revalued using either a market or income valuation approach, any accumulated impairment losses at that date are eliminated against the gross amount of the asset prior to restating for the revaluation.

	2018	2017
	\$	\$
Note 8: Trade and Other Payables		
Trade payables	165,757	174,998
Payables, accruals & third party holding accounts	1,002,023	845,330
Superannuation	324,762	162,351
Taxation	189,886	63,852
Refundable enrolment deposits	6,635	11,636
Total Trade & Other Payables	<u>1,689,063</u>	<u>1,258,167</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2018
\$

2017
\$

Note 8: Trade and Other Payables *continued*

a) Financial Liabilities at amortised cost classified as trade and other payables

Deferred income is separately analysed in Note 9.

Trade and Other Payables

Total current payables	1,699,913	1,258,167
Less enrolment deposits	(6,635)	(11,635)
Financial liabilities as trade and other payables	<u>1,693,578</u>	<u>1,246,532</u>

Accounting Policy

Trade payables are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

Note 9: Deferred Income

Grants in Advance	5,202	-
Fees in Advance	118,829	88,944
School Trip income in advance	12,785	8,667
Total Deferred Income	<u>136,816</u>	<u>97,612</u>

Note 10: Borrowings

Current

Bank Loans	6,166,660	6,968,647
Total current borrowings	<u>6,166,660</u>	<u>6,968,647</u>

Non Current

Bank Loans	669,536	-
Total non current borrowings	<u>669,536</u>	<u>-</u>

Total Borrowings

	<u>6,836,196</u>	<u>6,968,647</u>
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The Bank Bill Business Loan facility held with Westpac Banking Corporation has a limit of \$4,946,500. At year end, the remaining available balance of the facility was \$1,183,468. Required repayments are interest only. As per the loan agreement the facility limit will be reduced by \$90,000 on 1 March 2019 and \$132,000 on 1 March 2020. The facility expires on 30 May 2020.

The Overdraft Loan facility held with Anglican Funds Grafton Diocese has a facility limit of \$6,000,000. At year end, the remaining available balance of the facility was \$3,820,760. Required repayments are interest only. As per the loan agreement the loan balance is payable on demand in 90 days.

The bank bill business loan and term loans with Westpac Banking Corporation are secured by a registered bill of mortgage over the freehold land on which the School is situated.

The business loan with Anglican Funds Grafton Diocese is secured by a registered bill of mortgage over the freehold land on which the School is situated.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Note 11: Provisions	2018	2017
	\$	\$
Current		
Employee benefits		
- Annual leave	176,543	213,112
- Long service leave	2,042,873	2,000,287
Total current provisions	<u>2,219,416</u>	<u>2,213,399</u>
Non Current		
Employee Benefits – Long service leave	118,639	63,229
Total non current provisions	<u>118,639</u>	<u>63,229</u>
Annual Leave	176,543	213,112
Long Service Leave	2,161,512	2,063,515
Total Provisions	<u>2,338,055</u>	<u>2,276,627</u>

Accounting Policy

Salaries, wages, employer superannuation contributions, annual leave costs and long service leave costs are regarded as employee benefits.

Workers' compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

Superannuation

Employer superannuation contributions due but unpaid at reporting date are recognised in the Statement of Financial Position at the current superannuation rate.

Superannuation plans

The Schools contributes to a defined contribution and a defined benefits superannuation plan, in accordance with a trust deed, and to other superannuation funds as required by the Commonwealth Superannuation Guarantee legislation.

Contributions are charged against expenses as they are made.

A defined contribution plan is a post-employment benefit under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefits expense in profit or loss in the periods during which the services are rendered by employees. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss. The School recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Note 11: Provisions *continued*

Annual Leave and Long Service Leave

Provision is made for the School's liability for employee benefits arising from services rendered by employees at the end of 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.

	2018	2017
	\$	\$

Note 12: Capital and Leasing Commitments

a) Operating Lease Commitments

Non-cancellable operating leases contracted but not capitalised in the financial statements

Payable (minimum payments)

- No later than 12 months

829,539

285,753

- Between 1 and 5 years

1,151,339

649,982

Total Operating Lease Commitments

1,980,878

935,735

b) Capital Expenditure Commitments

Contracted for but not provided for and payable:

- within one year

519,500

-

Note 13: Related Party Transactions

(a) Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the school, directly or indirectly, including any Councillor, is considered key management personnel (KMP).

The total of remuneration paid to KMP of the School during the year are as follows:

Total remuneration of KMP

1,938,107

1,225,921

Other Related Party Transactions

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members. There are no related party transactions that need to be reported within the financial statements

LINDISFARNE ANGLICAN SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Note 14: Financial Risk Management

The School's financial instruments consist mainly of deposits with banks, bank loans, receivables and payables and borrowings.

The carrying amounts 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:

Financial Assets	Note	2018 \$	2017 \$
Cash and cash equivalents	4	516,957	190,499
Trade and other receivables	5	410,994	362,536
Other current assets	6	249,729	110,569
Total Financial Assets		<u>1,177,680</u>	<u>663,604</u>
 Financial Liabilities			
Financial liabilities at amortised cost			
- Accounts payable and other payables	8	1,689,063	1,258,167
- Borrowing	10	6,166,660	6,968,647
Total Financial Liabilities		<u>7,855,723</u>	<u>8,226,814</u>

The finance committee is responsible for monitoring and managing the School's compliance with its risk management strategy and is a sub committee of the School Council. The financial committee's overall risk management strategy is to assist the School in meeting its financial targets whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the finance committee on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks to the School is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk.

There have been no substantive changes in the types of the risks the school is exposed to, how these risks arise, or the Council's objectives, policies and processes for managing or measuring the risks from the previous period.

Note 15: Events after the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the School, the results of those operations, or the state of affairs of the School in future financial years.

Note 16: Contingent Liabilities

Commonwealth and State government capital grants

Pursuant to the conditions attached to Commonwealth and State government capital grants, the School is contingently liable to repay, based on a formula, all or part of the grants received if the project to which the funds are applied ceases to be used for the purpose approved or is sold or otherwise disposed of within 20 years of completion of the project.

The School has not calculated a dollar value of the maximum amount of contingency. School Council members are of the opinion that the School will continue in its current capacity and therefore the liability is unlikely to materialise.

LINDISFARNE ANGLICAN SCHOOL
ABN 91 552 839 641

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Note 17: Fair Value Measurements

The School has the following assets, as set out in the table below, that are measured at fair value on a recurring basis after their initial recognition.

	2018	2017
	\$	\$
Property, Plant and Equipment		
Freehold Land	6,663,000	6,663,000
Freehold Buildings	18,837,822	18,837,822
	<u>25,500,822</u>	<u>25,500,822</u>

(i) For freehold land and buildings, the fair values are based on external independent valuations performed in 2008 and 2010 as disclosed within Note 7 – Property, Plant & Equipment.

Note 18: Reserves

Asset Revaluation Reserve

The revaluation reserve reports revaluations of non-current assets.

Note 19: Other Information

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.

Critical Accounting Estimates and Judgments

Management 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.

Income Tax

The School is an exempt body for income tax purposes. Accordingly, accounting for income tax is not required in these financial statements.

LINDISFARNE ANGLICAN SCHOOL
ABN 91 552 839 641

COUNCILLORS' DECLARATION

In accordance with a resolution of the Councillors of Lindisfarne Anglican School, the Councillors of the School Council declare that:

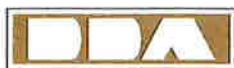
1. The financial statements and notes, as set out on pages 6 to 23 are in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and;
 - a. comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
 - b. present a true and fair view of the financial position of the school as at 31 December 2018 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Lindisfarne Anglican School will be able to pay its debts as and when they become due and payable.


.....
Councillor


.....
Councillor


.....
Councillor

Dated this 30th day of April 2019



DICKFOS DUNN ADAM

AUDIT AND ASSURANCE

-25-

LINDISFARNE ANGLICAN SCHOOL

ABN 91 552 839 641

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LINDISFARNE ANGLICIAN SCHOOL

Opinion

We have audited the financial report of Lindisfarne Anglican School, which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows from the year ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- i) giving a true and fair view of the School's financial position as at 31 December 2018 and of its financial performance for the year ended; and
- ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and *Australian Charities and Not-for-profits Commission Regulation 2013*.

Other Matters

Low Current Asset Ratio

The Statement of Financial Position reports current liabilities in excess of current assets by and therefore low liquidity ratios. As noted in Note 10 the School has adopted a financial management policy of reducing bank debt over the years which has resulted in low levels of cash assets held at bank. The School is reliant on the line of credits secured with their financiers regarding credit limits available. Councillors have assessed there is no risk that the School will not be able to meet debts when due and payable and that the line of credit secured at the bank will not change significantly in the medium term. If this position changes, there is a risk that the School will not be able to meet their debts when payable.

Valuation of Land and Buildings

With reference to Note 7 the land and building valuation was in 2008 and 2010. At 31 December 2018, the Councillors do not believe there has been a significant change in the assumptions at 31 December 2018. The Councillors therefore believe the carrying amount of the land and buildings correctly reflects the fair value less cost to sell at 31 December 2018. Without a current independent valuation however there is a risk that the fair value of land and buildings is misstated.

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 School in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical 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 the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the councillors of Lindisfarne Anglican School, would be in the same terms if given to the Councillors 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.



LINDISFARNE ANGLICAN SCHOOL
ABN 91 552 839 641
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
LINDISFARNE ANGLICAN SCHOOL

Responsibilities of the Councillors for the Financial Report

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

In preparing the financial report, the Councillors are responsible for assessing the Schools' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the School Council intends to liquidate the School or to cease operations, or have no realistic alternative but to do so.

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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if, individual 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 School's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors.
- Conclude on the appropriateness of the Councillors' use of 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 School'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 date of our auditor's report.
- 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 the Councillors regarding, among other matters, the planned scope and time of the audit significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Councillors 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 our independence, and where applicable, related safeguards.

DICKFOS DUNN ADAM
Audit & Assurance

..... DDA

..... T.L. ADAM

Dated 1.5.2019

SOUTHPORT



BOARD MEETING DATE:

9/08/2019

No 7 Matters for discussion and/or decision

Item: b Schools Update

Title: ii. Bishop Druitt College

No of Pages. 8 incl Header

Bishop Druitt College

Date: 24/5/19

Credit Memorandum

Purpose of advices: History/Background

- Half yearly performance review with the benefit of 31/12/18 audited results.
- Note: this will be the first full year post the re-structure and improved ratios including compliance with independent schools core underwriting standards should be met.

Confirmation of AFGD Funded facilities:

Line of Credit for working capital fluctuations:

Limit:	\$5,450,000
Variable rate:	4.56%
Line Fee	1.00%
Loan Approval Fee	Nil
Monthly Administration fee	Nil
Valuation Costs	N/A

Minor Capital Works Overdraft

Limit:	\$550,000
Variable rate:	4.56%
Line Fee	1.00%
Loan Approval Fee	Nil
Monthly Administration fee	Nil
Valuation Costs	N/A

- Other facilities to be agreed and discussed between Westpac/AFGD and BDC will total a maximum facilities cap of \$12m with an approximate 50/50 split
- AFGD recognised the improved performance leading up to 31/12/18 and has put in place its commitment of the \$6m cap.
- AFGD's ability to take further exposure above proposed approved facilities will be dependent upon its capital base.
- Westpac will consider its position up to its \$6m cap on a case by case basis when the funding increase is requested.

Financial data update:

- All financial data required to date has been received by AFGD.
 - 31/12/2018 audited results held
 - 31/12/2019 School Council approved operating budget held.
 - 2019 to 2023 projections and forecasts held.

Other information:

- Westpac internally have experienced some delays with the finalisation of these security documents particularly around the Corporate Trustees execution clause. This I am led to believe is close to closure.

Financial Performance Summary to 31/12/2018 audited results is provided on the next page;

- Profitability for the 2018 year when compared to the prior three years has improved significantly.
- Expense savings achieved after restructure has assisted the position as well.

Bishop Druitt College

Date: 24/5/19

Credit Memorandum

BDC (\$000's)	2015	2016	2017	2018	31-12-2019
	Audited	Audited	Actual	Actual	Budget Guesstimate
Student Numbers*	1177	1118	1100	1072	1039
Staff FTE*	92	92	92	87	87
Non Teaching	39	39	39	24	36
					Guesstimate
Current Assets	\$ 848	\$ 461	\$ 727	\$ 829	\$ 818
Cash	\$ 121	\$ 54	\$ 157	\$ 50	\$ 218
Trade	\$ 184	\$ 314	\$ 408	\$ 258	\$ 300
other	\$ 543	\$ 93	\$ 162	\$ 521	\$ 300
Non-Current Assets	\$ 20,507	\$ 20,341	\$ 19,849	\$ 19,444	\$ 19,000
Property P&E	\$ 20,507	\$ 20,341	\$ 19,849	\$ 19,444	\$ 19,000
Total Assets	\$ 21,355	\$ 20,802	\$ 20,576	\$ 20,273	\$ 19,818
Current Liabilities	\$ 4,687	\$ 5,021	\$ 5,076	\$ 4,860	\$ 4,900
Trade	\$ 2,296	\$ 2,317	\$ 2,335	\$ 2,537	\$ 2,400
Borrow ings	\$ 1,391	\$ 1,391	\$ 1,765	\$ 1,206	\$ 1,500
Other	\$ 1,000	\$ 1,313	\$ 976	\$ 1,117	\$ 1,000
Non- Current Liabilities	\$ 9,357	\$ 8,563	\$ 8,251	\$ 7,361	\$ 10,500
Borrow ings	\$ 8,790	\$ 8,203	\$ 7,772	\$ 6,935	\$ 10,500
other	\$ 567	\$ 360	\$ 479	\$ 426	\$ -
Non Interest Loan Diocese					
Net Asset/Total equity	\$ 7,311	\$ 7,218	\$ 7,249	\$ 8,052	\$ 4,418
Net Assets Ex Loans	\$ 17,492	\$ 16,812	\$ 16,786	\$ 16,193	\$ 16,418
Income					
Fees	\$ 8,079	\$ 7,570	\$ 7,596	\$ 7,388	\$ 6,672
Gov Grants	\$ 12,007	\$ 11,843	\$ 12,266	\$ 12,788	\$ 13,011
Govt Subsidy - Interest on borrow ings	\$ -				\$ -
Capital Grants	\$ -	\$ -			\$ -
Enrolment Fees	\$ 44	\$ -	\$ -	\$ -	\$ -
Interest Income	\$ 31	\$ 17	\$ -	\$ -	\$ -
Other					
Other Revenue	\$ 88	\$ 186	\$ 231	\$ 144	\$ 80
Diocesan Support - Donations					
Total Revenue	\$ 20,249	\$ 19,616	\$ 20,093	\$ 20,320	\$ 19,763
Expenses					
Staff Costs Teaching and Support	\$ 15,077	\$ 15,164	\$ 15,471	\$ 13,944	\$ 14,480
					\$ -
Super	\$ 472	\$ -			\$ -
Other operating costs	\$ 3,038	\$ 2,963	\$ 3,164	\$ 4,093	\$ 3,102
Depreciation	\$ 923	\$ 958	\$ 1,025	\$ 1,094	\$ 978
Interest & leasing charges	\$ 700	\$ 624	\$ 401	\$ 387	\$ 532
Total Expenses	\$ 20,210	\$ 19,709	\$ 20,061	\$ 19,518	\$ 19,092
Surplus	\$ 39	-\$ 93	\$ 32	\$ 802	\$ 671
Operating Surplus	\$ 39	-\$ 93	\$ 32	\$ 802	\$ 671
EBIT	\$ 739	\$ 531	\$ 433	\$ 1,189	\$ 1,203
EBITD	\$ 1,662	\$ 1,489	\$ 1,458	\$ 2,283	\$ 2,181

Bishop Druitt College

Date: 24/5/19

Credit Memorandum

Financial Benchmarking analysis covering 2015 to 2018 plus budgeted projection to 2019;

Ratio Analysis	2015	2016	2017	2018	2019 Budget	Benchmarks	
Return on Investment	0.2%	-0.6%	0.2%	5.0%	4.1%	> 5%	
Interest Cover (EBITD/Interest)	2.4	2.4	3.6	5.9	4.1	>2.0x	Westpac Core
Debt EBITDA	5.3	5.5	5.3	3.0	4.8	< 5.5x	
Net Operating Margin	8.2%	7.8%	7.3%	11.2%	11.0%	> 10%	Underwriting Covenants
Debt per student	\$ 8.6	\$ 8.6	\$ 8.7	\$ 7.6	\$ 11.5	<\$10K	
Fee income per student	\$ 6.9	\$ 6.8	\$ 6.9	\$ 6.9	\$ 6.4	\$8K	
Teachers Salary per student	\$ 12.8	\$ 13.6	\$ 14.1	\$ 13.0	\$ 13.9		
Students/Teaching Staff	12.8	12.2	12.0	12.3	11.9	>11	
Salaries/Net Income %	76.79%	77.30%	77.00%	68.62%	73.27%	< 75%	
Salaries/Total Expenses %	76.94%	76.94%	77.12%	71.44%	75.84%	< 75%	

- Note: the impact of the restructure undertaken in late 2017 to correct its financial performance.
- Core underwriting covenants based on drawn debt to 31/12/18 satisfied.
- Core underwriting covenants based on \$12m cap for period ending 31/12/19 also satisfied.

Capacity to service – based on historical performance to 31/12/2018 and 2019 budget

Capacity to pay	2015 Audited	2016 Audited	2017 Audited	2018 Audited	31-12-19 BDC Budget
Operating surplus	\$ 39	-\$ 93	\$ 32	\$ 802	\$ 671
Plus addbacks					
Depreciation	\$ 923	\$ 958	\$ 1,025	\$ 1,094	\$ 978
Interest	\$ 700	\$ 624	\$ 401	\$ 387	\$ 532
Other -					
	\$ 1,662	\$ 1,489	\$ 1,458	\$ 2,283	\$ 2,181
Less Commitments					
Loan Liabilities as per balance sheet	\$ 10,181	\$ 9,594	\$ 9,537	\$ 8,141	\$ 12,000
Interest cost based on average rate 6% on \$12m	\$ 720	\$ 720	\$ 720	\$ 720	\$ 720
Annual amortisation required Westpac	\$ 540	\$ 540	\$ 540	\$ 540	\$ 540
	\$ 1,260	\$ 1,260	\$ 1,260	\$ 1,260	\$ 1,260
Net Surplus/Deficit	\$ 402	\$ 229	\$ 198	\$ 1,023	\$ 921
Total Finance Commitments \$12m Cap sensitised Average rate of 1.50% above average rate cacl 15yrs	1335	1335	1335	1335	1335
Net Surplus/Deficit	\$ 327	\$ 154	\$ 123	\$ 948	\$ 846

Comments:

- Capacity to service current facilities and maximum debt based on historical performance can be demonstrated.

Bishop Druitt College

Date: 24/5/19

Credit Memorandum

Financial Performance based on 2019 to 2021 Budget and forecast information with full \$12M debt load is summarised below

BDC (\$'000's)	31-12-2019	31-12-2020	31-12-2021
	Budget	Projection	Projection
	Guesstimate		
Student Numbers*	1039	1043	1044
Staff FTE*	87	87	87
Non Teaching	36	36	36
	Guesstimate		
Current Assets	\$ 818	\$ 2,335	\$ 2,941
Cash	\$ 218	\$ 1,735	\$ 2,341
Trade	\$ 300	\$ 300	\$ 300
other	\$ 300	\$ 300	\$ 300
Non-Current Assets	\$ 19,000	\$ 20,000	\$ 20,500
Property P&E	\$ 19,000	\$ 20,000	\$ 20,500
Total Assets	\$ 19,818	\$ 22,335	\$ 23,441
Current Liabilities	\$ 4,900	\$ 4,600	\$ 4,300
Trade	\$ 2,400	\$ 2,400	\$ 2,400
Borrow ings	\$ 1,500	\$ 1,200	\$ 900
Other	\$ 1,000	\$ 1,000	\$ 1,000
Non- Current Liabilities	\$ 10,500	\$ 10,500	\$ 10,500
Borrow ings	\$ 10,500	\$ 10,500	\$ 10,500
other	\$ -		
Non Interest Loan Diocese			
Net Asset/Total equity	\$ 4,418	\$ 7,235	\$ 8,641
Net Assets Ex Loans	\$ 16,418	\$ 18,935	\$ 20,041
Income			
Fees	\$ 6,672	\$ 7,042	\$ 7,288
Gov Grants	\$ 13,011	\$ 13,702	\$ 14,364
Govt Subsidy - Interest on borrow ings	\$ -	\$ -	\$ -
Capital Grants	\$ -	\$ -	\$ -
Enrolment Fees	\$ -	\$ -	\$ -
Interest Income	\$ -	\$ -	\$ -
Other			
Other Revenue	\$ 80	\$ 80	\$ 80
Diocesan Support - Donations			
Total Revenue	\$ 19,763	\$ 20,824	\$ 21,732
Expenses			
Staff Costs Teaching and Support	\$ 14,480	\$ 14,977	\$ 15,477
	\$ -	\$ -	\$ -
Super	\$ -	\$ -	\$ -
Other operating costs	\$ 3,102	\$ 3,198	\$ 3,297
Depreciation	\$ 978	\$ 1,009	\$ 1,042
Interest & leasing charges	\$ 532	\$ 576	\$ 639
Total Expenses	\$ 19,092	\$ 19,760	\$ 20,455
Surplus	\$ 671	\$ 1,064	\$ 1,277
Operating Surplus	\$ 671	\$ 1,064	\$ 1,277
EBIT	\$ 1,203	\$ 1,640	\$ 1,916
EBITD	\$ 2,181	\$ 2,649	\$ 2,958

Bishop Druitt College

Date: 24/5/19

Credit Memorandum

Financial Benchmarking analysis based on 2019 to 2021 Budget and forecast information with full \$12M debt load is summarised below

Ratio Analysis	2019 Budget	2020 Proj	2021 Proj	Benchmarks
Return on Investment	4.1%	5.6%	6.4%	> 5%
Interest Cover (EBITD/Interest)	4.1	4.6	4.6	>2.0x
Debt EBITDA	4.8	4.0	3.5	< 5.5x
Net Operating Margin	11.0%	12.7%	13.6%	> 10%
Debt per student	\$ 11.5	\$ 11.2	\$ 10.9	<\$10K
Fee income per student	\$ 6.4	\$ 6.8	\$ 7.0	\$8K
Teachers Salary per student	\$ 13.9	\$ 14.4	\$ 14.8	
Students/Teaching Staff	11.9	12.0	12.0	>11
Salaries/Net Income %	73.27%	71.92%	71.22%	< 75%
Salaries/Total Expenses %	75.84%	75.79%	75.66%	< 75%

- Based on projections financial ratios satisfied apart from debt per student which is heightened due to full debt load of \$12m being applied.

Capacity to service – based on 2019 to 2021 Budget and forecast information with full \$12M debt load.

Capacity to pay	31-12-19	31-12-20	31-12-21
	BDC Budget	BDC Projection	BDC Projection
Operating surplus	\$ 671	\$ 1,064	\$ 1,277
Plus addbacks			
Depreciation	\$ 978	\$ 1,009	\$ 1,042
Interest	\$ 532	\$ 576	\$ 639
Other -			
	\$ 2,181	\$ 2,649	\$ 2,958
Less Commitments			
Loan Liabilities as per balance sheet	\$ 12,000	\$ 11,700	\$ 11,400
Interest cost based on average rate 6% on \$12m	\$ 720	\$ 720	\$ 720
Annual amortisation required Westpac	\$ 540	\$ 540	\$ 540
	\$ 1,260	\$ 1,260	\$ 1,260
Net Surplus/Deficit	\$ 921	\$ 1,389	\$ 1,698
Total Finance Commitments \$12m Cap sensitised Average rate of 1.50% above average rate cacl 15yrs	1335	1335	1335
Net Surplus/Deficit	\$ 846	\$ 1,314	\$ 1,623

Comments:

- Capacity to service demonstrated with full debt load of \$12M on actual rate and sensitised basis from 2019 onwards.

Bishop Druitt College

Date: 24/5/19

Credit Memorandum

Indicative Risk Grade:

- Risk Grade adopted for the group 5C with 82% cover is recommended. This is an upgrade on last year a result of improved ratio reporting.

Risk Grade Tool	Customer Credit Rating	Security Indicator	
Australian Government	1	A	125% + Cover
State Government	2	B	100% - 124% Cover
Local Government	3	C	80% - 99% Cover
Very Strong Corporate entity	4	D	60% - 79% Cover
Solid Corporate entity	5	E	40% - 59% Cover
Developing Corporate entity	6	F	20% - 39% Cover
High Risk Corporate entity	7	G	0% - 19% Cover

Security Assessment sheet - Current position				
Description	Status Held/to be taken	FMV	Extension Ratio	XTV
Registered Mortgage over the property situated at Coffs Harbour given by - Bishop Druitt College Council	Held	19,713,685	50%	9,856,843
Registered General Security Agreement given by - Bishop Druitt College Council	Held			
Pari Passu Deed between Bishop Druitt College Council Westpac Banking Corporation ABN 33 007 457 141 and The Corporate Trustees of the Diocese of Grafton ABN 88 144 942 068	Held			
Based on 31/12/2018 Audited financial results conservative valuation would appear to be Total Land & Buildings at written down value Given the limited alternate use and the likelihood of ever realising on this asset it would be considered a special purpose asset and would have a conservative extended value for risk assessment of 50%. Ie				
		9,856,843		
Total Limits	as at September 2018			
\$12,000,000				
security indicator C to apply.	82%	cover		

Insurance Confirmation:

- The 2019 schedule is in place with cover provided by the ANIP scheme.
- The Diocese Finance Department can confirm the level of cover in place.

Date: 24/5/19

Credit Memorandum

Covenants/ongoing monitoring requirements:

Total Facilities maximum \$12,000,000.00

- No additional Capex outside budgets presented.
- You agree and acknowledge to maintain the following minimum Group loan reductions:-
 - a minimum \$540,000 per annum in permanent reduction of College Debts /or line of credit facilities. Confirmation of loan facility reductions to be provided, and to be to the lender's satisfaction
- Transaction Banking is to remain with Westpac/AFGD as is the case now.
- Half Yearly reviews by 31/3 and 30/9. Specific review requirements are details below.
- Debt/EBITDA multiple is to be at all times <5.5x and ongoing. This will be tested half yearly on a rolling 12 month basis.
- EBITDA/ICR ratio is to be >2.0 times. This will be tested half yearly on a rolling 12 month basis.
- Plus any agreed Westpac covenants for alignment under Pari Passu.

Further conditions:

- "the Bishop-in-Council will not approve the application of church trust property to a first call mortgage by an external financial provider unless Anglican Funds Grafton Diocese is unable or unwilling to provide finance."
 - Approval obtained for joint funding proposal. Refer to correspondence dated 18th December 2016.
- "by the end of 2014 all Diocesan organisations will be required to conduct transactional banking with Anglican Funds Grafton Diocese unless authorised to bank with an external financial provider by the Bishop-in-Council"
 - Approval obtained for joint funding proposal. Refer to correspondence dated 18th December 2016.

Recommendation

- Approval of half yearly performance review as documented with extension of next review trigger to 30/09/2019.

Blaine Fitzgerald

For and on behalf of Anglican Funds Grafton Diocese

Disclaimer

This document has been prepared by Blaine Fitzgerald (ABN 98 966 145 256) for general information purposes only. Before acting on any information within this document, you should consider the appropriateness of it having regard to your own particular circumstances, objectives, financial situation and needs. I believe the information contained in this report was correct at the time the report was compiled. However, I do not warrant the accuracy or the reliability of the information contained in this report, and to the maximum extent permitted by law, I disclaim all responsibility and liability for any direct or indirect loss or damage suffered by any recipient of the report where the recipient has relied on anything contained in, or omitted from this report.



BOARD MEETING DATE:

9/08/2019

No 7 Matters for discussion and/or decision

Item: c

Title: AFSA/AFGD Expanded Service Agreement – latest draft. Final draft for approval to be provided

No of Pages. 18 incl Header

SERVICE AGREEMENT

THIS AGREEMENT IS DATED: _____

BETWEEN THE SYNOD OF THE DIOCESE OF ADELAIDE OF THE ANGLICAN CHURCH OF AUSTRALIA INC trading as Anglican Funds South Australia ABN 63 198 215 958 of 18 King William Road, North Adelaide, South Australia 5006 (**AFSA**).

AND

THE CORPORATE TRUSTEES OF THE DIOCESE OF GRAFTON INVESTMENT FUND trading as Anglican Funds Grafton Diocese ABN 42 489 753 905 of Level 1, 50 Victoria Street, Grafton, New South Wales 2460 (**AFGD**).

BACKGROUND

- A. AFSA provides various services to AFGD pursuant to an existing Service Agreement dated 1 February 2012 ("the 2012 Agreement").
- B. AFGD has requested AFSA to provide additional services, as described in this Agreement ("the Services"). For the avoidance of doubt, AFSA will continue to supply services in accordance with the 2012 Agreement.
- C. AFSA has the necessary skills, qualifications, experience, capacity and resources to provide the Services to AFGD.
- D. AFSA agrees to provide the Services to AFGD on the terms and conditions set out in this Agreement.

OPERATIVE PROVISIONS

In consideration of the matters described above, and of the mutual benefits and obligations described in this Agreement, the receipt of which and the sufficiency of which are hereby acknowledged, AFSA and AFGD hereby agree as follows:

1. DEFINITIONS

"*Agreement*" means this Service Agreement

"*Agreement Date*" means _____

"*Claims*" means any claims, losses, proceedings, damages, punitive damages, penalties, demands, fines and liabilities whether criminal, civil, in tort, in contract or otherwise

"*Client*" means The Corporate Trustees of the Diocese of Grafton Investment Fund trading as Anglican Funds Grafton Diocese ABN 42 489 753 905 of Level 1, 50 Victoria Street, Grafton, New South Wales 2460 (**AFGD**)

"Commencement Date" means 1st July 2019

"Confidential Information" has the meaning described in the "Confidential Information" clause of this Agreement

"Eligible AFGD Customers" means eligible customers that meet the requirements specified in the Identification Statement lodged by AFGD and accepted by ASIC in accordance with the *ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813*. As at the Commencement Date, *Eligible AFGD Customers* comprise the entities listed in Addendum A to this Agreement.

"End Date" means 30th June 2022.

"Fees" means fees payable by the Client to the Service Provider in accordance with this Agreement

"GST" means Goods and Services Tax imposed on a supply of goods or services in Australia, pursuant to the GST Law

"GST Law" means the same as in the *A New Tax System (Goods and Services Tax) Act 1999 (Commonwealth)*

"Intellectual Property" includes but is not limited to processes, business systems, business know-how, trade secrets, moral rights, goodwill, registered designs, copyrights, patents, trademarks, trade dress, industrial design, trade names or other similar rights, or rights to apply for any of these rights

"Losses" means any losses including but not limited to financial losses, expenses, damages, costs including legal fees, legal costs and other expenses of any nature whatsoever

"Party" means either the Client or the Service Provider

"Parties" means the Client and the Service Provider collectively

"Receiving Party" in relation to a piece of Confidential Information means the Party which receives the Confidential Information from the other Party (whether directly or indirectly)

"Services" means the portfolio management services to be provided by the Service Provider to the Client, as described in clause 3 of this Agreement

"Service Provider" means the Synod of the Diocese of Adelaide of the Anglican Church of Australia Limited trading as Anglican Funds South Australia ABN 63 198 215 958

"Supplying Party" in relation to a piece of Confidential Information means the Party which supplies the Confidential Information to the other Party (whether directly or indirectly)

"Termination Date" means the earlier of the date that this Agreement is terminated by the Client or the Service Provider, or the date of expiry of this Agreement

2. INTERPRETATION

In this Agreement, unless the context otherwise requires, the following rules of interpretation shall apply:

- a. Words referring to one gender include every other gender.
- b. Words referring to a singular number include the plural, and words referring to a plural include the singular.
- c. Words referring to a person or persons include firms, corporations, associations, partnerships, joint ventures, authorities, government bodies, organisations and other legal entities, and vice versa.
- d. Headings and titles are included in this Agreement for convenience only and shall not affect the interpretation of this Agreement.
- e. Each Party must, at its own expense, take all reasonable steps and do all that is reasonably necessary to give full effect to this Agreement and the events contemplated by it.
- f. Any obligation on a Party not to do something includes an obligation not to allow that thing to be done.

3. SERVICES

In consideration for AFGD paying the Fees, and subject to the provisions of this Agreement, AFSA hereby agrees to provide AFGD with the following Services:

a. Additional services:

	Task/Function to be performed	Frequency
1	Handling of enquiries from Eligible AFGD Customers referred by the AFGD Client Services Officer that requires specific advice.	On demand as required advice will be provided within an agreed timeframe depending on the complexity of the request.
2	Periodic reviews in accordance with loan covenants of each Eligible AFGD Customer's performance and ability to service debt including but not limited to; <ul style="list-style-type: none"> • Financial data extraction & analysis • Key ratio analysis • Adherence to credit policy • Credit report with any issues or recommendation to the AFGD Board for their approval. 	<p>School portfolio 2 per year per entity</p> <p>Other bodies corporate 1 per year per entity</p> <p>Parishes In the event of a review trigger <u>(such as a request to vary or amend existing payment or a request for an increase in funding)</u> or as <u>otherwise</u> required</p>
3	Liaison with other lender(s) in the case of Eligible AFGD Customers having loan commitments to parties other than the Client.	On demand as required advice will be provided within an agreed timeframe depending on the complexity of the request.
4	Evaluation of requests for new or increased borrowing or the amendment of terms by Eligible AFGD Customers; <ul style="list-style-type: none"> • Providing an analysis with recommendations to the Client following each formalised request for new or increased borrowing or amended of terms; and • Assist the Client with the review of any draft contractual terms relating to facilities provided to Eligible AFGD Customers 	<p>School portfolio As required based on demand. (assumption is most requests will be discovered and included during half yearly review process)</p> <p>Other bodies corporate As required based on demand.</p> <p>Parishes As required based on demand.</p>
5		

<p>Active customer contact.</p> <hr/>	<p>School portfolio Every 3 months, comprising 2 face to face <u>meetings per year</u> 2 <u>contacts per year</u> via other method</p> <p>Other bodies corporate Every 6 months, comprising 1 face to face <u>meeting per year</u> 1 <u>contact per year</u> via other method</p> <p>Parishes As required when opportunity arises.</p>
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b. Other Services

	Task/Function to be performed	Frequency
1	<p>AFGD Board Reporting Requirements Provision of a written structured Board report summarising</p> <ul style="list-style-type: none"> • Key customer activities • Adherence to Risk Management Framework <ul style="list-style-type: none"> ➢ Interest Rate risk ➢ Liquidity Risk ➢ Credit Risk ➢ Capital Adequacy and DFATF prudential benchmarks • Financial Performance analysis against agreed benchmarks 	<p>Every 3 months, comprising 2 <u>meetings per year</u> face to face 2 <u>reports per year</u> via other method</p>
2	<p>Interest Rate Risk Management</p> <ul style="list-style-type: none"> • Investor Interest Rates <ul style="list-style-type: none"> ➢ Provision of investor interest rate data and recommendation • Lending/borrowing Interest Rates <ul style="list-style-type: none"> ➢ Provision of lending interest rate reference data and recommendation 	<p>Weekly</p> <p>Monthly</p>
3	<p>Policy Development Assistance and Review Provide assistance to the Client on policy review process</p> <ul style="list-style-type: none"> ➢ Risk Management Policy ➢ Interest Rate Risk ➢ Liquidity Risk ➢ Credit Risk ➢ Capital Adequacy and DFATF prudential benchmarks 	<p>As required on a rolling basis based on review date applicable to each policy.</p>
4	<p>Annual Audit Assistance - AFGD's Financial year ends 31/12 Provide assistance to collate existing Data Action reports for the Client to satisfy annual audit requirements including but not limited to:</p> <p>Investor Book information</p> <ul style="list-style-type: none"> ➢ maturity forecast information ➢ interest rate information ➢ open closed accounts reports ➢ sample data as requested. <p>Loan book information</p> <ul style="list-style-type: none"> ➢ maturity forecast information ➢ interest rate information ➢ open closed loans reports ➢ credit policy compliance ➢ sample data as requested 	<p>Once per year aligned with Client's annual audit plan</p>

	Other information as required	Any customised reporting requirements to be at the Client's own cost.
5	Provide limited Client Services for Eligible AFGD Customers for front office functions currently performed in the Grafton office to cover periods of extended leave including annual leave and other forms of leave. Functions to be agreed between the two parties prior to undertaking the relief.	Four (4) weeks per year as a maximum.

- c. The Client may request the Service Provider to perform additional work and the Service Provider agrees that it will provide a quotation for the Fees for the additional work. Upon the Client's written acceptance of the quotation for the additional work, the Service Provider will perform the work.

4. LOCATION OF SERVICES

- a. The Services may be performed at AFSA's premises at 18 King William Road, North Adelaide, at AFGD's premises at 50 Victoria Street, Grafton and at other locations as agreed between the Parties.

5. TIMING OF SERVICES

- a. The Service Provider will commence providing the Services on the Commencement Date and will continue providing the Services until the End Date.

6. TERM

- a. The initial term of this Agreement ("the Term") is three (3) years, with Service Agreement renewal discussions commencing on or around 1st January 2022.
- b. The Term may be extended by written agreement of the Parties and the End Date will be varied accordingly.

7. PERFORMANCE OF SERVICES

- a. The Services will be performed by employees of the Service Provider (AFSA).
- b. The Service Provider may not use any persons to perform the Services except for those persons expressly permitted by clause 7a, together with any other persons expressly permitted in writing by the Client.

7A. JOINT STRATEGIC DEVELOPMENT

- a. The Parties commit to the development of a joint development plan with the desired outcome being the combination of AFGD's Fund with AFSA's Community Fund for mutual benefit including, but not limited to, financial outcomes;
- b. A consultation and work programme on the strategic plan will be developed by the Parties by 31 October 2019; and

- c. The Parties will provide a report on the joint strategic plan to their respective governing bodies by 30 June 2020, or such later date as may be agreed by the Parties.

8. INSURANCE

a. The Service Provider must obtain all relevant insurance policies ("the Insurance Policies"), including but not limited to:

- I. professional indemnity insurance cover of \$20,000,000 per occurrence;
- II. cyber liability insurance cover; and
- III. all those insurance policies required by law;

b. Upon the request of the Client, the Service Provider must provide to the Client a copy of the certificate of currency of the Insurance Policies.

9. NATURE OF RELATIONSHIP

a. Nothing in this Agreement constitutes an employment relationship between the Client and the Service Provider or between the Client and the Service Provider's workers (such as the employees, agents or subcontractors of the Service Provider). No relationship of employer and employee is created by this Agreement.

b. Nothing in this Agreement creates a partnership, joint venture, fiduciary relationship, agency or other relationship between the Client and the Service Provider except for the contractual relationship which is provided in this Agreement.

c. The Parties hereby acknowledge and confirm that it is the express intention of all Parties that the Service Provider is acting in relation to the Client as a contractor and not as an employee, partner, joint venture partner, agent or otherwise.

10. CURRENCY

Unless otherwise specifically provided, all monetary amounts contained in this Agreement are in Australian Dollars (AUD).

11. FEES

a. In consideration for the Service Provider providing the Services in accordance with this Agreement, the Client agrees to pay Fees to the Service Provider as follows:

The Fees payable each month have been calculated on a fee for service basis, at a rate of \$70,000 per annum (\$5,833.33 per month).

b. The Parties acknowledge that the Fees quoted are exclusive of any Good and Services Tax ("GST") and that, where applicable, the Service Provider is entitled to add GST to the Fees.

c. The Parties agree that the Fees will be reviewed on an annual basis and will be increased by a percentage figure equal to the amount (expressed as a percentage) by which the Consumer Price Index (Adelaide – All Groups) ('the CPI') has increased during the one year period immediately preceding the review date. If the CPI ceases to be published or substantially changes during the Term, the Service Provider will select another similar index or indicator of increases in consumer costs in lieu of the CPI.

12. MATERIALS, COSTS AND DISBURSEMENTS

The Service Provider is not entitled to charge, and the Client will not be liable for, any additional costs such as costs for materials or disbursements, on top of the Fees which have been set out in this Agreement, unless agreed prior by both parties.

13. INVOICING

- a. The Service Provider will ~~provide a tax invoice to the Client for Fees ("the Invoice") the Client~~ monthly in arrears.
- b. ~~Once the Service Provider provides a valid invoice in relation to the Fees ("the Invoice"), the~~ Client must ~~make pay~~ each Invoicement within seven fourteen (147) days after the date of that Invoice.

14. CLIENT OBLIGATIONS

The Client:

- a. must, at the Client's own cost, take all reasonable steps to cooperate in good faith with the Service Provider during the period while the Service Provider is providing the Services to the Client, including by providing to the Service Provider any information or documentation that the Service Provider reasonably requires in order to provide the Services, and making available to the Service Provider any facilities, resources or personnel that the Service Provider reasonably requires in order to provide the Services.
- b. must ensure that the Client's employees, agents and other contractors take all reasonable steps to cooperate in good faith with the Service Provider during the period while the Service Provider is providing the Services to the Client, including by making available any information, documentation, facilities, resources or personnel as reasonably required by the Service Provider, in accordance with this clause.
- c. will, in the event that the Client does not provide the information, documentation, facilities, resources or personnel or does not take any other steps to cooperate with the Service Provider as the Service Provider reasonably requires, within the time period that the Service Provider reasonably requires, be liable for any additional costs and expenses which are reasonably incurred by the Service Provider.

15. RETURN OF PROPERTY

- a. Upon the termination or expiration of this Agreement, each Party will promptly return to the other Party ("the Second Party") respectively any property, documentation, records or confidential information which is the property of the Second Party.

b. In the event that the Client terminates this Agreement prior to completion of the Services:

I. the Service Provider will be entitled to attend the location or locations where the Services were undertaken strictly in order to recover any materials and/or equipment which are the property of the Service Provider; or

II. if agreed between the Parties, the Client may retain the Service Provider's materials and/or equipment but must compensate the Service Provider for the said materials and/or equipment in an amount as agreed between the Parties.

16. CONFIDENTIAL INFORMATION

a. Each Party ("the Receiving Party") shall keep the confidential information of the other Party ("the Supplying Party") confidential and secret, whether disclosed to or received by the Receiving Party. The Receiving Party shall only use the confidential information of the Supplying Party for the purpose of performing the Receiving Party's obligations under this Agreement. The Receiving Party shall inform its employees, officers, agents or subcontractors of the Receiving Party's obligations under the provisions of this clause, and must ensure that the Receiving Party's officers, employees and agents meet those obligations.

b. For the purpose of this Agreement, "Confidential Information" means all information relating to the Supplying Party which might fairly be considered to be of a confidential nature and includes, but is not limited to:

I. information of whatever nature, without limitation, which is obtained in any form by the Receiving Party from the Supplying Party or its advisers, or by observations during visits, or by demonstrations;

II. information of whatever nature relating to the business activities, practices and finances of the Supplying Party;

III. any evaluation material, design work, technologies, technological ideas or strategies, strategic plans and ideas, innovations, creative plans, concepts and any other plans or ideas developed by the Supplying Party or on its behalf or used by the Supplying Party, whether relating specifically to the Services or otherwise;

IV. any information derived from any other information which falls within this definition of Confidential Information;

V. any copy of any Confidential Information; and

VI. the fact that discussions are taking place between the Parties

but does not include information which:

I. was known or in the possession of the Receiving Party before it was provided to the Receiving Party by the Supplying Party;

II. is, or becomes, publicly available, through no fault of the Receiving Party;

III. is provided to the Receiving Party without restriction or disclosure by a third party, who did not breach any confidentiality obligations by making such a disclosure;

IV. is provided to the Receiving Party by the Supplying Party and is marked "Non Confidential"; or

V. is required by law or regulation to be disclosed, but in the event that this exception applies, it applies only to the absolute minimum necessary and provided that the Supplying Party is first consulted to establish whether and if so how far it is possible to prevent or restrict such enforced disclosure.

c. If there is any doubt as to whether any particular information constitutes Confidential Information, written confirmation is to be obtained from the Supplying Party.

d. This clause will survive termination or expiration of this Agreement.

17. INTELLECTUAL PROPERTY

a. In connection with the provision of the Services, the Service Provider may generate, create, write or produce intellectual property ("Created IP"), including but not limited to plans, reports, drawings, specifications, advice, analyses, designs, methodologies, code, artwork, or any other intellectual property as required in order to provide the Services to the Client.

b. Unless otherwise agreed between the Parties, any intellectual property rights in any Created IP generated by the Service Provider in connection with the provision of the Services to the Client shall belong to the Service Provider.

c. Unless otherwise agreed between the Parties, any intellectual property rights in any intellectual property provided by the Client to the Service Provider in order to assist in the provision of the Services, shall belong to the Client.

d. This clause will survive the termination or expiration of this Agreement.

18. WARRANTIES

~~a. The Service Provider warrants and represents that it will perform the Services using reasonable care and skill for a Service Provider in its field.~~

ab. The Service Provider warrants and represents that any end products or materials given by the Service Provider to the Client under the terms and conditions of this Agreement will not infringe on or violate the intellectual property rights or any other right of any third party.

bc. This clause will survive the termination or expiration of this Agreement.

19. LIMITATION OF LIABILITY

a. Except in cases of death or personal injury caused by either party's negligence, either party's liability in contract, tort or otherwise arising through or in connection with this Agreement or through or in connection with the completion of obligations under this Agreement, liability shall

be limited to the net value of the Fees paid incurred by the Client ~~to the Service Provider~~ in the preceding 12 month period.

b. To the extent it is lawful, neither Party shall be liable to the other Party in contract, tort, negligence, breach of statutory duty or otherwise for any loss, damage, costs or expenses of any nature whatsoever incurred or suffered by that other Party of an indirect or consequential nature including without limitation any economic loss, data loss, loss of goodwill, or other loss of turnover, profits or business.

c. This clause will survive the termination or expiration of this Agreement.

20. INDEMNITY

a. The Service Provider represents and warrants that it will

(a) comply with all relevant requirements and legislation in relation to the supply of the Services; and

(b) use all professional care and skill in the discharge of its obligations under this Agreement;

Subject to clause 19, Service Provider indemnifies and holds harmless the Client against any direct loss arising from a breach of these warranties, except for where a breach of those warranties and representations are caused by a failure by the Client to meet its material obligations under this Agreement.

The parties agree that a good faith dispute as to fees payable pursuant to this Agreement shall not be considered to be a breach of this section.

~~The Client hereby indemnifies and keeps indemnified the Service Provider and any of the Service Provider's employees, agents, subcontractors, representatives or affiliates (each hereinafter being referred to as an "Indemnified Party") against any and all loss, damage or liability (whether criminal or civil) suffered and any and all legal and other fees and costs incurred by the Service Provider resulting from:~~

~~I. the Services or anything provided under this Agreement;~~

~~II. any transaction, contract, event or matter arising from or connected with the provision of the Services; or~~

~~III. the relationship between the Service Provider and the Client.~~

b. The Client represents and warrants that it will:

(a) comply with all relevant requirements and legislation in relation to the operation of its business; and

(b) use all professional care and skill in the discharge of its obligations under this Agreement,

The Client indemnifies and holds harmless the Service Provider against any direct loss arising from a breach of these warranties. Furthermore, the Client will indemnify, defend and hold harmless the Service Provider against any loss (including reasonable legal fees) arising out of any breach of this Agreement by the Client.

~~cb. The Client~~Neither Party shall ~~not~~ be liable under ~~the-an~~ indemnity given under this clause where a court of competent jurisdiction, giving a final judgment, holds that any loss, damage or liability is the result of the ~~gross~~ negligence, wilful misconduct or bad faith of an Indemnified Party.

~~de.~~ This clause will survive the termination or expiration of this Agreement.

21. WORKPLACE HEALTH AND SAFETY

- a. The Client is committed to providing a workplace to its employees, agents, subcontractors, affiliates or other visitors which is healthy, safe and clean.
- b. The Client is committed to creating, motivating and maintaining a positive workplace culture, particularly in relation to workplace health, safety, welfare and wellbeing.
- c. The Client's commitment to workplace health and safety may be reflected and implemented through various standards, procedures, guidelines and/or policies ("WHS Policies").
- d. The Service Provider must, at the Service Provider's cost, comply with the Client's WHS Policies or any other standards and regulations in relation to workplace health, safety, welfare and wellbeing as required by law.

22. COMPLIANCE WITH LAWS

- a. The Service Provider must, at the Service Provider's own cost, comply with all laws which relate to or affect the Services, the Agreement or the Service Provider, including but not limited to regulations, legislation, delegated legislation, ordinances, rules, codes and any other requirements of any Federal, State or Local authorities, bodies or government departments ("the Laws").
- b. This clause will survive the termination or expiration of this Agreement.

23. ENTIRE AGREEMENT

- a. ~~The Parties agree that in relation to the subject matter of this Agreement, this Agreement represents the entire agreement between the Parties.~~ The Parties confirm that no warranties, representations, conditions or collateral agreements affect this Agreement or the subject matter of this Agreement except as expressly provided in this Agreement.
- b. The Parties each respectively agree that in entering into this Agreement, they did not do so in

reliance on any representations, warranties or other provisions except for those which are expressly provided in this Agreement.

c. The Parties agree that any warranties, conditions or other terms implied by law are expressly excluded from this Agreement to the maximum extent permitted by law.

d. No amendment to or modification of this Agreement, and no additional obligation or obligations in relation to this Agreement or the subject matter of this Agreement, will bind any Party unless evidenced in writing and signed by both Parties.

24. NOTICES

a. Any notice, demand, request or other correspondence in relation to this Agreement, which is required or permitted to be given in writing will be deemed validly given to the Client if delivered to the following address:

The Registrar/General Manager
The Corporate Trustees of the Diocese of Grafton Investment Fund trading as Anglican Funds Grafton Diocese
Level 1, 50 Victoria Street, Grafton, New South Wales 2460
Email:

b. Any notice, demand, request or other correspondence in relation to this Agreement, which is required or permitted to be given in writing will be deemed validly given to the Service Provider if delivered to the following address:

The Registrar and Secretary of Synod
The Synod of the Diocese of Adelaide of the Anglican Church of Australia Limited trading as Anglican Funds South Australia
18 King William Road, North Adelaide, South Australia 5006.
Email: registrar@adelaideanglicans.com

c. Either Party ("the Nominating Party") may nominate another address ("the New Address") by notifying the other Party in writing of the New Address. Any notice demand, request or other correspondence in relation to this Agreement, which is required or permitted to be given in writing will, after nomination of the New Address, be deemed validly given if delivered to the Nominating Party at the New Address.

25. WRITTEN COMMUNICATION

a. In relation to any correspondence or notification which is required under this Agreement to be provided in writing from one Party to the other Party:

I. such notice is properly given if given to the other Party:

A. by email to an email address that the other Party has nominated, acknowledged or used in connection with the Services or this Agreement.

B. by facsimile to a facsimile address which the other party has nominated, acknowledged or used in connection with the Services or this Agreement.

C. by post to a postal address the other party has nominated, acknowledged or used in connection with the Services or this Agreement.

II. such notice is taken to be received:

- A. if sent by email, when the email becomes capable of being retrieved by the recipient at the relevant email address.
- B. if sent by facsimile, at the time shown of correct and complete transmission to the recipient's facsimile number by the sending machine.
- C. if sent by prepaid post within Australia, five (5) days after the date of posting.
- D. if sent by prepaid post to or from an address outside Australia, twenty one (21) days after the date of posting.

26. DISPUTE RESOLUTION

a. Dispute Notice

If any dispute arises between the Parties relating to or arising out of the Agreement, including its construction, effect, the rights and obligations of the Parties, the performance, breach, rescission or termination of this Agreement, the entitlement of any Party to damages or compensation (whether for breach of contract, tort or any other cause of action) or the amount of that entitlement (a "Dispute"), the Party claiming that a Dispute has arisen must deliver to the other Party a notice containing particulars of the Dispute (a "Dispute Notice").

b. Parties must negotiate

During the period of 10 business days after delivery of the Dispute Notice, or any longer period agreed in writing by the Parties (the "Initial Period"), each of the Parties must use its reasonable endeavours and act in good faith to resolve the dispute by discussion and negotiation.

c. Resolution by Registrars

If the Parties are unable to resolve the Dispute within the Initial Period, the Dispute must be referred to the Registrars for the time being of the Diocese of Adelaide and the Diocese of Grafton or their equivalents or their nominees ("Registrars"). As at the date of this Agreement, Mrs Amanda Harfield is the Registrar for the Diocese of Adelaide and Mr Chris Nelson is the Registrar for the Diocese of Grafton. The Parties must ensure that their respective Registrars:

- (a) Have authority to negotiate and, if appropriate, enter into a binding agreement on behalf of the relevant Party;
- (b) Meet promptly (and in any event within 5 business days) after the matter is referred to them; and
- (c) Use their reasonable endeavours and act in good faith in an attempt to resolve the matter.

d. Referral to third party

If the Registrars have been unable to resolve the Dispute within 10 business days from referral, or such longer period as the Registrars may agree in writing, then the Parties must submit the

Dispute to a mediator for consideration in accordance with the Resolution Institute's then current 'Mediation Rules', which Rules are taken to be incorporated into this Agreement.

e. Other proceedings

A Party may not commence court proceedings in respect of a Dispute unless it has complied with this clause and until the procedures in this clause have been followed in full, except where:

- (a) The Party seeks injunctive relief in relation to a Dispute from an appropriate court where failure to obtain such relief would cause irreparable damage to the Party concerned; or
- (b) Following those procedures would mean that a limitation period for a cause of action relevant to the issues in dispute would expire.

27. TERMINATION

a. This Agreement may be terminated by either Party, upon notice in writing:

I. if the other Party commits a material breach of any term of this Agreement that is not capable of being remedied within fourteen (14) days or that should have been remedied within fourteen (14) days after a written request and was not;

II. if the other Party becomes unable to perform its duties under this Agreement, including a duty to pay or a duty to perform;

III. if the other Party or its employees or agents engages in any conduct prejudicial to the business of the other, or in the event that either Party considers that a conflict or potential conflict of interest has arisen between the Parties.

b. If the Client defaults in the payment of any money payable under this Agreement for a period of more than 10 Business Days, the Service Provider may do one or both of the following:

1. suspend performance of its obligations under this Agreement, until such time as all payments due by the Client are paid in full; and
2. charge interest on the amount overdue at the 90 days Bank Bill Swap Reference Rate last published in The Australian Financial Review newspaper plus 2% calculated from and including the date on which the payment became due until but excluding the date on which the payment is made, which interest is payable on the Service Provider making written demand.

The exercise by the Service Provider of any of its rights under this clause does not affect:

3. the Client's obligation to pay any money due and payable; or
4. any other rights or remedies the Service Provider may have in relation to any failure by the Client to pay an amount due,

under this Agreement or any other agreement between Service Provider and the Client.

~~This Agreement may be terminated by the Service Provider if the Client fails to pay any Fees within seven (7) days after the date they are due. The Service Provider may terminate the Agreement immediately, with no notice period, in writing.~~

c. If this Agreement is terminated before the expiration of the Term, the Client hereby agrees to

pay for all Services rendered up to the Termination Date, and for any and all expenditure due for payment after the date of termination for commitments reasonably made and incurred by the Service Provider related to the rendering of Services prior to the date of termination.

d. Any termination of the Agreement under this clause shall not affect the accrued rights and liabilities of either Party under this Agreement or at law and shall be without prejudice to any rights or remedies that either Party may be entitled to.

e. Any part of this Agreement which is meant to continue after termination or which is meant to come into force at or after termination shall not be affected by this clause.

28. ASSIGNMENT

Neither Party will, whether voluntarily or by operation of law, assign, subcontract, delegate, mortgage, charge or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other Party.

29. WAIVER

a. The waiver by either Party of any right or remedy in relation to a breach, default, delay or omission by the other Party of any provision or provisions of this Agreement will not be construed as a waiver of any subsequent breach of the same or other provisions of this Agreement.

b. The failure or delay by either Party in exercising any right or remedy under this Agreement will not constitute a waiver of that right or remedy, nor will it prevent or impair that Party from subsequently exercising that right or remedy.

c. Any rights or remedies provided in this Agreement are cumulative and are in addition to any rights or remedies provided by law.

30. FORCE MAJEURE

a. In the event that circumstances arise which:

I. are outside of the reasonable control of a Party; and

II. materially affect that Party's performance of its obligations under this Agreement; and

III. could not have been reasonably foreseen or avoided;

(hereinafter "the Circumstances"), then that Party will not be deemed to be in breach of this Agreement and will not have any liability under this Agreement for any delays or failures in performance of that Party's respective obligations under this Agreement.

b. In the event that such a delay or failure occurs, the Party affected by the Circumstances must immediately notify the other Party in writing of when the Circumstances cause a delay or failure in performance, and when the Circumstances no longer cause a delay or failure in performance.

c. Either Party may terminate this Agreement, if the Circumstances continue for a continuous period of three months or more, by providing written notice to the other Party.

31. APPLICABLE LAW

This Agreement is subject to the laws of South Australia and each Party submits to the jurisdiction of the courts of South Australia.

32. SEVERABILITY

If any clause or sub-clause of this Agreement is held to be invalid or unenforceable, it is to be read down or severed such that the remaining clauses and sub-clauses will be enforced to the maximum extent possible. In such circumstances the remaining provisions of this Agreement shall continue in full force and effect.

33. SURVIVAL OF OBLIGATIONS

At the termination or expiration of this Agreement, any provisions of this Agreement which would by their nature be expected to survive termination or expiration shall remain in full force and effect, including but not limited to any provisions which explicitly state that they will survive termination or expiration.

EXECUTED AS AN AGREEMENT THIS _____

Sealed with the Common Seal of **The Synod of the Diocese of Adelaide of the Anglican Church of Australia Inc** (ABN 63 198 215 958)
by us the undersigned being duly authorised to use the said seal.

_____ Secretary of Synod

_____ Seal Holder

_____ Seal Holder

*The seal of **THE CORPORATE TRUSTEES OF THE DIOCESE OF GRAFTON ABN 42 489 753 905** was hereunto affixed in the presence of Corporate Trustees of the Diocese and pursuant to Section 8 of the Anglican Church of Australia Trust Property Act 1917:*

.....
Signature of Corporate Trustee

.....
Name of Corporate Trustee

.....
Signature of Corporate Trustee

.....
Name of Corporate Trustee

.....
Signature of Secretary

.....
Name of Secretary

DRAFT



BOARD MEETING DATE:

9/08/2019

No 8 Matters for noting and status updates

Item: a

Title: Anglican Diocese of Grafton - Privacy Policy

No of Pages. 3 incl Header



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

Anglican Diocese of Grafton - Privacy Policy

4 messages

Chris Nelson <chris.nelson@graftondiocese.org.au>
To: Jay Clowes <JClowes@fwolaw.com>
Cc: John Watson <JWatson@fwolaw.com>

18 June 2019 at 16:22

Dear Jay,

In October 2015, the Anglican Diocese of Grafton created its Privacy Policy to cover the activities of the Diocesan office, parishes and Anglican Funds Grafton Diocese (AFGD). A copy of the policy can be found at <http://180.235.131.20/~anglicandiocese/wp-content/uploads/2017/09/Privacy-Policy.pdf>

When the policy was introduced, we set ourselves a 3 year period after which the policy would be reviewed. We are overdue for this review.

I am contemplating Fishburn Watson O'Brien assessing the Diocese's current policy with regard to compliance with the Act prior to Diocesan staff reviewing the policy for its operation in the Diocese.

Is such a review within Fishburn Watson O'Brien's capabilities? If so, are you able to organise a cost estimate for this work?

--

Regards,

Chris Nelson**General Manager/Registrar****Anglican Diocese of Grafton**

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Jay Clowes <JClowes@fwolaw.com>
To: Chris Nelson <chris.nelson@graftondiocese.org.au>
Cc: John Watson <JWatson@fwolaw.com>

18 June 2019 at 16:35

Chris,

Happy to assist.

I estimate it could take up to 5 hours to review the policy, the relevant Acts and the National Privacy Principles and to provide advice. I recommend the trustees budget for legal fees of \$2,000 plus GST.

If the Policy is not compliant and requires amendment, that work would be done on a time basis. We can provide an estimate in that regard once we figure out if/how much additional work is necessary.

Jay Clowes

Acc. Spec. (Wills & Estates)

Principal

FISHBURN WATSON O'BRIEN PTY LIMITED
the law specialists**t:** 02 6650 7016 | **f:** 02 6651 4853**e:** jclowes@fwolaw.com | **w:** www.fwolaw.com

134 West High Street, Coffs Harbour NSW 2450 | PO Box 533 | DX 7553



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[Quoted text hidden]

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

18 June 2019 at 16:38

To: Jay Clowes <JClowes@fwolaw.com>

Cc: John Watson <JWatson@fwolaw.com>

Dear Jay,

That estimate is acceptable to us. Could you proceed with that work and provide your assessment by 23 July?

[Quoted text hidden]

Jay Clowes <JClowes@fwolaw.com>

18 June 2019 at 16:42

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

Chris,

Will do.

[Quoted text hidden]



BOARD MEETING DATE:

9/08/2019

No 8 Matters for noting and status updates

Item: b

Title: 2020 Meeting Calendar

No of Pages. 2 incl Header

2020 Calendar

	January	February	March	April	May	June	July	August	September	October	November	December
Sunday			1								1	
Monday			2			1	General Synod				2	
Tuesday			3			2	General Synod		1		3	1
Wednesday	1	New Year's Day	4	Buildings and Property Committee	1	3	General Synod	1	Buildings and Property Committee		4	2
Thursday	2	Registry closed	5	2		4	General Synod	2		1	5	Jacaranda Festival
Friday	3	Registry closed	6	3	1	5	General Synod	3	3	Synod	6	3
Saturday	4		7	4	2	6	Special Synod	4	4	Lambeth Conf.	7	4
Sunday	5		8	5	3	7	Trinity Sunday	5	1	Synod	8	5
Monday	6		9	6	4	8	Queen's Birthday	6	2	Lambeth Conf.	9	6
Tuesday	7		10	7	5	9	Holy week	7	3	Lambeth Conf.	10	7
Wednesday	8		11	8	6	10	Holy week	8	4	Finance Committee	11	8
Thursday	9		12	9	7	11	Holy week Last day for motions for special synod	9	5	Ramornie Cup	12	9
Friday	10		13	10	8	12	Good Friday	10	6	Grafton Cup	13	10
Saturday	11		14	11	9	13	Easter Saturday	11	7	Corporate Trustees Synod motions closing date	14	11
Sunday	12		15	12	10	14	Easter Sunday	12	8		15	12
Monday	13		16	13	11	15	Easter Monday	13	9		16	13
Tuesday	14		17	14	12	16	Clergy Retreat	14	10	Finance Committee	17	14
Wednesday	15		18	15	13	17	Finance Committee	15	11	Clergy Retreat	18	15
Thursday	16		19	16	14	18	Clergy Retreat	16	12	ANC Board Senior Clergy Team	19	16
Friday	17		20	17	15	19	AFGD Board	17	13	Joint Corporate Trustees & AFGD Board Meeting	20	17
Saturday	18		21	18	16	20		18	14	Bishop-in-Council	21	18
Sunday	19		22	19	17	21		19	15		22	19
Monday	20		23	20	18	22		20	16		23	20
Tuesday	21		24	21	19	23		21	17		24	21
Wednesday	22		25	22	20	24	ANC Board Senior Clergy Team	22	18	ANC Board Senior Clergy Team	25	22
Thursday	23		26	23	21	25	Buildings and Property Committee	23	19	AFGD Board Meeting	26	23
Friday	24		27	24	22	26	Corporate Trustees	24	20	Lambeth Conf.	27	24
Saturday	25		28	25	23	27	Anzac Day	25	21	LLM Conference	28	25
Sunday	26	Australia Day	29	26	24	28		26	22	LLM Conference	29	26
Monday	27	Australia Day Holiday	30	27	25	29		27	23	Ministry School	30	27
Tuesday	28	Finance Committee	31	28	26	30		28	24	Lambeth Conf. Audit Committee	31	28
Wednesday	29			29	27		Ash Wednesday	29	25	Ministry School		29
Thursday	30			30	28		Corporate Trustees	30	26	Ministry School		30
Friday	31				29		AFGD Board		27	Lambeth Conf.		31
Saturday					30				28	Lambeth Conf.		
Sunday							Pentecost General Synod		29			
Monday									30			
									31			

NSW Government School Holidays



BOARD MEETING DATE:

9/08/2019

No 9 Correspondence

Item: In

Title: Email to Chris Nelson from Emil Ford

No of Pages. 3 incl Header



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

Important Announcement

1 message

David Ford, Emil Ford Lawyers <david.ford@emilford.com.au>
Reply-To: "David Ford, Emil Ford Lawyers" <david.ford@emilford.com.au>
To: Chris <chris.nelson@graftondiocese.org.au>

10 July 2019 at 07:59

[View this email in your browser](#)

Dear Chris

The partners of Emil Ford Lawyers have decided to move our practices to firms that better support and develop the areas in which each of us practise. From 29 July 2019, I will be a partner at Carroll & O'Dea Lawyers while Garry Pritchard, Fred Chilton and Nigel Russell will be joining Toomey Pegg, Lawyers.

If we are currently doing work for you, we will be in touch with you separately about those matters.

If we are currently holding documents for you in safe custody, your documents will be taken to Carroll & O'Dea Lawyers. Please let us know if you would prefer to make other arrangements.

Our new contact details will be:

David Ford

Carroll & O'Dea Lawyers
Level 18, 111 Elizabeth Street
Sydney NSW 2000
02 9291 7134
dford@codea.com.au

Garry Pritchard, Fred Chilton, Nigel Russell

Toomey Pegg Lawyers
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Regards,

David

David C Ford
Partner
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BOARD MEETING DATE:

9/08/2019

No 9 Correspondence

Item: Out

Title: Letter to AFSA 28 May 2019

No of Pages. 3 incl Header

Tuesday, 28 May 2019

Mr Blaine Fitzgerald
Head
Anglican Funds South Australia
18 King William Road
North Adelaide SA 5006

Anglican Funds South Australia (AFSA) and Anglican Funds Grafton Diocese (AFGD)

Dear Blaine,

Thank you for your letter of 21 May 2019 clarifying aspects of the offer of expanded service agreement between AFSA and AFGD.

On 23 May 2019, there were meetings of the AFGD Board and the Corporate Trustees of the Diocese of Grafton. Arising from those meetings were:

- Acceptance in principle of the "Expanded Service Agreement" with a planned commencement date of 1 July 2019; and
- Agreement that AFGD and AFSA will work together over the next 12 months on a proposal where AFSA takes on the AFGD business as part of its Fund.

While the above are listed separate issues, both the Corporate Trustees and the AFGD Board see them as interrelated to the extent that the Expanded Service Agreement is seen not as an end-point but as an interim arrangement before the preferred solution can be put in place

We would welcome development of a Memorandum of Understanding (MOU) to cover the Expanded Service Agreement (ESA). It is the AFGD Board's expectation that the operation of the service agreement will make it unnecessary for the AFGD Board to fill the vacant AFGD Fund Manager position. Could you please draft a MOU for AFGD to consider?

The Chair of the AFGD Board, Mr David Ford, and I are available to meet with you and members of the AFSA Board and Diocese of Adelaide management on either the afternoon of Thursday 13 June or the morning of Friday 14 June. We foresee that meeting as an opportunity to discuss and finalise the ESA MOU. We also foresee that meeting as a way of developing a timeline toward a mutually acceptable proposal for the incorporation of the AFGD Fund into the AFSA Fund.

If neither of those times are suitable for gathering representatives of the AFSA Board, could you please propose some other times for us to consider?

Finally, I refer to the aspect of the ESA where up to \$8 million of Corporate Trustees funds held by AFGD can be placed into the AFSA Endowment Fund with AFSA providing replacement funds in AFGD. The Corporate Trustees thanks AFSA for that facility and advises that they will consider the offer after obtaining further advice on its investment portfolio. A staged take up of the offer is possible.

I look forward to hearing from you regarding the MOU and arrangements for a meeting in Adelaide.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Chris Nelson".

Chris Nelson
Registrar/General Manager
Anglican Diocese of Grafton

cc: Mr David Ford, Chair – Anglican Funds Grafton Diocese



BOARD MEETING DATE:

9/08/2019

No 9 Correspondence

Item: Out

Title: Letter to AFSA 27 June 2019

No of Pages. 2 incl Header

Thursday, 27 June 2019

Mr Blaine Fitzgerald
Head
Anglican Funds South Australia
18 King William Road
North Adelaide SA 5006

**Anglican Funds South Australia (AFSA) and Anglican Funds Grafton Diocese (AFGD)
– Expanded Service Agreement**

Dear Blaine,

I write to confirm that Anglican Funds Grafton Diocese (AFGD) are seeking to finalise the Expanded Service Agreement (ESA) with Anglican Funds South Australia (AFSA) as soon as possible. The major aspects of the ESA have been agreed and the remaining work is to finalise the wording of some clauses and to obtain official approval.

In consideration of the above, and that the ESA is intended to operate from 1 July 2019, AFGD would welcome commencement of services by AFSA in line with the ESA as proposed from 1 July 2019 on the basis that AFSA has the necessary professional indemnity insurance in place. This work will be recompensed at the rate set out in the proposed ESA and AFGD will honour its legal undertakings as if the ESA were in place.

If in the unlikely event that the ESA is not formally agreed, AFGD will meet its financial obligations for the period from 1 July 2019 until cessation of activities.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Chris Nelson", written over a horizontal line.

**Chris Nelson
Registrar/General Manager
Anglican Diocese of Grafton**

cc: Mr David Ford, Chair – Anglican Funds Grafton Diocese